Reliance
Industries Limited
Growth is Life

Annual Report 2009-2010

Think Growth. Think Transformation. Think Reliance.





Growth creates aspirations.

Growth gives hope.

Growth brings happiness.

Growth that is transformational leads to the evolution of civilisations.

After all, Growth is Life.

The pursuit of this growth has led to the creation of India's largest private sector enterprise.

Our founder chairman, Shri Dhirubhai H. Ambani relentlessly pursued this mantra in giving shape to his grand vision for India.

A vision in which there were no limitations of scale or ability.

This legacy is being ably taken forward by our chairman, Shri Mukesh D. Ambani.

Under his leadership, we continue to demonstrate growth that has a transformational impact and touches the lives of millions of people.

We are now making a substantial contribution to the nation as an engine of economic growth.

We are transforming the energy space through transformational growth in natural gas, investment in exploration assets, significant expansion of the petrochemical business as well as by setting up complex refineries and creating Jamnagar as the largest energy hub globally.

We are also transforming consumption opportunities through our retail foray with significant investments in back-end logistics to give great value to millions of farmers and consumers alike.

At Reliance, growth that has the ability to transform lives, matters and at every stage of our growth, we add value for you, our stakeholders.

Think Growth. Think Transformation.
Think Reliance.

Letter to Shareholders

Dear Fellow Shareowners,

In 2009-10, Reliance Industries Limited (RIL) delivered yet another sterling performance across several financial and operating indicators. Strategic investments, robust business plans, sound management practices that adapted rapidly to the changing environment and the contribution of our employees have collectively resulted in the Company performing exceedingly well.

Our investments in the KG-D6 block and the new refinery at Jamnagar performed true to promise. The timely completion of the new SEZ refinery and KG-D6 block and their safe & stable ramp-up are historic accomplishments for the Company. These projects have made a significant contribution in shaping the earnings of RIL and will also play a vital role in changing the energy landscape in India.

Within a year of start-up, we ramped up production at KG-D6 and supplied over 512 billion cubic feet of natural gas to the Nation. This was achieved through uninterrupted operations spanning 365 days with a production level that now exceeds 60 MMSCMD of natural gas and over 35,000 barrels of crude oil per day. This achievement is without parallel in deepwater gas production systems globally.

Increased availability of natural gas has resulted in higher volume and cheaper cost of indigenously produced fertilisers, thereby saving the country of Rs. 4,000 crore p.a. in subsidies. It has also resulted in a significant improvement of 30% in gas-based power generation in the country and the replacement of more expensive liquid fuel for refining, steel and petrochemical industries.

The new SEZ refinery at Jamnagar created another global benchmark by achieving a peak operating rate of 120%. All key units at the refinery complex consistently operated well beyond their design capacity and high-quality products were placed in several discerning markets all over the world.

Our petrochemical business delivered record growth and margins reflecting the resilience of the Indian economy. The new Polypropylene facility of 0.9 million tonnes at Jamnagar also achieved full utilisation level within a short span of time and products were successfully placed in global markets.

All of this was achieved in a year when the world felt the acute effects of the global recession. Oil demand also experienced its steepest drop for the last two decades.

RIL achieved a record turnover exceeding Rs. 200,000 crore ($ 44.6 billion) and net profit increased to Rs. 16,236 crore ($ 3.6 billion). To us, what we have achieved in these troubled times epitomises the core of RIL's success as an industrial company globally. Doing things big. Doing things right. And doing things fast.

Closer home, we remain committed to our goal of enriching the Indian consumer's shopping experience, and providing quality merchandise at an attractive value proposition. Reliance Retail Limited operates over 1,000 stores spanning the 'value' and 'specialty' segments; in more than 85 cities in India, with a total area of more than 4.4 million square feet.

From supplying specialty polyesters that provide health care to individuals; to producing fabrics that protect our brave jawans against the vagrancies of weather; to supplying petroleum products that move Indians closer home; to producing clean, environmentally friendly natural gas that helps enrich farmers and bring light to more homes than ever before; to manufacturing polymers that help bring hygienic drinking water to being the preferred supplier of healthy, fresh food and vegetables; Reliance is in businesses that touch the lives of more fellow Indians in more ways than ever before. RIL is uniquely positioned to benefit from the India growth story even as more Indians prosper and India takes its rightful place as a leading global economy.

We continued to leverage our expertise in project execution, skills in exploration and production and financial management towards increasing our exposure to high potential prospects internationally. As a step in this direction, RIL entered into a joint venture with Atlas Energy, Inc. to acquire a 40% interest in Atlas's core Marcellus shale acreage position in the USA. RIL has become a partner in approximately 300,000 net acres of undeveloped leasehold in the core area of the Marcellus shale region.

Our goal is to make RIL one of the most innovative companies in the world and to achieve breakthrough growth in revenues and profits by creating and implementing sustainable solutions. We are developing an innovative ecosystem that builds on organisational systems and processes, talent management and world-class R&D facilities.

Sustainability of RIL's growth is intricately tied to India's social and economic development. We have a long and strong tradition of supporting the larger communities that we connect with – from education, health, drinking water, large-scale development of employable skills, to assistance during natural calamities. We strongly believe that we can, and should do more. We also believe that this effort has to bring into play RIL's strengths of strategic planning, meticulous detailing and flawless execution on a large format. With these perspectives, we have established 'The Reliance Foundation'.

We will continue to follow our successful strategy and actively shape our future. We will focus on improving our portfolio, increasing efficiency, product innovation and expanding our businesses in order to get closer to key markets. With this strategy, we can offer our customers best products and solutions and secure our position as a leading integrated energy and chemicals company. With economic recovery, global demand for energy will resume its growth, in step with rising population and growing economies of the developing countries.

I am grateful to the Board of Directors for their unwavering support and guidance. I also take this opportunity to express my gratitude to all our stakeholders, who have reposed trust in us and extended their constant support.

With best wishes,
Sincerely,

Mukesh D. Ambani
Chairman & Managing Director

May 12, 2010

"Our goal is to make RIL one of the most innovative companies in the world and to achieve breakthrough growth in revenues and profits by creating and implementing sustainable solutions."

THE BOARD OF DIRECTORS OF RELIANCE INDUSTRIES LIMITED

Standing from left to right: *Shri P.M.S. Prasad, Prof. Dipak C. Jain, Shri Nikhil R. Meswani, Dr. Dharam Vir Kapur, Shri Ramniklal H. Ambani, Shri Mansingh L. Bhakta, Shri Mukesh D. Ambani, Shri Yogendra P. Trivedi, Shri Mahesh P. Modi, Shri Hital R. Meswani, Prof. Ashok Misra, Dr. Raghunath Anant Mashelkar and Shri Pawan Kumar Kapil.*

HIGHLIGHTS

Turnover	:	Rs. 2,00,400 crore ($ 44,632 million)
PBDIT	:	Rs. 33,041 crore ($ 7,359 million)
Cash Profit	:	Rs. 27,933 crore ($ 6,221 million)
Net Profit	:	Rs. 16,236 crore ($ 3,616 million)
Net Profit 10 years CAGR	:	21%
Total Assets	:	Rs. 2,51,006 crore ($ 55,903 million)

Significant contribution to India's economic growth

- 14.5% of India's total exports
- 5.6% of the Government of India's indirect tax revenues
- 5.7% of the total market capitalisation in India
- Weightage of 12.8% in the BSE Sensex
- Weightage of 10.6% in the S&P CNX Nifty Index

Growing importance across the globe

- Largest refining capacity at any single location
- Largest producer of Polyester Fibre and Yarn
- 4th largest producer of Paraxylene (PX)
- 5th largest producer of Polypropylene (PP)
- 7th largest producer of Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG)

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Major Products and Brands

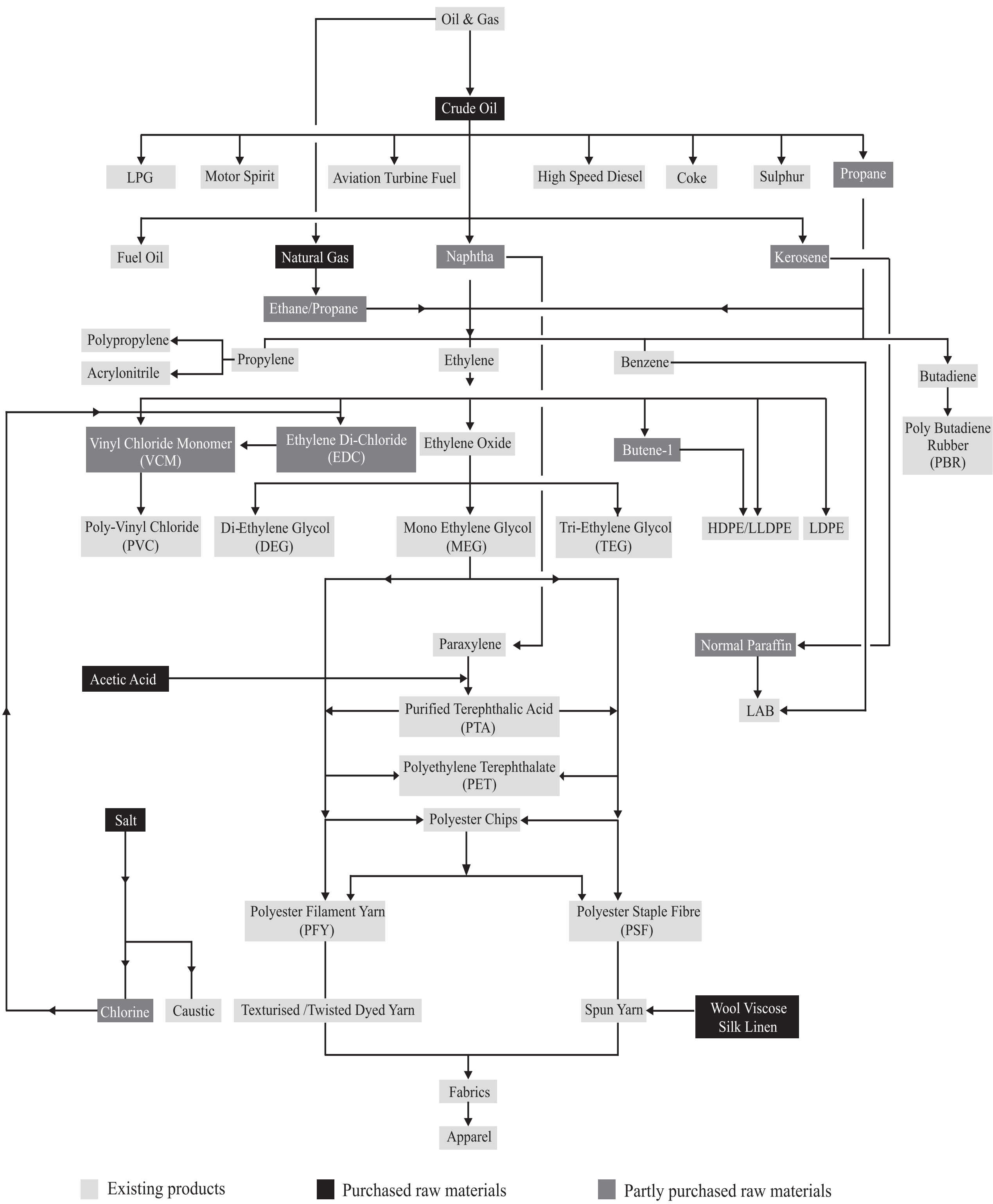
Business/ Brand	Product	Brand	End Uses
Exploration & Production	Crude Oil and Natural Gas		Refining, power, fertilisers, petrochemicals and other industries
Refining	Liquefied Petroleum Gas (LPG)	Reliance Gas	Domestic and industrial fuel
	Propylene		Feedstock for polypropylene
	Naphtha		Feedstock for petrochemicals such as ethylene, propylene & fertilisers, etc. and as fuel in power plants
	Gasoline		Transport fuel
	Jet / Aviation Turbine Fuel	Reliance Aviation	Aviation fuel
	Superior Kerosene Oil		Domestic fuel
	High Speed Diesel		Transport fuel
	Sulphur		Feedstock for fertilisers and pharmaceuticals
	Petroleum Coke		Fuel for power plants and cement plants
Petrochemicals - Polymers			
Repol	Polypropylene (PP)	REPOL	Woven sacks for cement, food-grain, sugar, fertiliser; leno bags for fruits & vegetables, TQ & BOPP films and containers for packaging textiles, processed food, FMCG, office stationery; components for automobile and consumer durables, moulded furniture, luggage, houseware, geo-textiles & fibres for non-woven textiles.
Relene	Polyethylene (HDPE, LLDPE & LDPE)	RELENE	Woven sacks, raschel bags for fruits & vegetables, containers for packaging edible oil, processed food, FMCG, lubricants, detergents, chemicals, pesticides, industrial crates & containers, carrier bags, houseware, ropes & twines, pipes for water supply, irrigation, process industry & telecom; films for packaging milk, edible oil, salt, processed food, roto-moulded containers for storage of water, chemical storage and general purpose tanks, protective films and pipes for agriculture, cable sheathing, lids & caps, master batches.
	Ethylene Vinyl Acetate Copolymer (EVA)	RELENE EVA	Footwear & hotmelt adhesives
Reon	Polyvinyl Chloride (PVC)	REON	Pipes & fittings; door & window profiles, insulation & sheathing for wire & cables, rigid bottles & containers for packaging applications, footwear, flooring, partitions, roofing, I.V. fluid & blood bags.
Relpipe	Poly-Olefin (HDPE & PP) Pipes	RELPIPE	Irrigation, water supply, drainage, industrial effluents, telecom cable ducts & gas distribution.
Cisamer	Poly Butadiene Rubber (PBR)	Cisamer	Tyres, tread rubber, conveyor belts, footwear, sports goods, automotive components, rollers, mechanical goods & dock fenders
Chemicals			
Relab	Linear Alkyl Benzene (LAB)	RELAB	Detergents

Business/ Brand	Product	Brand	End Uses
Petrochemicals - Polyester & Fibre Intermediates			
	Paraxylene (PX)		Raw material for PTA
	Purified Terephthalic Acid (PTA)		Raw material for polyester
	Mono Ethylene Glycol (MEG)		Raw material for polyester
Recron	Staple Fibre Filament Yarn Texturised Yarn Twisted / Dyed Yarn	Recron	Apparel, home textile, industrial sewing thread, automotive upholstery, carpets, canvas, luggage, spunlace & non-woven fabrics
Recron Stretch	Stretch yarns for comfortable fit and freedom of movement	Recron Stretch	Blouse material, denim, shirting, suiting, dress material, T-shirt, sportswear, swimwear, medical bandages & diapers
Recron Cotluk	Cotton Look, Cotton Feel Yarns	Recron Cotluk	Dress material, shirting, suiting, furnishing fabric, curtain & bed sheet
Recron Dyefast	Can dye at boiling water temperature with high colour fastness	Recron Dyefast	Ladies outerwear, feather yarn for knitted cardigan, decorative fabric & home furnishing
Recron Superblack	Dope dyed black with high consistency in shade	Recron Superblack	Apparel, automotive, non-woven & interlining
Recron Superdye	Bright, brilliant colours and soft feel, low pill	Recron Superdye	Woven & knitted apparel, furnishing & home textile
Recron Kooltex	Moisture management yarns	Recron Kooltex	Active sports and high performance wear
Recron Fibrefill	Hollow fibres with high bounce and resilience	Recron Fibrefill	Pillows, cushions, quilts, mattresses, furniture, toys & non-wovens
Recron 3S	Secondary Reinforcement Produts	Recron 3s	Construction industry (concrete/mortar), cement (sheet & pipe), paper industry (conventional & speciality), battery industry, wetlaid industry (wall papers, filtration, wipes & hygiene products)
Recron Certified	Quality Certified Sleep Products	Recron Certified	Pillows, cushions, blankets & quilts
Recron Low Pill	Polyester Tow & Staple Fibre with unique low pill properties	Recron LP	High-end worsted suitings, upholstery fabrics & socks
Recron FeelFresh	Anti microbial fibres & yarns	Recron FeelFresh	Active sportswear, Intimate apparel, socks, home furnishings & garments used in healthcare industry
Recron Micrelle	Bi-component filament yarns	Recron Micrelle	Super soft and ultra comfortable fabrics
Recron Recrobulk	Hi-bulk fibres for soft-feel & warmth	Recron Recrobulk	Sweaters, pullovers, cardigans, shawls & jackets
Recron Green	Eco-friendly fibres made from 100% post-consumer polyester waste	Recron Green	Apparel & home textiles
Recron Spunlace	Speciality polyester fibres	Recron Spunlace	High quality non-woven products for the healthcare & hygiene industry

Business/ Brand	Product	Brand	End Uses
Petrochemicals - Polyester & Fibre Intermediates			
Recron Swarang	Pre-coloured yarns based on chromopohores-molecular technology	Recron Swarang	Apparel, home textiles & institutional products requiring high washing, sublimation & rubbing colour fastness.
Recron FR	Flame retardant Fibres & Yarns	Recron FR	Institutional textiles for hospitality, entertainment, transport, safety etc. Also used in home textiles, fill & comfort products.
Recron Duratarp	Polyester Fibres with increased abrasion resistance for better water proof, tear proof and fade- proof qualities	Recron DURATARP	Tarpaulin, Tents & Awnings
Recron Safeband	Structurally modified polyester fibre with antimicrobial and antifungal properties surgical dressings	Recron Safeband	Crepe and Rolled Bandages
Relpet	Polyethylene Terephthalate (PET)	relpet	Packaged-water, beverages, confectionary, pharmaceutical, agro-chemical and food products
Textiles			
Vimal	Suitings, Shirtings, Readymade Garments	VIMAL A RELIANCE PRODUCT PREMIUM SUITING, SHIRTING & APPAREL	Fabrics, suits, jackets, shirts & trousers
Vimal Gifting	Ready-to-stitch, take away fabric in gift packs	VIMAL Gifting	Fabrics
V2	Ready-to-stitch, Take away fabric	V2 VIMAL	Fabrics
Retail			
	Reliance Retail	Reliance RETAIL	Organised retail
	Food & Grocery Specialty Store	Reliancefresh	Fresh vegetables, grocery, general and convenience merchandise
	Mini Hypermarket	RelianceSuper	Grocery, clothing, leisure, beauty and style, electronics and home merchandise
	Hypermarket	RelianceMART	Grocery, clothing, leisure, beauty and style, electronics, home merchandise, furniture and jewellery
	Electronics Specialty Store	Reliancedigital	Computers, mobiles, entertainment, gaming merchandise
	Exclusive Apple Store	iStore by Reliancedigital	Range of Apple products like IPod and IMac
	Apparel Specialty	Reliance trends	Men, ladies, children clothing and accessories

Business/ Brand	Product	Brand	End Uses
	Health, Wellness & Pharma Specialty Store	Reliance wellness	Pharma, opticals, natural remedies, nutrition, fitness, skin and personal care merchandise
	Footwear Specialty Store	Reliance footprint	Men, ladies, children footwear, sports, handbags and accessories
	Jewellery Specialty Store	Reliance Jewels	Fine jewellery
	Books, Music, Toys & Gifts Specialty Store	Reliance TimeOut	Books, music, stationery, toys and gifting merchandise
	Kitchen Solutions Specialty Store	Reliance HOME KITCHENS	Multiple modern kitchen design solutions
	Furniture, Furnishing & Homeware Specialty Store	Reliance living	Design-led furniture sets for the home & home-office, home furnishings, home decor, crockery, cutlery, glassware, cookware and kitchen aids
	Automotive Services & Products Specialty Store	Reliance Autozone	Repair & maintenance services for 2 & 4 wheelers, wide range of tyres, batteries & other automotive accessories
	Transportation fuels	Reliance Petroleum Retail	
	Fleet Management Services	Reliance Trans-Connect Fleet Management Programme	
	Highway Hospitality Services	A1 Plaza	
	Vehicle Care Services	R-Care Vehicle Care Services	
	Convenience Shopping	Qwik mart Convenience Shopping	
	Foods	Refresh	
	Auto LPG	AUTO LPG THE GREEN FUEL	
GAPCO	Petroleum Retail	GAPCO	
	Lubricants	RELSTAR	

Product Flow Chart



Company Information

Board of Directors

Chairman & Managing Director

Mukesh D. Ambani

Executive Directors

Nikhil R. Meswani
Hital R. Meswani
Hardev Singh Kohli[1]
P.M.S. Prasad[2]
R Ravimohan[3]
Pawan Kumar Kapil[4]

Non Executive Directors

Ramniklal H. Ambani
Mansingh L. Bhakta
Yogendra P. Trivedi
Dr. Dharam Vir Kapur
Mahesh P. Modi
S. Venkitaramanan[5]
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. Raghunath A. Mashelkar

Company Secretary

Vinod M. Ambani

Solicitors & Advocates

Kanga & Co.

Auditors

Chaturvedi & Shah,
Deloitte Haskins & Sells
Rajendra & Co.

[1]upto March 31, 2010
[2]w.e.f. August 21, 2009
[3]from September 1, 2009 to December 28, 2009
[4]w.e.f. May 16, 2010
[5]upto July 24, 2009

Board Committees

Audit Committee

Yogendra P. Trivedi (Chairman)
Mahesh P. Modi
Dr. Raghunath A. Mashelkar

Corporate Governance and Stakeholders' Interface Committee

Yogendra P. Trivedi (Chairman)
Mahesh P. Modi
Dr. Dharam Vir Kapur

Employees Stock Compensation Committee

Yogendra P. Trivedi (Chairman)
Mukesh D. Ambani
Mahesh P. Modi
Prof. Dipak C. Jain

Finance Committee

Mukesh D. Ambani (Chairman)
Nikhil R. Meswani
Hital R. Meswani

Health, Safety & Environment Committee

Hital R. Meswani
Dr. Dharam Vir Kapur
Pawan Kumar Kapil

Remuneration Committee

Mansingh L. Bhakta (Chairman)
Yogendra P. Trivedi
Dr. Dharam Vir Kapur

Shareholders'/Investors' Grievance Committee

Mansingh L. Bhakta (Chairman)
Yogendra P. Trivedi
Nikhil R. Meswani
Hital R. Meswani

Bankers

ABN Amro
Allahabad Bank
Andhra Bank
Bank of America
Bank of Baroda
Bank of India
Bank of Maharashtra
Calyon Bank
Canara Bank
Central Bank of India
Citibank N.A
Corporation Bank
Deutsche Bank
The Hong Kong and Shanghai Banking Corporation Limited
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
Indian Bank
Indian Overseas Bank
Oriental Bank of Commerce
Punjab National Bank
Standard Chartered Bank
State Bank of Hyderabad
State Bank of India
State Bank of Patiala
Syndicate Bank
Union Bank of India
Vijaya Bank

Major Plant Locations

Dahej
P. O. Dahej,
Bharuch - 392 130
Gujarat, India

Gadimoga
Tallarevu Mandal
East Godavari District
Gadimoga – 533 463
Andhra Pradesh, India

Hazira
Village Mora, Bhatha
P.O.Surat-Hazira Road
Surat 394 510,
Gujarat, India

Jamnagar
Village Meghpar / Padana,
Taluka Lalpur
Jamnagar 361 280
Gujarat, India

Jamnagar SEZ
Village Meghpar / Padana,
Taluka Lalpur
Jamnagar 361 280
Gujarat, India

Nagothane
P. O. Petrochemicals
Township, Nagothane
Raigad - 402 125,
Maharashtra, India

Patalganga
B-4, Industrial Area,
Patalganga, Near Panvel,
Dist. Raigad 410 207
Maharashtra, India

Vadodara
P. O. Petrochemicals
Vadodara - 391 346,
Gujarat, India

Registered Office

3rd Floor, Maker Chambers IV
222 Nariman Point, Mumbai 400 021, India
Tel: +91 22 2278 5000 Fax: +91 22 2278 5111
e-mail: investor_relations@ril.com
Website : www.ril.com

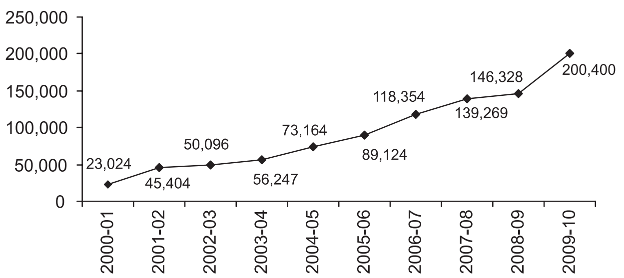
Registrars & Transfer Agents

Karvy Computershare Private Limited, 46, Avenue 4,
Street No.1, Banjara Hills, Hyderabad 500 034, India
Tel: +91 40 2332 0666, 2332 0711, 2332 3031, 2332 3037
Toll Free No. 1800 425 8998 Fax: +91 40 2332 3058
e-mail: rilinvestor@karvy.com Website : www.karvy.com

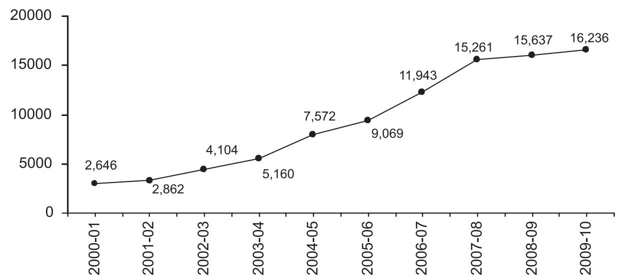
36th Annual General Meeting on Friday, June 18, 2010 at 11.00 a.m.
at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai 400 020.

10 Years Trend

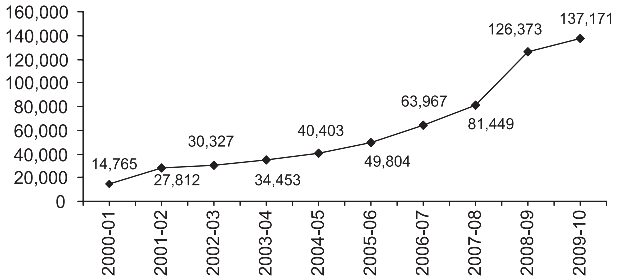
Turnover (Rs. crore)



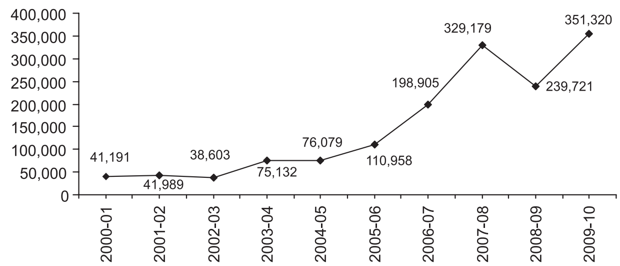
Profit After Tax (Rs. crore)
(Excluding Exceptional Item)



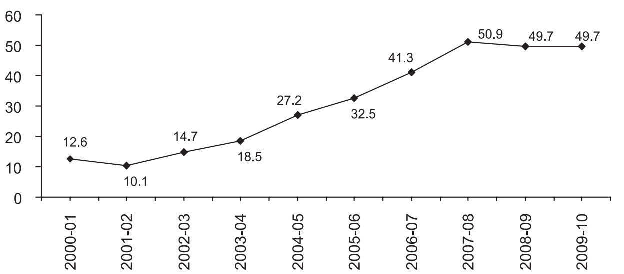
Net Worth (Rs. crore)



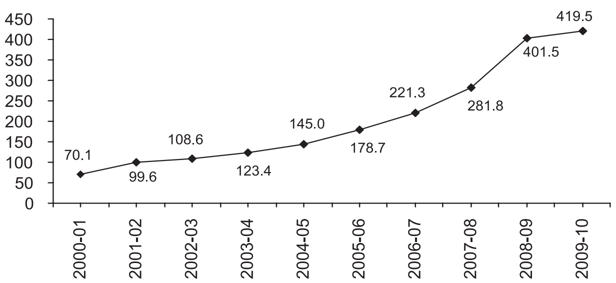
Market Capitalisation (Rs. crore)



Earnings Per Share (Rs.)*
(Excluding Exceptional Item)



Book Value Per Share (Rs.)*



* Normalised on account of issue of Bonus Share in the ratio of 1:1 in 2009-10

Financial Highlights

Rs. in crore

	2009-10 $ Mn	2009-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02	00-01
Turnover	44,632	200,400	146,328	139,269	118,354	89,124	73,164	56,247	50,096	45,404	23,024
Total Income	45,180	202,860	148,388	144,898	118,832	89,807	74,614	57,385	51,097	46,186	23,407
Earnings Before Depreciation, Interest and Tax (EBDIT)	7,359	33,041	25,374	28,935	20,525	14,982	14,261	10,983	9,366	8,658	5,562
Depreciation	2,338	10,497	5,195	4,847	4,815	3,401	3,724	3,247	2,837	2,816	1,565
Exceptional Items	-	-	(370)	4,733	-	-	-	-	-	412	-
Profit After Tax	3,616	16,236	15,309	19,458	11,943	9,069	7,572	5,160	4,104	3,243	2,646
Equity Dividend %*		70	130	130	110	100	75	52.5	50	47.5	42.5
Dividend Payout	464	2,084	1,897	1,631	1,440	1,393	1,045	733	698	663	448
Equity Share Capital	728	3,270	1,574	1,454	1,393	1,393	1,393	1,396	1,396	1,054	1,053
Equity Share Suspense Account	-	-	69	-	60	-	-	-	-	342	-
Equity Share Warrants	-	-	-	1,682	-	-	-	-	-	-	-
Reserves and Surplus	29,822	133,901	124,730	78,313	62,514	48,411	39,010	33,057	28,931	26,416	13,712
Net Worth	30,550	137,171	126,373	81,449	63,967	49,804	40,403	34,453	30,327	27,812	14,765
Gross Fixed Assets	50,780	228,004	218,673	127,235	107,061	91,928	59,955	56,860	52,547	48,261	25,868
Net Fixed Assets	36,837	165,399	169,387	84,889	71,189	62,675	35,082	35,146	34,086	33,184	14,027
Total Assets	55,903	251,006	245,706	149,792	117,353	93,095	80,586	71,157	63,737	56,485	29,875
Market Capitalisation	78,245	351,320	239,721	329,179	198,905	110,958	76,079	75,132	38,603	41,989	41,191
Number of Employees		23,365	24,679	25,487	24,696	12,540	12,113	11,358	12,915	12,864	15,083
Contribution to National Exchequer	4,003	17,972	11,574	13,696	15,344	15,950	13,972	12,903	13,210	10,470	4,277

Key Indicators

	$	2009-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02	00-01
Earnings Per Share - Rs.* [excluding Exceptional item]	1.1	49.7	49.7	105.3	82.2	65.1	54.2	36.8	29.3	20.6	25.1
Turnover Per Share - Rs.*	13.7	612.9	464.9	958.1	814.2	639.6	525.0	402.8	358.8	325.2	218.5
Book Value Per Share - Rs.*	9.3	419.5	401.5	560.3	440.0	357.4	289.9	246.7	217.2	199.2	140.1
Debt : Equity Ratio		0.46:1	0.63:1	0.45:1	0.44:1	0.44:1	0.46:1	0.56:1	0.60:1	0.64:1	0.72:1
EBDIT / Gross Turnover %	16.5	16.5	17.3	20.8	17.3	16.8	19.5	19.5	18.7	19.1	26.8
Net Profit Margin %	8.1	8.1	10.5	14.0	10.1	10.2	10.3	9.2	8.2	7.1	12.8
RONW % **	16.4	16.4	21.6	28.8	23.5	22.7	21.9	17.0	14.8	16.1	20.0
ROCE % **	13.9	13.9	20.3	20.3	20.5	20.5	21.3	14.0	13.2	15.3	20.4

In this Annual Report $ denotes US$

1US$ = Rs. 44.90 (Exchange rate as on 31.03.2010)

* After consideration of issue of bonus shares in 2009-10 in the ratio of 1:1

** Adjusted for CWIP and revaluation

Notice

Notice is hereby given that the Thirty-sixth Annual General Meeting of the members of Reliance Industries Limited will be held on Friday June 18, 2010 at 11.00 a.m., at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, to transact the following businesses :

Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at March 31, 2010, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint Directors in place of those retiring by rotation.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT M/s. Chaturvedi & Shah, Chartered Accountants, (Registration No. 101720W) M/s. Deloitte Haskins and Sells, Chartered Accountants (Registration No. 117366W) and M/s. Rajendra & Co., Chartered Accountants (Registration No. 108355W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

Special Business:

5. To appoint Shri Pawan Kumar Kapil as a Director liable to retire by rotation and also as a Wholetime 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 an **Ordinary Resolution:**

   "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Pawan Kumar Kapil, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 135 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.

   RESOLVED FURTHER THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the appointment of Shri Pawan Kumar Kapil as a Wholetime Director designated as Executive Director of the Company, for a period of 3 (three) years with effect from May 16, 2010 on the terms and conditions including remuneration as set out in the Explanatory 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 any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) 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."

By Order of the Board of Directors

Vinod M. Ambani
President and Company Secretary

May 12, 2010

Registered Office:
3rd Floor, Maker Chambers IV,
222 Nariman Point,
Mumbai 400 021, India
e-mail : investor_relations@ril.com

Notes :

1. **A member entitled to attend and vote at the annual general meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. In terms of Article 155 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Shri Hital R. Meswani, Shri Mahesh P. Modi, Dr. Dharam Vir Kapur, Dr. Raghunath A. Mashalkar, Directors, retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commends their respective re-appointments.
4. Brief resume of all Directors including those proposed to be appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
5. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, 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 are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
9. (a) The Company has already notified closure of Register of Members and Share Transfer Books from Wednesday, May 12, 2010 to Wednesday, May 19, 2010 (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 paid on or after June 18, 2010 to those members whose names shall appear on the Company's Register of Members on May 11, 2010; 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 Registrars cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
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 of address immediately to the Company/Registrar and Share Transfer Agents, M/s. Karvy Computershare Private Limited.
12. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial years 1995-96 to 2001-02, to the **Investor Education and Protection Fund** (the IEPF) established by the Central Government.
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 the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the company's website www.ril.com under the section 'Investor Relations'.
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. 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.
17. **Members are advised to refer to the Shareholders' Referencer provided in the Annual Report.**
18. **Members are requested to fill in and send the Feedback Form provided in the Annual Report.**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

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

Item No. 5

The Board of Directors of the Company (the 'Board'), at its meeting held on May 11, 2010 appointed Shri Pawan Kumar Kapil as an additional director effective May 16, 2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 (the 'Act') read with Article 135 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Shri Pawan Kumar Kapil would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith deposit of Rs. 500/- for proposing the candidature of Shri Pawan Kumar Kapil for the office of Director of the Company under the provisions of Section 257 of the Act.

Shri Pawan Kumar Kapil is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Shri Pawan Kumar Kapil, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Further, the Board also appointed, subject to the approval of Members, Shri Pawan Kumar Kapil as Wholetime Director, designated as Executive Director of the Company, for a period of three years with effect from May 16, 2010.

It is proposed to seek Members' approval for the appointment of and remuneration payable to Shri Pawan Kumar Kapil as Wholetime Director, designated as Executive Director, in terms of the applicable provisions of the Act.

Broad particulars of the terms of appointment of and remuneration payable to Shri Pawan Kumar Kapil are as under:

		per annum (Rs in Crores):
(a)	**Salary**	**0.50**
(b)	**Perquisites & Allowances**	**0.75**

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; medical insurance and such other perquisites and / or allowances. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income-tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. The Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income-tax law, and gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income-tax law shall not be included for the purpose of computation of the overall ceiling of remuneration. Annual increment in salary and perquisites and remuneration by way of incentive /bonus payable to Shri Pawan Kumar Kapil as may be determined by the Board and / or the Remuneration Committee of the Board, is not to be included for the purpose of computation of the aforesaid ceiling of remuneration provided that such payment shall be within the overall ceiling of remuneration permissible under the Act. It is clarified that Employee Stock Options granted / to be granted to Shri Pawan Kumar Kapil from time to time, are not to be included for the purpose of computation of the overall ceiling of remuneration.

(b) Commission:

No commission is proposed to be paid to Shri Pawan Kumar Kapil.

(c) Reimbursement of Expenses:

Reimbursement of expenses incurred for travelling, board and lodging including for their spouse and attendant(s) during business trips; provision of car for use on the Company's business; telephone expenses at residence and club membership shall be reimbursed and not considered as perquisites.

(d) General:

(i) The office of Wholetime Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

(ii) The employment of Wholetime Director may be terminated by the Company without notice or payment in lieu of notice:

- if the Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required to render services; or
- in the event of any serious repeated or continuing breach or non-observance by the Director of any of the stipulations contained in the terms of employment with the Company; or
- in the event the Board expresses its loss of confidence in the Director.

(iii) Upon termination by whatever means of the Wholetime Director's employment:

- The Director shall immediately tender his resignation from the office as Director of the Company and from such other offices held by him in the Company, in any subsidiary and associate company and other entities without claim for compensation for loss of office,
- The Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiary or associate company.

(iv) The Wholetime 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 his functions will be under the overall authority of the Chairman & Managing Director.

(v) The Wholetime Director shall adhere to the Company's Code of Business Conduct and Ethics for Directors and Management personnel.

Shri Pawan Kumar Kapil satisfies all the conditions set out in Part-I of Schedule XIII to the Act for being eligible for the appointment.

The above may be treated as an abstract of the terms of appointment of Shri Pawan Kumar Kapil under Section 302 of the Act.

Shri Pawan Kumar Kapil is interested in the Resolution as set out at Item No. 5 of the Notice which pertains to his appointment and remuneration payable to him. Save and except Shri Pawan Kumar Kapil none of the other Directors of the Company is, in any way, concerned or interested in the Resolution.

The Board commends the Resolution as set out at Item No. 5 of the Notice for your approval.

By Order of the Board of Directors

Vinod M. Ambani
President and Company Secretary

May 12, 2010

Registered Office:
3rd Floor, Maker Chambers IV,
222 Nariman Point,
Mumbai 400 021, India
e-mail : investor_relations@ril.com

Management's Discussion and Analysis

Forward-looking Statements

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

Overview

The Mantra of Value Creation

During the past one year, Reliance Industries Limited (RIL) has commissioned two of the largest projects of global scale in the energy sector. This was achieved in a period defined by significantly high capital costs, global shortage of financial capital and a resource constraint for large scale projects. The commissioning of these projects has created several milestones in RIL's corporate history. As always, RIL shareholders will be the first to reap the benefits of the commissioning of the oil and gas, and petroleum refining facilities. The issuance of bonus shares continues RIL's tradition of rewarding shareholders on a consistent basis. RIL continued to receive global acknowledgement for its achievements during the year. The Company was recently rated by the Boston Consulting Group as the fifth most sustainable value creator globally. The rating also recognises that RIL's value creation is balanced and well-distributed among all the stakeholders of the Company. Also, RIL is the only Indian company in the list of the top 25 companies in the world.

For the fifth consecutive year, RIL has featured in the Fortune Global 500 list of the world's largest corporations. RIL's current rankings are as follows:

- 264 based on Sales
- 117 based on Profits

Other achievements include:

- RIL, ranked at the 11th position, was the only Indian company in the 25 A. T. Kearney Global Champions for 2009.
- The Exploration and Production (E&P) division won the 'Best Project of the Year 2009' award for KG-D6 Block Deepwater (D1/D3) Gas Fields Development Project Kakinada, East coast of India from the Project Management Institute, India in 2009.

Successful Project Execution and Commissioning – RIL in the elite group of global deepwater oil and gas operators

RIL began gas production within six and a half years of gas discovery, in comparison to the world average of 9-10 years for similar deepwater production facilities. Continuous gas production for about a year, with 100% uptime, once again demonstrates the Company's flawless commissioning and execution capabilities.

Key highlights of the KG-D6 project were as follows:

- World's largest gas discovery in 2002
- Among the world's largest and most complex deepwater gas production facility in the world
- Tie Back of 60 kms
- Transforming India's energy landscape
- Capacity of 550,000 Barrels of Oil Equivalent Per Day (BOEPD)
- Equivalent of 40% of India's current oil and gas production and has the potential to more than double India's gas production
- Among the fastest deepwater field development projects
- Among the lowest Finding & Development (F&D) cost per BOE for similar deepwater projects
- Global-scale project management; simultaneous execution in 20 locations
- Among the largest marine construction spread
- Equipment weighing 125,000 Metric Tonnes (MT) installed offshore
- 500 line kms of pipelines and umbilicals installed

Presently, RIL is producing approximately 60 Million Metric Standard Cubic Meters Per Day (MMSCMD) of gas which is being supplied to several priority sectors identified by the Government of India under its gas utilisation policy.

Since production commenced in April 2009, the field has produced over 14.5 billion cubic metres of gas, contributing significantly to the country's critical industrial sectors.

RIL is enhancing India's energy landscape. Production from the Dhirubhai 1 and 3 discoveries of the KG-D6 block is likely to result in a quantum leap towards achieving India's energy security as it has the potential to account for 40% of the country's current hydrocarbon production. The gas supply from the KG-D6 facility has already impacted various aspects of the country's economy including:

- The Index of Industrial Production (IIP) has acknowledged the significant contribution of production from KG-D6 in the double digit growth registered by the mining sector.
- With increased availability of gas, production of indigenous fertilisers has increased and the cost of production reduced, thereby resulting in savings of about Rs. 4,000 crore p.a. in Government subsidies.
- There has been a significant improvement of 30% in gas-based power generation in the country during the year.
- Production of natural gas from KG-D6 has also reduced the dependence on more expensive liquid fuels that were being used in the steel, refining and petrochemicals sectors.

Within a month of emerging as the largest producer of natural gas in the country, RIL announced a successful assessment of the design capacity of the KG-D6 deepwater gas production facilities in December 2009. A flow rate of 80 MMSCM was achieved through the KG-D6 facilities and delivered to the East-West pipeline.

High Quality Portfolio

RIL's upstream oil and gas strategy is to identify, evaluate and capture the highest quality resource opportunities at the most competitive cost in the industry. The strength of the balance sheet and the Company's recent experience in deepwater exploration and drilling allows RIL to explore for incremental resource types regardless of life-cycle. This is done across geological and geographical plays using cutting-edge technology and capabilities through partnerships with leading global players. Incremental resource types include unconventional resources such as shale gas, tight gas, Coal-Bed Methane (CBM), heavy oil and oil sands that can provide profitable, long plateau production systems in addition to conventional offshore resources.

RIL's upstream approach is oriented towards ensuring greater value by sustained production growth and an accelerated development of discoveries already made. This is achieved through ongoing excellence in project execution and capital efficiency.

Jamnagar–Global Petroleum Refining Hub

With the commissioning of the new refinery in its Special Economic Zone (SEZ), Jamnagar has now become the petroleum hub of the world. With 1.24 Million Barrels Per Day (MBPD) of nominal crude processing capacity, it is the single largest refining complex in the world. This is equivalent to 1.6% of global capacity or one third of India's capacity, and places RIL amongst the top ten private refiners globally.

The second refinery, of larger scale and complexity, was commissioned in a record time of 36 months despite the fact that it had to be executed under the most-challenging conditions of scarce availability of project execution resources due to overheated market conditions from 2005 to 2008. Building two of the largest and most complex refineries at the same location, in a decade, is unique in the world of global refining.

The SEZ refinery achieved a flawless start, and the entire complex at Jamnagar was synchronised in record time. All the processing units of the SEZ refinery were successfully commissioned and the facility operated in a stable manner. It achieved peak capacity utilisation rate of 120% during the year.

The new refinery has been designed to be more complex and flexible as compared to the first refinery. This enables the new refinery to capture more opportunities in value upgradation – from the bottom-of-the-barrel to highly value added products. The new refinery has the world's largest Coker and Fluid Catalytic Cracker (FCC) plants. In addition, it also has the world's largest alkylation unit.

Continuing Success in Exploration and Production

This was yet another successful period for RIL's oil and gas exploration and production business. The first oil discovery was made in the onland exploratory block CB–ONN–2003/1 (CB 10 A&B) in the Cambay basin awarded under the NELP-V round of exploration bidding. RIL holds 100% Participating Interest (PI) in this block. The discovery, named 'Dhirubhai–43' has been notified with the Government of India.

The Company also made its third successive gas discovery in the exploration block KG-DWN-2003/1 (KG-V-D3) of NELP-V. The deepwater block KG-DWN-2003/1 is located in the Krishna basin, about 45 kms off the coast in the Bay of Bengal. The block covers an area of 3,288 sq. kms. RIL holds a 90% PI in the block. The well KGV-D3-R1, the third in this block was drilled at a water depth of 1,982 metres and to a total measured depth of 4,113 metres. This discovery, named 'Dhirubhai–44' has been notified with the Government of India.

Financial Performance

Turnover	Rs. 2,00,400 crore $ 44,632 million	+ 37% + 55%
EBITDA	Rs. 33,041 crore $ 7,359 million	+ 28% + 45%
Cash Profit	Rs. 27,933 crore $ 6,221 million	+ 25% + 41%
Net Profit	Rs. 16,236 crore $ 3,616 million	+ 6% + 20%

The net profit for the year was at Rs. 16,236 crore ($ 3,616 million) with a Compounded Annual Growth Rate (CAGR) of 21% over the past ten years.

RIL has announced a dividend of 70% amounting to Rs. 2,430 crore ($ 541 million), including dividend distribution tax. This is one of the highest payout by any private sector company in India.

Return on Equity was at 16.4% and Return on Capital Employed was at 13.9% for the year. RIL's net gearing was at 22.3% and the net debt to equity ratio was 0.31 as on 31 March, 2010.

RIL continues to play a pivotal role in the growth of India's economy and endeavours to contribute to the nation's progress. It accounts for:

- 14.5% of India's total exports
- 5.6% of the Government's indirect tax revenues
- 5.7% of the total market capitalisation in India
- Weightage of 12.8% in the BSE Sensex
- Weightage of 10.6% in the NSE Nifty

Financial Review

RIL delivered superior financial performance with improvements across key parameters.

Turnover achieved for the year ended 31 March, 2010 was Rs. 2,00,400 crore ($ 44.6 billion), a growth of 37% over the previous year. Increase in revenue was due to 50% rise in volumes and a 13% decline in prices. During the year, exports including deemed exports, were higher by 24% at Rs. 1,10,176 crore ($ 24.5 billion).

Consumption of raw materials increased by 41% from Rs. 1,04,805 crore to Rs. 1,47,919 crore ($ 32.9 billion). This was mainly on account of higher crude oil processed in the SEZ refinery. Traded goods purchases were Rs. 2,996 crore ($ 667 million) as compared to previous year of Rs. 2,205 crore.

Employee cost was Rs. 2,350 crore ($ 523 million) for the year as against Rs. 2,398 crore. The current year figure includes Rs. 20 crore towards expenditure incurred on Voluntary Retirement Scheme/Special Separation Scheme announced for the employees of certain units. Corresponding previous year figure was Rs. 111 crore.

Operating profit before other income increased by 29% from Rs. 23,683 crore to Rs. 30,581 crore ($ 6.8 billion). Net operating margin for the period was 15.9% as compared to 16.7% in the previous year.

Other income was higher at Rs. 2,460 crore ($ 548 million) against Rs. 2,060 crore primarily on account of increase in interest income.

EBITDA increased by 28% from Rs. 25,743 crore to Rs. 33,041 crore ($ 7.4 billion).

Interest cost was higher at Rs. 1,997 crore ($ 445 million) as against Rs. 1,745 crore. Gross interest cost was lower at Rs. 2,981 crore ($ 664 million) as against Rs. 5,142 crore for the previous year on account of lower interest rates and exchange differences. Interest capitalised was lower at Rs. 984 crore ($ 219 million) as against Rs. 3,397 crore in the previous year due to commissioning of projects.

Depreciation (including depletion and amortisation) was higher at Rs. 10,497 crore ($ 2.3 billion) against Rs. 5,195 crore in the previous year primarily on account of higher depletion charges in oil and gas and increased depreciation in the refining business segment.

Profit after tax was Rs. 16,236 crore ($ 3.6 billion) as against Rs. 15,309 crore for the previous year, an increase of 6%.

Earning per share (EPS) post allotment of bonus shares for the year was Rs. 49.7 ($ 1.1).

During the year, the Company allotted 6,92,52,623 equity shares of Rs. 10 each to the equity shareholders of the amalgamating company, Reliance Petroleum Limited. The Company also issued and allotted 162,67,93,078 equity shares to the eligible holders of equity shares in November 2009 as bonus by capitalising reserves. During the year, the Company has issued and allotted 5,30,426 equity shares to the eligible employees under ESOS. As a result, the Company's equity share capital now stands at Rs. 3,270 crore.

Capital expenditure during the year was Rs. 21,943 crore ($ 4.9 billion) primarily on account of exploration and production, SEZ refinery and implementation of several value maximisation projects. Details of the capital expenditure undertaken during the year are as follows:

(In Rs. crore)

	FY 2009-10	FY 2008-09
Oil and Gas (E&P)	11,813	10,270
Refining & Marketing	9,383	10,287
Petrochemicals	730	2,514
Common	17	1,642
TOTAL	**21,943**	**24,713**

During the year, a total of Rs. 17,972 crore ($ 4.0 billion) was paid in the form of taxes and duties.

RIL maintained its status as India's largest exporter. Exports, including deemed exports, were at Rs. 1,10,176 crore ($ 24.5 billion) as against Rs. 89,199 crore in the previous year.

RIL exported to 123 countries around the world. Exports represent 55% of the RIL's turnover. Petroleum products constitute 85% and petrochemicals contribute 15% of the total exports.

Resources and Liquidity

RIL continued to strengthen its balance sheet and significantly improved liquidity. This was achieved while continuing to reduce its interest costs, sale of treasury shares and the continued optimisation of existing long term resources.

During the year, the Petroleum Trust sold 8.88 crore equity shares (adjusted for bonus issue) of the Company and realised Rs. 9,334 crore. Reliance Industrial Investments and Holdings Limited, a subsidiary of RIL, is beneficiary of the Trust. RIL refinanced $ 800 million of its existing liabilities at a lower cost, resulting in savings in interest costs. The Company also raised short term resources in the domestic markets through the issue of commercial paper aggregating Rs. 18,000 crore at very competitive rates.

As on 31 March, 2010, RIL's debt was at Rs. 62,495 crore ($13.9 billion), with long term foreign currency denominated debt of 83%. The average maturity of the Company's long term debt is about 4 years. The proportion of short term debt to total debt is conservative at 9.5%.

RIL's gross debt to equity ratio including long term and short term debt as on 31 March, 2010 was at 0.46, while the net debt to equity ratio was at 0.31. As on 31 March, 2010, RIL's net gearing was 22.3%.

RIL's cash and cash equivalents as at 31 March, 2010 amounted to Rs. 21,874 crore ($ 4.9 billion). These are placed in bank fixed deposits, CDs, Government securities and bonds. RIL manages its short term liquidity in order to generate superior returns by investing its surplus funds while ensuring safety of capital.

Over 100 banks and financial institutions have commitments to RIL, reflecting the strength of its balance sheet, credit profile and earning capability. On an ongoing basis, RIL undertakes liability management to reduce cost of debt and to diversify its liability mix.

RIL's financial discipline and fiscal prudence is reflected in the strong credit ratings ascribed by rating agencies. Moody's has rated RIL's international debt at investment grade Baa2 (stable). S&P has rated RIL's international debt as BBB, which is a notch above India's sovereign rating. S&P has recently upgraded its outlook on RIL from 'negative' to 'stable'. RIL's long term debt is rated AAA by CRISIL and 'Ind AAA' by Fitch, the highest rating awarded by both these agencies. RIL's short term debt is rated P1+ by CRISIL, the highest credit rating assigned in this category.

Business Review

Oil and Gas Exploration & Production

The economic crisis left an impact on the oil and gas industry globally. The economic downturn that followed resulted in unprecedented demand destruction. The industry is on a path of recovery due to fiscal measures announced by various governments. The major deepwater basins of the world namely the East coast of India, Gulf of Mexico, Africa and Brazil continue to witness huge levels of activity and investment.

The structural theme for investment in the sector remains valid. The world's insatiable need for reliable and affordable energy continues to grow unabated. This calls for substantial investments, access to resources and newer technologies to unlock resources from challenging locations. The International Energy Agency (IEA), in its World Energy Outlook 2009, estimates that by the year 2030, global energy demand is expected to increase by 49% from its current level. Oil and natural gas are expected to remain primary energy sources and are expected to meet 51% of the global demand. Natural gas, a low-carbon, low-polluting green fuel-that flows from RIL's blocks, is creating unprecedented value for the Company's shareholders and benefiting India. Increasing concern for climate change augurs well for natural gas as it is an environmentally benign fuel with carbon emissions far lower than other fossil fuels.

IEA estimates that the world requires investments to the tune of $ 11 trillion in the oil and gas sector over the next 20 years implying an annual investment of over $ 500 billion.

FY 2009-10 was a year of steady growth. Oil prices rose from an average of $ 46/barrel (bbl) in January 2009 to touch $ 75/bbl in December 2009. Average WTI prices remained at $ 70/bbl vis-à-vis $86/bbl for the previous year. Henry Hub natural gas price averaged at $ 4/Million Metric British Thermal Unit (MMBTU) for FY 2009-10 as against an average of $ 7.87/MMBTU in FY 2008-09.

The year 2009 also saw the global oil demand slip to 84.93 MBPD, a decrease of 1.5% over 2008. IEA forecasts that the global oil demand is set to increase by 1.67 MBPD or 2.0% to 86.60 MBPD in 2010.

Global Natural Gas Market Growing

Globally, natural gas constitutes 24% of the energy basket while in India it accounts for a mere 9%. The low share of gas in India's energy consumption is attributed to limited availability and nascent infrastructure. Gas accounts for 35% of the energy mix in the former Soviet Union and Europe, 26% in USA, 17% in Japan and 15% in Korea.

The share of gas in the energy mix is expected to increase to nearly 23% in 2031-32 mainly due to the increasing demand from the industrial sector, power sector, gas distribution in cities and opportunities in the gas-to-liquids business.

Sizeable investments globally over the last few years in developing the natural gas business and related logistical capabilities have resulted in increased availability of gas in key markets. As in the case of crude oil, the natural gas industry is beginning to see the advent of short term, medium term and long term contracts reflecting increased transportation capabilities and price fungibility. Regional variations in prices are driven primarily out of differentiated transportation costs.

Energy Landscape in India Set for Change

The Indian economy has been growing steadily in the range of 8-9% in the recent past (6.7% in FY 2008-09) and is expected to maintain its status as one of the fastest growing economies in the world with long term GDP growth estimated to be around 9%. Driven by strong economic growth, energy consumption in India has been growing at a CAGR of around 5.3% over the last two decades.

India's per capita energy consumption is 383 Kg of Oil Equivalent (KGOE) as against the world average of 1,737 KGOE, which indicates a significant potential for growth in the demand for energy. As per the Integrated Energy Policy of the Planning Commission, Government of India, India's energy need is expected to grow four-fold from 433 Million Tonnes of Oil Equivalent (MTOE) to around 1,856 MTOE by 2032. However, India depends largely on imports with over 75% of oil and 16% of gas consumption being imported.

The East coast of India covers a vast stretch of sedimentary area of about 2 million sq. kms. The coast has been divided into three major geological provinces viz. the Mahanadi basin, the Krishna-Godavari basin and the Cauvery-Palar basin.

RIL has more than 25 blocks in the East coast of India with exploration at different stages of maturity. Several discoveries have taken place in all the three basins and a large number of prospects have been identified for drilling. With drilling success ratio of 54%, RIL's drilling campaign is to target these basins.

Gas production from KG-D6 was started in a record time of six and a half years. The production from this block is expected to provide a quantum leap in energy security to the country. The Krishna-Godavari basin find has been one of the most important development catalyst to various sectors like power, fertilisers, petrochemicals, refineries, gas distribution in cities, etc thereby ensuring energy and food security for the country.

The natural gas sector in the country is evolving and becoming competitive due to the Government's proactive regulatory approach with respect to policies in upstream, midstream and downstream. This has led to enhanced investments by various players and the emergence of competitive markets.

RIL's E&P Business : KG-D6

KG-D6 completed 365 days of 100% uptime and zero-incident production. Gas production from KG-D6 has ramped up to 60 MMSCMD in a short span of 9 months from commencement. Current production of about 60 MMSCMD is from 16 wells. The design capacity of the KG-D6 deepwater gas production facilities were assessed and achieved a flow rate of 80 MMSCM. During FY 2009-10, total gas production was 14,397 MMSCM.

Six wells from the D26 oil field in the block are under production. Gas produced from the D26 field was exported to the Onshore Terminal (OT) in the months of November 2009, December 2009 and February 2010.

Oil production from the D26 field now exceeds 35,000 barrels per day. During the FY 2009-10, total oil production from this field was 4.04 million barrels.

The facility has undergone extensive quality assurance and quality control audits with the support of international experts like Det Norske Veritas (DNV), Ward Associates and Shell Global Solutions. The pipeline network was put through nitrogen helium tests for leak tests and pressure points. More than 1,000 punch points were addressed within six months, eliminating risk factors. Fatigue tests were also carried out on installed infrastructure to ensure their ability to support the planned 25-year lifespan of the field. The entire development was put through stringent quality checks in compliance with the applicable standards, and organisational and project policies. DNV has carried out certification and verification of all works. DNV reviewed and verified engineering, fabrication and installation of all offshore facilities. DNV also carried out the Hazard Identification and Hazard and Operational Study through the different stages of the project. Other independent surveyors have included Lloyd's Register and Moody's International. Extensive and intensive checks were done on all equipment, which included Factory Acceptance Test, Extended Factory Acceptance Test, Systems Integrity Test and Site Acceptance Test prior to installation. Multiple levels of inspection were undertaken by manufacturer's Quality Control (QC) team, RIL's QC team and third party QC teams to ensure nothing was left to chance.

For the purpose of gas marketing, GSPAs have been executed with more than 50 customers in the fertiliser, power, city gas distribution, steel, LPG, refinery and petrochemical sectors.

As part of appraisal activities of 4 discoveries in the southern part of the KG-D6 block, RIL successfully drilled 4 appraisal wells in FY 2009-10. The commerciality of these discoveries has been submitted.

In the KG-D6 block, further to the submission of the development plan in 2008 for the 9 satellite gas discoveries, an optimised development plan for prioritising 4 satellite gas discoveries was submitted to the Directorate General of Hydrocarbons (DGH) in December 2009.

An integrated development plan for all gas discoveries in the block KG-D6 is being conceptualised to maximise capital efficiency and accelerate monetisation.

Other Domestic Blocks

The Company made four discoveries during the year which are as follows:

- Well R1 in the KG-V-D3 block
- Well AA1, BF1 and AH1 in on-land CB-10 block

The Company has also submitted a proposal for commerciality for the following:

- Discoveries D28, D37 and D38 in KG-III-5 block
- Discovery D35 in CY-D5 block
- Discoveries D32 and D40 in NEC-25 block
- For discoveries D20, D30, D31, D34 in KG-D6 block

RIL has successfully drilled 4 appraisal wells in the southern and deeper parts of the NEC-25 block. Results of these are being incorporated to generate an integrated development plan for all discoveries to maximise capital efficiency. Appraisal activities are currently underway in KG-D4, CY-D5, KG-III-5, KG-III-6, KG-V-D3 and GS-01 blocks.

During the FY 2009-10, two deepwater blocks of NELP-V round namely KK-V-D1 and KK-V-D2 were relinquished due to their poor prospectivity. Currently, RIL's portfolio consists of 29 exploration blocks. Also, RIL holds 30% interest in PMT fields. Total domestic oil and gas exploration and production acreage amounts to 290,633 sq. kms.

Panna-Mukta and Tapti Fields

The development of the Panna-K (PK) area has been completed. Current production from PK wells is around 5,000 Barrels of Oil Per Day (BOPD) and around 10 Million Metric Standard Cubic Feet Per Day (MMSCFD) gas.

The South West Panna (SWP) development project was approved in February 2008 with projected 2P reserves of around 4.7 Million Barrels of Oil (MMBO) from about 42 MMBO in-place reserve. New 3D survey indicated a significant reduction in 2P reserves at 1.76 MMBO from about 11 MMBO in-place. The Government has approved abandoning the project. Separately, it has approved installing the SWP jacket and deck with minor modifications at Panna L (PL) to advance production by around 12 months and improve the final hydrocarbon recovery from PL.

The development plan of the PL area has been approved by the DGH in June 2009 for completion in 2011. However, with the Government approving the installation of SWP facilities at PL, the project is now expected to be completed in 2010. Initial anticipated total production from PL is approximately 4,000 BOPD from 6 wells.

To arrest the declining gas production in Tapti, 3 infill wells (2 in South Tapti and 1 in Mid Tapti) have been approved for drilling in Q3/Q4 FY 2009-10 by the Management Committee. MTA-6 well has been already drilled and is currently producing around 35-40 MMSCFD gas. STA-7 well has also been drilled and is currently producing 35 MMSCFD of gas. The STC well is currently being drilled and post the drilling of this well, gas production from Tapti is expected to be ramped up from the current level of around 315 MMSCFD to around 330 MMSCFD. A development plan for Mukta (MB area) is being planned to be submitted to the Government of India for approval after the results of a pre-drilled well to be drilled in 2010-11 are reviewed.

Panna-Mukta fields produced 1.8 million tonnes of crude oil and 1,965 MMSCM of natural gas in FY 2009-10, registering a growth of 9% and 18% respectively over the previous year. Higher volumes in the first half are due to full production as compared to lower production registered in the same period last year on account of downtime due to repairs (PPA Hot Oil Heater).

Tapti fields produced 187,000 tonnes of condensate and 3,102 MMSCM of natural gas for FY 2009-10, a decrease of 31% and 26% respectively as compared to the previous year. The decrease in production was due to a natural decline in the reserves.

CBM Blocks

The development plan for Sohagpur CBM blocks has been approved by the Government and development activities have been planned to commence in FY 2010-11 by drilling and completion of additional wells. Prolonged production testing was undertaken in the wells drilled in Sohagpur CBM blocks with favourable results. The plan for 2010–11 is to monetise the production capability from the present as well as the proposed wells.

During the year, two CBM blocks BS-1 and BS-2 were relinquished. With this, RIL currently holds a total of 3 CBM blocks.

International Business

In April 2010, RIL entered into a joint venture with the USA based Atlas Energy, Inc. (Atlas) under which RIL acquired 40% interest in Atlas' core Marcellus Shale acreage position. RIL has become a partner in approximately 300,000 net acres of undeveloped leasehold in the core area of the Marcellus Shale region in southwestern Pennsylvania for an acquisition cost of $ 339 million and an additional $ 1.36 billion capital costs under a carry arrangement for 75% of Atlas's capital costs over an anticipated seven and a half year development programme.

Low operating costs and proximity to USA northeast gas markets combine to make the Marcellus Shale region one of the most economically attractive, unconventional natural gas resources play in North America. The acreage will support the drilling of over 3,000 wells with a resource potential of approximately 13.3 Trillion Cubic Feet equivalent (TCFe). While Atlas will serve as the development operator for the joint venture, RIL is expected to become a development operator in certain regions in the coming years in the JV.

Atlas will continue acquiring leasehold in the Marcellus Shale region and RIL will have the option to acquire 40% share in all new acreages. RIL also obtained the right of first offer with respect to potential future sales by Atlas of around 280,000 additional Appalachian acres currently controlled by Atlas (not included in the present joint venture). The RIL-Atlas joint venture has the potential to become one of the largest prime acreage holders in the Marcellus Shale region.

This joint venture will materially increase RIL's resource base and provide an entirely new platform from which to grow its exploration and production business while simultaneously enhancing its ability to operate unconventional projects in the future.

Additionally, RIL has farmed out 20% PI in the blocks Borojo North and Borojo South in Colombia; and 30% PI in block 18 and 25% PI in block 41 in Oman. The Regional

Government of Kurdistan has assigned third party participating interest of 20% each in blocks Rovi and Sarta to M/s OVM; the assigned agreement is yet to be signed by RIL. RIL now has 13 blocks in its international E&P portfolio including 2 in Peru, 3 in Yemen (1 producing and 2 exploratory), 2 each in Oman, Kurdistan and Colombia, 1 each in East Timor and Australia; amounting to a total acreage of over 93,500 sq. kms.

Refining and Marketing

A Year of Stabilisation after the Economic Meltdown

This was undoubtedly one of the toughest years for the refining business globally. Refining margins dropped to their lowest in a decade. Weak demand, high level of inventories and high crude prices led to weakening of product cracks and refining margins across regions. The industry also witnessed a sharp reduction in refining runs and operating rates in addition to prolonged maintenance shutdowns and permanent closures. It was also a period that witnessed the highest ever annual decline in oil demand. Crude oil and product inventories were at the top end of 5 year average.

Improved economic outlook, positive industrial data and higher demand led to an improvement in refining margins globally in recent months.

There was a disproportionate impact on oil prices on the back of high demand. There was a quick recovery from the lows of $ 35/bbl in December 2008 to the high of $ 85/bbl in April 2010; one of the highest rises in the last decade. The first half of the year saw crude price sharply increase from around $ 50/bbl to $ 70/bbl. Demand concerns, supply overhang and the strengthening of the US dollar resulted in subdued oil prices in the second half which remained range bound between $ 70/bbl and $ 80/bbl. Crude price closed at $ 80.7/bbl in March 2010, an increase of 66% on a y-o-y basis.

Average Crude Oil Prices ($/bbl)

	FY 2009-10			FY 2008-09		
	High	Low	Average	High	Low	Average
WTI	83.5	45.9	70.6	145.3	31.3	86.8
Brent	80.5	46.5	69.6	144.2	33.7	84.5
Dubai	81.3	47.2	69.5	140.8	36.4	82.8

(Source: Platts)

In this context, what set RIL apart was the complexity of its refineries, highly competitive operating costs and the ability to maintain high operating rate of over 100%. The Jamnagar refineries are among the largest in the world, and also the most complex, with an average complexity of over 12.0 on the Nelson Complexity Index. RIL is among the top 10 private refining companies globally and owns 25% of the world's most complex refining capacity. RIL has also become the world's largest producer of ultra-clean fuels at a single location. This resulted in RIL delivering the best refining margin and achieving the highest operating rate of any large refining system globally.

Global Industry Overview

The world oil demand in 2009 stood at 84.9 MBPD, a decline of 1.28 MBPD over 2008. As per the IEA, OECD demand in 2009 for oil fell by 4.4% to 45.5 MBPD on a y-o-y basis while the non-OECD demand rose by 2.1% to 39.5 MBPD. In January 2009, IEA had forecast world oil demand to contract by 0.51 MBPD to 85.3 MBPD whereas the actual decline was 1.28 MBPD.

OPEC responded and targeted a compliance of 80-85% to the production cut levels. However, some countries increased their production towards the end of the year resulting in the compliance level dropping to 55% by the end of the year.

The world witnessed low levels of industrial production and global trade. The economic downturn reduced light product demand and resulted in high light product stocks which have weighed on margins. Strategic stockpiling of crude by China, as well as companies playing the contango trade resulted in a recovery in crude demand and prices.

Light-Heavy Differentials

Light-heavy crude and product differentials have been compressed throughout 2009, resulting in much weaker complex refining margins. This has been driven by lower crude prices, reduced heavy crude production and an increase in upgrading capacity. Differentials are likely to remain muted in the medium term due to a lighter crude slate and increased upgrading capacity.

Arab light-heavy differential averaged around $ 1.72/bbl making fuel oil crack stronger than the previous year. While the global crude and petroleum product markets continue to tighten, the recovery is not even. Petroleum demand is growing stronger in Asia and other emerging markets as compared to those in the Atlantic basin. Moreover, demand for light, higher quality sweet crude is recovering faster than the demand for medium, heavy and sour crude.

Before the recession, when a lack of sophisticated refinery upgrading capacity boosted the demand for light crude oil, light-heavy crude oil spreads widened to record levels. But as the economic downturn reduced demand, OPEC cut back output of medium-sour grades and new refinery upgrading capacity came on line in 2009. This combination resulted in a collapse of the spread between light and heavy grades. More recently, light-heavy spreads have widened as demand and utilisation rates have started to improve.

There are four main drivers that continue to support a trend for modestly wider light-heavy spreads in 2010. First, demand for gasoline and gas oil at the light end of the barrel is recovering. Secondly, high inventory level and lower demand for fuel oil in the cargo and bunker market is impacting heavy-sour crude. Third, as OPEC increases output to meet rising oil demand, supply of heavy-sour crude barrels has increased, putting downward pressure on prices and fourthly, temporary and permanent shutdowns at refineries due to both seasonal maintenance and low margins have reduced demand for heavy-sour crude.

Demand for Petroleum Products

As per IEA estimates in April 2010, the fall in OECD demand was largely attributed to Europe and North America. Oil demand in OECD Europe fell by 5.2% to 14.5 MBPD whereas demand in North America fell by 3.7% to 23.3 MBPD in 2009. On the contrary, demand in non-OECD markets remained resilient with Asia, including China and India growing at 5.1% to 18.5 MBPD. Demand in other non-OECD markets including Latin America, Middle East and Africa remained stable to marginally positive by 1.2% at 16.4 MBPD.

As per IEA estimates, world oil demand in 2010 is expected to rise to 86.60 MBPD, an increase of about 1.67 MBPD over 2009. Demand growth in non-OECD markets is expected to remain robust and is expected to rise by 1.78 MBPD, an increase of 2% to 41.24 MBPD. Asia, Middle East and South America are expected to account for over 83% of global demand growth.

Light Distillates

USA's gasoline consumption has declined by around 3% in 2008 and remained flat during 2009. The decline in US gasoline demand could be due to increase in passenger fleet's fuel efficiency gain and high prices of gasoline during 2008. Loss in gasoline demand in the US demand also reflects the high unemployment rate and consumers' changing driving pattern. These trends are cyclical in nature and at least part of the demand loss could return under an improved economic environment wherein USA gasoline demand could grow 0.5-1.0% a year in 2010 and 2011. Although advanced bio-fuels using bio-waste or algae as feedstock, CNG vehicles, hydrogen fuel cells and electric cars all hold interesting promise, none of these technologies represent a real threat to the gasoline market over the next decade.

Equally important is the growth in demand for gasoline in the non-OECD markets, large parts of which are witnessing significant economic development and increase in personal vehicle growth in Asian, Latin American and Middle Eastern countries. There is strong correlation between the non-OECD gasoline demand growth and their GDP. As a result, worldwide gasoline consumption could increase by an average of 1.6% annually over the next 2 years.

Naphtha crack continues to dominate the South East Asian markets with increasing Chinese demand for naphtha crackers. With increased demand and a relatively low rate of refinery capacity utilisation, naphtha stocks have started to draw down across all OECD regions and are below the seasonal averages. As tighter supply and demand balance has driven down inventories, naphtha cracks have continued to appreciate in recent months.

A surge in petrochemical demand and a steeply backwardated naphtha market suggest that, in absence of major external shocks, a cyclical recovery for the broader economy is imminent. Historically, demand for naphtha, a key input into petrochemical processes, has led demand for other petroleum products.

Middle Distillates

Diesel margins were impacted by weak demand in 2009 as a result of economic slowdown, sluggish industrial activity, capacity additions and distillate stocks. Distillate stocks in North America are at their highest levels in two decades, while implied OECD distillate demand has contracted 6% in 2009.

The first half of the year showed stocking of middle distillates in anticipation of an economic recovery. However poor demand prevented draw downs, resulting in massive inventories and this impacted diesel cracks. Towards the end of the year, a colder than normal winter triggered inventory draw down and hence improving the cracks. Diesel demand in Asia Pacific, particularly India over specification changes from April 2010, helped push the diesel cracks in the region to double digits.

Diesel will be the growth fuel going forward, since most of the incremental demand is expected from non-OECD countries such as China and India. The importance of diesel and gas oil should not be underestimated, both in terms of refining profitability and the impact on oil prices.

While oil prices are driven by a variety of factors including strategic stockpiles, OPEC spare capacity and strength of the US dollar, it is clear that diesel demand is also a major driver of oil prices. Diesel/gas oil demand is likely to gradually recover in line with the global economy, but given the existing level of diesel production capacity and new capacity additions coming online globally, diesel margins could recover slowly.

China and India are the only countries that are set to grow distillation capacity and increase their global market share. In terms of upgrading capacity, it is China and India that should see the most significant increase in global market share.

As per IATA, passenger demand that fell by 2.9% in 2009 is expected to grow by 5.6% in 2010. Cargo demand, which fell by 11.1% in 2009, is expected to grow by 12.0% this year. A strong year-end recovery pushed load factors to record levels when adjusted for seasonality. By January 2010, the international passenger load factor was 75.9% while cargo utilisation was at 49.6%. On the other hand, tighter supply and demand conditions are expected to see yields improve 2.0% for passenger and 3.1% for cargo. Asia, Middle East and Latin America are driving the recovery followed by North America and Europe.

Global trade is recovering and with it, so are jet-kero margins which are now at cycle average levels. Economic activity in emerging economies and higher global industrial production is providing support to jet-kero demand. Industry estimates indicate that industrial production tends to have a stronger impact on jet-kero than on distillate demand. Once inventories come down to more normal levels, crack spreads could strengthen rapidly on the back of a sustained upturn in global manufacturing in 2010 and beyond.

Medium Term Demand Outlook

Strong non-OECD oil demand growth and discipline regarding the 'closed' capacities remain critical to the sustained recovery of the refining cycle. While around 1.67 MBPD of global oil demand growth (largely non-OECD) is expected in 2010, about 1.0 MBPD of refining capacity is estimated to ramp up in 2010, almost equally spread over the four quarters. An estimated 1.43 MBPD of refining capacity has been permanently shutdown. However, some of this capacity could be resumed in the future as many of the sites have not been dismantled.

About 2.5 MBPD of refining capacity have been cited as potential closure candidates or been put up for sale. Most of these refineries are located in Europe, and are more likely to be sold than shut down due to non-commercial considerations.

While refining utilisation could show improvement, more meaningful improvement in utilisation rates is expected only in 2011, as oil demand grows further. Despite divergence in oil demand between OECD and non-OECD regions, it may be early to differentiate refinery outlook between geographies as the Asian refiners continue to export to the West. Surplus in new refining capacity will begin to get consumed by oil demand growth over the next two years.

While the refining sector is moving through a trough, without any of the closed capacities coming back into operation, strong global oil demand growth could pull refining into a sustained cyclical recovery from 2011 onwards. Additional capacity closures would auger well for the industry outlook in 2010 as well.

In the medium term, structural drivers of demand will continue to undergo change. Gas oil will continue to be the growth engine followed by naphtha and gasoline. Residual fuel oil is expected to grow the least due to continued substitution by natural gas in power generation and industrial applications. By 2015, demand for gas oil is expected to grow by 2.7 MBPD. The combined demand for naphtha and gasoline is slated to increase by 2.0 MBPD while demand for fuel oil is expected to grow by 0.4 MBPD.

Demand for gasoline, which currently constitutes 25% of the world petroleum market could see slow growth. The reduction in demand is more likely in USA due to the impact of regulatory changes that come into force in 2011. Higher penetration of diesel cars could also impact demand for gasoline in Europe. Japan could also experience a reduction in gasoline demand as vehicle efficiency improves. Increase in demand from non-OECD countries will be underpinned by the rapidly growing vehicle population in China, India, Brazil and other emerging markets.

Demand for gasoline in USA is expected to shrink over the medium term primarily because of structural changes affected by the 'Energy Independence and Security Act' bill which was introduced in 2007. Another factor is the announced acceleration of the USA motor fuel economy standard that increases the Corporate Average Fuel Economy (CAFÉ) from approximately 26.0 Miles Per Gallon (MPG) to 35.5 MPG by 2016.

Clean Fuels

From 2009, the European Union (EU) has, in a phased manner, migrated to 10 Parts Per Million (PPM) sulphur gas oil. In addition, all ships entering EU ports from 2010 are required to use the fuels with a maximum level of 0.1% sulphur. This change has allowed modern refineries like RIL to place products in EU markets that have already implemented the changeover.

China is likely to switch over to lower sulphur transportation fuels in 2010 with mandated 150 PPM in gasoline (earlier limit of 500 PPM) and 150 PPM in diesel (earlier limit of 500 PPM).

In 2010, in a phased manner, India will also migrate towards using transport fuel that is compatible with Euro IV vehicle emission standards in 13 major cities, while the rest of the country will migrate to fuels that match Euro III specifications.

Meanwhile, product specifications have become more stringent in several regions of the world. In most of the major oil consuming regions like the EU, Japan and some Asian countries, sulphur is virtually eliminated from gasoline and diesel has maximum content of 10 PPM. In USA, this is now 15 PPM for transport diesel and 30 PPM for gasoline whereas Canada already has a 15 PPM limit for both. In USA, most of the off –road diesel will also be subject to the 15 PPM maximum limit for sulphur in 2010. Also the Emission Control Areas (ECAs) along the USA and Canadian coastline proposed sulphur dioxide (SOx) limitation in bunker fuel from current 15,000 PPM to 10,000 PPM starting July 2010. The European limit on sulphur in gas oil has also been reduced to 1000 PPM from January 2008. This continuing global trend of tightening of product specifications across regions will present new trade opportunities for global complex refiners like RIL, with its ultra-clean product capabilities.

In response to the global recession, China announced a stimulus plan that included $ 73 billion for refining and petrochemical industries. The funds were to be used not only to increase the amount of refining capacity but also to upgrade existing capacity to produce cleaner fuels. The stimulus funds were intended for projects that were already under construction or at advanced planning stages. This along with higher refinery run rates in China has added pressure on refineries in the OECD region thereby increasing the likelihood of further closures.

Demand for Petroleum Products in India

During the year, domestic demand for petroleum products increased from 124.1 million tonnes to 130.5 million tonnes, reflecting a growth of 5.1% in FY 2009-10. Indian refining capacity increased to 179.96 million tonnes from 177.9 million tonnes during the year.

Product-wise Demand and Growth

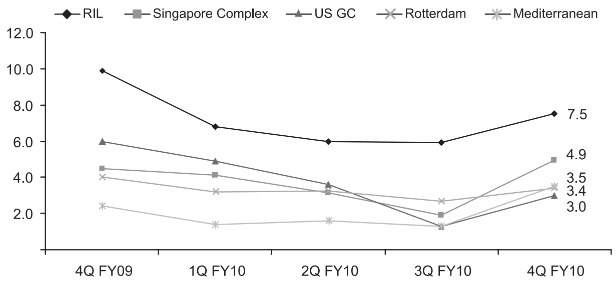
(In KT)	FY 2009-10	FY 2008-09	Growth (%)
Diesel	56,148	51,649	8.7%
Gasoline	12,818	11,258	13.9%
ATF	4,627	4,454	3.9%
LPG	12,728	11,935	6.6%
Kerosene	9,304	9,303	0.0%
Total (incl. others)	**130,542**	**124,171**	**5.1%**

Gross Refining Margin

Though signs of economic recovery supported crude prices steadily, poor demand for products kept the cracks lower than FY 2008-09 levels.

Gasoline cracks improved marginally by $ 0.2/bbl to $ 6.7/bbl in FY 2009-10, while both jet-kero and gas oil cracks reduced by 67% individually to $ 7.9/bbl and $ 7.3/bbl respectively. Naphtha cracks improved from (-)$ 5.5/bbl to (-)$ 0.4/bbl while Fuel Oil (FO) cracks became stronger by $7.8/bbl to close at (-)$ 4.1/bbl.

Naphtha cracks recovered during the year due to increased demand from crackers in the Asia Pacific region. Demand for gasoline remained steady in Asia, led by China registering record growth in automobiles. Reduced air travel and air cargo movements impacted the jet-kero cracks. Gas oil cracks were under pressure due to supply overhang on account of huge inventories of middle distillates. The situation improved from December 2009, first on the back of a spell of cold weather in the Northern Hemisphere and thereafter with improved demand. This helped drawdown inventories resulting in ongoing improvement in gas oil cracks. FO cracks remained strong throughout the year.



Source: Reuters

RIL's Gross Refining Margin (GRM) for the year was at $ 6.6/bbl, a premium of $ 3.1/bbl over the Singapore complex margin and an ongoing outperformance of key global benchmarks.

Refinery Capacity and Utilisation Trends

Several refinery projects planned and under construction prior to the world recession have come online in 2008 and 2009. As per E.M.C., total new primary distillation capacity commissioned in these two years is over 4 MBPD, with most of them getting operational in 2009, located in Middle East and Asia.

With drop in demand and low refinery margins, refiners all over the world are reducing operating rates. The average capacity utilisation rates in FY 2009-10 for refineries in North America, Europe and Asia were at 81.2%, 75.8% and 82.0% as compared to 83.6%, 82.8% and 83.2% respectively.

Performance Review

The consolidation of Reliance Petroleum Limited's refining assets with RIL's existing refinery in Jamnagar gives RIL a capacity of 1.24 MBPD, which is about 1.6% of the world's refining capacity.

What set RIL apart in the context of global refining is the complexity and the scale of its refineries. The two Jamnagar refineries that RIL operates are not only among the largest in the world, but also are the most complex, with an average complexity of more than 12.0 on the Nelson Complexity Index. Following the merger, RIL now owns 25% of the world's most complex refining capacity and has become the world's largest producer of ultra-clean fuels at a single location.

To support India's strong growth with a drop in global demand, RIL surrendered the Export Orientated Unit (EOU) status for its 660,000 barrels per day refinery. This has maintained high utilisation.

Since inception a decade ago, RIL has been able to outperform the benchmark Singapore complex refining margin. Margins have been comparable with other complex refiners globally and significantly higher than refiners in China, where margins are regulated by the Government.

There are two ways in which RIL has been able to outperform the benchmark index. The complexity of the Jamnagar refineries allows the Company to process heavy and sour crude from all over the globe reducing its feed costs. RIL also has the ability to place products in the markets of Europe, Asia and USA to generate the best margins.

RIL processed 60.9 million tonnes of crude and clocked an average utilisation of 98.3%, significantly higher than the average utilisation rates for refineries globally. Exports of refined products were at $ 20.9 billion. This accounted for 32.8 million tonnes of product as compared to 22.6 million tonnes in the previous year.

Production of Petroleum Products [in Kilo Tonnes (KT)]

Product	FY 2009-10	FY 2008-09
Gases & distillates	51,400	28,000
Fuel oils and solids	9,400	4,450
Total production	60,800	32,450

Technology Development and Innovation

At RIL, a team of more than 100 engineers and scientists is driving various Research and Technology (R&T) efforts in the refining arena. Jamnagar refinery has set up a full scale FCC pilot plant for evaluation/selection of FCC catalysts and additives, along with the state-of-the-art laboratory/analytical facilities for advanced crude characterization, NMR /Infrared Spectroscopy, Inductively Coupled Plasma (ICP) analyzer etc.

R&T has been making extensive use of various advanced techniques like simulation, mathematical modeling, Computational Fluid Dynamics (CFD) modelling, and many others to support refining operations, improve product quality, optimise yield of high value products like propylene/LPG/gasoline from FCC unit and enhance bottom-of-the-barrel processing. Further to improve refinery margin, R&T has developed technology for processing heavy and high TAN opportunity crudes.

RIL's SEZ Refinery

RIL commissioned its new refinery in the SEZ at Jamnagar. This refinery has the capacity to process 580,000 barrels of crude oil per stream day. The facility also has the capacity to produce 0.9 million tonnes of polypropylene per annum. The new refinery is the sixth largest in the world and has a Nelson Complexity Index of 14.0, making Jamnagar the largest and most complex refinery site in the world. This refinery has more than 40 process units apart from a large network of offsites, utilities and other Infrastructure facilities.

The SEZ refinery has a unique design and path breaking configuration with 'Clean Fuels' process plant. It is designed with high level of flexibility to change grades based on economy and to capture margins based on market dynamics. The new SEZ refinery is the first refinery in India to produce Euro-IV grades of gasoline and diesel. The refinery has been the first in India to produce large number of US grade gasoline such as R-BOB, RFG, US conventional, 95 Oxy-free and Ultra Low Sulphur Diesel (10 PPM Sulphur) which are being supplied to the US and European markets.

The new refinery has some of the world's largest units:

- FCC with Rx Cat technology for maximum propylene production
- Coker – with most advance safety features.
- Alkylation plant (based on Sulphuric acid technology)
- Light Cycle Oil (LCO) hydrocracker

The refinery complex is designed for total water conservation. It has its own desalination plant and carries out complete recycling of effluent with zero discharge. It has a state-of-the-art centralised control centre, laboratory, fire station and a large green belt. The green belt has been developed across the boundary of the refinery and has got 2.3 million trees and 0.8 million mangroves. It has over 1 million mango trees – probably the largest mango plantation in Asia.

It has been an exemplary, historical and a flawless start-up of a chain of plants in a safe, secure and an incident free manner. The activities were carried out in a seamless manner such that not even a single day was lost between construction completion and commissioning of the refinery. All units were commissioned in shortest possible time schedule in spite of the tight interdependencies between various units.

The refinery attained a significant milestone by fully stabilizing the operations in a record time. All its process units have successfully demonstrated their ability to operate smoothly and safely, producing high quality transportation fuels. All key processing units at the refinery are operating at their peak design capacity. The refinery has successfully processed more than 60 types of crude oils, including difficult crude oils within a few months of its start-up, thus reflecting superior quality of assets and capabilities.

Viewed in the context of market conditions, this is a significant achievement and reflects RIL's ability to produce and place high quality, value-added products in a challenging market environment.

Domestic Petroleum Marketing

Consistent high rate of growth over the past few years resulted in deficit of key petroleum products in the country. With planned introduction of Euro-III and Euro-IV grade of transportation fuels, these deficits are likely to increase going forward. RIL decided to convert its refinery from EOU to Domestic Tariff Area (DTA) to meet these domestic deficits and commenced supplies to PSU oil companies from May 2009.

With softening of crude and product prices last year, RIL restarted domestic petroleum retail operations in southern and western states. Domestic retail marketing however continues to suffer due to lack of level playing field to private oil marketing companies. Hence operations in all geographies and scaling up of sales would only be possible once prices are market determined or level playing field is brought for private players as well.

In February 2010, the Kirit Parikh committee made recommendations to the Government to allow free market pricing for gasoline and diesel, and to raise administered prices for kerosene and LPG. The report recommends raising LPG prices by Rs. 100 per cylinder and at least Rs. 6/litre for kerosene. It is yet to be seen whether any of these suggestions will be put into practice and what affect that will have on petroleum product demand in India. Any positive step by the Government along the lines of these recommendations will give a positive thrust to RIL's retail business.

Aviation Turbine Fuel (ATF) demand has seen some stabilisation with a growth of 3.9% in FY 2009-10 as against negative growth of 1.9 % in FY 2008-09. RIL is present at 24 airports in India which collectively account for 30% of total ATF demand in the country. RIL is seeking to expand its network aggressively to have its presence at 30 airports which will cater to 95% of total civilian air traffic demand.

The demand for petcoke in India is presently about 8 million tonnes p.a. with Gujarat and Rajasthan accounting for about 75% of the domestic demand. Current demand in the country exceeds overall production capacity despite the commissioning of the Coker at the new refinery in Jamnagar. During FY 2009-10, RIL sold a total of 5.34 million tonnes of petcoke. With the commissioning of new capacities in the cement industry as well as the setting up of captive power plants by several major industrial units, the demand for petcoke is set to increase.

The annual sulphur demand of 3.4 million tonnes in India is met from domestic production as well as imports. RIL Jamnagar production of 0.85 million tonnes in FY 2009-10 was sold primarily in domestic market supplemented by some exports. The fertilizer sector consumes sulphur in various forms and the demand for elemental sulphur in this sector, particularly from Single Super Phosphates (SSP) is likely to increase due to the encouraging Nutrient Based Subsidy (NBS) policy announced by the Government that has introduced subsidy for sulphur as a nutrient in fertilizers to improve the sulphur deficiency in the soil.

GAPCO

RIL consolidated the operations of its GAPCO subsidiaries in East Africa. GAPCO owns and operates large storage facilities and has a retail distribution network in several countries including Tanzania, Uganda and Kenya. It owns and operates large coastal storage terminals in Dar-e-Salaam (Tanzania), Mombasa (Kenya) and an inland terminal at Kampala (Uganda) besides having well located depots in East Africa. It also has a well located network of retail outlets in Tanzania, Uganda and Rwanda.

Special initiatives to improve the supply infrastructure and sales volumes have led to superior productivity and higher throughputs. The Mombasa terminal has been augmented to receive Premium Motor Spirit (PMS), thus enabling GAPCO Kenya to make a combined diesel and petrol offering to the retail and independent sectors in Kenya.

GAPCO is also emerging as a key supplier to neighbouring countries and has signed a term contract for supplies to Zambia from its Dar-e-Salaam terminal in Tanzania.

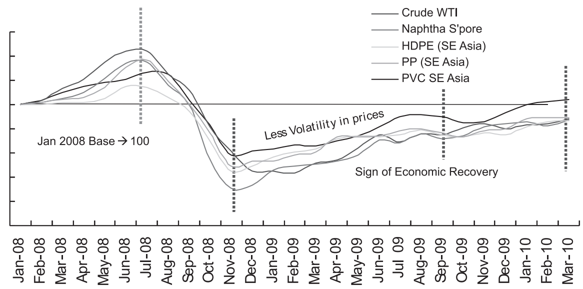
Petrochemicals

Overview

As the world economy recovers, the petrochemical industry finds itself passing through a period of transformation.

Chemical companies benefited mainly due to demand growth in India and China. Government stimulus policy and closures of non-competitive plants worldwide have added to the revival of the industry in Asia.

The recession caused slowdown or a decline in many markets globally, although to a lesser extent in Asian economies. This resulted in unprecedented levels of fluctuation in commodity prices which impacted chemical sales worldwide.



Source : Platts

Economic Recovery Coupled with Operational Excellence → Strong Earnings

Demand remained inherently weak but for a few bright spots in the Far East. China's stimulus buoyed consumer demand for both durables and non-durables, whereas a rebound in Europe and USA lacked in comparison.

Global Polyolefins+PVC Demand

(in MMT)	2007	2008	2009
PP	44.5	43.3	44.4
LDPE	18.7	17.7	17.8
LLDPE	19.2	18.3	18.5
HDPE	31.0	29.5	30.5
PVC	35.3	32.4	31.6
Ethylene	114.3	107.9	110.4
Propylene	72.9	70.3	71.2

Source : CMAI

2009 World's Polyolefin's Demand Reached Near 2007 Level

A rally in Asian prices during mid 2009 attracted large volumes of imports into the region, which arrived just as demand was beginning to stall. Towards the end of 2009, the industry witnessed substantially improved profits from a year ago due to improved demand, and cost cutting across the sector.

Product Price Trend : 2009-10

Product ($ / MT)	Region	Peak	Low	Average
Crude ($ / bbl)	Dubai	81	47	70
Naphtha	MOPS	768	415	623
PP	SEA	1345	1015	1173
HDPE	SEA	1385	1035	1202
LLDPE	SEA	1450	1045	1268
PVC	SEA	1050	665	893

Source : Platts

2009 was a year of recovery as prices moved up from the cyclical trough of 2008. New capacity growth in Asia and the Middle East, and a sluggish pace of economic recovery could impact operating rates in the near future. Traditionally new capacity creates intense competitive pressure resulting in lower margins and closure of high-cost assets. During the course of last year however, short term supply outages played a meaningful role in helping the margin environment. Price trends in 2010 are likely to be driven by growth in processing capacity, ongoing economic recovery and new supply initiatives.

Ethylene Scenario

Ethylene is the principal petrochemical building block and a major feedstock for polymers. It is a raw material used in the manufacture of polymers, like Polyethylene (PE), polyester, Polyvinyl Chloride (PVC) and polystyrene, as well as organic chemicals. These products are used in a variety of industrial markets, such as packaging, transportation, electronics, textile, construction, etc.

World Ethylene Supply / Demand : 2009

Production by Feedstock		Demand by End-Use	
Production : 111 MMT		Demand : 110 MMT	
Naphtha	49%	PE	61%
Ethane	33%	Ethylene Oxide	14%
Propane	8%	EDC	11%
Butane	5%	EBZ	6%
Others	5%	Others	8%

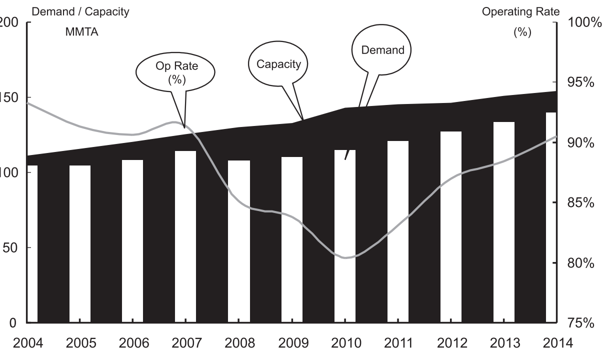
Source : CMAI

Ethylene from ethane is more prevalent in regions with associated natural gas, like North America and the Middle East while Naphtha is the major feed for ethylene production in Europe and Asia.

North American crackers have high flexibility and choose the most economic feed from the various options of Gas oil, Naphtha, Butane, Propane and Ethane. During 2009, Ethane remained the favoured feed and accounted for ~60% of ethylene production in USA.

In the Middle East, light hydrocarbons like Ethane account for 86% of the raw materials for ethylene production. Petrochemicals produced by Middle East oil-producing countries are mainly bulk ethylene-based products, and their PE and Mono Ethylene Glycol (MEG) products are very competitive. Middle East producers dominate in ethylene derivatives global trade owing to their competitive cost position.

Global Ethylene Demand-Supply and Operating Rates



Source : Platts

Oversupply scenario in 2010 will lead to decline in global Operating Rate ~ 80%

The world's total ethylene consumption is expected to reach 115 Million Tonnes (MMT) by the end of 2010 from the current level of 110 MMT. Given new capacity additions that are expected in the next six to twelve months, operating rates are likely to be negatively impacted and steadily improve thereafter.

The global recession has severely impacted demand growth. This is in conjunction with significant capacity addition that would have caused a 'trough' in the petrochemical margin cycle even in the absence of the recession.

Ethylene Capacity Addition by Regions : 2010-14

North East Asia	35%
Middle East	34%
South East Asia	19%
Indian Subcontinent	14%
CIS & Baltic States	2%
West Europe	1%

Source : CMAI

Planned olefin capacity additions in the Middle East and the Asian continent during 2009-2011 would substantially change the supply scenario. The Middle East could account for 40% of global ethylene capacity with Asia contributing the rest. On the other hand, global ethylene demand will vary significantly depending on end market and geographic region.

Beyond 2010, this will lead to an oversupply situation that will accelerate industry restructuring with extensive shutdown and capacity rationalisation imminent in the western world and other high-cost naphtha-based operations.

Indian Chemical Industry

While most large economies have floundered since the financial crisis, China and India have gone from strength to strength. They remain two of the fast growing, most high-profile economies in the world, creating enormous opportunity.

In 2009, total ethylene capacity in India was estimated at 3 MMT. Approximately 58% of this is naphtha-based and the rest is based on Ethane/Propane/Butane. All the ethylene derivatives (PE, PVC, MEG) are currently in short supply in the country and hence, are being imported. Derivative supply pressure from the Middle East and the start-up of new steam crackers in India, coupled with the downturn in the global petrochemical industry are expected to keep the ethylene margins very competitive in India over the next five years.

Polymers (PP, PE, PVC)

Global commodity polymer consumption in 2009 was estimated at 176 MMT almost 8% lower on a y-o-y basis. Polypropylene (PP) is the single largest polymer segment (25% of major thermoplastic demand), followed by PVC with roughly 18% of the total plastics market. Combined PE types represent almost 40% of total consumption. In general, polyolefin (PE and PP) account for over 60% of total commodity plastics consumption.

World Major Thermoplastics Demand : 2009

World Demand : 176 MMT

PP	25%
PVC	18%
HDPE	17%
LLDPE	11%
LDPE	10%
PET	8%
PS	5%
ABS	4%
PC	2%

Source : CMAI

These materials are used in a wide variety of applications like agriculture, food packaging, automotive components, appliances etc. Polyolefins continue to compete with traditional materials like paper, metal, glass and wood, and even act as substitutes for more expensive engineering plastics.

The majority of polyolefin capacity additions between 2009 and 2014 will be in the Middle East, China and several other Asian countries like Singapore, Thailand and India. China alone will account for 44% of the polypropylene and 34% of all polyethylene capacity additions globally.

Polyolefin industry plays an important role in economic development, and is one of the fastest growing sectors within the Indian economy.

While per capita polyethylene consumption in China is approaching the global average of 30 kg, a large percentage remains export driven rather than consumed domestically, and understates China's future growth potential. India's rapid economic growth over last few years has spurred demand for a wide range of polyolefins. India has a low per capita polyolefin consumption of 6 kg thus providing ample growth opportunities.

RIL's Production

RIL maintained its leadership in the domestic market with a production share of 77%. Production during the year ramped up registering a growth of 33% on a y-o-y basis.

Polymer Production in KT

Product	FY 2009-10	FY 2008-09
PP	2,399	1,466
PE	1,068	996
PVC	624	614
Total	4,091	3,076

Polypropylene (PP) Business

In 2009, global production capacity for PP was 55.5 MMT and demand 44.4 MMT. Bulk of demand was accounted for by raffia, films & sheet and injection moulded articles. After decline in 2008, PP demand grew by 1.4% in 2009. Despite the consumption growth, the operating rate declined to 81% in 2009 from 85% in 2008 due to higher capacity addition growth.

Inventory correction towards the end of 2008 resulted in vigorous buying and buildup in 2009. Domestic demand remained firm throughout the year with strong cumulative growth across the quarters.

RIL's SEZ PP facility was successfully commissioned in 2009. This was followed by high operating performance, well above the rated capacity. The additional production was placed in domestic and export markets. The Middle East has added 2 MMT of PP last year and will add another 1 MMT in 2010. The new capacities are expected to put pressure on the operating rates globally.

With a high degree of integration with its refinery, RIL is well placed on the feedstock front as compared to other PP producers. The Company's focus on specialty grades, higher realisation, and capturing value through chain optimisation would help its PP business retain global leadership position.

After seeing a flat growth in 2008, the domestic PP demand witnessed strong growth at 21% with RIL witnessing 29% growth in volumes. Almost all the end sectors like packaging, durables, automotive and industrial applications helped the industry achieve such growth numbers.

Key end-use segments in packaging are bulk packaging for cement, food grains and chemical packaging. The bulk packaging segment got a fillip for food grain packaging. Flexible packaging growth is mainly driven by BOPP for packaging of snack food and garments, while rigid packaging sector growth depends on a wide variety of end users from processed food industry, FMCG products, agriculture and fisheries.

The automotive sector is also a large PP consumer. Additionally, major applications of PP in the durable sector are in washing machines, refrigerators, mixer grinders, air conditioners etc. With thrust on infrastructure development and organised retail, growth in demand for PP in the Indian market is expected to continue. PP non-woven is also a promising area of growth.

With the commissioning of the Jamnagar SEZ PP plants, RIL is the 5th largest producer globally and is well positioned to take advantage of the fast growing domestic market.

Being consistent with its overall growth strategy, RIL has moved rapidly to seize most of the existing opportunities. This has been done by identifying and developing new applications, import substitution through new grades and replacement of conventional materials to increase consumption in the domestic market. Although mainly domestic oriented, RIL also exported products to Asia.

PP: New Grades/Modifications

RIL has a wide Repol grade basket catering to almost all key sectors. With a view to capitalise on new opportunities, RIL introduced four new grades during the year in Homopolymer and Impact Copolymer segments. Repol Impact Copolymer grades have been specified by major customers for automobile (Bumper/Trims Battery etc.) and appliance sectors. Repol Random Copolymers have been specified by FMCG companies for packaging of malted/ beverage products.

Raffia and BOPP customers are able to run their lines at globally competitive speeds with Repol grades. These are significant product attributes offered by very few global suppliers of PP. Apart from the traditional segments, RIL has also tapped the non-conventional segments like geo-synthetics and medical applications.

- At Hazira, Polypropylene Plant Line B had been successfully modified to produce the ICP grades.
- RIL has introduced a new grade Repol SS80N at Nagothane for cast film application. Repol SS80N is recommended for use as a core layer in coextruded cast film in both metallisable and non-metallisable applications.
- High crystalline Impact Copolymer grade Repol B300MN was introduced at Hazira for automotive compounding to curtail imports.

Polyethylene (PE) Business

Polyethylene continues to be the largest consumed commodity plastic. Global capacity was 84 MMT and consumption was 66 MMT in 2009. Operating rates declined to 80% in 2009 as against 83% in 2008 due to supply pressure from new start-ups in the Middle East.

Asia continues to lead in demand growth as well as on capacity creation. Nearly 20 MMT of new PE capacity over next five years (2010-14) is expected across the globe. The Middle East is adding bulk of the new capacity followed by addition in North East and South East Asia. 4.4 MMT of capacity has been added in 2009 and an additional 7.7 MMT of capacity is planned for 2010.

PE is widely used in packaging applications in the form of films and sheets followed by injection moulding, blow moulding and pipes. Bulk of LDPE and LLDPE is used for film applications whereas HDPE is used in blow moulded containers and pipes.

In India, HDPE/LLDPE industry registered y-o-y growth of 7%. There was a 71% rise in imports of HDPE/LLDPE. RIL registered a growth of 9%. LDPE demand grew by 14%. LDPE imports rose by 34%.

PE: New Grades/Modifications

- RIL received certification for PE: 100 Orange Compound for Gas Pipes from M/s Exova, Sweden. Earlier, RIL got certifications from Bodycote for PE 80 Yellow, PE 80 Black and PE 100 Black made from PE Pipe Grades Relene 45GP004 and Relene 46GP003 respectively. The certification allows use of RIL grades for production of gas pipes for both domestic and industrial gas distribution. RIL is the only Indian manufacturer and the 4th in the world among 440 worldwide PE producers to have the coveted certificates for coloured PE Pipe Compounds.
- RIL has introduced general purpose blow moulding grade Relene B56003 from the Gandhar plant to leverage its technological virtues in terms of bimodal molecular weight distribution, better melt strength & melt swell, ESCR, weld-line strength and zero contamination.
- RIL has modified the Resin specification/additive recipe for Relene LL24FA030 for medium voltage cross-linked cable insulation application and Relene 53EA010 for tarpaulins and wrapping fabrics.
- RIL had successfully sifted and commissioned EVA lines at the Gandhar site. Relene EVA1802 has been introduced.

Polyvinyl Chloride (PVC) Business

In 2009, demand for PVC globally dropped by 0.9% to 32.4 MMT. Operating rate fell to 72% due to diminished demand. The demand reduction is associated with global recession, and represents the second y-o-y reduction since 2007. Global per capita demand is expected to decline for the second time in a row from 5.33 kg to 4.77 kg.

Global PVC capacity stood at 45 MMT, and is expected to reach 49 MMT over the next 5 years. Around 1.5 MMT of capacity was added in 2009. Global operating rate is likely to dip further next year as new capacities come on stream.

PVC consumption in India was 1.8 MMT in FY 2009-10, which represents a growth of 27% over the previous year. Pipes and fittings continued to be the major market accounting for 74% of domestic PVC demand.

PVC is a major product for the infrastructure sector. Irrigation pipes, drinking water supply, various sewerage applications, profiles for building industry, wire and cable, etc require PVC. This has resulted in significant demand growth for PVC in the infrastructure sector. With increasing emphasis and higher budgetary outlays for infrastructure and housing as well as health and hygiene, PVC consumption is expected to grow in the coming years.

PVC: New Grades/Modifications

- Reon PVC K6701 has achieved Long Term Hydrostatic Strength (LTHS) testing for 10,000 hours and has been given a permanent listing by NSF International USA and Plastic Pipe Products, USA.
- Modified grade of Reon K6701 has been established for low gel/fisheye applications like shrink film/cling and lamination films.
- Solar panel frames designed and developed in PVC are being used as a cost effective replacement for aluminum frames.
- High impact, weather resistant PVC profile compound has been developed for use in windmill blades.

Chemicals Business

Reliance's crackers at Hazira, Nagothane, Dahej and Vadodara are among the world's most integrated complexes with downstream chemical facilities. These facilities can use a variety of feedstock, including naphtha, natural gas liquids and other petroleum feedstock. Reliance is a leading producer of Linear Alkyl Benzene (LAB) and Butadiene in India. RIL also produces basic aromatic building blocks of the highest purity, conforming to the product grades. These include benzene, toluene, mixed-xylene and ortho-xylene. The diverse end-use sectors of these products range from nylon, unsaturated polyester resins, polyurethanes, oil field chemicals to food acids.

Benzene

The global Benzene production and demand for FY 2009-10 was about 37 MMT as against a capacity of 58 MMT resulting in an average operating rate of 64%. This was mainly due to lower operating rates of naphtha crackers (accounting for 38% of Benzene production) and of refineries (accounting for 40% of production).

Ethyl Benzene remains the major end-use of Benzene, followed by Cumene, Cyclohexane and Nitrobenzene, respectively. Each of the Benzene derivatives has its own value chain like Ethyl Benzene-Styrene-Polystyrene, Cumene-Phenol-BPA-Polycarbonate, and Cyclohexane-Caprolactam-Nylon etc.

For the year, RIL produced 673 KT of Benzene, a growth of 1.9% on a y-o-y basis. Despite being a large exporter, RIL has also retained a domestic market share of 47%. The Indian market is dominated by Cyclohexane-Caprolactam, LAB, Nitrobenzene and Chlorobenzene sectors.

During FY 2009-10, RIL exported 404 KT of Benzene to deficit areas like the US, Europe, the Middle East and Asia. RIL had improved its netback by enhancing exports to the Middle East in 2009.

Polybutadiene Rubber (PBR)

Polybutadiene Rubber is the second largest synthetic rubber with an annual global consumption of 2.2 MMT. PBR is used widely in tyres, tread rubber, conveyor belts, footwear, sports goods, automotive products etc. Global demand for synthetic rubber in the coming years is expected to grow at 4% annually, mainly due to faster recovery in the economy and rapid growth of the automobile sector in India and China. India's current consumption of PBR is 131 KT and is likely to reach 148 KT by 2013 on the back of capacity enhancement plans announced. RIL is the only manufacturer of PBR in India with production of 73 KT for the year.

Butadiene

Butadiene global demand is around 9.4 MMT. Approximately 49% of the total demand is from the Asian region, followed by 26% from USA and 21% from Europe. Indian demand is comparatively low at 108 KTA.

Overall demand from downstream industries (which includes products like Styrene Butadiene Rubber, Polybutadiene Rubber, Acrylonitrile Butadiene Styrene and Styrene Butadiene latex and Adiponitrile) was growing at 3.4% till October 2008. Due to the financial crisis, the auto market suffered a major collapse leading to sharp drop in all elastomer prices. FY 2009-10 has been a year of economic recovery with no appreciable growth in the demand for elastomers. During FY 2009-10, butadiene production increased by 10% to 178 KT as against FY 2008-09.

Chlor Alkali

Our chlor alkali capacity consists of 168 KTA of caustic soda and 141 KTA of chlorine capacity. While the chlorine is captively consumed in the manufacturing of ethylene di-chloride, caustic soda which is an alkali of choice in a wide range of applications is sold by the Company.

The global consumption of caustic soda was 64 MMT during FY 2009-10, a y-o-y decline of 5%. The operating rates averaged at 77%.

China increased its chlor alkali capacity to 27 MMT during 2009. With these capacity additions, nearly 55% of the global chlor alkali capacity has now shifted to Asia. The developed world (USA, Europe and Japan) accounts for 35% of the global installed capacity of 79 MMT.

Main consuming sectors of caustic soda, viz., alumina, pulp, textiles and chemicals have declined by nearly 15-20% in the developed world during the first three quarters of the financial year. Domestic capacity has increased to 3.2 MMT by March 2010. Consumption of caustic soda in India grew 13% to 2.6 MMT over FY 2008-09. Demand from alumina, textiles, fibre and water treatment sectors grew robustly over FY 2008-09. However, a weaker global market of chlorine derivatives and a weak monsoon affected the demand for chlorine derivatives in India.

During FY 2009-10, RIL installed new membranes in its chlor alkali plant, and also successfully commissioned an exclusive pipeline to transfer and load caustic soda into ocean going vessels from the connecting jetty. This has reduced the logistical cost of exports as well as the coastal movement of caustic soda for RIL. The Company maintained its market share of 6% in the domestic market.

Linear Alkyl Benzene (LAB)

LAB is a key detergent intermediate and is manufactured from Normal Paraffin (NP) and Benzene. LAB is used to manufacture Linear Alkyl Benzene Sulfonic Acid (LABSA), a main active element which provides cleaning power in synthetic detergents.

In India, most detergents incorporate LAB as the surfactant intermediate of choice. Per capita consumption of synthetic detergent penetration is less than 10% of the Western world indicating large growth potential for LAB in the long term. Growth in the use of synthetic detergents in India is expected to follow the GDP growth rate in the coming years. LAB growth is expected to follow suit.

Global LAB consumption continues to grow steadily with growth coming mainly from developing regions, which augurs well for the future potential of RIL's LAB plant. The present global LAB consumption level is 3 MMT as against an installed capacity of 3.45 MMT p.a.

India is a net exporter of LAB with production outstripping demand by a wide margin. RIL has the world's 5th largest LAB capacity (182 KT), with a 24% domestic market share.

RIL's production increased to 163 KT from 151 KT in FY 2008-09. FY 2009-10 was a challenging year for RIL's LAB business. In the beginning of the year, prices were under tremendous pressure as a result of lower demand due to global recession, as well as dumping by Middle East producers to liquidate their inventories. Demand is improving and both LAB units at Patalganga and Vadodara have improved operating rates.

Research and Development (R&D), Technology Development and Innovation

RIL has achieved market leadership through innovation in products, processes and cost competitiveness. Reliance Polymers is working on developing strategic technology for high performance Polyolefin products such as BOPP and Impact Polypropylene through innovation in catalyst systems.

The Intellectual Property Right (IPR) has been filed in the area of Polypropylene in addition to the assignment of 3 Patent Cooperation Treaty (PCT). 2 Indian trade mark applications for Catalyst System and Process for Polyolefins have also been filed. RIL has been awarded the Arch of Excellence and the Rashtriya Ratan Award during the year for achieving technological excellence.

Specific areas in which the research and development is being carried out by the Company are as follows:

- Polyolefin Catalyst Precursor development
- Advanced Injection Moulding Homo PP grade development
- BOPP and ICP grades of Polypropylene development
- HDPE grades development using in-house developed Mg–Ti catalyst system
- Bimodal HDPE pipe grade development – suitable for high pressure gas distribution application. This is also certified by an independent international certifying agency.
- Catalyst ligands development for production of Disentangled Ultra-High Molecular Weigh Polyethylene (D-UHMWPE)
- High Melt Strength (HMS) grades development of Polypropylene for enhancing the application spectrum up to the engineering plastic performance
- Development of understanding of grade design of BOPP grades of Polypropylene for higher line speeds
- Development of cost effective material alternatives for solar modules
- Development of dual purpose additives for Polypropylene
- Development of beta-nucleated high performance RCP pipe grade PP

Technology Absorption, Adoption and Innovation

Efforts, in brief, made towards technology absorption, adoption and innovation are as follows:

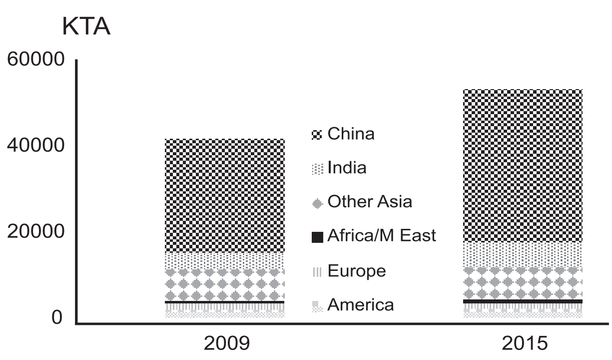
- Innovation in Catalyst system for production of polypropylene and polyethylene grades
- Innovation in Catalyst and Catalyst Precursor for Polymer technology
- Innovation in Plastic Processing technology to obtain high performance products

Polyester Fibre and Filament

In line with GDP growth following a period of slowdown in 2008, global textile consumption has steadily improved. In 2009, textile demand showed signs of gathering momentum and registered a marginal growth of 0.2%, against a drop of 6% in 2008. The primary consuming economy, USA too gradually recovered and the decline in imports of textile and apparel products eased from double digit declines to single digit in the last three months of 2009; but cumulative volumes still are below last year figures by 13%. Polyester demand for textile applications during 2009 increased 3.4% to 32.4 MMT; staple fibre demand increased by 2.5% to 12.4 MMT while filament demand increased by 4% to 20.0 MMT. The textile demand for the next five years is expected to grow at more than 3% CAGR, with polyester growing at a faster rate than any other fibre.

Polyester is expected to grow at 4% to garner 50% of the total fibre demand from the current 46% during the same period. The growth is expected to be skewed towards filament yarn, with growth of 5 MMT to 25 MMT, while staple fibre is expected to grow by 3 MMT to 16 MMT.

Global Polyester Capacity



Source : PCI

Though the global economy has started to show signs of improvement, corporate restructuring activities continue with several capacities in high cost centres of USA and EU being either shut down or shifted to low cost regions, especially Asia. Further more, during the next 5 years, there would be polyester capacity addition of 11 MMT with the majority of them in the Asian region with China accounting for the largest pie.

Polyester staple fibre markets would witness demand growth faster than capacity addition, thus favouring healthy operating rates. However, surplus polyester filament yarn capacity addition that happened in the last few years would keep operating rates subdued. From next year, polyester filament yarn operating rates are expected to be steady.

The year started on a soft note and as news of economic recovery emerged, prices of feedstock gradually improved but witnessed volatility in the latter part of the year. During the year, Paraxylene (PX) prices marked a high of $ 1200/MT and a low of $ 845/MT, PTA fluctuated between $ 970/MT and $ 780/MT while MEG witnessed major volatility between $ 1040/MT and $ 525/MT. Though the polyester demand improved during the year, buying by the downstream textile industry remained need based and cautiously placed to eliminate stock losses. Consequently, polyester prices could not match up with the spike in feedstock prices and thus had to absorb price hikes during volatile periods. This impacted standalone polyester manufacturers and RIL being an integrated polyester producer was able to protect chain margins despite the chain volatility.

Polyethylene Terephthalate (PET)

PET resin caters to a non-textile application i.e. packaging. This is the fastest growing polyester application, growing at a rate of 7% CAGR for the last 5 years. PET markets too had borne the brunt of the global economic slump and market growth slowed to 3.4% in 2009. PET resin market is expected to grow at 7.5% during the next year on stronger economic growth.

The industry has experienced a major consolidation drive especially in developed countries. Apart from this structural change, light-weighting continues to be prevalent, mostly in the developed world.

As a consequence of the dip in feedstock costs during the economic slowdown, PET resin prices too remained lower during the earlier part of the year, but gradually increased thereafter and ranged between $ 985/MT to $ 1300/MT during the year. However, due to surplus capacity and volatility in intermediate margins, PET margins remained under pressure.

Fibre Intermediates

Due to excessive capacity addition, market players expected an overflowing supply of PX, PTA and MEG while on the contrary; markets remained in tight supply for most part of the year.

Many PX plants planned across the globe either got delayed or faced scarcity of feedstock preventing on production and timely supply. The tight supply in the market caused prices to firm and averaged above $ 1000/MT during the year. As reported by PCI, a leading polyester chain market consultant, markets are expected to witness further capacity addition of 3 MMT during 2010, much in excess of demand growth. However, over the coming years, capacity growth is expected to slow down and support the improvement of operating rates.

PTA operations too during the year were hampered due to short supply of feedstock PX, consequently tightening the market of immediate requirements. As a result of the strong demand and tight supply in the markets, prices remained strong. Average prices during the year were $ 886/MT and margins over PX remained firm. In the coming year, capacity addition of 2 MMT is expected to come online while demand growth is expected to be at 2.3 MMT.

MEG operations at the major producing hub Middle East remained interrupted by unexpected shutdowns. Markets as a result witnessed significant and uneven price movements. Prices ranged between $ 525/MT and $ 1,040/MT, firming significantly in the latter part of the year. Estimates suggest that capacity growth in the next few years would slow down, thus easing the excess supply scenario.

Domestic Scenario

2009 witnessed the Indian textile industry recovering from the slowdown with strong domestic consumption and renewed export demand.

Earlier, the textile industry, which is a major contributor to export earnings, had encountered global economic slowdown shocks. Exports registered month-on-month negative growth for most part of 2009. However, strong domestic markets and timely government intervention helped the Indian textile industry to overcome the slowdown effect.

Proactively right from the end of 2008, the Government announced a series of stimulus packages to support the export community. The Foreign Trade Policy 2009-2014 also featured some relief measures including addition of 26 new markets in the Focus Market Scheme (FMS) in Latin America and Asia–Oceania for promotion of exports. This is expected to further boost textile exports from India. Technical textiles and synthetic textile fabrics were also included in various incentive schemes. Recently, the Government has further extended the interest subvention of 2% till March 2011 to help exporters reduce interest costs.

Textile exports started recovering from the end of 2009 onwards. As per CRISIL, the recovery was relatively faster in man-made fibre based textiles as its export dependency is around 30% compared to 42% in the case of the cotton textile industry. Polyester, being the largest man-made fibre based textile industry benefited the maximum in this surge in exports.

The demand for polyester products grew by around 15% in FY 2009-10. The growth momentum is led by PET with 26%, followed by Polyester Filament Yarn (PFY) at 14% and Polyester Staple Fibre (PSF) at 12%.

PSF demand also got a boost from the firmness in cotton fibre prices. Cotton prices have continued to rise from October 2009 onwards and presently. Cotton fibre prices are up 33% y-o-y. This led to fibre substitution in favour of polyester and hence, supported demand.

Operations at some major textile production centres were affected during the year due to power supply disruptions. This led to lower operating rates or partial shutdown of some textile mills.

In order to achieve better cost economics, many polyester texturisers implemented backward integration to produce polyester yarn during the year and commissioned new polymerisation plants. This is expected to continue in the coming years as well.

Among other developments, the Government of India partially rolled back stimulus packages, by raising the excise duty on polyester from 4% to 8% in July 2009 and increased it by another 2% on polyester and feedstock alike in the Union Budget 2010-11, thus bringing them at a uniform rate of 10%. However, the downstream textile industry continues to enjoy the option of not being in the excise net.

The investments in the downstream textile industry like new textile parks are further expected to boost the demand. The much awaited new fibre policy is expected to provide a level playing field to man-made fibres vis-à-vis natural fibres. Moreover, the grant of Rs. 200 crore to establish a zero liquid discharge system at Tirupur in Tamil Nadu is an effort by the Government to sustain the textile hubs. These measures are expected to increase textile investments in the days to come.

As per CRISIL estimates, the domestic textile market (ready-made garments and home textiles) is expected to grow at a CAGR of 6-7% between FY 2008-09 and FY 2013-14. Rising income levels and increased growth in rural spending on textile products will translate into growth in domestic demand for fabric.

The main demand drivers for textile growth are as follows:

1. Rising overall personal income levels
2. Projected higher spending on textiles in rural areas
3. Increased non-apparel applications like home furnishing and technical textiles

One notable feature is that in terms of per capita fibre consumption, India still lags behind, which in a way, indicates the huge potential which can be tapped. Global all fibre per capita final consumer demand in 2010 is at 10.4 kg, while that of India is at 5 kg. In comparison, per capita consumption in China is at 16, North America is 31 kg and West Europe is at 22 kg.

PFY is expected to lead the domestic demand growth in the overall textile chain. Current domestic demand is around 1.9 MMT (up 14% over FY 2008-09), of which RIL's share is around 32%. Current PSF domestic demand is around 0.8 MMT (up 12% over FY 2008-09), of which RIL's share is around 65%.

PET, which is one of the fastest growing segments in polyester, currently has a demand of around 0.34 MMT in India, with RIL catering to approximately half of the demand. The current per capita PET consumption in India is very low at approximately 0.3 kg compared to the world average of over 2 kg. There is immense scope to enhance its usage in providing efficient and economic packaging solutions.

In case of the domestic feedstock scenario, the polyester industry faced shortage of PTA in 2009, mainly on account of delay of new capacity and the increased demand due to backward integration by texturisers. The current PTA demand is 3.3 MMT.

MEG market remained in short supply and the deficit was met by imports. Current domestic demand is around 1.4 MMT.

PX domestic consumption in FY 2009-10 is around 2.0 MMT.

RIL's Performance

RIL continues to hold top rankings in the polyester and feedstock arenas. Total polyester capacity is around 2.4 MMT including PET.

The Company is the world's largest producer of polyester staple fibre and filament yarn with a capacity of around 2 MMT. Besides, in case of feedstock, it ranks 4th in PX, 7th in PTA and 7th in MEG, as per PCI.

Production volumes of polyester increased by 9% over FY 2008-09 to 1,666 KT. PFY production increased by 12% while PSF and PET increased by 7% and 5% respectively.

RIL's overall domestic market share in polyester is around 43% including PET. RIL has a deep focus on speciality products and currently, its differentiated product sales in PFY are at 41% and in PSF at 58%.

Polyester Production in KT

Product	FY 2009-10	FY 2008-09
PFY	724	646
PSF	597	559
PET	345	329
Total	**1,666**	**1,534**

In case of fibre intermediates, total production (PX, PTA and MEG) is at 4,619 KT in FY 2009-10, up 1.0% over FY 2008-09. PTA production is up by 3.6% while MEG production is down by 4.2% to optimise ethylene oxide production.

Fibre Intermediates Production in KT

Product	FY 2009-10	FY 2008-09
PX	1,875	1,879
PTA	2,049	1,978
MEG	695	726
Total	**4,619**	**4,583**

RIL is constantly improving operations and innovating new products for better margins. During the year, RIL optimised operations and costs at various plants either through substitution of products or improvement of existing processes. These steps resulted in reduction in costs.

During the year, RIL introduced high margin flame retardant fibres to improve performance of textiles in a safe and secure environment. RIL also launched stretch textured yarns and anti-microbial yarns with superior functionality. Under sleep products category, after successfully establishing its national presence in pillows, RIL launched quilts this year. Within a year of its launch, the product has been well accepted by the markets.

RIL strives to have a better tomorrow with a cleaner and greener environment. In this regard, RIL launched speciality fibres that uses post-consumer bottles and industrial waste for production of pre-coloured products. This segment predominantly caters to production of fibres for speciality defence uniforms. Apart from consuming used bottles, these fibres are also pre-coloured and do not need water for dyeing.

This year RIL also launched Recrobulk fibres from recycled material. This is a speciality fibre used for manufacturing of winter wear. RIL is also planning to launch more such environmental friendly products.

Recron Malaysia

Reliance acquired assets of Hualon Malaysia in 2008. These assets underwent substantial improvement in order to integrate them into Reliance operations and product quality.

Most of Recron's manufacturing facilities operated at close to 100% capacity utilisation despite the global crisis. Several new products, processes and applications were introduced to garner new markets and downstream opportunities. Focus was also to ensure higher efficiency in inventory management and raw material procurement.

Reliance Solar

The solar energy initiative of Reliance aims to bring solar energy systems and solutions primarily to remote and rural areas in India and bring about a transformation in the quality of life. As part of this initiative, Reliance Solar is developing and offering a range of products, systems and solutions- from solar lanterns, home lighting systems, street lighting systems, water purification systems, refrigeration systems to solar air conditioners based on solar energy. These products, systems and solutions are part of the downstream component of the solar value chain.

Reliance Solar group has built large scale MWp level solar PV plant and is under process of building more such plants thus providing energy security to energy dependent domains and businesses and also bridging energy gap in energy deficient areas. It has also installed and commissioned South-Asia's largest rooftop plant of 1 MW at Thyagaraj Stadium, Delhi in just 3 months. Reliance Solar also received the IEC - TUV certification for higher modules in May 2009.

Opportunities

RIL is a unique combination of a play on global economic recovery through its refining and petrochemical businesses, and participation in India's robust domestic consumption story through its oil and gas and retail businesses. RIL has a proven track record of best-in-class project execution, creating world class assets, achieving economies of scale, use of contemporary technology and above all, financial discipline.

Natural gas production from the KG-D6 block has stabilised at around 60 MMSCMD. Earnings from this block will continue to be a significant contributor to RIL's overall cash flows over the next few years. RIL's next leg of growth would be led by aggressive exploration, development and appraisal of its existing discoveries and possible inorganic acquisitions. Today, RIL has significant growth opportunity in the domestic E&P sector, considering its asset portfolio and proven execution capabilities. Natural gas continues to be a key component of India's energy basket and meets 9% of its total energy requirement. Natural gas has primarily been used as a hydrocarbon feedstock in the fertiliser, petrochemicals and power sectors. However, the scope of natural gas usage in the country has been increasing over the last decade. Gas is now progressively being used as a fuel in transportation and at homes.

While demand for petroleum products is expected to improve marginally over the next two years to around 87 MBPD, capacity addition is expected to grow faster than demand growth. New capacity additions have already pressurised the utilisation rates over the last two years, leading to shut-downs to adjust the demand-supply balance. This adjustment would lead to average world refining operating rates to move up marginally to 86% from the current 85% by 2012 (*Source: Oil and Gas Journal*). This can lead to normalisation of GRMs to a certain extent, and a possible increase in Singapore regional benchmarks.

RIL's exposure to the refining business has increased following the commissioning of the SEZ refinery. Expansion in GRMs will have a meaningful impact on the profitability of the company. RIL, with its high complex refining capacity of 1.24 MBPD at Jamnagar, is poised to benefit from the global economic turnaround. The Company's superior operational efficiency vis-à-vis international peer group augurs well with global economic recovery.

In the petrochemicals business, RIL's operating levels have remained consistently near 100% throughout the entire down cycle over the last 4-6 quarters, led by strong domestic demand. Domestic demand has seen a strong resurgent growth across the industry, led by increasing investments in infrastructure. Additionally, product cracks for RIL have been strong, led by integrated nature of operations. The overall Indian polymer industry has grown at 1.5-2 times the GDP growth rate. Among its peers, RIL would continue to earn superior returns on account of its fully-integrated operations and robust domestic demand. RIL is expected to be a dominant player in the domestic petrochemical industry.

Challenges, Risks and Concerns

Last year, one of the biggest challenges for the Company was to complete its two large projects on time and within budget. The upstream project KG-D6 had a very safe and reliable start-up and the gas production ramp-up has been progressing well. The new refinery at Jamnagar has also seen flawless start-up and achieved more than 100% utilisation rate in a record time.

KG-D6 is the world's largest gas producing deepwater facility. It is also located in the East coast of India, a region known for strong monsoons and tough water conditions. The challenge for the Company is to ensure optimum level of production, a safe and steady ramp up towards achieving plateau level of production and 365 days of uninterrupted operations; while mandating the highest levels of heath, safety and utmost care for the environment.

The refining and marketing industry is highly competitive with respect to both feedstock supply and refined product markets. RIL competes internationally for supplies of crude oil and other feedstock and for outlets for its refined products. Competitors that have their own production or extensive retail outlets are at times able to offset losses from refining operations with profits from producing or retailing operations, and may be better positioned to withstand periods of depressed refining margins or feedstock shortages. However, RIL can compete effectively with its low cost operations, high complexity and ability to produce and place high quality products in world markets. Prices and margins of petroleum products are likely to be volatile due to demand concerns in the OECD markets and new supply.

Over the next 2-3 years, a large number of new low-cost ethylene capacities are expected to be added in the Middle East region, which may pressurise cracker margins. Asia is expected to add some incremental capacity over the same period, further pressurising cracker margins. These capacity additions will be partially offset by the closure of inefficient capacities in developed regions, especially North America and Europe. Operating rates are critical for profitability in the petrochemicals business. On the back of strong domestic market growth, RIL has been able to maintain very high operating rates through the cycle. The purchased feedstock and energy costs account for a substantial portion of the Company's total production cost and operating expenses. Volatility in these costs could have an impact on the profitability of the petrochemicals business.

The Company competes worldwide on the basis of integrated operations, quality, price, technology and customer service. RIL's large exports, which constitute 55% of its turnover, give rise to market risk exposure related to change in foreign exchange rates, interest rates, commodity prices and other market factors.

Internal Controls

RIL has a comprehensive system of internal controls to safeguard the Company's assets against loss from unauthorised use and ensure proper authorisation of financial transactions. The Company has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

The Company's accounting process is based on uniform accounting guideline that sets out accounting policies and significant processes and deadlines on a company wide basis. There are binding directives for internal reconciliations and other accounting operations. The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls, and compliance with laws and regulations.

RIL has well established policy towards maintaining the highest standards of health, safety and environmental norms while maintaining operational integrity. This policy is strictly adhered to all RIL manufacturing facilities.

The Company has an internal audit function, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process.

The management duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and the independent Audit Committee of the Board of Directors.

Major Subsidiaries

Reliance Retail Limited

In the last year, Reliance Retail Limited (RRL) continued to fulfill its commitment of enriching Indian consumer's shopping experience and providing quality merchandise at an attractive value proposition. More than 3 years into operation, RRL has now expanded its presence in more than 85 cities across 14 states in India. RRL forged ahead with its expansion plans and rolled out stores across the country. RRL's footprint now spans a network of more than 1,000 stores.

RRL operates several 'value' & 'specialty' formats. The 'value' formats that RRL operates are: 'Reliance Fresh', a neighborhood concept, 'Reliance Mart', an all under one roof supermarket concept & 'Reliance Super', a mini-mart concept. The 'value' formats offer a wide range and assortment of products required for daily household needs. The 'specialty' formats are: 'Reliance Digital', a consumer durables & information technology concept, 'Reliance Trends', an apparel & accessories concept, 'Reliance Wellness', a health, wellness & beauty concept, 'iStore by Reliance Digital', an exclusive Apple products concept, 'Reliance Footprint', a footwear concept, 'Reliance Jewels', a jewellery concept, 'Reliance TimeOut', a books, music & entertainment concept, 'Reliance AutoZone', an automotive products & services concept and 'Reliance Living', a homeware, furniture, modular kitchens, furnishings concept.

RRL rapidly expanded the stores network it operates through strategic partnerships with world-class companies such as Marks & Spencer and Pearl Europe. RRL also entered into an exclusive distribution arrangement with Asics Corporation Japan to market Asics brands of shoes and accessories in India. RRL has recently opened its flagship store under its franchise agreement with Hamleys and plans to expand the store network in the coming year. RRL has also expanded its presence in business-to-business office supplies through its joint venture with Office Depot.

Through 'Reliance One', RRL's loyalty membership program, RRL enjoys the patronage of over 5.5 million customers.

In the coming year, RRL will continue on its mission to delight the customers every visit. RRL will continue to provide unprecedented value to customers across all its formats and stores.

Haryana Special Economic Zone (SEZ)

With a vision to develop industrial infrastructure and support economic growth, RIL embarked on a mega project with the support of the Government of Haryana and Haryana State Industrial Investment Development Corporation (HSIIDC) and established Reliance Haryana SEZ Limited. This is a joint venture between Reliance Venture Limited (a subsidiary of RIL) and HSIIDC Limited (a Government of Haryana company), to establish a large scale fully integrated economic enclave as a SEZ.

To achieve its vision, the Company purchased about 9,600 acres of land and has also obtained various approvals from both the Government of Haryana as well as the Government of India to establish the SEZ enclaves.

The Company is seeking approval from the Government of Haryana to undertake flexible development of the project as an integrated industrial enclave with all the requisite facilities such as logistics hubs and other infrastructure ensuring sustainable development of medium and large scale industries and service activities with sufficient provision for future growth and expansion.

The Company may bring in a strategic investor to help maximise the potential of the investments made so far and make it a truly global investment destination.

Research & Development, Technology Development And Innovation

Research & Development (R&D), Technology Development and Innovation continues to be an integral part of RIL's agenda for achieving growth, business profitability, sustainability and rural transformation. The Reliance Technology Group (RTG), created by consolidating various research and technology functions is helping create enhanced value delivery by leveraging all the skills and competencies, and creating new opportunities at the interfaces. RTG continues to get external perspectives from members of the Reliance Innovation Council (RIC).

Key objectives of RTG are as follows:

- Develop fit-for-purpose and sustainable technology and its application.
- Provide effective project support and assurance to manufacturing plants and businesses.
- Provide technical assurance to projects including technology selection and absorption.
- Proactively identify and support technical opportunities to add value across RIL's businesses.
- Develop technology strategies suited to create business growth and offset threats.
- Balance technology sourcing by a flexible strategy of smart buying, fast customisation and flagship development of key technologies.
- Exploit synergies cutting across technologies/ disciplines.
- Improve technical productivity on a continuous basis.
- Develop / recruit staff with skills and motivation to meet current and future business needs.
- Create a fit-for-purpose process centric organisation.
- Ensure long term technical health of RIL businesses.
- Manage technology and Intellectual Property (IP) assets for the Company.

RTG continues to support improvements in manufacturing operations, e.g., through the implementation of advanced process control.

In refining R&D, the major technology focus is on maximising desired product yields from Fluidised Catalytic Cracker (FCC), enhancing recovery of higher value products from distilling units, and on increasing efficiency and reliability of refinery processes by using advanced tools, e.g., computational fluid dynamics. Efforts are also under way to develop new processes to widen operating window for crude processing.

In the petrochemicals area, RTG is providing technology support to olefin crackers, polymers, fibre intermediates, Linear Alkyl Benzene (LAB) and polyester. In the polymers area, RTG is working on strategic technology for high performance polyolefin products such as Biaxially Oriented Polypropylene (BOPP) and Impact Polypropylene through innovation in catalyst systems.

RTG is also working on the development/ commercialisation of new products e.g., oxygen barrier polyester resin for packaging, material for fruits/vegetables preservation and low cost Antimicrobial Polyester. In addition, RTG is working on emerging technologies such as fuel cells, carbon fibres, bio-fuels and gasification of various feedstocks.

Some major ongoing/completed projects include:

- Maximising light olefins yields.
- Expansion of testing and pilot plant facilities in refining.
- Technology development to process cheaper and heavier crudes.
- Computational Fluid Dynamics (CFD) studies for trouble shooting.
- Molecular modeling in blending and feed characterisation.
- Value addition by upgrading of coker streams.
- Process development for co-monomers from ethylene.
- Material development for enhancing shelf life of fruits and vegetables.
- Development of new grades of elastomers.
- New Purified Terephthalic Acid (PTA) technology development.
- Catalyst recovery from Crude Terephthalic Acid (CTA) residues.
- Development of a regenerable adsorbent for removal of olefins in Benzene, Toluene and Xylene (BTX) streams.
- Development of a dehydrogenation catalyst for LAB.
- Development of a polyolefin catalyst precursor.
- Development of catalyst ligands for the production of disentangled ultra-high molecular weight polyethylene.
- Development of High Melt Strength (HMS) grades of polypropylene.
- Development of low pill polyester in the continuous reactor.
- Development of full dull dope dyed polyester.
- Development of new catalyst systems for bottle-grade resin productivity enhancement.
- Finishes for specialty products in polyester.

RIL continues to participate in various collaborative projects in India and overseas.

The RTG has joined the New Millennium Indian Technology Leadership Initiative (NMITLI) project on indigenous fuel cell technology development as the sole industry partner. The work will be a collaborative effort with Council of Scientific and Industrial Research (CSIR) laboratories including National Chemical Laboratory (NCL), Pune, to demonstrate Proton Exchange Membranes (PEM) fuel cell technology over the next two years. Another initiative with NMITLI is in the area of conversion of bioglycerol into value added chemicals.

Creation and protection of IP is becoming a core activity at RTG. Systems and processes have been build to effectively protect the know-how, innovations, and knowledge generated by the staff.

As per RTG's mission, the Company will continue to create business value and competitive advantage for RIL by applying (buying, customising, developing) the right technology, at the right cost, and at the right time to meet the current and future needs of RIL through the following initiatives:

- An integrated, central technology organisation to support RIL businesses and manufacturing facilities.
- A sustained high performance work culture which fosters innovation, entrepreneurship, inclusiveness, teamwork and continuous improvement.
- A process centric organisation that maximises synergies across all interfaces, leverages core competencies of various disciplines to maximise value from current assets and creates new growth opportunities, while allowing people to develop and contribute to their full capabilities.

Innovation

In a challenging year of demand destruction and the global financial crisis, RIL was resilient and continued to innovate to convert the adversity into an opportunity. RIL launched an innovative initiative called "Mission Kurukshetra" aimed at galvanising and energising the entire organisation to rise to the occasion and help RIL emerge stronger.

The focus of this initiative was on extreme efficiency, value maximisation to serve the new market conditions and safety and reliability of assets. The employees responded overwhelmingly by pouring in a record number of ideas over a specially built business excellence tool which operated on the Information Technology (IT) backbone.

This initiative not only helped in surmounting the challenges with a will to win, but also identified serial ideators, who were recognised and rewarded by the leadership of RIL. The Leading Expert Access Programme (LEAP) which gives access to global thought leaders continued to inspire the people of RIL. Nobel laureates, industry captains and thought leaders enthralled and enlightened communities with their experiences of life and work.

The year culminated with the meeting of the RIC, which was organised in Jamnagar in January 2010. "Value creation through innovation" was the theme for this meeting. The meeting witnessed Nobel laureates such as Professors Lehn and Grubbs, global strategy leaders such as Professor CK Prahalad and leading thinkers such as Professor Whitesides and Dr. Haseltine work along with the Chairman Dr. Mashelkar, Mr. Mukesh D. Ambani and the leadership of RIL in defining the RIL of the future and lay out roadmaps based on the unique positioning of the Company.

The Reliance Innovation Leadership Centre (RILC) continues to serve the RIC and builds on the innovation agenda drawn up to make RIL one of the most innovative companies in the world. It has lined up some exciting and highly innovative initiatives that will take innovation at RIL to the next level. RIL continues its quest to make innovation a way of life and ensure that the next generation of growth is innovation led.

Clean Development Mechanism

The Company has built in-house capacity to develop Clean Development Mechanism (CDM) projects and obtain the registration and issuance of the same in the form of Certified Emission Reductions (CERs) from the United Nations Framework Convention on Climate Change (UNFCCC). RIL's CDM projects registered with the UNFCCC have been audited during FY10 by their accredited auditors and UNFCCC issued 99,457 CERs to RIL. Until March 2010, 212,425 CERs were issued to the Company on a cumulative basis.

Additionally, six of RIL's CDM projects have been approved by the board of Chicago Climate Exchange (CCX) in FY10, which has generated 950,000 Voluntary Emission Reduction (VER) credits.

Further, in FY10, RIL has taken up development of three renewable energy CDM projects including harnessing solar and biomass energy and countrywide Jatropha plantation.

Human Resources Development

RIL's talent base, as on March 31, 2010, stands at 23,365 with the average employee age of 41 years. The aim is to lower the average employee age and invigorate the youth to take the organisation forward over the next few decades as indeed the current leaders have done over the last 30 years by starting early in their 20s and 30s. The entrepreneurial spirit has been a hallmark of the organisation. The Company continues to nurture this as it grows exponentially.

Business Transformation – HR Transformation: To quote RIL CMD, Shri Mukesh D. Ambani, "The Business Transformation initiative that we have embarked upon is singularly going to be the most significant project that Reliance would have ever undertaken in its organisational history". While this strategy cuts across Manufacturing, Businesses and Services, most of the transformation agenda is around and strongly interlinked with people practices and processes. The mandate is to build a world class HR organisation with benchmark processes and systems around Performance Management, Rewards and Recognition, Competency and Capability Building, Succession Planning, etc. amongst others.

As an ongoing exercise, RIL has continued to look at, identify, create and execute seamlessly, initiatives which enhance productivity and efficiency. Towards this end, the Company has put into place a central shared services organisation for HR, wherein Global Best Practices for HR Shared Services are integrated. The objective of this centre, apart from leveraging on the economies of scale, is to provide a world class experience to our people on all the matters that they have to deal with on a day-to-day basis including all transactions.

RIL continues to invest in people through various Learning & Development initiatives, which has seen 3,092,403 man hours of Learning & Development activities at manufacturing divisions. E-learning as a medium is much sought after by the employees for upgrading skills and competencies since people can learn when needed at their own convenience and from where they may be. The Company has continued to invest in this area through newer and state-of-the-art modules both in the Technical and Management domains.

In FY 2009-10, 105 Six Sigma projects were completed leading to financial benefits (annualised) amounting to

Rs. 55 crore. Presently, 439 Black Belts and Green Belts are associated in Six Sigma projects at different sites. For the success of the projects, 1,896 team members and supervisory personnel are providing active support.

To further embed Six Sigma and develop a cadre of Reliance Certified Black Belts (RCBB) across locations, RCBB development plan was launched at each site. Reliance Certified Black Belt will have the knowledge and skills to do complex projects and also guide, coach and train others in executing Green Belt (GB) projects.

Awards and Recognition

Some of the major awards and recognitions conferred on RIL are as follows:

Leadership

In 2009, Shri Mukesh D. Ambani, Chairman and Managing Director of RIL, was ranked the 5th best performing CEO in the world by the Harvard Business Review in its ranking of the top 50 global CEOs of all publicly traded companies that have made it into the Standard & Poor's Global 1200 or BRIC 40 lists since 1997 and also companies from Brazil, Russia, India, and China.

Shri Mukesh D. Ambani was awarded the Dean's Medal by University of Pennsylvania's Eduardo Glandt, dean of the School of Engineering and Applied Science in 2010. The recognition was for his leadership in the application of engineering and technology.

Shri Mukesh D. Ambani was awarded the Indian Merchant's Chamber (IMC) 'Juran Quality Medal for 2009', in 2010.

Shri Hardev Singh Kohli received the 'Gem of India Award' for his contributions to usher in excellence in the Indian industry at the All India Achievers' Conference (AIAC) in 2009.

Corporate Ranking and Ratings

- RIL continues to be featured, for the fifth consecutive year, in the Fortune Global 500 list of the "World's Largest Corporations"; ranking for 2009 is as follows:
  Ranked 264th in terms of sales
  Ranked 117th in terms of profits
- RIL is ranked 75th in 2009, in the FT Global 500 (up from previous year's 80th rank).
- RIL has been ranked as the 5th sustainable value creator globally by the Boston Consulting Group (BCG) in their report on the Top 25 sustainable value creators that have been most successful at attaining superior value creation over a longer period of time.
- RIL, ranked at the 11th position, was the only Indian company in the 25 A T Kearney Global Champions for 2009.
- RIL is ranked as 15th most innovative company in the world in 2009, climbing 4 positions from 2008, in a survey conducted by Business Week and the BCG. This survey of around 3,000 global CEOs is done to rate the world's top 50 most innovative companies
- The Allahabad Manufacturing Division bagged the Golden Jubilee Award from the Eastern UP Chamber of Commerce and Industry for extraordinary accomplishments in 2009.
- The Exploration and Production (E&P) division won the 'Best Project of the Year 2009' award for KG-D6 Block Deepwater (D1/D3) Gas Fields Development Project Kakinada, East coast of India from the Project Management Institute, India in 2009.

Health, Safety & Environment

- The Allahabad Manufacturing Division received the BSC-5 star certification for safety and occupational health from the British Safety Council in 2009.
- The E&P division received the Oil Industry Safety Award from the Ministry of Petroleum & Natural Gas for 'Best Overall Safety Performance amongst Offshore Drilling Rigs' (private and joint venture) in 2009.
- The Dahej Manufacturing Division received the '10th Annual Greentech Environment Excellence Award 2009' in the Petrochemicals sector from the Greentech Foundation in 2009.
- The Dahej Manufacturing Division won the 'Greentech Safety Award 2009–Gold' in the Petrochemicals sector from the Greentech Foundation in 2009.
- The Dahej Manufacturing Division received Runners up Award in the Gujarat State Safety Award – 2007 (Petroleum Gas Generation & Distribution, Petrochemicals) category. It was also selected for the lowest Disabling Injury Index (DII) in 2009.
- The Hazira Manufacturing Division has won the 'Golden Peacock Award for Occupational Health & Safety' in 2009.

- The Hazira Manufacturing Division won the annual FICCI Award in the category of environmental sustainability of businesses in 2009.
- The Jamnagar Manufacturing Division (DTA Refinery) received the 'International Safety Award-2008' from the British Safety Council in 2009.
- The Jamnagar Manufacturing Division received the 'Golden Peacock Environment Management Award 2009' in the Petrochemicals sector in 2009.
- The Jamnagar Manufacturing Division received the 'Greentech Environment Excellence Platinum Award 2009' in the Petroleum Refinery sector in 2009.
- The Naroda Manufacturing Division received a certificate of appreciation in consideration of safety performance for the year 2008 from the Gujarat Safety Council and the Director of Industrial Safety and Health in 2009.
- The Patalganga Manufacturing Division was bestowed with the Dahanukar trophy for the 'Best Occupational Health Services in an Industry' by the Indian Association of Occupational Health (IAOH) in 2009.
- The Tapti Offshore Platform received the 'Best Safety Performance Award for an Offshore Platform' at the annual Oil Industry Safety Awards in 2009.

Training and Development

- The Dahej Manufacturing Division received the 'American Society for Training & Development (ASTD) BEST Award-2008' in 2009.
- The Hazira Manufacturing Division bagged the ASTD 'Excellence in Practice Award' for Trucker Safety Training and ASTD 'Excellence in Practice' Citation for Total Quality Management (TQM) and Six Sigma training case studies In 2009.
- The Nagothane Manufacturing Division has been conferred with the ASTD 'Excellence in Practice' Citation in 2009.

Quality

- The Allahabad Manufacturing Division's three Quality Circle (QC) projects received 'excellent', 'distinguished' and 'meritorious' category certifications from the National Centre for Quality Control's (NCQC) Kanpur Chapter; while the fourth QC project was awarded 'distinguished' category certification by NCQC's Bangalore chapter in 2009.
- The Barabanki Manufacturing Division's two QC projects received 'excellent' and 'distinguished' category certifications from the Quality Circle National Award in 2009.
- The Hazira Manufacturing Division won the global award for 'Best TQM Success Story' at the International Forum of AOTS in 2009.
- The Hazira Manufacturing Division won the Qualtech 2009 Excellence Award for its Business Transformation in 2009.
- The Hazira Manufacturing Division received the 'PM SHRAM AWARD' in recognition of its Kaizen case studies in 2009.
- At both the 'National and Regional Quality Control Circle Events', The Hazira Manufacturing Division's Quality Circles have won recognition, in 2009, for showcasing its total employee involvement initiatives in shopfloor improvement case studies.

Energy and Water Conservation / Efficiency

- The Dahej Manufacturing Division received the India Chemical Council Award for 'Excellence in Energy Conservation & Management 2008-09' in 2009.
- The Dahej Manufacturing Division was certified as an 'Excellent Water Efficient Unit' under the National Award for Excellence in Water Management-2009 by the Confederation of Indian Industries (CII) in 2009.
- The Dahej Manufacturing Division received the 'Excellence in Energy Conservation & Management Award – 2008' from the Indian Chemical Council (ICC) in 2009.
- The Hazira Manufacturing Division won the 'Excellence in Energy Management 2009' Award at the CII National Energy Summit in 2009 for the 9th time out of the 10 editions till date and for the 6th consecutive time, thus qualifying for the 'ENCON Champion of the Year'.
- The Jamnagar Manufacturing Division received the Oil & Gas Conservation Fortnight (OGCF) Award - 2009 from the Centre for High Technology, Ministry of Petroleum & Natural Gas, Government of India (GOI) in 2009.
- The Jamnagar Manufacturing Division received the 'Jawaharlal Nehru Centenary Award for Energy Performance of Refineries' for the year 2008-09 from the Centre for High Technology, Ministry of Petroleum & Natural Gas, GOI in 2009.

- The Jamnagar Manufacturing Division received the 'National Award for Excellence in Energy Management-2009' from CII in 2009.

Technology, Patents, R&D and Innovation

- The Jamnagar Manufacturing Division received the 'National Award for the Most Innovative Project in Energy Conservation -2009' from CII in 2009.
- The RTG at Hazira Manufacturing Division received the 'Arch of Excellence for Innovation' and the 'Rashtriya Ratan Award' in 2009.
- The RTG at Vadodra Manufacturing Division received the 'Bhageerat Award' in 2009.

Corporate Social Responsibility (CSR)

- Gold Medal from the Indian Red Cross Society in recognition of the 'Protsaham Scheme'–for educational support to poor meritorious students in 2009.
- Certificate of appreciation from the District Collector, East Godavari district in 2009 for CSR initiatives in this region.
- The Hazira Manufacturing Division won the 'Arch of Excellence for CSR Outrech Programmes' at the AIAC Business Excellence Awards in 2009.

Report on Corporate Social Responsibility

RIL nurtures relationships across the entire range of stakeholders, which helps the Company understand pertinent issues, develop businesses, enhance shareholder value and manage risks better. It is the relationship, trust and commitment to stakeholder interest and the warm reciprocal of the same by the stakeholders that make RIL robust, resilient and sustainable. RIL actively integrates stakeholder goals with its own and then pursues them collaboratively.

RIL plays a cleaning role in the energy sector in its various manufacturing divisions dealing with petroleum products, petrochemicals and textiles. RIL's commitment towards excellence in Health, Safety and Environment Performance is one of the Company's core values. The Company is unwavering in its policy of 'safety of persons overrides all production targets', which drives all employees to continuously break new grounds in safety management for the benefit of the people, property, environment and the communities in which RIL operates. This is the Company's responsibility as a global corporate citizen. The 'pursuit to achieve world class operational excellence' has been the key focus of the Company.

Health, Safety & Environment

Health

While the main focus of occupational health services is on medical surveillance of employees, they also carry out extensive health education and awareness sessions, health exhibitions and diagnostic camps. All employees, irrespective of the nature of their work or location, undergo regular periodic medical examinations. The medical check up facility is also extended to the Contractors' employees engaged at the manufacturing sites.

The medical check up facility has been extended to all employees at various office locations. State-of-the-art Occupational Health Centres (OHCs) have been established at major office locations. The frequency and the extent of the medical check up is decided as per the employees' age and not their grade or designation.

All employees are subjected to health risk assessments and appropriate measures are taken to prevent medical complications. Employees are also supported during hospitalisation by regular liaison and cashless hospitalisation facilities across the country.

The Company is moving towards the concept of wellness as it recognises that a healthy worker is a productive worker. Health promotional activities are also extended to employees' family members staying at Company townships.

RIL has provided full-fledged modern hospitals at its other major townships in Jamnagar, Vadodara, Nagothane and Patalganga, which provide curative health services to employees and their family members. During the current year, new facilities were added to the hospitals including a state-of-the-art, special Burns Treatment unit, at the Dhirubhai Ambani hospital in Jamnagar.

A new, fully equipped OHC with round-the-clock paramedics and a fully equipped emergency treatment room was established in the infrastructure area of the OT, Gadimoga. Further, another first aid centre with a general shift paramedic was established at Vakalapudi shore base.

Offshore medical evacuation and support medical care and treatment are given to the family members of the employees. Periodic potable water sampling analysis and health audits of canteens and guest houses are also conducted.

The employees of the Company have been traditionally participating in blood donation campaigns which have been an annual feature at all sites and major office complexes. The blood thus collected, is donated to local hospitals and blood banks.

RIL's Change Agents for Safety, Health & workplace Environment (CASHe) programme – an initiative to promote healthy workplaces and reduce health and safety risks, has been instrumental in creating a culture of implementing health, safety and environment projects on a priority basis. This programme has also helped the Company to improve its performance on the occupational health and safety front.

Safety

RIL's HSE Management System (HSE-MS) was formulated in FY10 to underpin all the processes and resources and optimally manage safety. The RIL HSE-MS provides a formal, organised process whereby the RIL Management and employees plan, perform, review and improve the safety performance. The HSE-MS is institutionalised through the Management to establish Company-wide safety management objectives, guiding principles and processes.

The system encompasses all levels of activities and documentation related to safety management throughout RIL. The RIL safety management system establishes a hierarchy of components to facilitate the orderly development and implementation of safety management throughout the Company.

The Policy, Principles and safety management Standards are used consistently in implementing safety management across the Company. These are underpinned with a system of proactive hazard identification, risk management, controls, training and continuous improvement with auditing as the most important process.

The ‘Health and Safety Principles’ were put forward to articulate the stakeholders’ expectations from the employees of the Company. The Health and Safety Principles provide a guiding light for the development and continuous improvement of the company’s HSE-MS. The Principles document the basis on which all employees are provided direction when confronted with conflicting situations related to Health and Safety issues. The Principles support the health and safety policy and set out those areas of activity which are essential to achieving the aspirations of the policy.

These Health and Safety Principles thus are the fundamental beliefs that guide all actions, from development of safety direction to the performance of work. The Company’s Values and these Health and Safety Principles underpin both the corporate culture and cooperation across the Company. Aligning all the Company’s processes and activities with these Values is a key element in achieving success. In this respect, the Health and Safety Principles are central to what RIL does.

To administer the safety efforts consistently throughout the organisation, RIL has created an Integrated Safety Organisation (ISO) across sites. This organisation consists of the Central HSE Committee, headed by the site head and its supporting subcommittees and the overlapping line organisation.

RIL continues to pursue world class operational excellence on Process Safety Management (PSM). As part of its strategic partnership with DuPont Safety Resources, RIL has built capabilities within the Company and developed in-house experts in various facets of PSM. Process Hazard Analysis (PHA) at various plants has been initiated to address and reduce process safety risks. RIL has developed and implemented various metrics to monitor the process safety performance of various sites. The Company has allied with various industry bodies such as the Centre for Chemical Process Safety and the American Institute of Chemical Engineers of USA which gives it access to industry best practices and learning from industry incidents. In fact, the fourteen elements of the PSM model are embedded in the RIL HSE-MS as operational elements.

In FY 2009-10, the KG-D6 block was commissioned without any incidents. As part of the safety awareness programme, various safety training programmes were conducted. Further, few proactive initiatives such as the Hazard Observation Programme were also undertaken through which employees demonstrated their safety awareness by carrying out safety observations. The opportunities identified for improvement are being tabulated and closely monitored by the HSE department till they are addressed and closed by the action agencies. Monthly safety awards have been introduced for employees and contractors for following best safe practices. Mock drills are being conducted to train the employees and contractors on emergency preparedness to meet any unlikely emergencies. Beside this, presently, the plant is working on the implementation of the Integrated Management System (IMS), comprising of ISO 9001, ISO 14001 and OHSAS 18001.

Environment

In its pursuit of excellence towards sustainable development and to go beyond compliance, RIL continued to integrate its ISO:14001 EMS, ISO:9000 QMS and ISO:18001 OSHA management systems. All environmental initiatives were addressed to the Company’s long term objective of becoming water positive, carbon neutral and conduct the maximum possible recycling and reuse of wastes. A management framework with defined structures, roles and responsibilities, group standards, audits and training has further been strengthened.

Continuing the journey towards world class environmental performance through systems and robust processes, in FY 2009-10, nine new RIL group standards, covering various environmental aspects were developed and issued. This was further supported by the development and release of second party audit protocols for the standards. RIL strongly believes that these actions will be the change agent for reducing the Company’s environmental risks.

Environment impact assessment and risk analysis have been performed for all new and major expansion projects. In this context, this year the Company has also developed and issued a RIL group standard and second party audit protocol on 'Environmental requirements for new projects' with an objective to incorporate necessary measures to mitigate adverse environmental impact at the planning stage of project implementation.

RIL continues to give top priority to maintenance and performance improvements of all pollution abatement facilities like effluent treatment plants, inside battery limits area, air emission control and waste disposal facilities at its manufacturing divisions. Rainwater harvesting and treated effluent recycling is being carried out at most manufacturing divisions to reduce water dependence on other natural sources. To further improve the environmental foot print a significant step, RIL has changed over to use of cleaner fuel at Patalganga, Jamnagar manufacturing divisions. This has resulted in considerable reduction of suspended particulate matter and sulphur dioxide emissions in the air.

Training, awareness and learning have been always at the forefront of RIL's journey to become world class in environmental performance. To meet this objective, RIL focused on internal and advanced training programmes, inter-site meets, virtual classes, etc. involving subject experts; participation at national and international conferences, workshops and courses as well as networking/collaboration with universities, research institutes, regulatory bodies, industrial and professional associations, etc. All manufacturing divisions celebrated the World Environment Day, Earth Day, Water Day, Ozone Day, etc and created environmental awareness among employees and surrounding communities and schools.

In these improvement efforts, audits play an important role. Trained and qualified internal auditors perform internal environmental audits of the environment management system at regular intervals. RIL also offered its sites to third party environment audits such as audit by Gujarat Pollution Control Board (GPCB) recognised auditors in the state of Gujarat; ISO-14001:2004 audits by accreditation agencies, National Safety Council environment audit at Hazira Manufacturing Division and Five Star environment audit by British Safety Council, UK at the Jamnagar, Dahej and Nagpur manufacturing divisions.

RIL has inculcated a habit to be in harmony with nature and in this context, afforestation, maintenance of green belts, gardens, vermi-compost of waste and its use as manure, reuse of treated water in horticulture activities are routine.

RIL continues to give top priority to all environmental regulatory compliances at KG-D6 block and tried for optimum water consumption and reuse of treated waste water.

RIL is committed to creating greenery in and around the KG-D6 project site by developing a green belt and promoting lush green surroundings at the OT, Gadimoga to be in harmony with nature.

The green belt is being carried out at the OT site, Infrastructure area at Gadimoga terminal, haul road and all yards as well as the Vakalapudi shore base terminal site with a cumulative plantation of over 1,00,000 plants.

Reporting on triple bottom-line performance

RIL commenced reporting, annually, on its triple-bottom line performance, from FY 2004-05. All its sustainability reports are externally assured and are GRI checked. The maiden report received 'in-accordance' status from GRI and all subsequent reports have been 'G3 Checked A+' application level reports. From FY 2006-07, in addition to referring to the GRI G3 sustainability reporting guidelines, RIL refers to the American Petroleum Institute/the International Petroleum Industry Environmental Conservation Association's (API/ IPIECA) guidelines as well as the United Nations Global Compact (UNGC) Principles. RIL has also aligned its sustainability development activities with the focus areas of the World Business Council for Sustainable Development (WBCSD).

SOCIAL RESPONSIBILITY AND COMMUNITY DEVELOPMENT

RIL has a long and strong tradition of supporting the larger communities that it connects with – from education, health, drinking water, large-scale development of employable skills, to assistance during natural calamities such as earthquakes and cyclones.

"I strongly believe that we can, and should do, much more. I also believe that this effort has to bring into play RIL's strengths of strategic planning, meticulous detailing and flawless execution on a large format". With this perspective in mind, Shri Mukesh D. Ambani announced the launch of 'The Reliance Foundation' in November 2009.

The Reliance Foundation would address social development imperatives of India, specifically quality, formal and vocational eduation, affordable high-quality health care, meaningful rural development and urban renewal, and protection and promotion of India's priceless heritage of arts and culture.

Education

Education continues to be one of the major thrust areas of RIL's CSR interventions. A network of 10 schools caters to over 14,000 students spread across geographies in India. RIL's CSR cells of its manufacturing divisions and E&P blocks work zealously, round the year to support the educational requirement of the surrounding community and schools in the neighbouring region benefiting thousands of students from the underpriviledged section of the society.

RIL's project for physically challenged children at Surat, near the Hazira Manufacturing Division, is fast emerging as a global model of public-private partnership, supporting physically challenged children's education with a local NGO. A hostel for physically challenged female students from the underpriviledged segment of the society has also been constructed. With the support of state government of Gujarat, the school has been upgraded to Standard XII, thus becoming first such school in India.

Project 'Jagruti'**,** the project to tackle dyslexia in Surat, is yet another public-private partnership based successful CSR programme being run by RIL. This project is based on the Linda Bell Model for diagnosis of dyslexia. The project is fully piloted at RIL's J. H. Ambani School in Surat. The success of this programme has inspired many schools in Surat to replicate the model. The Reliance Jagruti project for dyslexia is setting the pace for the business world's response to the social stigma of the mentally underpriviledged children. Spouses of RIL employees from the Hazira Manufacturing Division are also supporting this activity. National Institute of Open Schooling (NIOS) registration has been initiated for the Academic Year (AY) 2010-11.

RIL has established an 'Early Intervention & Rehabilitation Centre for Intellectual & Developmental Disabilities' at Tallarevu to cater to the needs of such children and others living in Tallarevu Mandal and Yanam Union Territory.

The J. H. Ambani School near Patalganga Manufacturing Division continues to strengthen the support network for the disadvantaged and the physically challenged through participation in initiatives being undertaken by National Society for Equal Opportunities for the Handicapped (NASEOH), Blind Association and Cancer Society. The school has been awarded the King – Queen Runner-up trophy for the AY 2009-10 by NASEOH for its contribution to this social cause. The school has been placed in the outstanding category amongst all Dayanand Anglo Vedic (DAV) Public schools across the country and has been awarded "Pride of DAV Award" for meritorious achievements in class X and XII of the CBSE Examination AY 2009-10.

"Reliance Dhirubhai Ambani Protsaham" programme continues to support poor and brilliant students in pursuing higher studies. Continuous monitoring is being done to improve the performance of the students by conducting special classes in English and other subjects. Regular counselling sessions are also being arranged with experts in personality development and psychologists for motivating the children to achieve better results.

Further, RIL supplied notebooks, uniforms and bags to students from Gadimoga and Bhairavapalem panchayats and provided furniture to many schools to enable the children to have a better learning environment. To bring better results in high schools, RIL provides 'vidya volunteers' for the subjects where there are no regular class teachers.

RIL supports academics and education at all levels. The highlight of the year was the construction of additional classrooms and equipping them with furniture for the school at the Air Force Station, Jamnagar and also at schools of neighboring villages at Kanachikari and Moti Khavdi. Additionally, RIL extended financial support to academic and cultural programmes of many educational institutions. Further, RIL plays a pivotal role in the education of the girl child especially in rural regions. At many locations near its manufacturing divisions, the Company sponsors female students from the economically underpriviledged segment of the society.

The Mumbai Indians' (the Indian Premier League's franchise for Mumbai) 'Education for All' initiative is a movement to support efforts to provide quality education to all children. The initiative is the brainchild of Smt. Nita M. Ambani, a passionate advocate for the cause of education. All proceeds from wristband sales go to support partner organisations: Akanksha, Nanhi Kali, Pratham, Teach for India and Ummeed. All these organisations have taken on the challenge of giving children in Mumbai and across India the opportunity to receive a great education. They refused to accept the status quo and have done path breaking work in changing how children study, learn and grow.

Community Health Care

RIL has developed Community Medical Centres (CMCs) near most of its manufacturing divisions. These CMCs provide comprehensive health services covering preventive, promotive and curative health care to the communities from neighbouring villages. Manufacturing divisions conduct regular health checkups for children in schools of their respective neighbouring regions. Doctors advise children and their parents on various health care issues and personal hygiene. RIL-sponsored Moti Khavdi Medical Centre caters to patients of surrounding villages with free medical services for needy patients. Further, RIL has also donated wheel-chairs and stretchers to a government-run hospital in Jamnagar.

Annually, RIL employees organise and participate in blood donation camps across manufacturing divisions and offices.

The ‘Dhirubhai Ambani Hospital’ at Lodhivali, near RIL’s Patalganga Manufacturing Division provides quality medical care to the surrounding community. It extends prompt and specialised services to accident victims on the Mumbai-Pune highway. Trauma patients are provided free life-saving treatment. Further, the hospital continues to provide poor patients and senior citizens with free or highly subsidised treatment.

A unique joint initiative of RIL and the National Association of Blind (NAB), ‘Project Drishti’ has undertaken over 8,000 free corneal graft surgeries for the visually challenged from the underpriviledged segment of the society. It is the largest corneal grafting surgery project enabled by a single corporate entity in India. Additionally, many manufacturing divisions regularly conduct blindness control programmes, comprising free cataract surgeries as well as distribution of prescription glasses and free medication like Vitamin A capsules and drops to underpriviledged children of neighbouring villages.

Further, RIL has initiated a project for the development of cost effective and user friendly plastic cane. A plastic cane identical to an aluminium cane has been developed and NAB found it meeting the functional requirements during trials. As per an initial estimate, the plastic cane will cost about 60% less than an aluminium cane. The team is also working on weight reduction of the plastic cane.

‘The initiative to combat TB, HIV/AIDS’ is a unique public-private partnership programme between the Government, NGOs, several agencies and RIL. It extends from creating awareness to providing care, support and treatment including free of cost treatment to those who cannot afford the same. The Hazira Manufacturing Division’s DOTS HIV/AIDS Centre is one of the largest Anti-Retroviral Treatment Centre (ART Centre) in the country. Manufacturing divisions in Jamnagar and Patalganga too have ART Centre facilities. This initiative has been expanded to other manufacturing divisions where activities are largely in the areas of advocacy and awareness.

Under ‘Project Balkalyan’, which is being run by RIL at its Jamnagar Manufacturing Division, every month, 55 children afflicted with HIV/AIDS are provided with nutritional support. Further, more than 100 HIV+ children have been adopted by the Reliance Ladies Club – an initiative of spouses of RIL executives from the Hazira Manufacturing Division, for educational and nutritional support.

The ‘Primary Health Centre (PHC)’ at Dahej, Gujarat adopted by RIL in FY 2006-07, continues its patronage and renders exemplary service in the region. Through the PHC, the Company has not only achieved its objective of providing medical services and facilities to the surrounding villages but has also conducted numerous programmes of national importance such as the pulse polio programme, malaria surveillance programme and health checkups for schools etc. The PHC is one of the few centres that has achieved a 100% target for conducting family planning operations in FY 2009-10. Further, RIL has contributed through the Rotary Welfare Trust, Bharuch, Gujarat for establishing a CT Scan Centre and Cardiac Disorder Diagnostic Centre in Bharuch. The PHC at Gadimoga, established in FY 2004-05, caters to the needs of the surrounding village communities. The two sub centres of this PHCat Bhairavapalem and Laxmipathipuram villages benefit about 6,000 families living in this region.

Manufacturing divisions offer free medical, diagnostic and therapeutic services including free medicines to neighbouring villages. Mobile Van Clinics – ‘Health-On-Wheels’ which are specially designed mobile dispensaries equipped with a doctor accompanied by a nurse, move to neighbouring villages on a scheduled basis all through the week.

Community’s Safety

The Road Safety System is the most advanced, cost effective and easy to use tool for improving public safety and reducing operating economic costs. RIL has institutionalised road safety training across its numerous manufacturing divisions. The Company reaches out to over a lakh tanker and truck drivers annually, who visit the premises for receipt and dispatch of feedstock and finished goods. Further, road shows and training sessions for tanker drivers transporting chemicals and hazardous goods are organised at truckers' plazas. For the first time in the state of Gujarat, the Road Traffic Office (RTO) near Hazira is being supported by a multimedia based training facility to render safety awareness to all new license aspirants.

To provide emergency and trauma care to victims of highway accidents, at Hazira, RIL has tied up with an NGO and adopted a 110 kms stretch on the state highway in Gujarat starting from Sachin to Bharuch and the state highway via Hazira-Olpad-Hansot-Ankleshwar. The Hoshiarpur Manufacturing Division, Punjab, provides round-the-clock free ambulance services on the National Highway - 70 (a 20 kms stretch from Punjab to Himachal Pradesh).

Rural Infrastructure Development

Reliance Rural Development Trust (RRDT) as a Corporate NGO, continued its activities under the Gokul Gram Yojana of the state government of Gujarat. In FY 2009-10, RRDT undertook development of 1,390 village infrastructure facilities in 1,243 villages of 166 talukas across all 25 districts of the state of Gujarat. Of these, construction of 971 facilities aggregating expenditure of Rs 36.58 crore, were completed in FY 2009-10 and the same were handed over to the respective village authorities. The 971 facilities include 879 anganwadi buildings pre-nursery schools), 61 cement-concrete roads, 21 underground RCC sumps of capacities varying from 50,000 litres to 2.5 lakh litres water-storage capacity and 9 check dams with total water storage capacity of 12.58 (million cubic feet (mcft) capable of catering to the irrigation needs of about 1,750 hectares surrounding agricultural land. The sumps and check-dams constructed are in areas of perennial water scarcity. Since its inception in 2001 till March 2010, RRDT, under Gokul Gram Yojana of the state government of Gujarat, has constructed 6,698 village infrastructure facilities with an aggregate expenditure of Rs 261.30 crore. The RRDT initiative, spanning over a decade, has set an example for sustainable community development work in India by a unique synergy of a corporate NGO (RRDT) and the state government of Gujarat.

RIL continues to develop rural infrastructure facilities and temples near the surrounding villages of many of its manufacturing divisions. RIL completed the Mandal Development Road of 10 kms length connecting Tallarevu to Bairopalem improving transport infrastructure. The road was dedicated to the nation by the Hon' Chief Minister of Andhra Pradesh.

Further, a fish drying platform cum jetty at Yanam was brought into operation this year. It will benefit about 2,000 fisher folk living in Darialathippa village providing them smooth transit facility to villages that are on the other side of the Godavari river.

Livelihood Support Programmes

RIL sponsored Self-Help Groups (SHGs) continue to empower women and youth from the underpriviledged segment through various employment oriented training and skill development programmes. These include dress making, health care, helpers for hospitals, nursing, jewellery making, mobile phone repairing, electrician training, bamboo article making, light motor vehicle driving training etc.

RIL organised a livelihood workshop mainly focusing on fishermen involving different stakeholders like farmers, NGOs, research organisations and government agencies working with fisher folk. The outcome of the workshop was followed up with the agencies involved. The National Fisheries Development Board (NFDB) will modernise the fishing harbour at Kakinada and also develop fish outlets. Further, RIL has promoted organic aqua culture for the benefit farmers in the Kakinada region.

Seeing the popularity of Polypropylene Non-Woven (PPNW) for various packaging solutions across the southern part of India, RIL took the initiative to create a 'handloom' like excitement in the field of the PPNW bag. This initiative has helped create an opportunity for housewives to earn from home apart from giving them financial independence and a sense of pride. RIL identified few bag making units, manufacturing non-woven bags in small towns like Madurai, Bhavani, Belgharia and Pune. Units in these regions were persuaded to give bag making operations on job work basis to housewives or a group working on a cooperative basis. The housewife collects cut pieces from the converters, stitches them and supplies it back to the converter.

Relief Operations

RIL's time tested disaster management and calamity relief operations were put to use yet again in FY 2009-10. In addition to extending donations, the RIL team from Jamnagar and Andhra Pradesh worked zealously in flood affected areas of Krishna, Andhra Pradesh, in October 2009.

Cyclone 'AILA' hit West Bengal's 24 North & South parganas in May 2009. RIL reached out to the state government of West Bengal on a war footing to facilitate speedy construction of a long-lasting embankment, stretching 778 kms, in the cyclone AILA affected region. A proposal to use various types of Polypropylene (PP) Geosynthetics was made and all technical inputs were provided to the officials to restore the embankment.

Wildlife and Animal Care

Parapets were constructed on open wells in the Gir forest in Gujarat, through FY 2009-10, considerably reducing deaths amongst lion cubs.

Heritage Conservation

Keeping in view the plurality of our society with multiple cultures, traditions and backgrounds, RIL has initiated various activities to consolidate the Indian ethos of unity in multiplicity.

RIL continues to support and develop the heritage temple and town of Dwarka. In FY 2009-10, RIL carpeted the bypass road leading to the temple and also continued the upkeep of the temple and the adjoining areas. In November 2009, under the state government of Gujarat's Pavitra Yatradham Vikas Board, RIL commenced development work in the temple square area.

Supporting Indian Culture

Under the aegis of the Gujarat Industries Navratri Festival Society (GINFS), in FY 2009-10, RIL supported more than a dozen garba troupes and organisations in Jamnagar, Rajkot, Ahmedabad, Gandhinagar etc. Besides nine days of traditional garbas, depiction of culture, history, handicrafts, eateries and specialties of Gujarat through exhibitions, displays and stalls were part of the special attractions.

RIL continues to support 'Homage to Abbaji', a musical fiesta designed 10 years ago by the noted musician, Zakir Hussain, in memory of his father and guru, Late Ustad Allarakha. This unique musical event, held in Mumbai once a year, offers a platform to national and international artistes of repute to come on a common stage thus fostering camaraderie, cultural juxtaposition and harmony.

Supporting Professional Organisations and NGOs

RIL continues to support professional organisations, NGOs and events with the aim to develop professionalism in the country. Additionally, RIL is also aiding the development of the Jamnagar Chamber of Commerce and Industry's (JCCI) new office building to be called the 'Dhirubhai Ambani Vanijya Bhavan'.

RIL continues to support and work with Society for Village Development in Petrochemicals Area (SVADES), an NGO that binds the industry and the rural community for socio-economic development. SVADES works in surrounding villages near Vadodra Manufacturing Division. SVADES focuses on skill development training and education. HIV AIDS awareness, hygiene and sanitation are some of the initiatives that SVADES undertook during the year.

Promoting Sports and Sportspersons

Besides promoting cricket on the global front, RIL actively nurtures young and talented cricketers and sports bodies. In FY 2009-10, Shri Parimal Nathwani, Group President (Corporate Affairs) was elected as the Vice President of the Gujarat Cricket Association.

The Indian Premier League (IPL) offered yet another opportunity to support and sponsor cricket. Mumbai Indians (MI), the IPL franchise for the city of Mumbai, is amongst the most followed cricket teams in the IPL. This is yet another step to help India achieve world class excellence in sports. This effort, which will foster talent scouting and development of cricket, is RIL's contribution to creating a healthy sporting ecosystem.

RIL and IMG have entered into an equal joint venture in FY 2009-10 to develop, market and manage sports and entertainment in India. The venture will have parallel complementary strategies: to provide and operate world class infrastructure and coaching facilities in the country to unlock India's sporting potential and create and operate major sports and entertainment assets in the country.

Acknowledging and Supporting Talent

'Real Heroes' is an initiative of CNN-IBN in partnership with RIL to honour the silent warriors of change, the ordinary people who have rendered extraordinary services for the betterment of others. For their contributions, all 24 Real Heroes are honoured and felicitated at a grand event in Mumbai with a trophy and a cash prize of Rs. 5 lakh each.

Along with the National Academy of Sciences, India (NASI), RIL instituted ‘NASI-Reliance Industries Platinum Jubilee Awards Covering Both Physical and Biological Sciences’ by allocating dedicated funds amounting to Rs. 1 crore in 2006. The annual award to scientists is in recognition of their significant contribution for application-oriented innovations and research. The award carries cash prize of Rs. 2 lakh and a citation.

RIL and the Stanford Graduate School of Business announced the creation of the ‘Reliance Dhirubhai India Education Fund’ in April 2008 to enable promising Indian students with financial need to obtain an MBA from Stanford. Each year, the Stanford Business School may award up to five Reliance Dhirubhai Fellowships. Reliance Dhirubhai Fellows will receive full financial support for the two-year Stanford MBA Programme.

In December 2006, jointly with UDCT Alumni Association (UAA), RIL instituted ‘UAA-Dhirubhai Ambani Lifetime Achievement Award’ for innovative and outstanding contributions in the field of chemical sciences.

Dhirubhai Ambani Foundation

Dhirubhai Ambani Foundation (DAF) has Education and Public Healthcare as its focus areas. Under its SSC Merit Reward and Undergraduate Scholarship Schemes instituted in 1996, DAF recognises and assists students who top the merit lists of Std X and Std XII Board exams. The schemes also take care of the physically challenged meritorious students of the State Education Boards. Till date, the schemes have benefited 7,281 students, 1,056 of whom are physically challenged.

‘Sir Hurkisondas Nurrotumdas Hospital & Research Centre (HNHRC)’ is a renowned institution in South Mumbai, having rendered quality healthcare to the society for more than 85 years. It has a 328 bed multi-specialty tertiary care hospital with some rare specialties like Oro-facial Surgery, Onco-Surgery, Paediatric Hematology and Paediatric Endocrinology. It is one of the most renowned institutes for transplant surgeries and eye donations.

Sir Hurkisondas Nurrotumdas Medical Research Society (HNMRS), a non-profit research organisation based in Mumbai and established in 1974 with the sole aim of undertaking scientific research in the area of biomedical sciences and allied disciplines. The HNMRS has undertaken over 150 research projects on a wide range of topics, most of which are of national importance in the areas of the preventive, diagnostic, therapeutic, and rehabilitative aspects of health. Several high-budgeted research projects, of considerable medical and scientific relevance to the community, have been completed and are also on hand currently at the HNMRS. Most of the studies done at this institute have the potential for translation into tangible benefits for humanity, and several of them have already found expression in terms of new inventions or innovations which have empowered doctors in the difficult task of decreasing the mortality and morbidity of disease.

Dhirubhai Ambani International School (DAIS)

Dhirubhai Ambani International School (DAIS), founded in 2003, is the fruition of a dream to offer educational opportunities to children that make learning a joy and help bring out the best in them. The academic accomplishments and the all-round development of children from class LKG to 12 is a fitting tribute to this noble aspiration.

In examinations of all the three streams – the ICSE, the IGCSE and the IB Diploma held in 2009, the school’s children have given an impressive performance, surpassing that of all the previous years. As against the average score of 36 (out of the maximum possible score of 45) achieved by the first four batches of IB students, the fifth batch, the Class of 2009, attained an average score of 37, compared to the world average of 29.5. In an even greater accomplishment, 3 of the students earned the perfect score of 45 points, a score that was achieved only by 86 children worldwide in 2009. For the fourth year in a row, the ICSE batch has achieved excellent results - earning an average score of 91%, with 29% of them scoring 95% and above and the topper scoring 96.1%. 87.1% of all IGCSE grades achieved were A* and A grades, as compared to the world average of 33% and the Indian average of 38%. Some of the children have even topped globally in several subjects while some of them are national toppers. For the fourth year in a row, one of the students received the ‘Best IGCSE Student in India’ award from Cambridge International Examinations.

The school’s performance at the level of university placement continues to be exemplary. The IB Class of 2010 has earned admission offers from the world’s top universities. 3 students were accepted at Oxbridge, 7 at

Imperial, 32 at Warwick, 21 at University College London, 9 at King's College and 9 at the London School of Economics, amongst others. Amongst the Ivy League and other leading universities, Brown has accepted 2 students, Columbia 1, Cornell 2, U-Penn 5, Princeton 2, Yale 1, Stanford 2, MIT 2, Northwestern 3, Carnegie Mellon 5, Michigan 7, University of California LA 11, UC Berkeley 6 and New York University 11. Other reputable universities that have offered admission to the students include Duke, McGill, British Columbia, University of Toronto and University of Hong Kong. Students who applied to universities in Singapore as well as those who plan to continue their studies in India are expected to do equally well when their admissions are finalised.

Apart from academics, the school's students also work with a number of NGOs which include Advitya, Akanksha, Committed Communities Development Trust (CCDT), Muktangan, Pratham, Goonj and Habitat for Humanity. This year, the IB Diploma students have taken up the initiative to construct houses and roads in the village Hassachipatti (near Matheran) as well as provide educational opportunities to children in that area. To fund this project, students organised a fete in 2010 in which substantial funds were raised.

The academic year 2009-10 also earmarked several other notable and innovative initiatives. These include the 'Paigaam' Peace Conference which fosters a harmonious relationship with people from across the border, the Annual DAIMUN (Dhirubhai Ambani International School Model United Nations) Conference which promotes children's leadership potential and commitment to civic engagement, participation in IAYP (International Award for Young People) which facilitates overall development of children by challenging them in areas of physical recreation, skills, service and expeditions; and the celebration of the Annual Day on the theme 'I am Mumbai', depicting the indomitable spirit of Mumbai and an awakening to address the daunting challenges it faces.

In a fitting tribute to what it has accomplished in taking forward the Round Square IDEALS, since receiving the Regional Membership in 2008, the Dhirubhai Ambani International School has received the prestigious Global Membership of Round Square in 2010. This stature will provide opportunities to further the ethos of Round Square through broad-based activities and exchanges that the global member schools fraternity provides.

Report on Corporate Governance

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India (Clause 49) and some of the best practices followed internationally on Corporate Governance, the report containing the details of governance systems and processes at Reliance Industries Limited is as under :

1. Corporate Governance Philosophy

At Reliance, it is our belief that as we move closer towards our aspirations of becoming a global corporation, our corporate governance standards must be globally benchmarked. That gives us the confidence of having put in the right building blocks for future growth and ensuring that we achieve our ambitions in a prudent and sustainable manner.

We are committed to meeting the aspirations of all our stakeholders. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial, performance focused work environment. Our customers have benefited from high quality products delivered at the most competitive prices.

Our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity. Above all, we feel honoured to be an integral part of India's social development. Details of several such initiatives are available in the section on Corporate Social Responsibility.

Traditional views of governance as a regulatory and compliance requirement have given way to adoption of governance tailored to the specific needs of the Company. Clause 49 has set the benchmark compliance rules for a listed company and the baseline for governance standards. Reliance not only adheres to the prescribed corporate practices as per Clause 49 but is constantly striving to adopt emerging best practices worldwide. It is our endeavor to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk management and fulfillment of stated goals and objectives.

Corporate governance has indeed been an integral part of the way we have done business for several decades. This emanates from our strong belief that strong governance is integral to creating value on a sustainable basis. Since our IPO 32 years back, we have grown revenues and net profit by a Compounded Annual Growth Rate (CAGR) of 28.42% and 30.91% respectively. The financial markets have endorsed this sterling performance as is reflected in a 35.80% CAGR growth in our market capitalization in the past five years. In terms of distributing wealth to our shareholders, apart from having a track record of uninterrupted dividend payout, we have also delivered a consistent unmatched shareholder returns since listing. What epitomizes the impact of all that we do is the fact that our shareholder base has grown from 52,000 after the IPO to around 3.6 million now.

Corporate governance is a journey for constantly improving sustainable value creation and is an upward moving target. We have undertaken several initiatives towards maintaining the highest standards and these include:

- **Independent Statutory Auditors.** The Company's accounts are audited by a panel of 3 leading independent audit firms as follows:
- M/s Deloitte Haskins and Sells, Chartered Accountants, member of Deloitte Touche Tohmatsu (DTT) has been the statutory auditors of the Company for the past several years. DTT is one of the world's leading accounting firms.
- M/s Chaturvedi & Shah (C&S), Chartered Accountants, one of India's leading audit firms and a member of the Nexia's global network of independent accounting and consulting firms, is on the approved list (Category 1) of Comptroller and Auditor General of India and Reserve Bank of India conducting Statutory Audits for Public Sector Undertakings, Insurance Companies, Banks and Financial Institutions.
- M/s Rajendra & Co., one of India's oldest firms was set up as an audit firm 41 years ago. Rajendra & Co. also renders corporate direct taxation advice to multinational firms and several public listed companies in India.
- **Guidelines for the Board/Committee Meetings.** The Company has defined Guidelines for the meetings of the Board and Board Committees. These Guidelines seek to systematise the decision making process at the meeting of the Board and Board Committees in an informed and efficient manner.
- **Key Board activities during the year.** The Board provides and critically evaluates strategic direction of the Company, management policies and their effectiveness. Their remit is also to ensure that the

long-term interests of the shareholders are being served. The agenda for Board reviews include strategic review from each of the Board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Additionally, the Board reviews financial reports from the CFO and business reports from each of the sector heads. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the future growth of the Company.

- **Corporate Social Responsibility (CSR).** Social welfare and community development is at the core of RIL's CSR philosophy and this continues to be a top priority for the Company. The CSR teams at the Company's manufacturing divisions interact with the neighbouring community on regular basis. RIL's contributions to the community are in areas of health, education, infrastructure development (drinking water, improving village infrastructure, construction of schools etc.), environment (effluent treatment, tree plantation, treatment of hazardous waste etc.), relief and assistance in the event of a natural disaster and contributions to other social development organisations. RIL also supports and partners with several NGOs in community development and health initiatives.
- **Reporting on Triple Bottom-Line Performance.** RIL commenced annual reporting on its *triple-bottom-line* performance from FY 2004-05. All its sustainability reports are externally assured and GRI checked. The maiden report received 'in-accordance' status from GRI and all subsequent reports are 'G3 Checked A+' application level reports. From FY 2006-07, in addition to referring GRI G3 sustainability reporting guidelines, RIL refers to The American Petroleum Institute / The International Petroleum Industry Environmental Conservation Association guidelines and The United Nations Global Compact principles. RIL has also aligned its sustainability activities with the focus areas of The World Business Council for Sustainable Development.
- **Internal Checks and Balances.** At the heart of our processes is the wide use of technology that ensures robustness and integrity of financial reporting. Reliance deploys a robust system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and company policies.
- **Legal Compliance Unit.** A dedicated Legal Compliance Audit Cell within the Management Audit Cell ensures that the Company conducts its business with high standards of legal, statutory and regulatory compliances. The Company has instituted a legal compliance program in conformity with best international standards. Its compliance program is supported by a robust, on-line system that covers all manufacturing units of the Company as well as its subsidiary companies. The gamut of this system includes statutes, labour and industrial laws, HSE regulations and taxation laws.
- **Shareholders communications.** The Board recognizes the importance of two-way communication with shareholders and of giving a balanced report of results and progress and responds to questions and issues raised in a timely and consistent manner. Reliance's corporate website; www.ril.com has information for institutional and retail shareholders alike. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting. Shareholders can contact RIL via dedicated shareholder contact points as provided with this report or through any of Investor Service Centres of the Company's Registrars and Transfer Agents spread in more than 80 cities across India, details of which are available on the Company's website www.ril.com. RIL ensures that queries, complaints and suggestions are responded in a timely and consistent manner.
- **Employees Stock Option Scheme.** One of the widest programs of its kind in the Indian corporate sector, the program was introduced in 2007. The program has ensured complete alignment of individual interests with the growth imperatives of the Company.
- **Best Governance Practices.** It is the Company's constant endeavour to adopt the best governance practices as laid down in international codes of Corporate Governance and as practised by well known global companies. Some of the best global governance norms put into practice at Reliance include the following -

- The Company has designated Lead Independent Director with a defined role.
- All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Shareholders'/Investors' Grievance Committee of Directors of the Company.
- The Company has established policies and procedures for corporate communication and disclosures.
- The Company has an independent Board Committee for matters related to Corporate Governance and Stakeholders' Interface and nomination of Board members.
- The Company undergoes internal audit conducted by independent auditors.
- The Company also undergoes secretarial audit conducted by an independent company secretary in wholetime practice.

- **Role of the Company Secretary in Overall Governance Process.** The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.
- **Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India.** The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on important aspects like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of common Seal, Forfeiture of Shares and Board's Report. Although these standards are recommendatory in nature, the Company substantially adheres to the standards voluntarily.

2. Board Composition and Particulars of Directors

Board Composition

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board consists of 13 directors, out of which 7 are independent Directors. Composition of the Board and category of Directors are as follows:

Category	Name of the Directors
Promoter Director	Mukesh D. Ambani Chairman & Managing Director
Executive Directors	Nikhil R. Meswani Hital R. Meswani Hardev Singh Kohli[1] P.M.S. Prasad[2] R. Ravimohan[3] Pawan Kumar Kapil[4]
Non-Executive Non-Independent Director	Ramniklal H. Ambani
Independent Directors	Mansingh L. Bhakta Yogendra P. Trivedi Dr. Dharam Vir Kapur Mahesh P. Modi S. Venkitaramanan[5] Prof. Ashok Misra Prof. Dipak C. Jain Dr. Raghunath A. Mashelkar

[1]upto March 31, 2010
[2]w.e.f. August 21, 2009
[3]from September 01, 2009 to December 28, 2009
[4]w.e.f. May 16, 2010
[5]upto July 24, 2009

All the independent Directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent. All such declarations are placed before the Board.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956, except Shri Nikhil R. Meswani and Shri Hital R. Meswani, who are related to each other as brothers.

What constitutes independence of Directors

For a Director to be considered independent, the Board determines that the Director does not have any direct or indirect material pecuniary relationship with the Company. The Board has adopted guidelines which are in line with the applicable legal requirements.

Lead Independent Director

The Board of Directors of the Company has designated Shri Mansingh L. Bhakta as the Lead Independent Director. The role of Lead Independent Director is as follows :

- To preside over all meetings of independent Directors.
- To ensure that there is adequate and timely flow of information to independent Directors.
- To liaise between the Chairman & Managing Director, the Management and the independent Directors.
- To advise on the necessity of retention or otherwise of consultants who report directly to the Board or the Independent Directors.
- To preside over meetings of the Board and Shareholders when the Chairman and Managing Director is not present or where he is an interested party.
- To perform such other duties as may be delegated to the Lead Independent Director by the Board / Independent Directors.

Directors' Profile

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

Shri Mukesh D. Ambani is a Chemical Engineer from Institute of Chemical Technology, Mumbai (earlier University Department of Chemical Technology, University of Mumbai). He has pursued MBA from Stanford University, USA.

Shri Mukesh D. Ambani, son of Shri Dhirubhai H. Ambani, Founder Chairman of the Company joined Reliance in 1981. He initiated Reliance's backward integration journey from textiles into polyester fibres and further into petrochemicals, petroleum refining and going up-stream into oil and gas exploration and production. He created several new world class manufacturing facilities involving diverse technologies that have raised Reliance's petrochemicals manufacturing capacities from less than a million tonnes to about twenty million tonnes per year.

Working hands-on, Shri Mukesh D. Ambani led the creation of the world's largest grassroots petroleum refinery at Jamnagar, India, with a current capacity of 660,000 barrels per day (33 million tonnes per year) integrated with petrochemicals, power generation, port and related infrastructure. Further, he steered the setting up of another 27 million tonnes refinery next to the existing one in Jamnagar. With an aggregate refining capacity of 1.24 million barrels of oil per day at any single location in the world has transformed "Jamnagar" as the 'Refining Hub of the World'.

In September 2008, when the first drop of crude oil flowed from the Krishna-Godavari basin, Shri Mukesh D. Ambani's vision of energy security for India was being realized. Under his leadership, RIL is set to transform India's energy landscape from the oil & gas flowing from Dhirubhai 1 & 3 Natural gas - a low carbon, low polluting green fuel that will flow from oil fields will create value and be beneficial to a large section of India's society.

Shri Mukesh D. Ambani had set up one of the largest and most complex information and communications technology initiative in the world in the form of Reliance Infocomm Limited (now Reliance Communications Limited).

Shri Mukesh D. Ambani is also steering Reliance's development of infrastructure facilities and implementation of a pan-India organized retail network spanning multiple formats and supply chain infrastructure.

Shri Mukesh D. Ambani's achievements have been acknowledged at national and international levels. Over the years, some of the awards and recognition bestowed on him are :

- Awarded the Dean's Medal by University of Pennsylvania's School of Engineering and Applied Science in 2010 for his leadership in the application of Engineering and Technology.
- Awarded the Indian Merchant's Chamber (IMC) 'Juran Quality Medal 2009' in 2010.
- Ranked the 5th best performing CEO in the world by the Harvard Business Review in its ranking of the top 50 global CEOs .
- Bestowed the US-India Business Council (USIBC) 'Global Vision' 2007 Award for Leadership in 2007.
- Conferred 'ET Business Leader of the Year' Award by The Economic Times (India) in the year 2006.

- Conferred the Degree Honoris Causa, Honorary Doctorate by the Maharaja Sayajirao University in 2007.
- Conferred the India Business Leadership Award by CNBC-TV18 in 2007.
- Received the first NDTV-Profit 'Global Indian Leader Award' from Hon'ble Prime Minister of India, Shri Manmohan Singh in New Delhi in the year 2006.
- Had the distinction and honour of being the Co-chair at the World Economic Forum in Davos, Switzerland in 2006.
- Ranked 42nd among the 'World's Most Respected Business Leaders' and second among the four Indian CEOs featured in a survey conducted by Pricewaterhouse Coopers and published in Financial Times, London, in 2004.
- Conferred the World Communication Award for the 'Most Influential Person' in Telecommunications by Total Telecom, in 2004.
- Conferred the 'Asia Society Leadership Award' by the Asia Society, Washington D.C., USA, in 2004.

Shri Mukesh D. Ambani is a member of the Prime Minister's Council on Trade and Industry, Government of India and the Board of Governors of the National Council of Applied Economic Research, New Delhi.

Shri Mukesh D. Ambani, Reliance Industries Limited, became a Council Member of World Business Council for Sustainable Development (WBCSD) in 2007. Shri Ambani has been elected as Vice Chairman of WBCSD Executive Committee in 2008.

Further, he is a member of the Indo-US CEOs Forum, the International Advisory Board of Citigroup, International Advisory Board of the National Board of Kuwait, Advisory Council for the Graduate School of Business, Stanford University, International Advisory Board of Brookings, International Advisory Board of Council on Foreign Relations, Member of The Business Council, McKinsey Advisory Council and Asia Business Council.

He is the Chairman, Board of Governors of the Indian Institute of Management, Bangalore, Chairman of Pandit Deendayal Petroleum University, Gandhinagar. Shri Ambani is Co-Chair of India-Russia CEO Council, and Co-Chair of Japan-India Business Leader's Forum, a Member of the Governing Board of Public Health Foundation of India (PHFI), and Advisory Board of D.E. Shaw India Advisory Services Private Limited.

Shri Mukesh D. Ambani is the Chairman of Reliance Retail Limited, a Director of Reliance Europe Limited and a Private Limited Company.

At RIL, Shri Mukesh D. Ambani is the Chairman of the Finance Committee & a Member of Employees Stock Compensation Committee.

Shri Mukesh D. Ambani is the Promoter of the Company and holds 36,15,846 shares of the Company in his name as on March 31, 2010.

Shri Nikhil R Meswani is a Chemical Engineer. He is the son of Shri Rasiklal Meswani, one of the Founder Directors of the Company.

Shri Meswani joined Reliance at an early age in 1986 and since July 01, 1988 he is a Wholetime Director designated as Executive Director on the Board of Reliance.

He is primarily responsible for Petrochemicals Division and has contributed largely to Reliance to become a global leader in Petrochemicals. In addition, he continues to shoulder several other corporate responsibilities. He also takes keen interest in IPL cricket franchise - "Mumbai Indians".

He was the President of Association of Synthetic Fibre Industry and was also the youngest Chairman of Asian Chemical Fibre Industries Federation.

He was named Young Global Leader by the World Economic Forum in 2005 and continues to actively participate in the activities of the Forum.

He is also a member of the Young Presidents' Organisation.

He was honoured by the Institute of Economic Studies, Ministry of Commerce & Industry, the Textile Association [India], Ministry of Textiles. He is also a distinguished Alumni of University Institute of Chemical Technology [UICT], Mumbai.

Shri Meswani is a Director of Reliance Commercial Dealers Limited. He is a member of the Finance Committee and the Shareholders' / Investors' Grievance Committee of the Company. He is the Chairman of the Audit Committee of Reliance Commercial Dealers Limited.

Shri Meswani holds 2,78,374 shares of the Company in his name as on March 31, 2010.

Shri Hital R. Meswani graduated with honours in the Management & Technology programme from University of Pennsylvania. He received a B.S. Degree in Chemical Engineering and B.S Degree in Economics from the Wharton Business School, both from University of Pennsylvania, U.S.A.

Shri Meswani joined Reliance Industries Limited in 1990. He is on the Board of the Company as Wholetime Director designated as Executive Director since August 4, 1995, with overall responsibility of the Petroleum Business and all manufacturing and project activities of the group.

Shri Meswani is a Director of Reliance Industrial Investments and Holdings Limited and Reliance Commercial Dealers Limited. He is the Chairman of the Audit Committee of Reliance Industrial Investments and Holdings Limited, a member of the Audit Committee of Reliance Commercial Dealers Limited. He is a member of the Finance Committee, Shareholders'/ Investors' Grievance Committee and Health, Safety & Environment Committee of the Company.

Shri Meswani has been instrumental in the execution of several mega projects of the group including the Hazira Petrochemicals complex and the world's largest refinery complex at Jamnagar.

Shri Meswani also serves on the board of Overseers at the University of Pennsylvania

Shri Meswani holds 2,11,886 shares of the Company in his name as on March 31, 2010.

Shri P.M.S. Prasad has been appointed as a Whole time Director of the Company with effect from August 21, 2009.

He has been with the Company for 29 years. Currently, he spearheads the Upstream and Refining business, which comprises of Exploration & Production and Refinery supply & trading. Over the years, he has held various positions in the fibres, petrochemicals and petroleum business of the Company. He was also the Project Director of the Jamnagar refinery and petrochemicals complex. Under his leadership, Reliance, in a span of 9 years since inception in the Exploration and Production business, made the largest Gas Discovery in the year 2002 and has since commissioned India's first and one of the World's largest deepwater gas production facilities. Currently Reliance is India's largest gas producer.

He holds Bachelor's degrees in Science and Engineering. He was awarded an honorary doctorate degree by the University of Petroleum Engineering Studies, Dehra Dun in recognition of his outstanding contribution to the Petroleum sector.

Mr. Prasad is a member of the Senate of the Indian Institute of Technology, Mumbai and is on the Board of Governors of the University of Petroleum & Energy Studies, India. He has been conferred the Energy Executive of the Year 2008 award by Petroleum Economist in recognition of his leadership in diversifying RIL from a refining and petrochemicals group into a successful vertically diversified E&P business.

Shri P.M.S. Prasad is also director of Reliance Jamnagar Infrastructure Limited, Reliance Petroinvestments Limited, Reliance Commercial Dealers Limited, Reliance Gas Corporation Limited, Reliance Gas Transportation Infrastructure Limited, Reliance KG Exploration & Production Pvt., Limited, Reliance Upstream Limited and several other Private Limited Companies. He is member of the Audit Committee of Reliance Commercial Dealers Limited, Reliance Jamnagar Infrastructure Limited and Reliance Gas Transportation Infrastructure Limited.

Shri Prasad holds 36,666 shares of the Company in his name as on March 31, 2010.

Shri Pawan Kumar Kapil holds a Bachelor's Degree in Chemical Engineering and has a rich experience of more than 40 years in different facets of petroleum refining industry.

He joined Reliance in 1996 and led the commissioning and start-up of the Jamnagar Complex. He was associated with this project since conception right through Design, Engineering, Construction and Commissioning. He also led the commissioning of the manufacturing operations in the Special Economic Zone (SEZ) at Jamnagar by Reliance.

Shri Kapil started his career in 1966 with Indian Oil Corporation. In the initial years he worked in various capacities in Operations, Technical Services and start-up/ commissioning of various Refinery Process Units/ facilities in Barauni and Gujarat Refineries. Being a person with strong penchant for analytical work and high technology skills, he was chosen to head the Central Technical Services Department at Corporate Office of Indian Oil. Here he did extensive work in expansion of the existing refineries, energy optimization, de-bottlenecking studies and long range planning. Then he moved to Mathura Refinery as the head of Refinery Operations. From Mathura he was picked up to become the Director (Technical) of Oil Coordination Committee (OCC) - the 'Think Tank' of Ministry of Petroleum, Government of India. He has traveled extensively and has been to USA, Russia, Middle East, Europe & Far East in connection with refinery design, technology selection, crude sourcing, etc. Having served for 28 years in Indian Oil and OCC in various capacities, he rose to the position of Executive Director and spearheaded the setting up of Panipat Refinery for Indian Oil Corporation.

Shri Kapil has been the Site President of the Jamnagar Complex since 2001 and is responsible for its operations. Under his leadership, the Jamnagar Refinery has bagged many National and International Awards and was declared as the Best Refinery in the world at the 'World Refining & Fuel Conference' at San Fransisco, USA in the year 2005. In recognition of his excellent achievements, the CHEMTECH Foundation had conferred on him the "Outstanding Achievement Award for Oil Refining" in the year 2008.

Shri Kapil is a member of Health, Safety & Environment Committee of the Company.

Shri Kapil holds 10,176 shares of the Company in his name as on March 31, 2010.

Shri Ramniklal H. Ambani is one of the senior most Directors of the Company.

Shri Ramniklal H. Ambani is the elder brother of Shri Dhirubhai H. Ambani, the Founder Chairman of the Company and has been instrumental in chartering the growth of the Company during its initial years of operations from its factory at Naroda, in Ahmedabad.

Shri Ambani along with Late Shri Dhirubhai H. Ambani, set up and operated the textile plant of the Company at Naroda, Ahmedabad and was responsible in establishing the Reliance Brand name "VIMAL" in the textile market in the country.

Shri Ambani is a Director of Gujarat Industrial Investments Corporation Limited, Sintex Industries Limited and several Private Limited Companies. He is the Chairman of the Audit Committee of Gujarat Industrial Investments Corporation Limited and member of the Remuneration Committee of Sintex Industries Limited. He is the Chief Mentor in Tower Overseas Limited.

Shri Ambani holds 1,71,132 shares of the Company in his name as on March 31, 2010.

Shri Mansingh L. Bhakta is Senior Partner of Messers Kanga & Company, a leading firm of Advocates and Solicitors in Mumbai. He has been in practice for over 52 years and has vast experience in the legal field and particularly on matters relating to corporate laws, banking and taxation.

Shri Bhakta is the legal advisor to leading foreign and Indian companies and banks. He has also been associated with a large number of Euro issues made by Indian companies. He was the Chairman of the Taxation Law Standing Committee of LAWASIA, an Association of Lawyers of Asia and Pacific which has its headquarters in Australia.

Shri Bhakta is a Director of Ambuja Cements Limited, Micro Inks Limited, The Indian Merchant's Chamber, Mumbai, JCB Manufacturing Limited, JCB India Limited and Lodha Developers Limited. He is the Lead Independent Director of the Company. He is the Chairman of the Shareholders'/ Investors' Grievance Committee and the Remuneration Committee of the Company. He is the Chairman of the Shareholders' / Investors' Grievance Committee, the Compensation and Remuneration Committee and the Banking Matters Committee of Ambuja Cements Limited and a member of the Audit Committees of Micro Inks Limited, Ambuja Cements Limited and JCB India Limited. He is Recipient of Rotary Centennial Service Award for Professional Excellence from Rotary International. He has been listed as one of the Leading Lawyers of Asia by Asialaw, Hongkong for four consecutive years from 2006.

Shri Bhakta holds 3,14,000 shares of the Company in his name as on March 31, 2010.

Shri Yogendra P. Trivedi is practicing as Senior Advocate, Supreme Court. He is a member of the Rajya Sabha. He is holding important positions in various fields viz., economic, professional, political, commercial, education, medical, sports and social fields. He has received various awards and merits for his contribution in various fields. He was a Director in Central Bank of India and Dena Bank amongst many other reputed companies. He is the past President of Indian Merchants' Chamber and presently is member of the Managing Committee. He was on the Managing Committee of ASSOCHAM and International Chamber of Commerce.

Shri Trivedi is the Chairman of Sai Service Station Limited and Trivedi Consultants Private Limited. He is a Director of Colosseum Sports & Recreation International, The Supreme Industries Limited, Birla Power Solutions Limited, The Zandu Pharmaceutical Works Limited, Zodiac Clothing Company Limited, Seksaria Biswan Sugar Factory Limited, New Consolidated Construction Company Limited, Birla Cotsyn (India) Limited, Emami Limited and several Private Limited Companies.

He was the President of the Cricket Club of India and at present he is member in various working committees of CCI. He is the President of the Western India Automobile Association. He is also member of All India Association of Industries; W.I.A.A CLUB, B.C.A. Club, Orient Club, Yachting Association of India and Yacht Club.

He also the Chairman of the Audit Committee, the Corporate Governance and Stakeholders' Interface Committee and the Employees Stock Compensation Committee of the Company. He is also a member of the Shareholders'/Investors' Grievance Committee and the Remuneration Committee of the Company. Shri Trivedi is the Chairman of the Audit Committees of The Zandu Pharmaceutical Works Limited and Birla Power Solutions Limited. He is a member of the Audit Committee of Zodiac Clothing Company Limited, Sai Service Station Limited, Seksaraia Biswan Sugar Factory Limited and New Consolidated Construction Company Limited.

Shri Trivedi holds 27,984 shares of the Company in his name as on March 31, 2010.

Dr. Dharam Vir Kapur is an honours Graduate in Electrical Engineering with wide experience in Power, Capital Goods, Chemicals and Petrochemicals Industries.

Dr. Kapur had an illustrious career in the Government sector with a successful track record of building vibrant organisations and successful project implementation. He served Bharat Heavy Electricals Limited (BHEL) in various positions with distinction. Most remarkable achievement of his career was establishment of a fast growing systems oriented National Thermal Power Corporation (NTPC) of which he was the founder Chairman-cum-Managing Director. For his contribution to success and leadership of the fledgling organisation, he was described as a Model Manager by the Board of Executive Directors of World Bank.

Dr. Kapur served as Secretary to the Government of India in the Ministries of Power, Heavy Industry and Chemicals & Petrochemicals during 1980-86. He was also associated with a number of national institutions as Member, Atomic Energy Commission; Member, Advisory Committee of the Cabinet for Science and Technology; Chairman, Board of Governors, IIT Bombay; Member, Board of Governors, IIM Lucknow and Chairman, National Productivity Council.

In recognition of his services and significant contributions in the field of Technology, Management and Industrial Development, Jawaharlal Nehru Technological University, Hyderabad conferred on him the degree of D. Sc.

Dr. Kapur is Chairman (Emeritus) of Jacobs H&G (P) Limited and Chairman of GKN Driveline (India) Limited and Drivetech Accessories Limited. He is also a Director on the Boards of Honda Siel Power Products Limited, Zenith Birla (India) Limited and DLF Limited. Earlier he was a Director on the Boards of Tata Chemicals Limited, Larsen & Toubro Limited and Ashok Leyland Limited. He is a member of the Corporate Governance and Stakeholders' Interface Committee, the Remuneration Committee and the Health, Safety and Environment Committee of the Company. He is Chairman of Audit Committees of Honda Siel Power Products Limited and GKN Driveline (India) Limited, Shareholders'/Investors' Relations Committees of Honda Siel Power Products Limited and DLF Limited, Chairman's Executive Committee of GKN Driveline (India) Limited and Corporate Governance Committee of DLF Limited. He is a member of Audit Committees of Zenith Birla (India) Limited and DLF Limited and Remuneration Committee of Honda Seil Power Products Limited.

Dr. Kapur holds 13,544 shares of the Company in his name as on March 31, 2010.

Shri Mahesh P. Modi, M.Sc. (Econ.) (London), Fellow, EDI of the World Bank, held high positions in Government of India as: Chairman of Telecom Commission;, Secretary, Dept. of Telecommunications; Director-General, Telecommunications; Secretary, Ministry of Coal; Special Secretary, Insurance; and Joint Secretary, Ministry of Petroleum, Chemicals and Fertilizers. He has served as Director in the Boards of many public and private sector companies' Boards, including: GAIL (Founder Director), IPCL,BPCL, CRL, BRPL, LIC, GIC, MRPL, Essar Shipping, BSES, ICICI Prudential Life Insurance Co.,and India Advisory of BHP Bilitton. He has considerable management experience, particularly in the fields of energy, petrochemicals, insurance and telecom.

Shri Modi is a member of the Audit Committee, the Employees Stock Compensation Committee and the Corporate Governance and Stakeholders' Interface Committee of the Company.

Shri Modi holds 2,924 shares of the Company in his name as on March 31, 2010.

Prof. Ashok Misra is a B.Tech. in Chemical Engineering from IIT Kanpur. He obtained his Ph.D. in Polymer Science & Engineering from University of Massachusetts, M.S. in Chemical Engineering from Tufts

University. He has also completed the 'Executive Development Programme' and 'Strategies for Improving Directors' Effectiveness Programme' at the Kellogg School of Management, Northwestern University.

Prof. Misra was the Director of the Indian Institute of Technology Bombay from 2000 to 2008, was at IIT Delhi from 1977 to 2000 and at Monsanto Chemical Co. from 1974 to 1977. He is currently the Chairman-India and Head of Global Alliances, Intellectual Ventures. He is a Fellow of National Academy of Sciences India (President from 2006 to 2008), Indian National Academy of Engineering, Indian Institute of Chemical Engineers, Indian Plastics Institute and Maharashtra Academy of Sciences. He is on the Board of Rashtriya Chemicals & Fertilizers Limited and was on the Board of National Thermal Power Corporation Limited for 6 years. He is/ has been on the Boards or Councils of several national and international institutions. He has received several awards including the Distinguished Alumnus Awards from his alma maters - IIT Kanpur, Tufts University and University of Massachusetts. He was awarded the Doctor of Science by Thapar University, Patiala. He has co-authored a book on Polymers, was awarded 6 patents and has over 100 international publications. He is on the Editorial Board of 4 scientific journals.

Prof. Misra holds 2,240 shares of the Company in his name as on March 31, 2010.

Prof. Dipak C. Jain is a M.S. in Mathematical Statistics from Gauhati University. He is a Ph.D. in Marketing and M.S. in Management Science from the University of Texas Prof. Jain is a distinguished teacher and scholar. He has been Dean of the Kellogg School of Management, Northwestern University, Evanston, Illinois, USA since July, 2001. He has more than 21 years experience in management and education. He has published several articles in international journals on marketing and allied subjects.

Prof. Jain's academic honors include the Sidney Levy Award for Excellence in Teaching in 1995; the John D.C. Little Best Paper Award in 1991; Kraft Research Professorships in 1989-90 and 1990-91; the Beatrice Research Professorship in 1987-88; the Outstanding Educator Award from the State of Assam in India in 1982; Gold Medal for the Best Post-Graduate of the Year from Gauhati University in India in 1978; Gold Medal for the Best Graduate of the Year from Darrang College in Assam in India in 1976; Gold Medal from Jaycees International in 1976; the Youth Merit Award from Rotary International in 1976; and the Jawaharlal Nehru Merit Award, Government of India in 1976.

Prof. Jain is a Member of American Marketing Association and the Institute of Management Services. He is a Director of John Deere & Company, Hartmarx Corporation and Northern Trust Bank (companies incorporated outside India). He is a member of the Employees Stock Compensation Committee of the Company. He is a Director of Reliance Retail Limited and is a member of the Audit Committee.

Prof. Jain does not hold any share of the Company.

Dr. Raghunath Anant Mashelkar, an eminent scientist, is a Ph.D. in Chemical Engineering. He is the President of Global Research Alliance, a network of publicly funded R&D institutes from Asia-Pacific, Europe and USA with over 60,000 scientists.

Formerly, Dr. Mashelkar was the Director General of the Council of Scientific and Industrial Research (CSIR) for over eleven years. He was also the President of Indian National Science Academy (INSA).

Dr. Mashelkar is only the third Indian Engineer to have been elected as Fellow of Royal Society (FRS), London in the twentieth century. He was elected Foreign Associate of National Academy of Science, USA (2005), Foreign Fellow of US National Academy of Engineering (2003), Fellow of Royal Academy of Engineering, U.K. (1996) and Fellow of World Academy of Art & Science, USA (2000).

Twenty-seven universities have honoured him with honorary doctorates, which include Universities of London, Salford, Pretoria, Wisconsin and Delhi.

Dr. Mashelkar has won over 50 awards and medals from several bodies for his outstanding contribution in the field of science and technology. He is the only scientist so far to have won the JRD Tata Corporate Leadership Award (1998) and the Star of Asia Award (2005) at the hands of George Bush Sr., the former president of USA.

The President of India honoured Dr. Mashelkar with Padmashri (1991) and with Padmabhushan (2000), which are two of the highest civilian honours in recognition of his contribution to nation building.

Dr. Mashelkar is a Director of Tata Motors Limited, Hindustan Unilever Limited, Thermax Limited, Piramal Life Sciences Limited, KPIT Cummins Infosystems Limited, Sakal Papers Limited, ICICI Knowledge Park and several Private Limited Companies.

Dr. Mahshelkar is a member of the Audit Committee of the Company.

Dr. Mashelkar is a member of the Audit committees of Tata Motors Limited and Hindustan Uniliver Limited.

Dr. Mashelkar does not hold any share of the Company.

3. Board Meetings, Board Committee Meetings and Procedures

A. Institutionalised decision making process

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

The Board has constituted seven standing Committees, namely Audit Committee, Corporate Governance and Stakeholders' Interface Committee, Employees Stock Compensation Committee, Finance Committee, Health, Safety and Environment Committee, Remuneration Committee and Shareholders' / Investors' Grievance Committee. The Board is authorized to constitute additional functional Committees, from time to time, depending on the business needs.

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

B. Scheduling and selection of Agenda Items for Board meetings

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

(ii) The meetings are usually held at the Company's Registered Office at Maker Chambers IV, 222, Nariman Point, Mumbai - 400 021.

(iii) All divisions/departments of the Company are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion / approval / decision at the Board / Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board / Committee meetings.

(iv) The Board is given presentations covering Finance, Sales, Marketing, major business segments and operations of the Company, global business environment, all business areas of the Company including business opportunities, business strategy and the risk management practices before taking on record the quarterly / annual financial results of the Company.

The information required to be placed before the Board includes :

- General notices of interest of Directors.
- Appointment, remuneration and resignation of Directors.
- Formation/Reconstitution of Board Committees.
- Terms of reference of Board Committees.
- The minutes of the Board meetings of unlisted subsidiary companies.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Declaration of independent directors at the time of appointment / annually.
- Appointment or resignation of Chief Financial Officer and Company Secretary.
- Annual operating plans of businesses, capital budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Dividend declaration.
- Quarterly summary of all long-term borrowings made, bank guarantees issued, loans and investments made.
- Significant changes in accounting policies and internal controls.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Statement of significant transactions and arrangements entered by unlisted subsidiary companies.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Internal Audit findings and External Audit Reports (through the Audit Committee).
- Proposals for investment, mergers and acquisitions.
- Details of any joint venture, acquisitions of companies or collaboration agreement.

- Status of business risk exposures, its management and related action plans.
- Making of loans and investment of surplus funds.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer (if any), etc.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non payment for 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 / Industrial Relations front like implementation of Voluntary Retirement Scheme etc.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Brief on statutory developments, changes in Government policies etc. with impact thereof, directors' responsibilities arising out of any such developments.
- Brief on clarifications made to the press.

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

C. Board material distributed in advance

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

D. Recording Minutes of proceedings at Board and Committee meetings

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

E. Post Meeting Follow-up Mechanism

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

F. Compliance

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

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

Eight Board meetings were held during the year, as against the minimum requirement of four meetings. The Company has held at least one Board meeting in every three months. The details of the Board meetings are as under:

Sl. No.	Date	Board Strength	No. of Directors Present
1	April 23, 2009	13	12
2	June 19, 2009	13	7
3	July 24, 2009	13	12
4	August 21, 2009	14	11
5	October 7, 2009	14	12
6	October 29, 2009	14	12
7	January 22, 2010	13	12
8	March 25, 2010	13	13

5. **Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various companies :**

Name of the Director	Attendance of meetings during 2009-10		No. of Other Directorship (s)[1]	No. of Membership(s)/ Chairmanship(s) of Board Committees in Other Companies[2]
	Board Meetings	Last AGM		
Mukesh D. Ambani	8	Yes	1	Nil
Nikhil R. Meswani	8	Yes	1	1 (as Chairman)
Hital R. Meswani	8	Yes	2	2 (including 1 as Chairman)
Hardev Singh Kohli[3]	8	Yes	Nil	Nil
P.M.S. Prasad[4]	4	No	5	3
R. Ravimohan[5]	3	Yes	-	-
Ramniklal H. Ambani	7	Yes	2	1 (as Chairman)
Mansingh L. Bhakta	8	Yes	5	4 (including 1 as Chairman)
Yogendra P. Trivedi	8	Yes	10	6 (including 2 as Chairman)
Dr. Dharam Vir Kapur	8	No	5	6 (including 4 as Chairman)
Mahesh P. Modi	6	Yes	Nil	Nil
S. Venkitaramanan[6]	1	N.A.	-	-
Prof. Ashok Misra	4	Yes	1	Nil
Prof. Dipak C. Jain	5	No	1	1
Dr. Raghunath A. Mashelkar	5	Yes	6	2

[1]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.

[2]In accordance with Clause 49, Memberships / Chairmanships of only the Audit Committees and Shareholders' / Investors' Grievance Committees in all Public Limited Companies (excluding Reliance Industries Limited) have been considered.

[3]upto May 16, 2010 [4]w.e.f. August 21, 2009 [5]from August 21, 2009 to December 28, 2009 [6]upto July 24, 2009

Video/tele-conferencing facilities are also used to facilitate directors travelling abroad or present at other locations to participate in the meetings.

6. **Board Committees :**

A. Standing Committees

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

(i) Audit Committee

Composition: Audit Committee of the Board comprises three independent directors namely Shri Yogendra P. Trivedi, Chairman, Shri Mahesh P. Modi and Dr. Raghunath A. Mashelkar (w.e.f. August 21, 2009). Shri S. Venkitaramanan was a member of the Committee upto July 24, 2009. Shri R. Ravimohan was member of the Audit Committee from August 21, 2009 to December 28, 2009. All the members of the Audit Committee possess financial / accounting expertise/exposure. The composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Shri Vinod M. Ambani is the Secretary to the Audit Committee.

Objective: The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies.

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

A. Powers of the Audit Committee:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. The role of the Audit Committee includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
   - Changes, if any, in accounting policies and practices and reasons for the same.
   - Major accounting entries involving estimates based on the exercise of judgement by the management.
   - Significant adjustments made in the financial statements arising out of audit findings.
   - Compliance with listing and other legal requirements relating to financial statements.
   - Disclosure of related party transactions.
   - Qualifications in draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
8. Discussion with Internal Auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism.
13. Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors and / or other Committees of Directors of the Company.
14. To review the following information :
    - The management discussion and analysis of financial condition and results of operations;
    - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
    - Internal audit reports relating to internal control weaknesses; and
    - The appointment, removal and terms of remuneration of Internal Auditors.
15. Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of Company.
16. Review of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.).

Meetings : Six meetings of the Audit Committee were held during the year ended March 31, 2010, as against the minimum requirement of four meetings.

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
Yogendra P. Trivedi, Chairman	6	6
S. Venkitaramanan[1]	2	1
Mahesh P. Modi	6	5
Raghunath A. Mashelkar[2]	4	4
R. Ravimohan[3]	2	2

[1]upto July 24, 2009.
[2]w.e.f. August 21, 2009
[3]w.e.f. August 21, 2009 upto December 28, 2009

Executives of Accounts Department, Finance Department, Secretarial Department and Management Audit Cell and Representatives of the Statutory and Internal Auditors attend the Audit Committee Meetings. The Cost Auditors appointed by the Company under Section 233B of the Companies Act, 1956 attend the Audit Committee Meeting, where cost audit reports are discussed.

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

(ii) Corporate Governance and Stakeholders' Interface (CGSI) Committee

Composition : The Corporate Governance and Stakeholders' Interface Committee of the Board comprises three Independent Directors, namely, Shri Yogendra P. Trivedi, Chairman, Dr. Dharam Vir Kapur and Shri Mahesh P. Modi.

Terms of Reference : The terms of reference of the Corporate Governance and Stakeholders' Interface Committee, inter alia, include the following :

1. Observance of practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary.
2. Provision of correct inputs to the media so as to preserve and protect the Company's image and standing.
3. Dissemination of factually correct information to the investors, institutions and public at large.
4. Interaction with the existing and prospective FIIs and rating agencies, etc.
5. Establishing oversight on important corporate communication on behalf of the Company with the assistance of consultants / advisors, if necessary.
6. Ensuring institution of standardised channels of internal communications across the Company to facilitate a high level of disciplined participation.
7. Recommendation for nomination of Directors on the Board.

Selection of Independent Directors :

Considering the requirement of the skill-sets on the Board, eminent persons having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Corporate Governance and Stakeholders' Interface Committee, which also acts as Nomination Committee, for appointment inter alia of independent directors on the Board. The number of directorships and memberships held in various committees of other companies by such persons is also considered. The Board considers the recommendations of the Committee and takes appropriate decision.

Meetings : Two meetings of the Corporate Governance and Stakeholders' Interface Committee were held during the year ended March 31, 2010.

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

Name of the Committee Member	No. of meetings held	No. of meetings attended
Yogendra P. Trivedi, Chairman	2	2
Dr. Dharam Vir Kapur	2	2
Mahesh P. Modi	2	1

(iii) Employees Stock Compensation Committee

Composition : The Employees Stock Compensation Committee of the Board comprises four Directors, namely, Shri Yogendra P. Trivedi (Chairman), Shri Mahesh P. Modi, Prof. Dipak C. Jain and Shri Mukesh D. Ambani.

Terms of Reference : The Committee was formed inter alia to formulate detailed terms and conditions of the Employees Stock Option Scheme including :

1. the quantum of options to be granted under Employees Stock Option Scheme per employee and in aggregate;
2. the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
3. the exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period;
4. the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
5. the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
6. the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others;
7. the grant, vest and exercise of option in case of employees who are on long leave; and
8. the procedure for cashless exercise of options, if any.

Meetings : One meeting of the Employees Stock Compensation Committee was held during the year ended March 31, 2010.

Attendance of each Member at the Employees Stock Compensation Committee meeting held during the year

Name of the Committee Member	No. of meetings held	No. of meetings attended
Yogendra P. Trivedi, Chairman	1	1
Mahesh P. Modi	1	1
Prof. Dipak C. Jain	1	1
Mukesh D. Ambani	1	1

(iv) Finance Committee

Composition : The Finance Committee of the Board comprises three Directors, namely, Shri Mukesh D. Ambani, Chairman, Shri Nikhil R. Meswani and Shri Hital R. Meswani.

Terms of Reference :

1. Review the Company's financial policies, risk assessment and minimisation procedures, strategies and capital structure, working capital and cash flow management and make such reports and recommendations to the Board with respect thereto as it may deem advisable.
2. Review banking arrangements and cash management.
3. Exercise all powers to borrow moneys (otherwise than by issue of debentures) and taking necessary actions connected therewith including refinancing for optimisation of borrowing costs.
4. Giving of guarantees / issuing letters of comfort / providing securities within the limits approved by the Board.
5. Borrow monies by way of loan and / or issuing and allotting Bonds / Notes denominated in one or more foreign currencies in international markets, for the purpose of refinancing the existing debt, capital expenditure, general corporate purposes including working capital requirements and possible strategic investments within the limits approved by the Board.
6. Provide corporate guarantee / performance guarantee by the Company within the limits approved by the Board.
7. Approve opening and operation of Investment Management Accounts with Foreign Banks and appoint them as Agents, establishment of representative / sales offices in or outside India etc.
8. 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.
9. Other transactions or financial issues that the Board may desire to have them reviewed by the Finance Committee.
10. Delegate authorities from time to time to the Executives / Authorised persons to implement the decisions of the Committee.
11. Regularly review and make recommendations about changes to the charter of the Committee

Meetings : Five meetings of the Finance Committee were held during the year ended March 31, 2010

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

Name of the Committee Member	No. of meetings held	No. of meetings attended
Mukesh D Ambani	5	5
Nikhil R Meswani	5	5
Hital R Meswani	5	5

(v) Health, Safety and Environment (HS&E) Committee

Composition : The Health, Safety and Environment Committee of the Board comprises three Directors, namely, Shri Hital R. Meswani, Chairman and Dr. Dharam Vir Kapur and Shri Pawan Kumar Kapil, (w.e.f. May 16, 2010).

Terms of Reference : The Health, Safety and Environment Committee has been constituted, inter alia, to monitor and ensure maintaining the highest standards of environmental, health and safety norms and compliance with applicable pollution and environmental laws at all works / factories / locations of the Company and to recommend measures, if any, for improvement in this regard.

The Committee reviews, inter alia, the Health Safety and Environment Policy of the Company, performance on health, safety and environment matters and the procedures and controls being followed at various manufacturing facilities of the Company and compliance with the relevant statutory provisions.

Meetings : Four meetings of the Health, Safety and Environment Committee were held during the year ended March 31, 2010.

Attendance of each Member at the HS&E Committee meetings held during the year

Name of the Committee Member	No. of meetings held	No. of meetings attended
Hital R. Meswani,	4	4
Hardev Singh Kohli[1]	4	4
Dr. Dharam Vir Kapur	4	4

[1]upto May 16, 2010

(vi) Remuneration Committee Meetings :

Composition : The Remuneration Committee of the Board comprises three Independent Directors, namely, Shri Mansingh L. Bhakta, Chairman, Shri Yogendra P. Trivedi and Dr. Dharam Vir Kapur. Shri S.Venkitaramanan was also a member of the Committee up to July 24, 2009.

Terms of Reference : The Remuneration Committee has been constituted to recommend / review remuneration of the Managing Director and Wholetime Directors, based on their performance and defined assessment criteria.

Meetings: Two meetings of the Remuneration committee were held during the year in which all the members were present.

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.

Remuneration paid to the Chairman & Managing Director and the Wholetime Directors, including Stock Options granted during 2009-10:

Rs. in crore

Name of the Director	Salary	Perquisites and allowances	Retiral benefits	Commission payable	Total	Stock Options granted (Nos.)
Mukesh D. Ambani	4.16	0.60	5.60	4.64	15.00	Nil
Nikhil R. Meswani	1.04	1.45	1.05	7.60	11.14	Nil
Hital R. Meswani	1.04	1.45	0.95	7.70	11.14	Nil
Hardev Singh Kohli	0.43	0.76	0.13	-	1.32	Nil
P.M.S. Prasad	0.53	0.83	0.17	-	1.53	Nil
R Ravimohan	0.22	0.48	0.07	-	0.77	Nil

The Chairman and Managing Director’s compensation has been set at Rs. 15 crore as against Rs. 39.36 crore that he is elgible as per the shareholders’ approval, reflecting his desire to set a personal example for moderation in managerial compensation levels.

The tenure of office of the aforesaid Managing Director and Wholetime Directors is for a period of 5 years from their respective dates of appointments and can be terminated by either party by giving three months' notice in writing. There is no separate provision for payment of severance fees.

The Non-Executive Directors are paid sitting fee at the rate of Rs. 20,000/- for attending each meeting of the Board and / or Committee thereof. Each of the Non-Executive Directors is also paid commission amounting to Rs. 21,00,000/- on an annual basis and the total commission payable to such Directors shall not exceed 1% of the net profits of the Company.

Sitting fee and commission to the Non-Executive Directors, for 2009-10 are as detailed below :

Rs. in lacs

Name of the Non–Executive Director	Sitting Fee	Commission	Total
Ramniklal H. Ambani	1.40	21.00	22.40
Mansingh L. Bhakta	3.00	21.00	24.00
Yogendra P. Trivedi	4.80	21.00	25.80
Dr. Dharam Vir Kapur	3.20	21.00	24.20
Mahesh P. Modi	2.40	21.00	23.40
S.Venkitaramanan	0.40	7.00	7.40
Prof. Ashok Misra	0.80	21.00	21.80
Prof. Dipak C. Jain	1.00	21.00	22.00
Dr. Raghunath A. Mashelkar	1.80	21.00	22.80
Total	**18.80**	**175.00**	**193.80**

During the year, the Company has paid Rs. 0.42 crore as professional fees to M/s. Kanga & Co., a firm in which Shri M.L. Bhakta, Director of the Company, is a partner. There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors.

(vii) Shareholders' / Investors' Grievance Committee

Composition : The Shareholders' / Investors' Grievance Committee (the Committee) of the Board, comprised five Directors, namely, Shri Mansingh L. Bhakta, (Chairman), Shri Yogendra P. Trivedi, Shri Mukesh D. Ambani, Shri Nikhil R. Meswani and Shri Hital R. Meswani. The Committee has been reconstituted w.e.f. August 21, 2009 comprising four members Shri Mansingh L. Bhakta, (Chairman), Shri Yogendra P. Trivedi, Shri Nikhil R. Meswani and Shri Hital R. Meswani.

Terms of Reference : The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also looks into redressal of shareholders'/ investors' complaints related to transfer of shares, non-receipt of Balance Sheet, non- receipt of declared dividend, etc. The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992. The Board has delegated the power of approving transfer of securities to the Managing Director and / or the Company Secretary.

Meetings : Six meetings of the Shareholders'/Investors' Grievance Committee (SIGC) were held during the year ended March 31, 2010.

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

Name of the Committee Member	No. of meetings held	No. of meetings attended
Mansingh L. Bhakta, Chairman	6	5
Yogendra P. Trivedi	6	6
Mukesh D. Ambani[1]	2	2
Nikhil R. Meswani	6	5
Hital R. Meswani	6	4
[1]upto August 21, 2009		

Compliance Officer

Shri Vinod M. Ambani, Company Secretary, is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India.

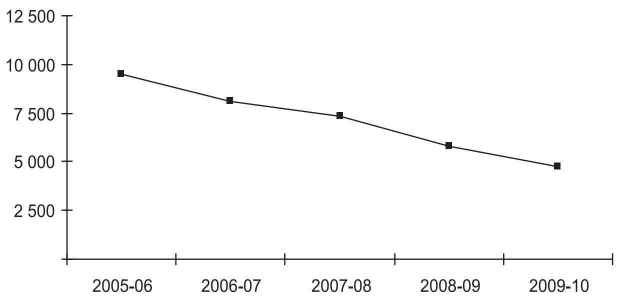
Investor Grievance Redressal

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

Types of Complaints	Number of Complaints
Non-Receipt of Annual Reports	206
Non-Receipt of Dividend Warrants	3513
Non-Receipt of Interest / Redemption Warrants	524
Non-Receipt of Certificates	510
Total	4753

There were no outstanding complaints as on March 31, 2010. 192 requests for transfers and 650 requests for dematerialisation were pending for approval as on March 31, 2010, which were approved and dealt with by April 5, 2010. Given below is a chart showing reduction in investor's complaints.

Number of Complaints Received



B. Functional Committees:

The Board is authorized to constitute one or more Functional Committees delegating thereto powers and duties with respect to specific purposes. Meetings of such Committees are held as and when the need arises. Time schedule for holding the meetings of such Functional Committees are finalised in consultation with the Committee Members.

Procedure at Committee Meetings

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

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

The Code of Business Conduct and Ethics for Directors and management personnel ('the Code'), as recommended by the Corporate Governance and Stakeholders' Interface Committee and 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.ril.com.

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

A declaration signed by the Chairman & Managing Director of the Company is given below :

I hereby confirm that the Company has obtained from all the members of the Board and management personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and management personnel in respect of the financial year 2009-10.

Mukesh D. Ambani
Chairman & Managing Director

8. Subsidiary Monitoring Framework

All subsidiary companies of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company monitors performance of subsidiary companies, inter alia, by the following means

(a) Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company

(b) All minutes of Board meetings of the unlisted subsidiary companies are placed before the Company's Board regularly.

(c) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

The Company does not have any material unlisted subsidiary and hence is not required to nominate an independent director of the Company on the Board of any subsidiary. Prof. Dipak C. Jain, Independent Director of the Company has been appointed as a Director on the Board of Reliance Retail Limited, a subsidiary of the Company.

9. General Body Meetings

(A) Annual General Meetings:

Annual General Meeting of the Company during the preceding 3 years were held at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai - 400 020.

Date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

2008-09

Date and Time : November 17, 2009 11.00 a.m.

Special Resolutions passed Nil

2007-08

Date and Time : June 12, 2008 11.00 a.m.

Special Resolutions passed Nil

2006-07

Date and Time : October 12, 2007 11.00 a.m.

Special Resolution passed

For payment of enhanced commission to the Directors of the Company other than the Managing Director and Wholetime Directors.

(B) Special Resolution passed through Postal Ballot:

No special resolution was passed through Postal Ballot during 2009-2010. 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. transactions of the company of material nature, with its Promoters, the Directors and the management, their relatives or subsidiaries etc. that may have potential conflict with the interests of the Company at large

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Notes on Accounts - Schedule 'O', forming part of the Annual Report.

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

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

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

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

SEBI has issued Show Cause Notices in connection with the sale of shares of erstwhile Reliance Petroleum Limited by the Company. The Company has submitted its reply to the same.

11. Means of Communication

(a) **Quarterly Results :** Quarterly Results are published in 'The Economic Times'/ 'Financial Express'/ 'Indian Express' and 'Maharashtra Times' / 'Navshakti' and are displayed on the Company's website www.ril.com.

(b) **News Releases, Presentations, etc. :** Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website www.ril.com. Official Media Releases are sent to the Stock Exchanges.

(c) **Website :** The Company's website www.ril.com contains a separate dedicated section 'Investor Relations' where shareholders information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.

(d) **Annual Report :** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website www.ril.com.

(e) **Chairman's Communique :** Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings. The same is also placed on the website of the Company.

(f) **Reminder to Investors :** Reminders for unpaid dividend / unpaid interest or redemption amount on debentures are sent to the shareholders / debentureholders as per records every year.

(g) **Corporate Filing and Dissemination System (CFDS) :** The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed companies. All disclosures and communications to BSE & NSE are filed electronically through the CFDS portal and hard copies of the said disclosures and correspondence are also filed with the stock exchanges.

(h) **Designated Exclusive email-id :** The Company has designated the following email-ids exclusively for investor servicing.

  (a) For queries on Annual Report - Investor_relations@ril.com

  (b) For queries in respect of shares in physical mode - rilinvestor@karvy.com

(i) **Shareholders' Feedback Survey :** The Company sent feedback form seeking shareholders' views on various matters relating to investor services and the Annual Report 2008-09. The feedback received from the shareholders was placed before the Shareholders' / Investors' Grievance Committee.

12. General Shareholder Information

Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L17110MH1973PLC019786.

Annual General Meeting
(Day, Date, Time and Venue):
Friday, 18th June, 2010 at 11.00 a.m.
Birla Matushri Sabhagar,
19, Marine Lines, Mumbai 400020

Financial Calendar (tentative)
Financial Year : April 1, 2010 to March 31, 2011

Results for the quarter ending :

June 30, 2010	-	Fourth week of July, 2010
September 30, 2010	-	Fourth week of October, 2010
December 31, 2010	-	Third week of January, 2011
March 31, 2011	-	Third week of April, 2011

Annual General Meeting - June, 2011

Date of Book Closure

Wednesday, May 12, 2010 to Wednesday May 19, 2010 (both days inclusive) for payment of dividend.

Dividend Payment Date

on or after June 18, 2010.

Listing on Stock Exchanges

Equity Shares
Bombay Stock Exchange Limited, (BSE),
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001.
Scrip Code 500325

National Stock Exchange of
India Limited (NSE),
"Exchange Plaza", Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051
Trading Symbol RELIANCE EQ.

ISIN INE002A01018

GDRs
Luxembourg Stock Exchange,11,
Avenue de la Porte-Neuve, L-2227,
Luxembourg.

Also traded on IOB System (London Stock Exchange) and PORTAL System (NASD, USA)
Trading Symbol RILYP, CUSIP 759470107

Overseas Depository

The Bank of New York Mellon Corporation
101 Barclay Street New York NY 10286 USA.

Domestic Custodian

ICICI Bank Limited, Empire Complex, E7/F7,
1st Floor, 414, Senapati Bapat Marg,
Lower Parel, Mumbai 400013.

Debt Securities

The Wholesale Debt Market (WDM) Segment of NSE.

Debenture Trustees

Axis Bank Limited
Maker Tower F, 13th Floor, Cuffe Parade,
Colaba, Mumbai 400 005.

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai 400 023.

Payment of Listing Fees : Annual listing fee for the year 2010-11 (as applicable) has been paid by the Company to BSE and NSE. Annual maintenance and listing agency fee for the calendar year 2010 has been paid by the Company to the Luxembourg Stock Exchange.

Stock Market Price Data

Month	Bombay Stock Exchange (BSE) (In Rs.per share)		National Stock Exchange (NSE) (In Rs.per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
Pre Bonus				
April 2009	1,844.00	1,497.55	1,840.00	1,497.35
May 2009	2,490.00	1,838.00	2,535.00	1,836.00
June 2009	2,372.30	1,847.90	2,379.00	1,900.00
July 2009	2,085.00	1,718.30	2,183.00	1,717.10
August 2009	2,123.80	1,865.00	2,125.00	1,867.60
September 2009	2,210.90	1,887.70	2,239.90	1,923.30
October 2009	2,304.00	1,921.60	2,285.30	1,922.00
November 2009	2,225.90	1,806.00	2,225.90	1,802.25
Post Bonus				
November 2009	1,110.00	1,011.25	1,111.00	1,011.00
December 2009	1,120.00	990.00	1,120.00	990.00
January 2010	1,184.70	1,018.00	1,149.90	1,018.10
February 2010	1,059.00	961.00	1,056.35	959.15
March 2010	1,109.40	979.95	1,111.00	979.40

Share Price Performance in comparison to broad based indices – BSE Sensex and NSE Nifty as on March 31, 2010

Percentage Change in

	RIL	BSE Sensex	NSE Nifty
FY 2009-10	41%	81%	74%
2 years	-5%	12%	11%
3 years	57%	34%	37%
5 years	294%	170%	158%

Registrars and Transfer Agents

Karvy Computershare Private Limited,
46, Avenue 4, Street No.1,
Banjara Hills, Hyderabad 500 034, India
Tel: +91 40 2332 0666, 2332 0711, 2332 3031, 2332 3037
Toll Free No. 1800 425 8998
Fax: +91 40 2332 3058
e-mail: rilinvestor@karvy.com
Website : www.karvy.com

List of Investor Service Centres of Karvy Computershare Private Limited is available on the website of the Company http://www.ril.com.

Share Transfer System

Share transfers are processed and share certificates returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Managing Director and /or Company Secretary. A summary of transfer/ transmission of securities of the Company so approved by the Managing Director / Company Secretary, is placed at every Board Meeting. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

Distribution of Shareholding as on March 31, 2010

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group[1]			
(1)	Indian	41	146 39 20 323	44.76
(2)	Foreign	0	0	0.00
	Total Shareholding of Promoter and Promoter Group	**41**	**146 39 20 323**	**44.76**
(B)	Public Shareholding[2]			
(1)	Institutions	2 252	92 39 66 356	28.25
(2)	Non-institutions	35 59 853	76 15 24 365	23.29
	Total Public Shareholding	**35 62 105**	**168 54 90 721**	**51.54**
(C)	Shares held by Custodians and against which Depository Receipts have been issued	1	12 09 63 316	3.70
	TOTAL (A) + (B) + (C)	**35 62 147**	**327 03 74 360**	**100.00**

[1]For definitions of "Promoter Shareholding" and "Promoter Group" refer to Clause 40A of Listing Agreement.
[2]For definition of "Public Shareholding", refer to Clause 40A of Listing Agreement.

Shareholding Pattern by Size as on March 31, 2010

Sl. No.	Category (Shares)	Holders	Shares	% of Total Shares
1	1 - 500	34 22 648	22 78 13 223	6.97
2	501 - 1000	83 177	5 82 05 198	1.78
3	1001 - 2000	35 087	4 87 00 061	1.49
4	2001 - 3000	9 056	2 20 28 324	0.67
5	3001 - 4000	3 777	1 31 23 519	0.40
6	4001 - 5000	2 064	92 58 527	0.28
7	5001 - 10000	3 322	2 30 58 860	0.71
8	10001 - 20000	1 188	1 64 22 985	0.50
9	Above - 20000	1 828	285 17 63 663	87.20
	TOTAL	**35 62 147**	**327 03 74 360**	**100.00**

Build up of Equity Share Capital

Sl. No.	Particulars	Allotment Date	No. of Shares
1	Subscribers To Memorandum	October 19, 1975	1 100
2	Shareholders of Reliance Textile Industries Limited (Merged with the Company)	May 9, 1977	59 50 000
3	Conversion of Loan	September 28, 1979	9 40 000
4	Rights Issue - I	December 31,1979	6 47 832
5	Bonus Issue - I	September 19, 1980	45 23 359
6	Debenture Series I Conversion	December 31, 1980	8 40 575
7	Consolidation of Fractional Coupon Shares	May 15,1981	24 673
8	Conversion of Loan	June 23, 1981	2 43 200
9	Conversion of Loan	September 22, 1981	1 40 800
10	Rights Issue II	October 6, 1981	23 80 518
11	Debenture Series II Conversion	December 31, 1981	8 42 529
12	Debenture Series I Conversion Phase II	December 31, 1981	27 168
13	Shareholders of Sidhpur Mills Co Limited (Merged with the Company)	April 12, 1982	81 059
14	Rights Issue II NRI	June 15, 1982	774
15	Debenture Series III Conversion	August 31, 1982	19 20 000
16	Rights Issue II	September 9, 1982	41
17	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) II	December 29, 1982	1 942
18	Bonus Issue- II	September 30, 1983	1 11 39 564
19	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) III	September 30, 1983	371
20	Debenture Series IV Conversion	September 30, 1983	64 00 000
21	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) IV	April 5, 1984	617
22	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) V	June 20, 1984	50
23	Debenture Series I Conversion	October 1, 1984	97 66 783
24	Debenture Series II Conversion	December 31, 1984	2 16 571
25	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) VI	January 31, 1985	91
26	Consolidation of Fractional Coupon Shares	April 30, 1985	45 005
27	Debenture Series E Conversion	April 30, 1985	53 33 333
28	Debenture Series III Conversion	July 5,1985	52 835
29	Debenture Series IV Conversion	December 17, 1985	42 871
30	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) VII	December 31, 1985	106
31	Consolidation of Fractional Coupon Shares	December 31, 1985	610
32	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) VIII	November 15, 1986	40 284
33	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) IX	April 1, 1987	169
34	Debenture Series G Conversion	August 1, 1987	6 60 30 100
35	Right Issue III	February 4, 1988	3 15 71 695
36	Debenture Series G Conversion	February 4, 1988	29 35 380
37	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) X	June 2, 1988	25
38	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) XI	October 31, 1988	10
39	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) XII	November 29, 1990	322

Sl. No.	Particulars	Allotment Date	No. of Shares
40	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) XIII	May 22, 1991	46
41	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) XIV	October 10, 1991	25
42	Euro Issue GDR-I	June 3, 1992	1 84 00 000
43	Shareholders of Sidhpur Mills Co Limited (Merged with the Company)		4 060
44	Shareholders of Reliance Petrochemicals Limited (Merged with the Company)	December 4, 1992	7 49 42 763
45	Loan Conversion	July 7, 1993	3 16 667
46	Debenture Series H Conversion	August 26, 1993	3 64 60 000
47	Warrant Conversion (Debenture Series F)	August 26, 1993	1 03 16 092
48	Euro Issue GDR II	February 23, 1994	2 55 32 000
49	Loan Conversion	March 1, 1994	18 38 950
50	Warrant Conversion (Debenture Series J)	August 3, 1994	87 40 000
51	Private Placement of Shares	October 21, 1994	2 45 45 450
52	Conversion of Reliance Petrochemicals Limited Debentures	December 22, 1994	75 472
53	Shareholders of Reliance Polypropylene Limited and Reliance Polyethylene Limited (Merged with the Company)	March 16, 1995	9 95 75 915
54	Warrants Conversion	March 10, 1995	74 80 000
55	Conversion of 3.5% ECB Due 1999 I	May 24, 1997	544
56	Conversion of 3.5% ECB Due 1999 II	July 11, 1997	13 31 042
57	Conversion of 3.5% ECB Due 1999 III	July 22, 1997	6 05 068
58	Conversion of 3.5% ECB Due 1999 IV	September 13, 1997	18 64 766
59	Conversion of 3.5% ECB Due 1999 V	October 22, 1997	18 15 755
60	Conversion of 3.5% ECB Due 1999 VI	November 4, 1997	1 03 475
61	Bonus Issue III	December 20, 1997	46 60 90 452
62	Conversion of 3.5% ECB Due 1999 VII	December 4, 1997	15 68 499
63	Conversion of 3.5% ECB Due 1999 VIII	September 27, 1999	7 624
64	Conversion of Warrants	January 12, 2000	12 00 00 000
65	Shareholders of Reliance Petroleum Limited (Merged with the Company)	October 23, 2002	34 26 20 509
66	Shareholders of Indian Petrochemicals Corporation Limited (Merged with the Company)	October 13, 2007	6 01 40 560
67	Exercise of Warrants	October 3, 2008	12 00 00 000
68	ESOS - Allotment	Various dates in 2008-09	1 49 632
69	Shareholders of Reliance Petroleum Limited (Merged with the Company)	September 30, 2009	6 92 52 623
70	Bonus Issue IV	November 28, 2009	1 62 67 93 078
71	ESOS - Allotment	Various dates in 2009-10	5 30 426
			3 27 32 43 855
	Less : Shares Bought Back and extinguished on January 24, 2005		**- 28 69 495**
	Total Equity as on March 31, 2010		**3 27 03 74 360**

Corporate Benefits to Investors

a. Bonus Issues of Fully Paid-up Equity Shares

Financial Year	Ratio
1980-81	3:5
1983-84	6:10
1997-98	1:1
2009-10	1:1

b. Dividend Declared for the last 10 Years

Financial Year	Dividend Declaration	Dividend per Share*
1999-00	June 13, 2000	4.00
2000-01	June 15, 2001	4.25
2001-02	October 31, 2002	4.75
2002-03	June 16, 2003	5.00
2003-04	June 24, 2004	5.25
2004-05	August 03, 2005	7.50
2005-06	June 27, 2006	10.00
2006-07	March 10, 2007	11.00
2007-08	June 12, 2008	13.00
2008-09	October 7, 2009	13.00

* *Share of paid-up value of Rs. 10 per share.*

Note : Dividend of Rs. 7 per share recommended by the Directors on April 23, 2010 is subject to declaration by the shareholders at the ensuing Annual General Meeting.

c. Shares issued on Demerger

Consequent upon the demerger of the Coal based, Gas based, Financial services and Telecommunications undertakings / businesses of the Company in December 2005, the shareholders of the Company were allotted equity shares of the four companies, namely, Reliance Energy Ventures Limited (REVL), Reliance Natural Resources Limited (RNRL), Reliance Capital Ventures Limited (RCVL) and Reliance Communication Ventures Limited (RCoVL) in the ratio of one equity share of each of the companies for every equity share held by the shareholders except specified shareholders, in Reliance Industries Limited, as on the record date fixed for the purpose.

Accordingly, 122,31,30,422 equity shares each of REVL, RNRL, RCVL and RCoVL were allotted on January 27, 2006.

Dematerialisation of Shares

Electronic / Physical	%
NSDL	94.50
CDSL	2.36
Physical	3.14

96.86 % of Company's Paid up Equity Share Capital has been dematerialised upto March 31, 2010 (96.46 % upto March 31, 2009). Trading in Equity Shares of the Company is permitted only in dematerialised form.

Liquidity

The Company's Equity Shares are among the most liquid and actively traded shares on the Indian Stock Exchanges. RIL shares consistently rank among the top few frequently traded shares, both in terms of the number of shares traded, as well as value. The highest trading activity is witnessed on the BSE and NSE. Relevant data for the average daily turnover for the financial year 2009-2010 is given below:

	BSE	NSE	Total
Shares(nos)	11 35 840	43 76 797	55 12 637
Value (in Rs. crore)	192.72	718.72	911.44

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

Outstanding GDRs / Warrants and Convertible Bonds, Conversion Date and likely impact on equity

(a) GDRs : Outstanding GDRs as on March 31, 2010 represent 12,09,63,316 equity shares constituting 3.70% of the Paid up Equity Share Capital of the Company. Each GDR represents two underlying equity shares in the Company. GDR is not a specific time-bound instrument and can be surrendered any time and converted into the underlying equity shares in the Company. The shares so released in favor of the investors upon surrender of GDRs can either be held by the investors concerned in their name or sold off in the Indian secondary markets for cash. To the extent of the shares so sold in Indian markets, GDRs can be reissued under the available head room.

RIL GDR Program - Important Information

- RIL GDRs are listed at Luxembourg Stock Exchange. GDRs are traded on International Order Book (IOB) of London Stock Exchange. GDRs are also traded amongst Qualified Institutional investors in the Portal System of NASD, USA.
- RIL GDRs are exempted securities under US Securities Law. RIL GDR program has been established under Rule 144A and Regulation S of the US Securities Act, 1933. Reporting is done under the exempted route of Rule 12g3-2(b) under the US Securities Exchange Act, 1934.

- The Bank of New York Mellon is the Depositary and ICICI Bank Limited is the Custodian of all the Equity Shares underlying the GDRs issued by the Company.

RIL GDR Price Movement over last 1 year

Source : Bank of New York Mellon website

(b) Employee Stock Options : No Options have been granted in the financial year 2009-10 (previous years 100,200 adjusted for issue of bonus shares). Each Option, upon exercise of the same, would give rise to one equity share of Rs. 10/- each fully paid up. The exercise is made at the market price prevailing as on the dates of the grant plus applicable taxes as may be levied on the Company in this regard.

Options vest over one year to a maximum period of seven years, depending upon specified criteria. The Options can be exercised during a period of five years or such other period as the Employees Stock Compensation Committee may decide from the date of vesting. The Options unexercised during the exercise period would lapse.

Plant Locations

Allahabad
A/10-A/27, UPSIDC Industrial Area
Kailash Nagar, Karchana, P. O. T.S.L.
District Allahabad - 211 010, Uttar Pradesh, India.

Barabanki
Dewa Road, Somaiya Nagar
Barabanki - 225 123, Uttar Pradesh, India.

Dahej
P. O. Dahej, Bharuch - 392 130. Gujarat, India

Gadimoga
Tallarevu Mandal
East Godavari District
Gadimoga – 533 463. Andhra Pradesh, India

Hazira
Village Mora, Bhatha, P.O. Surat
Hazira Road, Surat - 394 510. Gujarat, India.

Hoshiarpur
Dharmshala Road, V.P.O. Chohal
District Hoshiarpur - 146 014. Punjab, India.

Jamnagar
Village Meghpar/Padana, Taluka Lalpur
Jamnagar - 361 280. Gujarat, India.

Jamnagar SEZ
Village Meghpar/Padana, Taluka Lalpur
Jamnagar - 361 280. Gujarat, India.

Nagothane
P. O. Petrochemicals Township
Nagothane, Raigad - 402 125, Maharashtra, India.

Nagpur
Village Dahali, Mouda Ramtek Road
Tehsil Mouda - 441104, District Nagpur,
Maharashtra, India.

Naroda
103/106, Naroda Industrial Estate Naroda,
Ahmedabad - 382 320. Gujarat, India.

Patalganga
B-4, Industrial Area, Patalganga
Near Panvel, Dist. Raigad - 410 207
Maharashtra, India.

Silvassa
342, Kharadpada, Near Silvassa
Union Territory of Dadra & Nagar
Haveli - 396 235, India.

Vadodara
P. O. Petrochemicals
Vadodara - 391 346. Gujarat, India.

Oil & Gas Blocks
Panna Mukta, Tapti, NEC-OSN-97/2, KG -DWN-98/3, GS - OSN - 2000/1, GK - OSJ – 3, CB-ON/1, AS-ONN-2000/1, KG-DWN-2001/1, NEC-DWN-2002/1, KG - DWN -98/1, MN - DWN 98/2, KG-OSN-2001/2, KG-OSN-2001/1, CY-PR-DWN-2001/3, PR-DWN-2001/1, KK-DWN-2001/1, KK-DWN-2001/2, CY-DWN-2001/2, CY-PR-DWN-2001/4, KG-DWN-2003/1, MN-DWN-2003/1, CB-ONN-2003/1, KG-DWN-2004/4, KG-DWN-2004/7, MN-DWN-2004/1, MN-DWN-2004/2, MN-DWN-2004/3, MN-DWN-2004/4, MN-DWN-2004/5 and KG-DWN-2005/2.

Address for Correspondence

(i) Investor Correspondence

For Shares/Debentures held in Physical form
Karvy Computershare Private Limited
46, Avenue 4, Street No. 1, Banjara Hills
Hyderabad - 500 034.
E-Mail: rilinvestor@karvy.com

For Shares/Debentures held in Demat form
Investors' concerned Depository Participant(s) and /or Karvy Computershare Private Limited.

(ii) Any query on Annual Report
Shri Atul Tandon
Asst. Company Secretary
Reliance Industries Limited,
3rd Floor, Maker Chambers IV,
222, Nariman Point, Mumbai 400 021.
Email:investor_relations@ril.com

Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund

During the year under review, the Company has credited Rs. 5.80 crore to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. Details of the aforesaid transfer are as under:

Type of Transfer	Amount transferred (Rs. in crore)
Dividend	5.30
Interest on Debentures	0.02
Redemption of Debentures	0.48
Total amount transferred during the year	5.80

The cumulative amount transferred to IEPF upto March 31, 2010 is Rs. 83.40 crore.

Equity Shares in the Suspense Account

As per Clause 5A of the Listing Agreement, the Company reports that 1,450 Equity Shares are lying in the suspense account as on March 31, 2010

13. Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, M/s. Chaturvedi & Shah, M/s. Deloitte Haskins & Sells and M/s. Rajendra & Co., confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is attached to the Directors' Report forming part of the Annual Report.

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

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

The Company has complied with all mandatory requirements and has adopted following non-mandatory requirements of Clause 49.

Remuneration Committee

The Company has constituted Remuneration Committee to recommend / review remuneration of the Managing Director and Wholetime Directors based on their performance and defined assessment criteria.

Training of Board Members

New Directors appointed by the Board are given formal induction and orientation with respect to the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters and business operations. The new appointee is also facilitated with a tour of the Company's key manufacturing facilities to get familiar with the Company's operations.

The Board members are also provided with the necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

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

Meetings of Independent Directors

The Independent Directors of the Company meet from time to time as they deem appropriate without the presence of Executive Directors or management personnel. These meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to the affairs of the company and put forth their views to the Lead Independent Director. The Lead Independent Director takes appropriate steps to present such views to the Chairman and Managing Director.

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 policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. Such reports received are reviewed by the Corporate Governance and Stakeholders Interface Committee. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

15. CEO and CFO Certification

The Chairman and Managing 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. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41.

Secretarial Audit Report

The Board of Directors
Reliance Industries Limited
3rd Floor, Maker Chambers IV
222, Nariman Point
Mumbai 400 021

I have examined the registers, records and documents of Reliance Industries Limited ("the Company") for the financial year ended on March 31, 2010 according to the provisions of-

- The Companies Act, 1956 and the Rules made under that Act;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
    - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
    - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and
    - The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act;
- The Equity Listing Agreements with Bombay Stock Exchange Limited and National Stock Exchange of India Limited and GDR Listing Agreement with Luxembourg Stock Exchange and Debt Listing Agreement with National Stock Exchange of India Limited.

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

    (a) maintenance of various statutory registers and documents and making necessary entries therein;

    (b) closure of the Register of Members / Debenture holders;

    (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;

    (d) service of documents by the Company on its Members, Debenture holders, Debenture Trustees 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 35th Annual General Meeting held on 17 November 2009.;

    (h) the scheme of Amalgamation of Reliance Petroleum Limited with the Company sanctioned by the Hon'ble Bombay High Court on 29 June 2009 and by the Hon'ble Gujarat High Court on 29 July 2009.

    (i) minutes of proceedings of General Meetings and of Board and its Committee meetings;

    (j) approvals of the Members, the Board of Directors, the Committees of Directors and government authorities, wherever required;

    (k) constitution of the Board of Directors / Committee(s) of directors and appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;

    (l) payment of remuneration to the Directors including the Managing Director and Whole-time Directors;

    (m) appointment and remuneration of Auditors and Cost Auditors;

    (n) transfers and transmissions of the Company's shares and debentures, issue and allotment of shares and debentures and issue and delivery of original and duplicate certificates of shares and debentures;

(o) payment of interest on debentures and redemption of debentures;

(p) declaration and payment of dividends;

(q) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;

(r) borrowings and registration, modification and satisfaction of charges;

(s) investment of the Company's funds including inter corporate loans and investments and loans to others;

(t) giving guarantees in connection with loans taken by subsidiaries and associate companies;

(u) form of balance sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit & Loss Account as per Part II of the said Schedule;

(v) contracts, common seal, registered office and publication of name of the Company; and

(w) generally, all other applicable provisions of the Act and the Rules made under that Act.

2. I further report that:

(a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings 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, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel.

(c) the Company has obtained all necessary approvals under the various provisions of the Act;

(d) there was no prosecution initiated against the Company and no fines or penalties were imposed on the Company during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers.

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

4. I further report that:

(a) the Company has complied with the requirements under the Equity Listing Agreements entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and GDR Listing Agreement with Luxembourg Stock Exchange and the Debt Listing Agreement with National Stock Exchange of India Limited;

(b) the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 including the provisions with regard to disclosures and maintenance of records required under the Regulations;

(c) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations.

(d) the Company has complied with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to implementation of Employee Stock Option Scheme, grant of Options and other aspects.

(e) the Company has complied with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 with regard allotment of bonus equity shares.

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

Dated: 12 April 2010

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 36th Annual Report and the audited accounts for the financial year ended March 31, 2010.

Financial Results

The financial performance of the Company, for the year ended March 31, 2010 is summarised below:

	2009-2010			2008-2009		
		Rs. crore	**$ Mn***		Rs. crore	$ Mn*
Profit before Depreciation, Interest & Tax		**33,041.18**	**7,359**		25,373.75	5,003
Less: Interest		**1,997.21**	**445**		1,745.23	344
Depreciation	**13,477.01**			7,182.43		
Less: Transfer from Revaluation Reserve	**2,980.48**	**10,496.53**	**2,338**	1,987.14	5,195.29	1,025
Profit before Tax		**20,547.44**	**4,576**		18,433.23	3,634
Less: Provision for Current Taxation		**3,111.77**	**693**		1,206.50	238
Provision for Fringe Benefit Tax		**-**	**-**		56.87	11
Provision for Deferred Tax		**1,200.00**	**267**		1860.54	367
Profit after Tax		**16,235.67**	**3,616**		15,309.32	3,018
Add: Balance in Profit and Loss Account		**5,384.19**	**1,199**		4,363.29	861
Amount Available for Appropriation		**21,619.86**	**4,815**		19,672.61	3,879
Appropriations:						
General Reserve		**14,000.00**	**3,118**		11,728.92	2,312
Debenture Redemption Reserve		**189.50**	**42**		340.05	67
Dividend on Equity Shares		**2,084.67**	**464**		1,897.05	374
Tax on dividend		**346.24**	**77**		322.40	64
Balance carried to Balance Sheet		**4,999.45**	**1,114**		5,384.19	1,062
		21,619.86	**4,815**		19,672.61	3,879

* 1 $ = Rs. 44.90 Exchange Rate as on March 31, 2010 (1 $ = Rs 50.72 as on March 31, 2009)

Results of Operations

The year under review was a transformational year for the Company. The Company has set new global benchmarks for project execution. This was a landmark year for the Company for its operating performance with earnings growth amidst extraordinary challenges of price volatility and demand reduction.

During the year, the Company has scaled new heights and set several new benchmarks in terms of sales, profits, networth and assets. Turnover for the year was Rs. 2,00,400 crore ($ 44.6 billion) against Rs. 1,46,328 crore in the previous year. Exports were higher by 24 % at Rs. 1,10,176 crore ($ 24.5 billion).

Profit after tax for the year was Rs. 16,236 crore ($ 3.6 billion) as against Rs. 15,309 crore ($ 3.1 billion).

The Company is one of India's largest contributors to the national exchequer primarily by way of payment of taxes and duties to various government agencies. During the year, a total of Rs. 17,972 crore ($ 4.0 billion) was paid in the form of various taxes and duties

Dividend

Your Directors have recommended a dividend of Rs. 7/- per Equity Share (last year Rs. 13/- per Equity Share on pre bonus share capital) for the financial year ended March 31, 2010, amounting to Rs. 2,430 crore (inclusive of tax of Rs. 346 crore) one of the highest ever payout by any private sector domestic company. The dividend will be paid to members whose names appear in the Register of Members as on May 11, 2010; 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.

The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term performance, keeping in view the Company's need for capital for its growth plans and the intent to finance such plans through internal accruals to the maximum.

Credit Rating

The Company continues to have the highest domestic credit ratings of AAA from CRISIL and Fitch. Moody's and S&P have reaffirmed investment grade ratings for international debt of the Company, as Baa2 and BBB, respectively. The Company's international rating from S&P is higher than the country's sovereign rating. Strong credit ratings by leading international agencies reflect the Company's financial discipline and prudence.

Employees Stock Option Scheme

The Company implemented the Employees Stock Option Scheme (''Scheme'') in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines'). The Employees Stock Compensation Committee, constituted in accordance with the SEBI Guidelines, administers and monitors the Scheme.

The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2010 (cumulative position) are given below:

a. [1]Options Granted — 2,98,13,100 (Pre Bonus)
5,96,26,200 (Post Bonus)

b. [1]Exercise Price

Pre Bonus		Post Bonus	
Option Granted	Exercise Price	Option Granted	Exercise Price
2,87,28,000	1284*	5,74,56,000	642*
27,000	1684*	54,000	842*
10,08,000	2292*	20,16,000	1146*
50,100	1289*	1,00,200	644.5*

* Plus applicable taxes, as per law

[1]In view of issue of Bonus shares in the ratio of one share for every one share held as on record date, the number of Options has been doubled and Exercise Price halved.

c.	Options Vested	56,88,200
d.	Options Exercised	10,71,912
e.	The total number of shares arising as a result of exercise of Options	10,71,912
f.	Options Lapsed	85,94,874

g. Variation in terms of Options :

Subject to the conditions under the Scheme, the vesting schedule from April 2009 onwards has been deferred by one year, save and except the options due for deceased employees.

h.	Money realised by exercise of Options	68,81,67,504
i.	Total number of Options in force [(a) - (d) - (f)]	499,59,414

j. Employee wise details of Options granted (Post Bonus) to:

i. Senior managerial personnel

1.	Shri Nikhil R.Meswani	14,00,000
2.	Shri Hital R. Meswani	14,00,000
3.	Shri Hardev Singh Kohli	1,00,000
4.	Shri P.M.S. Prasad	10,00,000

ii. Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during that year — Nil

iii. Identified employees, who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant — Nil

m. Diluted Earnings Per Share (EPS) before exceptional items pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share' Rs. 49.65

The issuance of equity shares pursuant to exercise of Options does not affect the profit and loss account of the Company, as the exercise is made at the market price prevailing as on the date of the grant plus taxes as applicable,

The Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the shareholders. The Certificate would be placed at the Annual General Meeting for inspection by members.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

The Company has entered into various contracts in the area of oil and gas, refining and petrochemicals businesses. While benefits from such contracts will accrue in future years, their progress is periodically monitored.

Some of the major events of the year include the following :

KG D6 completed 365 days of 100% uptime and zero-incident production. Gas production from KG D6 has ramped up to 60 MMSCMD in a short span of 9 months from commencement. KG D6 has current production of about 60 MMSCMD. The design capacity of the KG D6 deepwater gas production facilities were assessed and achieved a flow rate of 80 MMSCM.

GSPAs have been executed in line with the Government of India's gas utilization policy for over 69 MMSCMD in the fertilizers, power, city gas distribution, steel, LPG, refinery and petrochemical sectors.

During the year, development of Panna-K (PK) area was completed.

The Company had made four new gas discoveries during the year,

- Dhirubhai-43 in Well AA1 in CB10 block
- Dhirubhai-44 in Well R1 in KGVD3 block
- Dhirubhai-45 in Well BF1 in CB10 block
- Dhirubhai-46 in Well AH1 in CB10 block

Subsequent to series of new discoveries in the southern and deeper areas of the KG D6 block, an optimized development plan has been submitted to DGH in December 2009.

Major events after the end of the financial year till the date of this report are as under.

- The Company entered into a joint venture with USA based Atlas Energy, Inc. (Atlas) under which the Company acquired 40% interest in Atlas's core Marcellus Shale acreage position.
- The Company has become a partner in approximately 300,000 net acres of undeveloped leasehold in the core area of the Marcellus Shale in southwestern Pennsylvania for an acquisition cost of US$ 339 million and an additional US$ 1.36 billion capital costs under a carry arrangement for 75% of Atlas's capital costs over an anticipated seven and a half year development program. While Atlas will serve as the development operator, Reliance is expected to begin acting as development operator in certain regions in the coming years as part of the joint venture.
- Atlas will continue acquiring leasehold in the Marcellus shale region and the Company will have the option to acquire 40% share in all new acreages. The Company has also obtained the right of first offer with respect to potential future sales by Atlas of around 280,000 additional Appalachian acres currently controlled by Atlas (not included in the present joint venture).

The Hon'ble Supreme Court of India has delivered its judgment in the RNRL-RIL legal dispute. The judgment recognized the dominant role of the provisions of the Production Sharing Contract and has upheld the policies formulated by the Government under which it has the authority to regulate the production and distribution of natural gas.

In view of the findings of the judgment, the Company can sell gas only at the price approved by the Government and only to the entities who have been allocated gas under the Gas Utilisation Policy. RIL has no ability to deviate from price, quantity and tenure as determined under Government's policies, or to discriminate amongst various consumers.

The judgment of the Hon'ble Supreme Court has set at rest numerous issues which had been raised in relation to the gas discovered and produced by the Company.

Subsidiaries

Ministry of Corporate Affairs, Government of India has granted approval that the requirement to attach various documents in respect of subsidiary companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956, shall not apply to the Company. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said approval, is disclosed in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

Details of major subsidiaries of the Company are covered in Management's Discussion and Analysis Report forming part of the Annual Report.

Directors

Shri Pawan Kumar Kapil was appointed as an additional Director effective May 16, 2010. He was also appointed as wholetime director designated as Executive Director for three years. In terms of Section 260 of the Companies Act, 1956 he shall hold office only upto the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing his candidature for the office of Director liable to retire by rotation.

Shri Hital R. Meswani, Shri Mahesh P. Modi, Dr. Dharam Vir Kapur, Dr. Raghunath A. Mashalkar, Directors, retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

Your Directors express their profound grief on the unexpected sudden demise of Shri R. Ravimohan on December 28, 2009.

Shri H. S. Kohli, Director has resigned from the Board effective May 16, 2010.

The Board placed on record its deep sense of appreciation for the invaluable contribution made by Shri H. S. Kohli and Shri R. Ravimohan during their tenure as wholetime directors of the Company.

Group

Pursuant to intimation from the Promoters, the names of the Promoters and entities comprising 'group' are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Directors' Responsibility Statement

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

(i) in the preparation of the annual accounts for the year ended March 31, 2010, 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 judgements 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 March 31, 2010 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.

Consolidated Financial Statements

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report.

Auditors and Auditors' Report

M/s. Chaturvedi & Shah, Chartered Accountants, M/s. Deloitte Haskins & Sells, Chartered Accountants and M/s. Rajendra & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

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

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

Cost Auditors

The Central Government had directed an audit of the cost accounts maintained by the Company in respect of textiles, polyester and chemicals businesses. For conducting the cost audit for these businesses for the financial year ended March 31, 2010, the Central Government has approved the appointment of the following cost auditors –

(i) For the textiles business - Shri S. N. Bavadekar, Cost Accountant;

(ii) For the chemicals business – Shri S. N. Bavadekar, Cost Accountant, M/s. V. J. Talati & Co., Cost Accountants, M/s. Diwanji & Associates, Cost Accountants, M/s. K. G. Goyal & Associates, Cost Accountants, Shri Suresh D. Shenoy, Cost Accountant, M/s. Kiran J. Mehta & Co., Cost Accountants; and

(iii) For the polyester business – Shri S. N. Bavadekar, Cost Accountant, M/s. V. J. Talati & Co., Cost Accountants, M/s. K. G. Goyal & Associates, Cost Accountants, M/s. V. Kumar & Associates, Cost Accountants.

Secretarial Audit Report

As a measure of good corporate governance practice, the Board of Directors of the Company appointed Dr. K.R. Chandratre, Practicing Company Secretary, to conduct Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2010, 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, Depositories Act, 1996, Listing Agreements with the Stock Exchanges, Securities Contracts (Regulation) Act, 1956 and 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, 1997 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

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 names and other particulars of the employees 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 all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office 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 provided in the Annexure-I to this Report.

Transfer of amounts to Investor Education and Protection Fund

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

Corporate Governance

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

With a view to strengthening the Corporate Governance framework, the Ministry of Corporate Affairs has incorporated certain provisions in the Companies Bill 2009. The Ministry has issued a set of voluntary guidelines in the second half of December 2009 for adoption by the companies. The Guidelines broadly outline conditions for appointment of directors (including independent directors), guiding principles to remunerate directors, responsibilities of the Board, risk management, the enhanced role of Audit Committee, rotation of audit partners and firms and conduct of secretarial audit. Your Company while already complying by and large with these various requirements has already initiated appropriate action for compliance.

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 this Report.

Acknowledgement

Your Directors would like to express their appreciation for assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

For and on behalf of the Board of Directors

Mukesh D. Ambani
Chairman & Managing Director
May 12, 2010

Annexure - I

Particulars required under the Companies (Disclosure of Particulars in the Report of board of Directors) Rules 1988

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

Some major energy conservation measures carried out during the year 2009-10 are listed below:

Allahabad Manufacturing Division

- Energy savings has been achieved by combining steam jet ejectors used in polymeriser for providing vacuum during polymerisation reaction, minimising the operation of Mono Ethylene Glycol (MEG) refining column by recycling process recovered MEG directly to reaction in Continuous Polymerisation (CP) and optimising utility equipment operation in Utilities plant.

Barabanki Manufacturing Division

- Installation of the lowest diameter impeller in process cooling water pumps at utilities.
- Reduction in power consumption by optimising lighting load of entire manufacturing division.

Dahej Manufacturing Division

- Improvement in steam generation by increasing steam generation temperature at Gas Cracker Unit (GCU).
- Lowering of discharge pressure in Compressed Gas (CG) compressor due to improvement in operational practices at GCU.
- Optimisation of energy performance of EO Scrubber (C-115) using ASPEN TECH at MEG plant.
- Improvement in heat recovery by upgradation in Material of Construction (MOC) of First Effect Evaporator Reboiler (E-530) at MEG plant.
- Reduction in steam consumption by stoppage of one light end (LE) column by process side improvements at Vinyl Chloride Monomer (VCM) plant.
- Replacement of old inefficient pumps with new energy efficient pumps in Cooling tower (CT 04) at Utilities.

- Minimisation of hydrogen flaring by improvement in hydrogen recovery generated as byproduct of Chlor-Alkali (CA) plant & used in Captive Power Plant (CPP) boilers in place of purchased fuel, by installation of new hydrogen compressor (3rd) at CA plant.
- Reduction in energy consumption by replacement of main reactor membrane in CA plant.
- Identification & replacement of faulty steam traps & minimisation of steam leakages done in CPP & yard piping at CPP plant.
- Recovery of steam condensate from surface condenser of main turbine (TD-0301) at EPRU.
- Minimisation of lube oil vent flaring by rerouting of Expander-Booster (KE-302) lube oil tank vent from flare header to fuel gas header at Ethylene Propylene Recovery (EPRU).
- Process to process heat recovery by provision of dehydrator regeneration gas-gas exchanger at EPRU.
- Implementation of offline fuel optimiser for CPP.

Hazira Manufacturing Division

- Autocut provision for dryer fan motors when drawline is stopped for more then 30minutes in Polyester Staple Fiber (PSF), Polyester Fiber Fill (PFF) & CP - 11 plants.
- Replacement of all the motors running below 40% loading with low rating motors or variable frequency drives (VFD) in PSF plant.
- Reduction in nitrogen consumption in PolyEthylene Teraphthalate (PET) / Partially Oriented Yarn (POY) plants by arresting system leaks & optimising consumption in CP-12 Solid State Polymerisation (SSP) and Purified Terephthalic Acid (PTA) bin filter in all CP plants.
- Reduction in power consumption by conversion of Industrial Yarn (IDY) godet drives on all positions from “delta” to “star” electrical configuration in POY / PET Plants.
- Optimisation of Hiboil reflux ratio in main column at VCM plant.
- Improvement in steam generation by performing convection section cleaning in furnaces at VCM and Cracker plants.
- Improvement in steam generation by recovering waste heat from vent gases through new heat exchanger E-1122N at Cracker plant.
- Fuel gas preheating from ambient to 7^{O}C in four gas turbines (GTs) using waste heat from stack at Captive Power Plant & Utilities (CPP&U) plant.

Hoshiarpur Manufacturing Division

- Optimisation of steam consumption in Draw machines in Polyester Staple Fiber (PSF) plants.

Jamnagar Manufacturing Division

- Reduction in consumption of steam by decreasing operating pressure of Naphtha Splitter & Depentaniser column by process side improvements in Aromatics Plant.
- Recovery of hydrogen by diverting Isomer separator gas to platformer recontact loop, which originally was downgraded to unsaturated gas header in Aromatics Plant.
- Reduction in power consumption of fuel gas compressor by providing new tube bundle with additional baffles in inter stage cooler in Hydrogen Manufacturing Unit -2.
- Minimising Medium Pressure (MP) steam consumption in naphtha splitter reboiler by recovering more heat from Light Cycle Gas Oil (LCGO) stream in Coker Plant.
- Recoveries of additional process heat into cold leg from Light Vacuum Gas Oil (LVGO) pump around in Crude Distillation Unit (CDU) 1.
- Reduction in MP steam consumption used as motive steam in ejectors for Vacuum Distillation Units (VDU) 1 & 2 by process side improvements.

Jamnagar Manufacturing Division (SEZ)

- Saving of 10 TPD of flaring by installation of low range pressure transmitters on each unit’s flare knock-out drums for identification of flare sources in Low Low Pressure (LLP) flare.
- Reduction in captive steam generation is achieved by decreasing motive steam pressure in all ejector stages in crude-3 & 4 units, decreasing High Pressure (HP) steam consumption in PRT 1 & 2 at Fluidised Catalytic Cracker (FCC) Plant & by putting restricted orifices in coke drum steam purge valves at Coker Plant

- Reduction in fuel consumption by changing the burner tips for all the furnaces in Platformer.

Nagpur Manufacturing Division

- Reduction in contract demand from 4500 KVA to 4250 KVA to avail rebate on account of improvement in load factor.

Nagothane Manufacturing Division

- Reduction in power consumption of ethylene compressor 30-K02 by minimising the interstage kickback flow in Low Density Poly Ethylene (LDPE) plant.

Naroda Manufacturing Division

- Replacement of inefficient screw compressors to energy efficient centrifugal compressors for Air-jet Looms in Worsted Spinning Plant.

Patalganga Manufacturing Division

- Revamping of insulation in Thermax heater 1 & 2 with Monolane lining.
- Improvement in steam generation capacity of Heat Recovery Steam Generator (HRSG) - 2 by Dry Ice Cleaning.

Silvassa Manufacturing Division

- Reduction in compressed air generation at supply air blowers by combining supply air plenum in Texturising Plant 1.

Vadodara Manufacturing Division

- Improvement in heat recovery by replacement of combined Feed to Effluent Exchanger from Shell and Tube to Helical Baffle type heat exchanger in PACOL section at the Linear Alkyl Benzene (LAB) Plant.
- Stoppage of operation of three pumps and column by recovering process to process heat from splitter column overheads to recycle paraffin stream at the LAB Plant.
- Improvement in High pressure (HP) steam generation by replacement of Transfer line Exchangers (TLE) with OLMI make TLE in 4 heaters in Naphtha Cracker Plant.

(b) Additional investments / proposals being implemented for reduction of consumption of energy:

Dahej Manufacturing Division

- Improvement in heat recovery by increase in residue gas exchanger area at the GCU.
- Enhancements in heat recovery by installation of new E-521 exchanger and by rerouting of recycle water at MEG plant.

Hazira Manufacturing Division

- Usage of MP steam in 2 rolls of annealer in place of HP steam in the Continuous Polymerisation (CP)-11 plant.
- Replacement of 65 no. of under-loaded motors with lower rating motors in CP 11 plant.
- Installation of VFD on cooling tower fans, dow circulation pumps, forced draft fans, HP Compressor and comfort air blowers in POY plant utilities.
- Replacement of existing bowed superheating modules of HRSG – 1 and 2 with drainable and finned super heaters in CPP Plant.
- Reduction in main column pressure to minimise consumption of MP steam by 1 Ton Per Hour (TPH) in VCM plant.
- Utilisation of furnace quenches outlet heat to generate chilled water (CHW) by using Vapour Absorption Chillers (VARs) in VCM plant.
- Utilisation of waste vented Low Pressure (LP) steam to increase deaerator water temperature in Cracker Plant.

Jamnagar Manufacturing Division (DTA)

- Improvement in heat recovery by replacing Shell & Tube Heat Exchanger to new Plate-Frame type Rich/lean Amine Exchanger in Amine Treatment Unit (ATU) – 4.

Jamnagar Manufacturing Division (SEZ)

- Reduction of MP steam consumption by re-routing LCGO pump around to stripper re-boiler in Coker-2.
- Heat integration of sweet Vacuum Gas Oil (VGO) in VGO Hydrotreater (VGOHT) -3 & 4 Unit with Crude in CDU -3 & 4.
- Heat recovery by installation of Feed to Effluent heat exchanger (S-03 C/D) in Diesel Hydro Desulphurisation (DHDS) -2 unit.

- Improvement in recovery of hydrocarbons in Flare Gas Recovery System (FGRS) by routing of regeneration gases with high nitrogen concentration to LLP flare in Propylene Recovery Unit (PRU).

Vadodara Manufacturing Division

- Optimisation of steam load on HRSG & Aux Boilers in CPP plant.

(c) Impact of measures at (a) & (b) given above, for reduction of energy consumption and consequent impact on the cost of production of goods:

Allahabad Manufacturing Division

- Energy savings worth Rs 636 lakh per year has been achieved by combining steam jet ejectors used in polymeriser for providing vacuum during polymerisation reaction, minimising the operation of Mono Ethylene Glycol (MEG) refining column by recycling process recovered MEG directly to reaction in Continuous Polymerisation (CP) and optimising utility equipment operation in Utilities plant.

Barabanki Manufacturing Division

- Saving in power consumption worth Rs 5 lakh per year has been achieved by installation of the lowest diameter impeller in process cooling water pumps at utilities.
- Reduction in power consumption by optimising lighting load of entire complex, thus saving Rs.2 lakh per year towards power consumption.

Dahej Manufacturing Division

- Improvement in steam generation worth Rs. 205 lakh per year, by increasing steam generation temperature at the GCU.
- Energy savings worth Rs. 109 lakh per year has been achieved by lowering of discharge pressure in Compressed Gas (CG) Compressor due to improvement in operational practices at the GCU.
- Optimisation of performance of EO Scrubber (C-115) using ASPEN TECH at MEG plant, thus saving Rs. 86 lakh per year towards energy consumption.
- Energy savings worth Rs. 36 lakh per year has been achieved by improvement in heat recovery by upgradation in Material of Construction (MOC) of First Effect Evaporator Reboiler (E-530) at the MEG plant.
- Reduction in steam consumption worth Rs. 472 lakh per year has been achieved, by stoppage of one light end (LE) column by process side improvements at the VCM plant.
- Replacement of old inefficient pumps with new energy efficient pumps in cooling tower 04 at Utilities, resulting in power savings worth Rs. 69 lakh per year.
- Minimisation of hydrogen flaring worth Rs. 440 lakh per year has been achieved by improvement in hydrogen recovery generated as byproduct of Chlor-Alkali (CA) plant & used in CPP boilers in place of purchased fuel, by installation of new hydrogen compressor (3rd) at CA plant.
- Reduction in energy consumption worth Rs. 661 lakh per year has been achieved by replacement of main reactor membrane in CA plant.
- Identification & replacement of faulty steam traps & minimisation of steam leakages done in CPP & yard piping at CPP plant, thus saving Rs. 72 lakh per year towards steam generation.
- Recovery of steam condensate from surface condenser of main turbine (TD-0301), worth Rs. 366 lakh per year has been achieved at EPRU.
- Minimisation of lube oil vent flaring by rerouting of Expander-Booster (KE-302) lube oil tank vent from flare header to fuel gas header at EPRU, thus saving Rs. 149 lakh per year towards fuel gas consumption.
- Energy savings worth Rs. 60 lakh per year has been achieved by process to process heat recovery by provision of dehydrator regeneration gas-gas exchanger at EPRU.
- Fuel savings worth Rs. 275 lakh per year has been achieved by implementation of offline fuel optimiser for CPP.
- Estimated saving worth Rs. 79 lakh per year can be achieved by improvement in heat recovery by increase in residue gas exchanger area at GCU.
- Estimated saving worth Rs. 114 lakh per year can be achieved by enhancement in heat recovery by installation of new E-521 exchanger and by rerouting of recycle water at MEG plant.

Hazira Manufacturing Division

- Autocut provision for dryer fan motors when drawline is stopped for more than 30minutes in PSF, PFF and CP 11 plants, thus saving Rs. 53 lakh per year.
- Replacement of all the motors running below 40% loading with lower rating motors or VFDs in PSF plant, resulted in energy savings worth Rs. 40 lakh per year.
- Savings worth Rs. 102.6 Lakh per year has been achieved by reduction in nitrogen consumption by arresting system leaks & optimising consumption in CP-12 SSP & PTA bin filter in all CPs at POY / PET plants.
- Reduction in power consumption by conversion of Industrial Yarn (IDY) godet drives on all positions from “delta” to “star” in POY/PET Plants, resulting in savings worth Rs. 11 lakh per year.
- Optimisation of Hiboil reflux ratio in main column at VCM plant, thus saving Rs. 110 lakh per year.
- Energy savings worth Rs. 345 Lakh per year has been achieved by improvement in steam generation by performing convection section cleaning in furnaces at VCM and Cracker plants.
- Improvement in captive steam generation by recovering waste heat from vent gases through new heat exchanger E-1122N in cracker plant, resulting in savings worth Rs. 28 lakh per year.
- Savings worth Rs. 60 Lakh per year has been achieved by fuel gas preheating from ambient to 70 ^{O}C to four GTs using waste heat from stack flue gases at CPP&U plant.
- Potential savings of Rs. 26 lakh per year can be achieved by using MP steam in 2 rolls of annealer in place of High Pressure (HP) steam in CP 11 plant
- Power savings worth Rs. 62 lakh per year can be achieved by replacement of 65 no. of under-loaded motors with lower rating motors in CP 11 plant.
- Estimated power savings worth Rs. 89 lakh per year can be achieved by installation of VFD on cooling tower fans, dow circulation pumps, forced draft fans, HP Compressor and comfort air blowers in POY plant and utilities
- Replacement of existing bowed superheating modules of HRSG – 1 and 2 with drainable and finned super heaters in CPP Plant will result in an estimated energy saving potential of Rs. 517 lakh per year.
- Estimated savings worth Rs. 43 lakh per year can be achieved by reduction in main column pressure to minimise consumption of MP steam by 1 Ton Per Hour in VCM.
- Utilisation of furnace quench outlet heat to generate Chilled water (CHW) by using Vapour Absorption Chillers (VARs) with energy saving potential of Rs. 91 lakh per year in VCM.
- Savings worth Rs. 81 Lakh per year is estimated & can be achieved by utilisation of waste / vented LP steam to increase deaerator water temperature in Cracker Plant.

Hoshiarpur Manufacturing Division

- Savings worth Rs. 45 lakh per year has been achieved by change-over from oil fired boiler to wood fired boiler for steam generation in Utilities.
- Savings worth Rs. 33 lakh per year has been achieved by optimisation of steam consumption in Draw machines in PSF Plants.

Jamnagar Manufacturing Division

- Savings worth Rs. 269 Lakh per year has been achieved by reduction in consumption of steam by decreasing operating pressure of Naphtha Splitter & Depentaniser column by process side improvements in Aromatics.
- Savings worth Rs. 34 Lakh per year has been achieved by recovery of hydrogen by diverting Isomer separator gas to platformer recontact loop, which originally was downgraded to unsaturated gas header in Aromatics.
- Savings worth Rs. 60 lakh per year has been achieved by reduction in power consumption of fuel gas compressor by providing new tube bundle with additional baffles in inter stage cooler in Hydrogen Manufacturing Unit HMU-2.
- Savings worth Rs. 160 lakh per year has been achieved by minimising MP steam consumption in naphtha splitter reboiler by recovering more heat from LCGO stream in Coker Plant.

- Savings worth Rs. 590 Lakh per year has been achieved by recovery of additional process heat into cold leg from LVGO pump around in CDU 1.
- Savings worth Rs. 410 Lakh per year has been achieved by reduction in motive MP steam consumption in ejectors for VDU 1 & 2 by process side improvements.
- Estimated energy savings worth Rs. 680 Lakh per year can be achieved by improvement in heat recovery by replacing Shell & Tube Heat Exchanger to new Plate-Frame type Rich/lean Amine Exchanger in Amine Treatment Unit (ATU) – 4.

Jamnagar Manufacturing Division (SEZ)

- Fuel savings worth Rs. 176 Lakh per year has been achieved by installation of low range pressure transmitters on each unit's flare knock-out drums for identification of flare sources in LLP flare.
- Savings worth Rs. 4,340 lakh per year has been achieved by reduction in captive steam generation is achieved by decreasing motive steam pressure in all ejector stages in Crude - 3 & 4 units, decreasing HP steam consumption in PRT 1 & 2 at FCC Plant & by putting restricted orifices in coke drum steam purge valves at Coker Plant.
- Savings worth Rs. 44 lakh per year has been achieved by reduction in fuel consumption by changing the burner tips for all the furnaces in Platformer.
- Estimated savings worth Rs. 773 lakh per year can be achieved by reduction of MP steam consumption by re-routing LCGO pump around to stripper re-boiler in Coker-2 plant.
- Estimated savings worth Rs. 752 lakh per year can be achieved by heat integration of sweet VGO in VGOHT -3 & 4 Unit with Crude in CDU -3 & 4.
- Estimated savings worth Rs. 397 lakh per year can be achieved by heat recovery by installation of Feed to Effluent heat exchanger (S-03 C/D) in Diesel Hydro Desulphurisation (DHDS) -2 unit.
- Estimated savings worth Rs. 43 lakh per year can be achieved by improvement in recovery of hydrocarbons in FGRS by routing of regeneration gases with high nitrogen concentration to LLP flare in PRU.

Nagpur Manufacturing Division

- Power saving worth Rs.30 lakh per annum has been achieved in power bill by reduction in the contract demand from 4500 KVA to 4,250 KVA.

Nagothane Manufacturing Division

- Energy savings worth Rs. 26 lakh per year has been achieved by reduction in power consumption of ethylene compressor 30-K02 by minimising the interstage kickback flow in LDPE plant.

Naroda Manufacturing Division

- Energy savings worth Rs. 7 lakh per year has been achieved by replacement of screw compressors to centrifugal compressors for Air-jet Looms in Worsted Spinning Plant.

Patalganga Manufacturing Division

- Energy savings worth Rs. 84 lakh per year has been achieved by revamping of insulation in Thermax heater 1 & 2 with Monolane lining.
- Energy savings worth Rs. 310 lakh per year has been achieved by improvement in steam generation capacity of HRSG – 2 by Dry Ice Cleaning.

Silvassa Manufacturing Division

- Energy savings worth Rs. 40 lakh per year has been achieved by reduction in generation of compressed air at supply air blower by combining supply air plenum in Texturising Plant I.

Vadodara Manufacturing Division

- Energy savings worth Rs. 127 lakh per year has been achieved by improvement in heat recovery by replacement of combined Feed to Effluent Exchanger from Shell and Tube to Helical Baffle type heat exchanger in PACOL section at LAB Plant.
- Energy savings worth Rs. 88 lakh per year has been achieved by stoppage of operation of three pumps and column by recovering process to process heat from splitter column overheads to recycle paraffin stream at LAB Plant.
- Energy savings worth Rs. 360 lakh per year has been achieved by improvement in HP steam generation by replacement of Transfer line Exchangers (TLE) with OLMI make TLE in four heaters in Naphtha Cracker Plant (NCP).

- Estimated energy savings worth Rs. 88 lakh per year can be achieved by optimisation of steam loading on HRSG & Aux Boilers in CPP plant.

(d) Total energy consumption and energy consumption per unit of production as per Form 'A' attached hereto

B. TECHNOLOGY ABSORPTION

(e) Efforts made in technology absorption - as per Form B given below:

Form B

Research and Development (R&D)

1. Specific areas in which the research and development (R&D) is being carried out by the Company

- Development, evaluation and selection of Fluidized catalytic cracker (FCC) catalyst and additives.
- Expansion of FCC experimental facilities.
- Technology development to process cheaper and heavier refining feedstocks.
- Improving of higher value streams recovery from vacuum distilling units.
- Computational fluid dynamics (CFD) studies for trouble shooting in plant operation.
- Molecular modeling for refining feedstock characterization.
- Upgrading of coker streams in FCC.
- Development of catalytic process for on-purpose Hexene-1 and Octene-1 from ethylene.
- Development of an alternative solvent for ethylene polymerization.
- Regenerable adsorbent for BTX (benzene, toluene and xylenes).
- Bio-filtration technology development for waste water treatment.
- Adsorbent for enhancement of shelf life of fruits and vegetables.
- Development of catalyst for selective hydrogenation of dienes and acetylenes.
- New PTA (Purified Terephthalic Acid) technology development in progress.
- Catalyst recovery from CTA (Crude Terephthalic Acid) residue.
- Modeling of corrosion in multi phase flow systems.
- Development of dehydrogenation catalyst for Linear Alkyl Benzene (LAB).
- Polyolefin catalyst precursor development.
- Development of the catalyst ligands for production of disentangled ultra-high molecular weight polyethylene.
- Catalyst for specialty grade polymers.
- Development of high melt strength (HMS) grades of Polypropylene.
- Biaxially-oriented polypropylene (BOPP) and Impact copolymer (ICP) grades of polypropylene development.
- Development of beta-nucleated high performance Random copolymers (RCP) pipe grade PP.
- Development of high pressure pipe grade HDPE.
- Design of futuristic BOPP grades.
- Development of cost effective material for solar modules.
- Development of low pill polyester in continuous reactor.
- Development of full dull dope dyed polyester.
- Development of moisture management polyester.
- Cheaper spin finish development for partially oriented yarn (POY).
- New catalyst systems development for bottle-grade resin productivity enhancement.
- Finishes for specialty products in polyester.
- Hollow and bulky fibres development.

2. Benefits derived as a result of the above R&D

- Potential benefit of Rs. 50 crore / annum from improved FCC performance.
- Potential benefit of Rs. 16 crore / annum from upgrading of coker streams in FCC.
- Benefit of Rs. 12 crore / annum from higher furnace efficiency in VDU.
- Benefit of Rs. 10 crore / annum saved on design and downtime costs for refinery flare seal drum.
- Savings of Rs. 5 crore / annum by using in house dehydrogenation catalyst.

- Potential benefits of Rs. 29 crore / annum from Polyolefin catalyst precursor development.
- Potential benefits of Rs. 2 crore / annum for high melt strength (HMS) PP.
- Potential benefits of Rs. 2 crore / annum for Solar module.
- Potential benefits of Rs. 32 crore / annum from polyester R&D projects.

3. Future plan of action

- Advanced characterization facilities for refining catalysts.
- Specialty Chemicals from C6 to C8 olefin mixture streams.
- Process for PTA from inexpensive raw material.
- Reforming Catalyst for xylenes production.
- Microbial and photocatalytic processes for effluent treatment.
- Anticoking additives for thermal cracking of hydrocarbons.
- Catalyst for ethylene oxidation.
- Micro-meso porous and nano materials for catalytical applications.
- Materials for natural gas storage.
- Acrylic acid from ethylene.
- Development of Ethyl Benzene dealkylation catalyst for aromatics plant.
- Development of dilutant used in polymerization (HDPE).
- Super absorbent polymers.
- Self-healing polybutadiene rubber for tire application
- PP grades for foamed products.
- Inorganic materials from spent catalysts.
- Modeling and simulation of PX (Paraxylene) oxidation reactor.
- Implementation of separation facility for PTA.
- Advanced generation catalyst systems for polypropylene.
- Development of functional polyolefins
- High performance additives for polymers.
- Development of specialty polypropylene grades.
- Improvement in spinning productivity through additives.
- High tenacity industrial yarn development.
- Implementation of polyester catalysts developed in production.
- New spinneret's design for productivity increase.
- Up-scaling of moisture management yarns.
- Barrier property enhancement for PET resin.

4. Expenditure on R & D

		Rs. crore
a)	Capital	207.33
b)	Revenue	137.71
c)	Total	345.04

d) Total R & D expenditure is 0.17% of total turnover.

Technology absorption, adoption and innovation

1. Efforts, in brief, made towards technology absorption, adoption and innovation:

- Processing of high Nickel feedstock in FCC unit.
- Development and evaluation of better catalysts and additives for FCC using in-house designed facilities.
- Efforts for upgrading low value FCC bottom in coker.
- Development of new process for upgrading of light olefins to diesel.
- Enhancing propylene recovery in refinery.
- Composite adsorbent for catalyst removal in Polyethylene plants.
- Wax reduction for Polyethylene plants.
- Recovery of ammonium sulphate from waste stream of ACN plant.
- Process for moisture removal from refrigerant gases.
- CFD modeling of combustion systems.
- High capacity revamps in paraxylene plants.
- Adsorbent change in paraxylene plants.
- Innovative method for increasing Benzene /olefin ratio in alkylation at LAB plant.

- Innovation in plastic processing technology to obtain high performance products.
- In-house technology development for low pill polyester.
- Bottle to Bottle plant commissioning.
- Cheaper spin finishes trials established for usage.

2. Benefits derived as a result of the above efforts

- Benefit of Rs.15 crore / annum in cost of FCC catalyst and additive.
- Benefit of Rs. 4 crore / annum through enhanced sales of spent refinery catalyst to other refineries.
- Wax reduction in PE (Polyethylene) production has a potential value generation of Rs. 8 crore / annum.
- Chemical grade recovery of ammonium sulphate has potential benefit of Rs. 2 crore / annum.

3. Information regarding Imported Technology

Product	Technology Import From	Year of Import	Status implement-ation / absorption
Polypropylene at Jamnagar.	M/s DOW – USA	2008-09	Successfully absorbed. and implemented.
Specialty grades of Polypropylene at Hazira .	M/s DOW – USA	2008-09	Successfully absorbed. and implemented.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(f) Activities relating to export, initiatives to increase exports, Developments of New export markets for Products and Services and Export Plan.

The company has continued to maintain focus and avail of export opportunities based on economic considerations. During the year the company has exports (FOB value) worth Rs.1,10,176 crore (US$ 24,538 million).

(g) Total Foreign exchange earned and used

	Rs. Crore
a. Total Foreign Exchange Earned	1,02,701.00
b. Total savings in foreign exchange through products manufactured by the Company and deemed exports (US$ 16,198.21 Million)	72,729.95
sub total (a+b)	1,75,430.95
c. Total foreign Exchange used	1,67,434.29

Form 'A'
Form for disclosure of particulars with respect to conservation of energy
Part 'A'

Power & Fuel Consumption	Current Year	Previous Year
1. Electricity		
a) Purchased Units (Lacs)	3,337.19	4,745.13
Total Cost (Rs. In Crores) #	134.89	203.32
Rate/Unit (Rs.) #	**4.04**	**4.28**
b) Generation through captive power facilities		
1) Through Steam Turbine/Generator		
Units (Lacs)	47,052.53	26,273.13
KWH per unit of fuel	4.93	4.57
Total Cost (Rs. In Crores)	2,309.48	1,670.90
Cost/Unit (Rs.)	**4.91**	**6.36**
c) Own Generation		
1) Through Diesel Generator		
Units (Lacs)	949.72	751.69
KWH per unit of fuel	4.16	4.28
Fuel Cost/Unit (Rs.)	**5.83**	**5.71**
2) Through Steam Turbine/Generator		
Units (Lacs)	55,353.33	52,947.57
KWH per unit of fuel	4.39	4.28
Fuel Cost/Unit (Rs.)	**2.81**	**3.35**
3) Through Wind Mill Turbine		
Units (Lacs)	**24.24**	**32.16**
Purchased Fuels consumed		
2. Furnace Oil		
Quantity (K.Ltrs)	92,781.54	316,665.11
Total Cost (Rs. In crores)	186.28	706.25
Average rate per Ltr.(Rs)	**20.08**	**22.30**
3. Diesel Oil		
Quantity (K.Ltrs)	2,860.00	117,783.37
Total Cost (Rs. In crores)	9.33	228.98
Average rate per Ltr.(Rs)	**32.62**	**19.44**
4. Others		
(a) Gas		
Quantity (1000 M3)	3,800,717.26	1,364,879.10
Total Cost (Rs. In crores)	4,033.09	1,263.44
Average rate per 1000M3 (Rs)	**10,611.39**	**9,256.78**
(b) Coal / Husk / Wood Fire		
Quantity (MT)	27,896.98	19,808.80
Total Cost (Rs. In crores)	5.71	4.12
Average rate per MT (Rs.)	**2,047.90**	**2,081.01**
Internal Fuels consumed		
5. Gas		
Quantity (1000 M3)	3,361,717.54	1,952,133.20
6. GT fuels		
Quantity (K.Ltrs)	831,596.35	1,839,821.77

Excluding Demand Charges

B. Consumption per unit of Production

Product	Electricity (KWH)		Furnace Oil/ HSD/ HFHSD (Ltrs)		LSHS (kgs)		Gas (SM3)	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fabrics (Per 1000 mtrs)	4,969	4,670	2	2	-	-	475	488
PFY (per MT)	700	769	12	39	8	11	75	27
PSF (per MT)	357	365	21	36	-	1	81	37
PTA (per MT)	305	310	2	6	-	-	9	-
LAB (per MT)	610	615	27	84	1	20	263	114
MEG (per MT)	458	512	-	-	3	28	52	39
PVC (per MT)	429	438	-	-	1	7	34	26
HDPE (per MT)	567	560	-	-	1	3	19	14
PP (per MT)	309	333	-	-	-	2	55	17
FF (per MT)	666	668	42	42	-	-	109	79
PET (per MT)	270	291	-	-	-	-	75	46
PX (per MT)	208	198	40	10	-	-	315	187
Petro-products (per MT)	73	73	9	5	-	-	73	39
PBR (per MT)	646	669	-	-	13	217	512	244
Caustic Soda (per MT)	2,574	2,706	-	-	5	15	89	76
Acrylonitrile (per MT)	479	690	-	-	-	16	(54)	(15)

For and on behalf of the Board of Directors

Mukesh D. Ambani
Chairman & Managing Director
May 12, 2010

Auditors' Certificate on Corporate Governance

To the Members,

Reliance Industries Limited

We have examined the compliance of conditions of Corporate Governance by Reliance Industries Limited, for the year ended on 31st March 2010, 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)

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

For **Rajendra & Co.**
Chartered Accountants
(Registration No. 108355W)

D. Chaturvedi
Partner
Membership No.: 5611

A. Siddharth
Partner
Membership No.: 31467

A. R. Shah
Partner
Membership No.:47166

Mumbai
May 12, 2010

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

Sr No	Name of the Entity	Sr No	Name of the Entity
1	Aavaran Textiles Private Limited	40	Pams Investments And Trading Company Private Limited
2	Abhayaprada Enterprises LLP	41	Pavana Enterprises LLP
3	Adisesh Enterprises LLP	42	Petroleum Trust
4	Ajitesh Enterprises LLP	43	Pitambar Enterprises LLP
5	Amur Trading Private Limited	44	Priyash Commercials Private Limited
6	Anumati Mercantile Private Limited	45	Real Fibres Private Limited
7	Badri Commercials LLP	46	Reliance Aromatics & Petrochemicals Private Limited
8	Bahar Trading Private Limited	47	Reliance Chemicals Limited
9	Bhumika Trading Private Limited	48	Reliance Consolidated Enterprises Private Limited
10	Bhuvanesh Enterprises LLP	49	Reliance Consultancy Services Private Limited
11	Chakradev Enterprises LLP	50	Reliance Energy & Project Development Private Limited
12	Chakradhar Commercials LLP	51	Reliance Global Commercial Limited
13	Chakresh Enterprises LLP	52	Reliance Industrial Infrastructure Limited
14	Chhatrabhuj Enterprises LLP	53	Reliance Petroinvestments Limited
15	Deccan Finvest Private Limited	54	Reliance Polyolefins Limited
16	Devarshi Commercials LLP	55	Reliance Ports and Terminals Limited
17	Ekansha Enterprise Private Limited	56	Reliance Universal Commercial Limited
18	Eklavya Mercantile Privatre Limited	57	Reliance Universal Enterprises Private Limited
19	Farm Enterprises Limited	58	Reliance Utilities and Power Private Limited
20	Futura Commercials Private Limited	59	Reliance Utilities Private Limited
21	Harinarayan Enterprises LLP	60	Reliance Welfare Association
22	Hercules Investments Private Limited	61	Rishikesh Enterprises LLP
23	Jagadanand Investments And Trading Company Private Limited	62	Samarjit Enterprises LLP
24	Jagdishvar Investments And Trading Company Private Limited	63	Sanatan Textrade Private Limited
25	Janardan Commercials LLP	64	Shripal Enterprises LLP
26	Jogiya Traders Private Limited	65	Silvassa Hydrocarbons And Investments Private Limited
27	Kamalakar Enterprises LLP	66	Srichakra Commercials LLP
28	Kankhal Investments And Trading Company Private Limted	67	Sudarshan Enterprises
29	Kardam Commercials Pirvate Limited	68	Svar Enterprises LLP
30	Karuna Commercials LLP	69	Synergy Synthetics Private Limited
31	Kedareshwar Investments And Trading Company Private Limited	70	Taran Enterprises LLP
32	Krish Commercials Private Limited	71	Tattvam Enterprises LLP
33	Kshitij Commercials Private Limited	72	Terene Industries Private Limited
34	Madhuban Merchandise Private Limited	73	Tresta Trading Private Limited
35	Narahari Enterprises LLP	74	Trilokesh Commercials LLP
36	Neutron Enterprises Private Limited	75	Vasuprada Enterprises LLP
37	Nikhil Investments Company Private Limited	76	Vishatan Enterprises LLP
38	Nityapriya Commercials Private Limited	77	Vita Investments & Trading Company Private Limited
39	Ornate Traders Private Limited		

Financial Statements & Notes

Auditors' Report

To the Members of
Reliance Industries Limited

1. We have audited the attached Balance Sheet of **RELIANCE INDUSTRIES LIMITED** as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;

   c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub–section (3C) of Section 211 of the Companies Act, 1956.

   e) On the basis of written representations received from the Directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub – section (1) of Section 274 of the Companies Act, 1956;

   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;

      (ii) in the case of the Profit and Loss Account, 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.

For **Chaturvedi & Shah** Chartered Accountants (Registration No. 101720W)	For **Deloitte Haskins & Sells** Chartered Accountants (Registration No. 117366W)	For **Rajendra & Co.** Chartered Accountants (Registration No. 108355W)
D. Chaturvedi **Partner** Membership No.: 5611	**A. Siddharth** **Partner** Membership No.: 31467	**A. R. Shah** **Partner** Membership No.:47166

Mumbai
April 23, 2010

Annexure to Auditors' Report

Referred to in Paragraph 3 of our report of even date

1. In respect of its fixed assets:
   a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
   b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the 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 a 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 inventories as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
   a) The Company has given loans to a wholly owned subsidiary of the Company. In respect of the said loans, the maximum amount outstanding at any time during the year is Rs. 5,541.44 crore and the year-end balance is Rs. 2,649.54 crore.
   b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company, are not prima facie prejudicial to the interest of the Company.
   c) The principal amounts are repayable on demand and there is no repayment schedule. The interests is payable on demand.
   d) In respect of the said loans, the same are repayable on demand and therefore the question of overdue amounts does not arise. In respect of interest, there are no overdue amounts.
   e) The Company has not taken any loan during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (f) and (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 the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
   (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
6. According to the information and explanations given to us, the Company has not accepted any deposits 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. The Central Government has prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
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 generally regularly deposited with the 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 March 31, 2010 for a

Annexure to Auditors' Report

Referred to in Paragraph 3 of our report of even date

period of more than six months from the date of becoming payable. Amounts due and outstanding for a period exceeding 6 months as at March 31, 2010 to be credited to Investor Education and Protection Fund of Rs. 7.02 crore, which are held in abeyance due to pending legal cases, have not been considered.

b) The disputed statutory dues aggregating Rs. 311.76 crore, that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Sr. No	Name of the Statute	Nature of the Dues	Amount (Rs in crore)	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax Act, 1961	Income-Tax / Penalties	5.43	2006-07	Commissioner of Income-Tax (Appeals)
			0.58	Various years from 2002-03 to 2005-06	Income-Tax Appellate Tribunal
2.	Central Excise Act, 1944	Excise Duty and Service Tax	17.02	Various years from 1991-92 to 2007-08	Commissioner of Central Excise (Appeals)
			69.38	Various years from 1986-87 to 2007-08	Central Excise and Service Tax Appellate Tribunal
3.	Central Sales Tax Act, 1956 and Sales Tax Acts of various states	Sales Tax/ VAT and Entry Tax	48.84	Various years from 1991-92 to 2008-09	Joint/Deputy Commissioner/ Commissioner (Appeals)
			17.52	Various years from 1992-93 to 2006-07	Sales Tax Appellate Tribunal
			115.15	Various years from 1997-98 to 2004-05	High Court
			0.90	2007-08	Supreme Court
4.	Customs Act, 1962	Custom Duty	16.68	Various years from 2002-03 to 2007-08	Commissioner of Customs (Appeals)
			20.26	2004-05 and 2005-06	Central Excise and Service Tax Appellate Tribunal
	TOTAL		**311.76**		

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
12. In our opinion and according to the explanations given to us and based on the information available, 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 / 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 the transactions and contracts in respect of dealing 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. The Company has given guarantees for loans taken by Others from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
16. The Company has raised new terms loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
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 created securities / charges in respect of secured debentures issued.
20. The Company has not raised any monies by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **Chaturvedi & Shah**	For **Deloitte Haskins & Sells**	For **Rajendra & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
(Registration No. 101720W)	(Registration No. 117366W)	(Registration No. 108355W)
D. Chaturvedi	**A. Siddharth**	**A. R. Shah**
Partner	**Partner**	**Partner**
Membership No.: 5611	Membership No.: 31467	Membership No.:47166

Mumbai
April 23, 2010

Reliance Industries Limited
Balance Sheet as at 31st March, 2010

(Rs. in crore)

	Schedule		As at 31st March, 2010		As at 31st March, 2009
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	'A'	**3,270.37**		1,573.53	
Equity Share Suspense		-		69.25	
Reserves and Surplus	'B'	**1,33,900.24**		1,24,730.19	
			1,37,170.61		1,26,372.97
Loan Funds					
Secured Loans	'C'	**11,670.50**		10,697.92	
Unsecured Loans	'D'	**50,824.19**		63,206.56	
			62,494.69		73,904.48
Deferred Tax Liability			**10,926.30**		9,726.30
TOTAL			**2,10,591.60**		2,10,003.75
APPLICATION OF FUNDS					
Fixed Assets	'E'				
Gross Block		**2,15,864.71**		1,49,628.70	
Less: Depreciation		**62,604.82**		49,285.64	
Net Block		**1,53,259.89**		1,00,343.06	
Capital Work-in-Progress		**12,138.82**		69,043.83	
			1,65,398.71		1,69,386.89
Investments	'F'		**23,228.62**		21,606.49
Current Assets, Loans and Advances					
Current Assets	'G'				
Inventories		**26,981.62**		14,836.72	
Sundry Debtors		**11,660.21**		4,571.38	
Cash and Bank Balances		**13,462.65**		22,176.53	
Other Current Assets		**91.40**		47.86	
		52,195.88		41,632.49	
Loans and Advances	'H'	**10,183.22**		13,079.78	
		62,379.10		54,712.27	
Less: Current Liabilities and Provisions	'I'				
Current Liabilities		**36,849.40**		32,691.00	
Provisions		**3,565.43**		3,010.90	
		40,414.83		35,701.90	
Net Current Assets			**21,964.27**		19,010.37
TOTAL			**2,10,591.60**		2,10,003.75
Significant Accounting Policies	'N'				
Notes on Accounts	'O'				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Deloitte Haskins & Sells**
Chartered Accountants

A. Siddharth
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Mumbai
April 23, 2010

V.M. Ambani
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani
H.R. Meswani
P.M.S. Prasad
} Executive Directors

H.S. Kohli
R.H. Ambani
M.L. Bhakta
Y.P. Trivedi
Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R. A. Mashelkar
} Directors

Reliance Industries Limited
Profit and Loss Account for the year ended 31st March, 2010

(Rs. in crore)

	Schedule		2009-10		2008-09
INCOME					
Turnover		**2,00,399.79**		1,46,328.07	
Less: Excise Duty / Service Tax Recovered		**7,938.77**		4,480.60	
Net Turnover			**1,92,461.02**		1,41,847.47
Other Income	'J'		**2,460.47**		2,059.88
Variation in Stocks	'K'		**3,947.89**		427.56
			1,98,869.38		1,44,334.91
EXPENDITURE					
Purchases			**2,995.82**		2,205.27
Manufacturing and Other Expenses	'L'		**1,62,832.38**		1,16,755.89
Interest and Finance Charges	'M'		**1,997.21**		1,745.23
Depreciation		**13,477.01**		7,182.43	
Less: Transferred from Revaluation Reserve		**2,980.48**		1,987.14	
[Refer Note 4, Schedule 'O']			**10,496.53**		5,195.29
Adjustment pursuant to the scheme of Amalgamation including write off of Investments in Reliance Petroleum Limited		-		7,728.92	
Less: Transferred from General Reserve		-		7,728.92	
			-		-
			1,78,321.94		1,25,901.68
Profit before Tax			**20,547.44**		18,433.23
Provision for Current Tax			**3,111.77**		1,206.50
Provision for Fringe Benefit Tax			-		56.87
Provision for Deferred Tax			**1,200.00**		1,860.54
Profit after Tax			**16,235.67**		15,309.32
Add: Balance brought forward from Previous Year			**5,384.19**		4,363.29
Amount Available for Appropriations			**21,619.86**		19,672.61
APPROPRIATIONS					
General Reserve		**14,000.00**		11,728.92	
Debenture Redemption Reserve		**189.50**		340.05	
Interim Dividend on Equity Shares		-		1,897.05	
Proposed Dividend on Equity Shares		**2,084.67**		-	
Tax on Dividend		**346.24**		322.40	
			16,620.41		14,288.42
Balance Carried to Balance Sheet			**4,999.45**		5,384.19
Basic and Diluted Earnings per Share of face value of Rs. 10 each (in Rupees)			**49.65**		**48.63**
Basic and Diluted Earnings per Share of face value of Rs. 10 each (in Rupees) (Before exceptional items)			**49.65**		**49.68**
[Refer Note 13, Schedule 'O']					
Significant Accounting Policies	**'N'**				
Notes on Accounts	**'O'**				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

For **Deloitte Haskins & Sells**
Chartered Accountants

For **Rajendra & Co.**
Chartered Accountants

D. Chaturvedi
Partner

A. Siddharth
Partner

A.R. Shah
Partner

Mumbai
April 23, 2010

V.M. Ambani
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani
H.R. Meswani
P.M.S. Prasad
Executive Directors

H.S. Kohli
R.H. Ambani
M.L. Bhakta
Y.P. Trivedi
Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R. A. Mashelkar
Directors

Reliance Industries Limited
Cash Flow Statement for the year 2009-10

(Rs. in crore)

			2009-10		2008-09
A:	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit before tax as per Profit and Loss Account		**20,547.44**		18,433.23
	Adjusted for:				
	Net Prior Year Adjustments	**1.35**		2.14	
	Diminution in the value of investment	**0.15**		3.44	
	Investment written off (net)	**18.38**		-	
	Loss on Sale / Discarding of Fixed Assets (net)	**0.60**		7.08	
	Depreciation	**13,477.01**		7,182.43	
	Transferred from Revaluation Reserve	**(2,980.48)**		(1,987.14)	
	Effect of Exchange Rate Change	**(1,837.42)**		575.57	
	Profit on Sale of Current Investments (net)	**(238.43)**		(425.40)	
	Dividend Income	**(2.41)**		(29.81)	
	Interest / Other Income	**(2,108.41)**		(1,564.97)	
	Interest and Finance Charges	**1,997.21**		1,745.23	
			8,327.55		5,508.57
	Operating Profit before Working Capital Changes		**28,874.99**		23,941.80
	Adjusted for:				
	Trade and Other Receivables	**(7,379.98)**		(109.91)	
	Inventories	**(12,144.90)**		159.01	
	Trade Payables	**14,223.40**		(3,847.36)	
			(5,301.48)		(3,798.26)
	Cash Generated from Operations		**23,573.51**		20,143.54
	Net Prior Year Adjustments		**(1.35)**		(2.14)
	Taxes Paid		**(3,081.94)**		(1,895.54)
	Net Cash from Operating Activities		**20,490.22**		18,245.86
B:	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets		**(21,942.67)**		(24,712.78)
	Sale of Fixed Assets		**113.19**		48.35
	Purchase of Investments		**(1,98,866.11)**		(1,08,573.91)
	Sale of Investments		**1,97,660.74**		1,10,986.78
	Movement in Loans and Advances		**2,626.01**		(3,452.11)
	Interest Income		**2,201.93**		1,589.66
	Dividend Income		**2.41**		29.81
	Net Cash used in Investing Activities		**(18,204.50)**		(24,084.20)

Cash Flow Statement for the year 2009-10 (Contd.)

(Rs. in crore)

		2009-10		2008-09
C: CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Issue of Share Capital / Warrants		**53.54**		15,164.79
Proceeds from Long Term Borrowings		**6,530.64**		20,690.86
Repayment of Long Term Borrowings		**(11,598.22)**		(3,382.93)
Short Term Loans		**(234.86)**		(2,238.39)
Dividends Paid (including dividend distribution tax)		**(2,219.45)**		(1,908.47)
Interest Paid		**(3,531.25)**		(4,593.28)
Net Cash (used in) / from Financing Activities		**(10,999.60)**		23,732.58
Net (Decrease) / Increase in Cash and Cash Equivalents		**(8,713.88)**		17,894.24
Opening Balance of Cash and Cash Equivalents	**22,176.53**		4,280.05	
Add: On Amalgamation	-		2.24	
		22,176.53		4,282.29
Closing Balance of Cash and Cash Equivalents		**13,462.65**		22,176.53

Note :

Loans / Deposit given to Subsidiaries / Associate aggregating to Rs. 196.86 crore (Previous Year Rs. 5,380.04 crore) have been converted into investments in Preference Shares.

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Deloitte Haskins & Sells**
Chartered Accountants

A. Siddharth
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Mumbai
April 23, 2010

V.M. Ambani
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani
H.R. Meswani
P.M.S. Prasad
Executive Directors

H.S. Kohli
R.H. Ambani
M.L. Bhakta
Y.P. Trivedi
Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R. A. Mashelkar
Directors

Schedules forming part of the Balance Sheet

SCHEDULE 'A'

SHARE CAPITAL (Rs. in crore)

			As at 31st March, 2010		As at 31st March, 2009
Authorised:					
500,00,00,000 (250,00,00,000)	Equity Shares of Rs. 10 each		**5,000.00**		2,500.00
100,00,00,000 (50,00,00,000)	Preference Shares of Rs. 10 each		**1,000.00**		500.00
			6,000.00		3,000.00
Issued, Subscribed and Paid up:					
327,03,74,360 (157,37,98,233)	Equity Shares of Rs. 10 each fully paid up	**3,270.37**		1,573.79	
	Less: Calls in arrears - by others (Rs. 3,922.50)	-		0.26	
			3,270.37		1,573.53
	TOTAL		**3,270.37**		1,573.53

Notes:

1. 210,85,63,630 (48,17,70,552) Shares out of the issued and subscribed share capital were allotted as Bonus Shares by capitalisation of Securities Premium and Reserves.

2. 65,25,91,982 (58,33,39,359) Shares out of the issued and subscribed share capital were allotted pursuant to the various Schemes of amalgamation without payments being received in cash and includes 10,46,60,154 shares allotted to Petroleum Trust.

3. 45,04,27,345 (45,04,27,345) Shares out of the issued and subscribed share capital were allotted on conversion / surrender of Debentures and Bonds, conversion of Term Loans, exercise of warrants, against Global Depository Shares (GDS) and re-issue of forfeited equity shares.

4. In the year 2004-05 the Company bought back and extinguished 28,69,495 equity shares.

5. The Company has reserved issuance of 13,82,78,892* (Previous Year 13,88,09,318*) Equity Shares of Rs. 10 each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Scheme (ESOS). During the year, the Company has not granted any Options to the eligible employees [Previous Year 1,00,200* options at a price of Rs. 644.50/-* plus all applicable taxes, as may be levied in this regard on the Company]. The options would vest over a maximum period of 7 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specified criteria.

   During the year, the Company has issued and allotted 5,30,426 (Previous Year 1,49,632) equity shares to the eligible employees of the Company and its Subsidiaries under ESOS of which 2,42,222 equity shares were allotted pre-bonus and 2,88,204 equity shares post bonus.

   * Adjusted for issue of bonus shares in 2009-10 in the ratio of 1:1.

Schedules forming part of the Balance Sheet

SCHEDULE 'B'

RESERVES AND SURPLUS

(Rs. in crore)

		As at 31st March, 2010		As at 31st March, 2009
Revaluation Reserve				
As per last Balance Sheet	**11,784.75**		871.26	
Add: On Revaluation	**-**		12,900.63	
	11,784.75		13,771.89	
Less: Transferred to Profit and Loss Account	**2,980.48**		1,987.14	
[Refer Note 4, Schedule 'O']		**8,804.27**		11,784.75
Capital Reserve				
As per last Balance Sheet		**291.28**		291.28
Capital Redemption Reserve				
As per last Balance Sheet	**887.94**		887.94	
Less: Capitalised on Issue of Bonus Shares	**887.94**		-	
		-		887.94
Securities Premium Account				
As per last Balance Sheet	**51,456.76**		21,313.80	
Add : Premium on issue of shares	**50.97**		16,727.04	
Add: On Amalgamation	**-**		13,429.09	
	51,507.73		51,469.93	
Less: Premium on redemption / buy back of debentures / Bonds	**80.19**		13.17	
Less: Capitalised on Issue of Bonus Shares	**738.85**		-	
	50,688.69		51,456.76	
Less: Calls in arrears - by others	**0.02**		1.80	
		50,688.67		51,454.96
Debentures Redemption Reserve				
As per last Balance Sheet	**927.07**		587.02	
Add: Transferred from Profit and Loss Account	**189.50**		340.05	
		1,116.57		927.07
General Reserve*				
As per last Balance Sheet	**54,000.00**		50,000.00	
Add: Transferred from Profit and Loss Account	**14,000.00**		11,728.92	
	68,000.00		61,728.92	
Less: Transferred to Profit and Loss Account	**-**		7,728.92	
		68,000.00		54,000.00
Profit and Loss Account		**4,999.45**		5,384.19
TOTAL		**1,33,900.24**		124,730.19

* Cumulative amount withdrawn on account of Depreciation on Revaluation is Rs. 2,563.43 crore.

Schedules forming part of the Balance Sheet

SCHEDULE 'C'

SECURED LOANS

(Rs. in crore)

			As at 31st March, 2010		As at 31st March, 2009
A.	**DEBENTURES**				
	Non Convertible Debentures		**9,682.82**		8,642.12
B.	**TERM LOANS**				
	From Banks				
	Rupee Loans		**570.00**		2,020.00
C.	**WORKING CAPITAL LOANS**				
	From Banks				
	Foreign Currency Loans	**1,234.67**		-	
	Rupee Loans	**183.01**		35.80	
			1,417.68		35.80
	TOTAL		**11,670.50**		10,697.92

1. Debentures referred to in A above to the extent of:

   a) Rs. 2,283.00 crore are secured by way of first mortgage / charge on the immovable properties situated at Hazira Complex and at Jamnagar Complex (other than SEZ unit) of the Company.

   b) Rs. 5,000.00 crore are secured by way of first mortgage / charge on the immovable properties situated at Jamnagar Complex (other than SEZ unit) of the Company.

   c) Rs. 1,970.00 crore are secured by way of first mortgage / charge on all the properties situated at Hazira Complex and at Patalganga Complex of the Company.

   d) Rs. 175.00 crore are secured by way of first mortgage / charge on all the properties, both present and future, of the Refinery Division (other than SEZ unit) of the Company and excluding book debts, office premises and certain other properties thereof.

   e) Rs.110.34 crore are secured by way of first mortgage / charge on certain properties situated at village Munja Dhanot, District Kalol in the State of Gujarat and on fixed assets situated at Hoshiarpur Complex of the Company.

   f) Rs. 49.43 crore are secured by way of first mortgage / charge on certain properties situated at Ahmedabad in the State of Gujarat and on fixed assets situated at Nagpur Complex of the Company.

   g) Rs. 44.05 crore are secured by way of first mortgage / charge on certain properties situated at Surat in the State of Gujarat and on fixed assets situated at Allahabad Complex of the Company.

   h) Rs. 51.00 crore are secured by way of first mortgage / charge on movable and immovable properties situated at Thane in the State of Maharashtra and on movable properties situated at Baulpur Complex of the Company.

Schedules forming part of the Balance Sheet

2. Debentures referred to in A above are redeemable at par, in one or more installments, on various dates with the earliest redemption being on 30th May, 2010 and the last being on 8th December, 2018. The debentures are redeemable as follows: Rs. 175.00 crore in financial year 2010-11, Rs. 655.00 crore in financial year 2011-12, Rs. 3,043.69 crore in financial year 2012-13, Rs. 4,466.26 crore in financial year 2013-14, Rs. 408.83 crore in financial year 2014-15, Rs. 164.04 crore in financial year 2015-16, Rs. 133.33 crore in financial year 2016-17, Rs. 133.33 crore in financial year 2017-18 and Rs. 503.34 crore in financial year 2018-19.

3. Term loans from banks are secured by a first ranking pari passu mortgage over leasehold interests of the Company's SEZ unit at Jamnagar under the Land Lease Agreement and the fixed assets (including plant and machinery) affixed thereon; a first ranking pari passu charge over movable assets (other than current assets and investments) of the Company's SEZ unit; a floating second ranking charge over such of the current assets of Company's SEZ unit that are charged on a first ranking basis to the working capital lenders and an assignment of SEZ unit's right, title and interest under the key Project Agreements.

4. Working capital loans are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares, book debts, outstanding monies, receivable claims, bills, materials in transit, etc. save and except receivables of Oil and Gas Division.

SCHEDULE 'D'

UNSECURED LOANS

(Rs. in crore)

		As at 31st March, 2010		As at 31st March, 2009
A. Long Term				
i) From Banks	**42,373.97**		52,480.53	
ii) From Others	**3,899.30**		4,512.46	
		46,273.27		56,992.99
B. Short Term				
i) From Banks	**4,532.61**		6,188.49	
ii) From Others	-		2.68	
		4,532.61		6,191.17
C. Deferred Sales Tax Liability		**18.31**		22.40
TOTAL		**50,824.19**		63,206.56

Note:

Short term loan from banks include commercial paper of Rs. 500.00 crore. (Previous Year Rs. NIL).

[Maximum balance outstanding at any time during the Year being Rs. 8,500.00 crore (Previous Year Rs. NIL)].

Schedules forming part of the Balance Sheet

SCHEDULE 'E'

FIXED ASSETS

(Rs. in crore)

Description	Gross Block				Depreciation		Net Block	
	As at 01-04-2009	Additions	Deductions/ Adjustments	**As at 31-03-2010**	For the Year	**Upto 31-03-2010**	**As at 31-03-2010**	As at 31-03-2009
OWN ASSETS :								
Leasehold Land	1,555.68	0.33	-	**1,556.01**	62.32	**133.03**	**1,422.98**	1,484.97
Freehold Land	1,144.11	23.89	31.71	**1,136.29**	-	**-**	**1,136.29**	1,144.11
Buildings	6,884.78	483.64	1.76	**7,366.66**	301.81	**2,016.03**	**5,350.63**	5,170.30
Plant & Machinery	1,20,899.97	62,068.35	115.45	**1,82,852.87**	12,271.22	**55,027.11**	**1,27,825.76**	78,049.78
Electrical Installations	2,731.95	750.28	1.90	**3,480.33**	176.50	**1,217.06**	**2,263.27**	1,690.68
Equipments	3,438.15	2,414.82	48.20	**5,804.77**	261.10	**964.98**	**4,839.79**	2,720.76
Furniture & Fixtures	465.50	15.89	4.07	**477.32**	36.12	**275.77**	**201.55**	223.92
Vehicles	275.90	47.23	45.33	**277.80**	38.98	**138.28**	**139.52**	149.57
Ships	396.46	1.01	11.71	**385.76**	15.20	**225.51**	**160.25**	175.83
Aircrafts & Helicopters	78.89	-	10.47	**68.42**	9.34	**20.37**	**48.05**	58.09
Sub-Total	**1,37,871.39**	**65,805.44**	**270.60**	**2,03,406.23**	**13,172.59**	**60,018.14**	**1,43,388.09**	**90,868.01**
LEASED ASSETS :								
Plant & Machinery	123.19	194.61	-	**317.80**	42.81	**111.58**	**206.22**	54.42
Ships	9.98	-	-	**9.98**	-	**9.98**	**-**	-
Sub-Total	**133.17**	**194.61**	**-**	**327.78**	**42.81**	**121.56**	**206.22**	**54.42**
INTANGIBLE ASSETS :								
Technical Knowhow fees**	2,535.62	486.31	-	**3,021.93**	130.78	**1,411.90**	**1,610.03**	1,254.50
Software**	447.06	21.25	1.00	**467.31**	42.81	**368.99**	**98.32**	120.88
Others	8,641.46	-	-	**8,641.46**	88.02	**684.23**	**7,957.23**	8,045.25
Sub-Total	**11,624.14**	**507.56**	**1.00**	**12,130.70**	**261.61**	**2,465.12**	**9,665.58**	**9,420.63**
Total	**1,49,628.70**	**66,507.61**	**271.60**	**2,15,864.71**	**13,477.01***	**62,604.82**	**1,53,259.89**	**1,00,343.06**
Previous Year	1,04,229.10	45,706.24	306.64	**1,49,628.70**	7,182.43	**49,285.64**	**1,00,343.06**	
Capital Work-in-Progress							**12,138.82**	**69,043.83**

NOTES :

a) Leasehold Land includes Rs. 203.19 crore (Previous Year Rs. 203.19 crore) in respect of which lease-deeds are pending execution.

b) Buildings include :

   i) Cost of shares in Co-operative Housing Societies Rs. 1.00 crore (Previous Year Rs. 1.00 crore).

   ii) Rs. 4.88 crore (Previous Year Rs. 4.88 crore) in respect of which conveyance is pending.

   iii) Rs. 93.20 crore (Previous Year Rs. 93.20 crore) in shares of Companies / Societies with right to hold and use certain area of Buildings.

c) Intangible assets - Others include :

   i) Jetties amounting to Rs. 646.97 crore (Previous Year Rs. 646.97 crore), the Ownership of which vests with Gujarat Maritime Board. However, under an agreement with Gujarat Maritime Board, the Company has been permitted to use the same at a concessional rate.

   ii) Rs. 7,994.49 crore (Previous Year Rs. 7,994.49 crore) in preference shares of subsidiaries and lease premium paid with right to hold and use Land and Buildings.

d) Capital Work-in-Progress includes :

   i) Rs. 1,453.20 crore (Previous Year Rs. 17,095.19 crore) on account of Project development expenditure.

   ii) Rs. 810.44 crore (Previous Year Rs. 2,610.23 crore) on account of cost of construction materials at site.

   iii) Rs. 453.07 crore (Previous Year Rs. 5,509.61 crore) on account of advance against capital expenditure.

e) Gross Block includes Rs. 12,900.63 crore added on revaluation of Building, Plant & Machinery and Equipments as at 01.01.2009 and Rs. 22,497.34 crore added on revaluation of Building, Plant & Machinery, Electrical Installations and Equipments as at 01.08.2005, based on reports issued by international valuers.

f) Additions and Capital Work-in-Progress include Rs. 5,313.81 crore (net gain) [Previous Year Rs. 1,174.14 crore (net loss)] on account of exchange difference during the year.

* Refer to Note 4, Schedule 'O'

** Other than internally generated

Schedules forming part of the Balance Sheet

SCHEDULE 'F'

INVESTMENTS

(Rs. in crore)

			As at 31st March, 2010		As at 31st March, 2009
A. LONG TERM INVESTMENTS					
Government and other Securities - Unquoted					
	6 Years National Savings Certificate (Deposited with Sales Tax Department and other Govt. Authorities)		**0.02**		0.02
Trade Investments					
In Equity Shares - Unquoted, fully paid up					
1,00,00,000 (1,00,00,000)	Petronet India Limited of Rs. 10 each	**10.00**		10.00	
11,08,500 (11,08,500)	Reliance Europe Limited of Sterling Pound 1 each	**3.93**		3.93	
62,63,125 (62,63,125)	Indian Vaccines Corporation Limited of Rs. 10 each	**0.61**		0.61	
12,04,20,000 (12,04,20,000)	Gujarat Chemicals Port Terminal Company Limited of Re. 1 each	**12.04**		30.42	
20,50,000 (20,50,000)	Reliance Utilities Private Limited Class 'A' Shares of Re. 1 each	**0.21**		0.21	
19,90,000 (19,90,000)	Reliance Utilities and Power Private Limited Class 'A' Shares of Re. 1 each	**0.20**		0.20	
		26.99		45.37	
In Preference Shares - Unquoted, fully paid up					
50,00,00,000 (50,00,00,000)	9% Non Cumulative Redeemable Preference Shares of Reliance Gas Transportation Infrastructure Limited of Rs. 10 each	**2,000.00**		2,000.00	
		2,000.00		2,000.00	
			2,026.99		2,045.37
Other Investments					
In Equity Shares - Quoted, fully paid up					
68,60,064 (68,60,064)	Reliance Industrial Infrastructure Limited of Rs. 10 each	**16.30**		16.30	
- (8,572)	Portland General Electric Company Common Stock Equity	-		0.82	
		16.30		17.12	
In Equity Shares - Unquoted, fully paid up					
22,500 (22,500)	Reliance LNG Limited of Rs. 10 each	**0.02**		0.02	
		0.02		0.02	
			16.32		17.14
In Equity Shares of Subsidiary Companies - Unquoted, fully paid up					
14,75,04,400 (14,75,04,400)	Reliance Industrial Investments and Holdings Limited of Rs.10 each	**147.50**		147.50	
26,91,150 (26,91,150)	Reliance Ventures Limited of Rs. 10 each	**2,351.05**		2,351.05	
20,20,200 (20,20,200)	Reliance Strategic Investments Limited of Rs. 10 each	**2.02**		2.02	
50,00,001 (50,00,001)	RIL (Australia) Pty Limited of Aus $ 1 each	**17.46**		17.46	
42,450 (42,450)	Reliance Industries (Middle East) DMCC of AED 1000 each	**46.19**		46.19	

Schedules forming part of the Balance Sheet

SCHEDULE 'F' (Contd.) (Rs. in crore)

		As at 31st March, 2010	As at 31st March, 2009
10,00,00,000 (10,00,00,000)	Reliance Jamnagar Infrastructure Limited of Rs. 10 each	**100.00**	100.00
339,00,00,000 (339,00,00,000)	Reliance Retail Limited of Rs. 10 each	**3,390.00**	3,390.00
1,76,200 (1,76,200)	Reliance Exploration & Production DMCC of AED 1000 each	**210.84**	210.84
250,000 (250,000)	Reliance Global Management Services Limited of Rs. 10 each	**0.25**	0.25
2,00,000 (2,00,000)	Reliance Global Business B.V. of Euro 0.01 each	**0.01**	0.01
		6,265.32	6,265.32
In Equity Shares of Subsidiary Company - Unquoted, partly paid up			
610,00,00,000 (610,00,00,000)	Reliance Retail Limited of Rs. 10 each (Rs. 3.00 each paid up)	**1,830.00**	610.00
		1,830.00	610.00
In Preference Shares of Subsidiary Companies - Unquoted, fully paid up			
499,57,55,311 (-)	Reliance Global Business B.V. 'A' Class Shares of Euro 0.01 each	**324.40**	-
- (10,00,000)	5% Cumulative Redeemable Non Convertible Preference Shares of Reliance Ventures Limited of Re. 1 each	-	10.00
4,02,800 (1,50,60,415)	9% Compulsorily Convertible Preference Shares of Reliance Strategic Investments Limited of Re. 1 each	**112.78**	4,216.92
3,37,824 (2,57,600)	5% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Industries (Middle East) DMCC of AED 1000 each	**454.36**	355.04
17,00,316 (11,55,316)	5% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Exploration & Production DMCC of AED 1000 each	**2,123.23**	1,464.76
18,50,000 (25,50,000)	10% Non-Cumulative Optionally Convertible Preference Shares of Reliance Jamnagar Infrastructure Limited of Rs. 10 each	**925.00**	1,275.00
- (35,00,000)	10% Non-Cumulative Optionally Convertible Preference Shares of Reliance Industrial Investments and Holdings Limited Rs. 10 each	-	1,750.00
62,000 (-)	Reliance Netherlands B.V. - 'A' Class Shares of Euro 1 each	**0.38**	-
		3,940.15	9,071.72
In Preference Shares of Subsidiary Company - Unquoted, partly paid up			
1,37,000 (-)	Reliance Netherlands B.V. 'A' Class Shares of Euro 1 each (Euro 0.54 each paid up)	**0.45**	-
		0.45	-
In Debentures of Subsidiary Companies - Unquoted, fully paid up			
2,79,90,000 (2,79,90,000)	0% Unsecured Convertible Debentures of Reliance Industrial Investments and Holdings Limited of Rs 100 each	**279.90**	279.90

Schedules forming part of the Balance Sheet

SCHEDULE 'F' (Contd.) (Rs. in crore)

			As at 31st March, 2010		As at 31st March, 2009
8,83,143 (8,83,143)	0% Unsecured Convertible Debentures of Reliance Industrial Investments and Holdings Limited of Rs 5,000 each	**441.58**		441.58	
		721.48		721.48	
			12,757.40		16,668.52
In Others					
88 (88)	Pass Through Certificates (PTC) issued by Indian Residential MBS Trust		**0.33**		1.87
	Total (A)		**14,801.06**		18,732.92
B. CURRENT INVESTMENTS					
Other Investments					
	In Government Securities - Quoted				
	6.05% GOI 2019	-		372.96	
	7.59% GOI 2016	**5.04**		-	
		5.04		372.96	
	In Treasury Bills - Quoted				
	364 Days Treasury Bills	-		6.66	
	Collateralized Borrowing & Lending Obligation	-		23.29	
	In Certificate of Deposit with Scheduled Banks - Quoted	**3,973.27**		1,338.31	
	In Public Sector Undertaking / Public Financial Institution & Corporate Bonds - Quoted				
- (600)	Citi Financial Consumer Finance India Limited	-		60.00	
1,250 (1,500)	EXIM Bank of India	**125.00**		150.00	
7,537 (3,600)	Housing Development Finance Corporation Limited	**774.43**		359.06	
3,600 (2,350)	Infrastructure Development Finance Company Limited	**346.52**		234.52	
2,050 (-)	Indian Railway Finance Corporation Limited	**206.16**		-	
8,500 (-)	LIC Housing Finance Limited	**850.03**		-	
- (1,350)	National Bank for Agricultural and Rural Development	-		135.21	

Schedules forming part of the Balance Sheet

SCHEDULE 'F' (Contd.) (Rs. in crore)

		As at 31st March, 2010		As at 31st March, 2009	
1,250 (-)	National Housing Bank Limited	**124.48**		-	
3,400 (-)	Power Finance Corporation Limited	**348.11**		-	
8,950 (-)	Rural Electrification Corporation Limited	**895.45**		-	
- (50)	State Bank of Mysore	-		5.00	
		3,670.18		943.79	
In Commercial Paper - Unquoted					
	Housing Development Finance Corporation	-		95.97	
	Infrastructure Development Finance Company Limited	-		92.59	
		-		188.56	
		7,648.49		2,873.57	
In Units-Unquoted					
1,75,66,322 (-)	ICICI Prudential Institutional Liquid Plan - Super Institutional Growth of Rs. 100 each	**239.00**		-	
13,00,69,316 (-)	HDFC Liquid Fund - Premium Plan - Growth of Rs. 10 each	**240.00**		-	
58,39,951 (-)	ICICI Prudential Flexible Income Plan Premium - Growth of Rs. 100 each	**100.00**		-	
4,95,83,326 (-)	HDFC Cash Management Fund -Treasury Advantage Plan - Wholesale - Growth of Rs. 10 each	**100.07**		-	
6,61,43,253 (-)	LIC MF Floating Rate Fund - Short Term Plan - Growth of Rs. 10 each	**100.00**		-	
		779.07		-	
	Total (B)		**8,427.56**		2,873.57
	Total (A+B)		**23,228.62**		21,606.49

Note :

Pursuant to the Debt Restructuring Scheme of Gujarat Chemicals Port Terminal Company Limited, the face value of the Equity Shares has reduced from Rs.10 per share to Re. 1 per share.

(Rs. in crore)

AGGREGATE VALUE OF	As at 31st March, 2010 Book Value	As at 31st March, 2010 Market Value	As at 31st March, 2009 Book Value	As at 31st March, 2009 Market Value
Quoted Investments	**7,664.79**	**8,248.22**	2,678.84	2,930.63
Unquoted Investments	**15,563.83**	**-**	18,927.65	-

Schedules forming part of the Balance Sheet

SCHEDULE 'F' (Contd.)

Investments purchased and sold during the year

	Face Value (Rs.)	Nos. (in lakhs)	Cost (Rs. in crore)
Mutual Fund Units			
Axis Liquid Fund - Growth	1,000	39.35	400.00
Axis Short Term Fund - Growth	10	1,001.02	100.10
Axis Treasury Advantage Fund - Growth	1,000	9.88	100.01
Birla Sunlife Cash Plus - Institutional Premium - Growth	10	62,816.48	9,145.14
Birla Sun Life Saving Fund Institutional - Growth	10	19,175.74	3,312.40
DSP BlackRock Cash Manager Fund - Institutional Plan - Growth	1,000	17.20	200.00
DSP BlackRock Floating Fund - Institutional Plan - Growth	1,000	15.25	200.01
DSP BlackRock Liquidity Fund - Institutional Plan - Growth	1,000	19.07	250.00
HDFC Liquid Fund - Premium Plan - Growth	10	2,76,304.09	49,908.50
HDFC Liquid Fund - Premium Plus Plan - Growth	10	197.85	35.00
HDFC Cash Management Fund -Treasury Advantage Plan - Wholesale - Growth	10	60,901.55	12,092.75
ICICI Prudential Flexible Income Plan Premium - Growth	100	44,062.72	16,523.38
ICICI Prudential Gilt Fund - Investment Plan - Growth	10	318.30	100.00
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	100	2,80,832.55	60,387.27
ICICI Prudential Ultra Short Term Plan Super Premium Growth	10	2,196.51	225.00
IDFC Cash Fund - Super Institutional Plan - C Growth	10	1,794.78	200.00
IDFC Money Manager Fund - Treasury Plan - Super Institutional Plan - C Growth	10	925.04	100.01
LICMF Liquid Fund - Growth Plan	10	40,740.81	6,772.94
LICMF Income Plus Fund - Growth Plan	10	183.49	22.00
LICMF Floating Rate Fund - Short Term Plan - Growth Plan	10	14,871.03	2,228.42
LICMF Savings PlusFund - Growth Plan	10	1,047.16	150.02
SBI - Magnum Insta Cash Fund - Cash Option	10	4,980.87	1,009.00
SBI Premier Liquid Fund - Institutional - Growth	10	1,720.75	250.00
SBI Premier Liquid Fund - Super Institutional - Growth	10	8,677.14	1,250.00
SBI - SHF - Ultra Short Term Fund - Institutional Plan - Growth	10	8,961.31	1,066.17
Tata Floater Fund - Growth	10	735.40	100.01
Tata Liquid Super High Investment Fund - Appreciation	1,000	11.83	200.00
Templeton India Treasury Management Super Institutional Plan - Growth	1,000	7.36	100.00
UTI Liquid Cash Plan Institutional - Growth	1,000	113.36	1,685.24
UTI Treasury Advantage Fund - Institutional Plan - Growth	1,000	175.55	2,152.32
UTI Money Market Mutual Fund Institutional Plan - Growth	1,000	428.39	4,402.00
Government Securities :			
6.05% GOI 2019	100	1,225.00	1,183.08
7.56% GOI 2014	100	240.00	255.65
6.07% GOI 2014	100	625.00	614.86
6.35% GOI 2020	100	2,155.00	2,010.50
6.49% GOI 2015	100	300.00	296.93
7.35% GOI 2024	100	50.00	50.00
7.94% GOI 2021	100	440.00	465.11
6.90% GOI 2019	100	610.00	592.95
7.02% GOI 2016	100	1,845.00	1,806.89

	Face Value (Rs.)	Nos.	Cost (Rs. in crore)
Corporate Bonds			
8% HDFC 2011	10,00,000	1,000	100.00
8% IDFC 2011	10,00,000	1,650	166.27
6.05% LICHF 2011	10,00,000	50	4.93
11.25% PFC 2018	10,00,000	250	29.16
8.55% IRFC 2019	10,00,000	250	25.20
6.84% HDFC 2011	10,00,000	5,600	557.82
6.90% LIC 2011	10,00,000	2,550	254.27

Schedules forming part of the Balance Sheet

SCHEDULE 'F' (Contd.)

Investments purchased and sold during the year

	Face Value (Rs.)	Nos.	Cost (Rs. in crore)
6.75% LIC 2011	10,00,000	150	14.93
8.88% IDFC 2011	10,00,000	350	36.01
8.49% PFC 2011	10,00,000	600	61.74
11.75% REC 2011	10,00,000	250	27.51
8.60% IRFC 2019	10,00,000	400	40.00
7.60% LIC 2012	10,00,000	400	40.12
11.40% PFC 2013	10,00,000	600	66.88
8% REC 2014	10,00,000	250	24.80
8.60% PFC 2014	10,00,000	250	25.38
9.90% HDFC 2018	10,00,000	171	18.19
0% HDFC 2012	10,00,000	250	25.04
9.90% HDFC 2011	10,00,000	250	26.20
7.90% REC 2012	10,00,000	2,150	215.46
0% HDFC 2011	10,00,000	3,600	367.22
9.22% PFC 2012	10,00,000	250	26.16
11.50% REC 2013	10,00,000	450	50.25
11.25% HDFC 2018	10,00,000	100	11.45
0% LIC 2010	10,00,000	1,500	141.36
6.42% NHB 2012	10,00,000	1,500	150.00
0% IDFC 11-Jan-11	10,00,000	1,650	154.45
6.55% NHB 2012	10,00,000	500	49.97
0% IDFC 15-Apr-11	10,00,000	250	22.95
6.77% NHB 2013	10,00,000	250	24.90
0% HDFC 8-Feb-2012	10,00,000	500	50.00
6.75% NHB 2012	10,00,000	250	24.78
7.24% LIC 23-Jun-11	10,00,000	250	24.92
8.40% OVL 23-Dec-14	10,00,000	350	34.55

SCHEDULE 'G'

(Rs. in crore)

CURRENT ASSETS		**As at 31st March, 2010**		As at 31st March, 2009
INVENTORIES				
Stores, Chemicals and Packing Materials	**2,801.31**		3,514.85	
Raw Materials	**15,023.40**		6,112.85	
Stock-in-Process	**2,878.85**		2,193.89	
Finished Goods / Traded Goods	**6,278.06**		3,015.13	
		26,981.62		14,836.72
SUNDRY DEBTORS (Unsecured and Considered Good)				
Over six months	**12.91**		13.55	
Others #	**11,647.30**		4,557.83	
		11,660.21		4,571.38
CASH AND BANK BALANCES				
Cash on hand	**11.84**		11.72	
Balance with Banks				
In Current Accounts :				
with Scheduled Banks	**349.16**		487.03	
with Others*	**1.36**		1.38	
In Fixed Deposit Accounts :				
with Scheduled Banks	**13,100.29**		21,676.40	
		13,462.65		22,176.53

Schedules forming part of the Balance Sheet

SCHEDULE 'G' (Contd.) (Rs. in crore)

CURRENT ASSETS		**As at 31st March, 2010**		As at 31st March, 2009
OTHER CURRENT ASSETS				
Interest Accrued on Investments	**91.40**		47.59	
Premium Accrued on Investments in Preference Shares $	-		0.27	
		91.40		47.86
TOTAL		**52,195.88**		41,632.49

Includes Rs. 2,978.18 crore (Previous Year Rs. 359.29 crore) receivable from Subsidiaries.

* Includes balances with non scheduled banks as follows:

(Rs. in crore)

	As at 31st March, 2010	As at 31st March, 2009	Maximum Balance at any time during the year	
			2009-10	2008-09
Bank of China	-	0.02	**0.07**	0.10
Citi, China, Guangzhou	**0.05**	0.04	**0.07**	0.15
Citi, London	**0.05**	-	**0.64**	-
ABN Amro Bank, Shanghai	-	0.13	**0.35**	0.30
ABN Amro Bank, Jakarta	**0.27**	0.15	**0.27**	0.40
ABN Amro Bank, Jebel Ali	**0.04**	0.09	**0.22**	0.67
Hongkong and Shanghai Banking Corporation, Turkey	**0.05**	0.05	**0.20**	0.30
Hongkong and Shanghai Banking Corporation, Vietnam	**0.03**	0.03	**0.09**	0.18
Hongkong and Shanghai Banking Corporation, New York	**0.76**	0.85	**3.59**	5.91
Stadtsparkasse Koln, Frankfurt	**0.11**	0.02	**0.19**	0.54

$ Premium accrued on Investments in Preference Shares represents Rs. NIL (Previous Year Rs. 0.27 crore) receivable on investments in Non Convertible Preference Shares of Reliance Ventures Limited, a wholly owned subsidiary of the Company.

SCHEDULE 'H'

(Rs. in crore)

		As at 31st March, 2010		As at 31st March, 2009
LOANS AND ADVANCES				
UNSECURED - (Considered Good Unless Otherwise Stated)				
Loans to subsidiary companies		**2,936.02**		4,534.74
Advance Income Tax (Net of Provision)		**1,267.49**		1,167.10
Advances recoverable in cash or in kind or for value to be received*	**2,576.21**		4,041.80	
Less: Considered Doubtful	**69.88**		69.88	
		2,506.33		3,971.92
Deposits*		**2,240.53**		2,263.22
Balance with Customs, Central Excise Authorities, etc.		**1,232.85**		1,142.80
TOTAL		**10,183.22**		13,079.78

* Advances recoverable includes Rs. 602.32 crore (Previous Year Rs. 1,583.72 crore) and Deposits include Rs. 351.97 crore (Previous Year Rs. 341.27 crore) recoverable from Subsidiaries.

Schedules forming part of the Balance Sheet

SCHEDULE 'I'

(Rs. in crore)

		As at 31st March, 2010		As at 31st March, 2009
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors - Micro, Small and Medium Enterprises @	**8.25**		7.32	
- Others *	**36,047.35**		31,571.77	
Liability for Leased Assets *	**223.03**		1.87	
Unpaid Dividend #	**98.61**		88.98	
Unpaid Matured debentures #	**1.39**		2.19	
Interest accrued on above #	**0.19**		0.19	
Unpaid Share Application Money #	**1.36**		1.42	
Interest accrued but not due on Loans	**469.22**		1,017.26	
		36,849.40		32,691.00
PROVISIONS				
Provision for Wealth Tax	**50.88**		37.68	
Provision for Leave encashment/ Superannuation / Gratuity	**329.21**		477.78	
Other Provisions $	**754.43**		275.99	
Proposed / Interim Dividend	**2,084.67**		1,897.05	
Tax on Dividend	**346.24**		322.40	
		3,565.43		3,010.90
TOTAL		**40,414.83**		35,701.90

@ The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

(Rs. in crore)

Sr. No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act.	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

* Includes Rs. 170.08 crore (Previous Year Rs. 86.31 crore) payable to Subsidiaries and Rs. 8,817.49 crore (Previous Year Rs. 16,796.74 crore) for capital expenditure.

\# These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except Rs. 7.02 crore (Previous Year Rs 7.21 crore) which is held in abeyance due to legal cases pending.

$ The Company had recognised liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on 31st March, 2009 of Rs. 56.26 crore as per the estimated pattern of despatches. During the year, Rs. 56.26 crore was utilised for clearance of goods. Provision recognised under this class for the year is Rs. 323.88 crore which is outstanding as on 31st March, 2010. Actual outflow is expected in the next financial year. The Company had recognised customs duty liability on goods imported under advance license of Rs. 218.05 crore as at 31st March, 2009. During the year, further provision of Rs. 767.10 crore was made and sum of Rs. 555.60 crore was reversed on fulfillment of export obligation. Closing balance on this account as at 31st March, 2010 is Rs. 429.55 crore. Other class of provisions where recognition is based on substantial degree of estimation relate to disputed customer / supplier / third party claims, rebates or demands against the Company. Any additional information in this regard can be expected to prejudice seriously the position of the Company.

Schedules forming part of the Profit and Loss Account

SCHEDULE 'J'

(Rs. in crore)

		2009-10		2008-09
OTHER INCOME				
Dividend:				
From Current Investments	-		27.40	
From Long Term Investments	**2.41**		2.41	
		2.41		29.81
Interest:				
From Current Investments	**169.92**		226.86	
From Others	**1,938.26**		1,338.06	
[Tax Deducted at Source Rs. 222.14 crore (Previous Year Rs. 260.97 crore)]		**2,108.18**		1,564.92
Premium on Investments in Preference Shares		**0.23**		0.05
Profit on Sale of Current Investments (net)		**238.43**		425.40
Profit on Sale of Fixed Assets		**28.68**		9.57
Miscellaneous Income		**82.54**		118.65
		2,460.47		2,148.40
Less : Transferred to Project Development Expenditure				
- Interest Income	-		23.80	
- Others	-		64.72	
		-		88.52
TOTAL		**2,460.47**		2,059.88

SCHEDULE 'K'

(Rs. in crore)

		2009-10		2008-09
VARIATION IN STOCKS				
STOCK-IN-TRADE (at close)				
Finished Goods / Traded Goods	**6,278.06**		3,015.13	
Stock-in-Process	**2,878.85**		2,193.89	
		9,156.91		5,209.02
STOCK-IN-TRADE (at commencement)				
Finished Goods / Traded Goods	**3,015.13**		3,257.50	
Stock-in-Process	**2,193.89**		1,523.96	
		5,209.02		4,781.46
TOTAL		**3,947.89**		427.56

Schedules forming part of the Profit and Loss Account

SCHEDULE 'L'

(Rs. in crore)

			2009-10		2008-09
MANUFACTURING AND OTHER EXPENSES					
RAW MATERIAL CONSUMED			**1,47,919.21**		1,04,805.05
MANUFACTURING EXPENSES					
Stores, Chemicals and Packing Materials		**2,773.98**		2,274.02	
Electric Power, Fuel and Water		**2,706.71**		3,355.98	
Machinery Repairs		**378.74**		322.70	
Building Repairs		**25.22**		37.59	
Labour, Processing, Production Royalty and Machinery Hire Charges		**1,774.93**		840.28	
Excise Duty #		**369.15**		(111.53)	
Lease Rent		**2.74**		29.24	
Exchange Differences (Net)		**(676.42)**		494.68	
			7,355.05		7,242.96
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES (including Managerial Remuneration)					
Salaries, Wages and Bonus		**1,978.15**		1,913.48	
Contribution to Provident Fund, Gratuity Fund, Superannuation Fund, Employee's State Insurance Scheme, Pension Scheme, Labour Welfare Fund etc.		**148.01**		268.11	
Employee Welfare and other amenities		**224.22**		215.91	
			2,350.38		2,397.50
SALES AND DISTRIBUTION EXPENSES					
Samples, Sales Promotion and Advertisement Expenses		**50.49**		71.08	
Brokerage, Discount and Commission		**228.02**		388.16	
Warehousing and Distribution Expenses		**3,280.49**		2,424.62	
Sales Tax / VAT / Service Tax		**564.77**		211.41	
			4,123.77		3,095.27
ESTABLISHMENT EXPENSES					
Insurance		**486.58**		325.11	
Rent		**105.15**		121.21	
Rates & Taxes		**40.39**		54.61	
Other Repairs		**256.22**		229.41	
Travelling Expenses		**59.72**		125.89	
Payment to Auditors		**12.82**		10.74	
Professional Fees		**524.82**		654.18	
Loss on Sale / Discarding of Fixed Assets		**29.28**		16.65	
General Expenses *		**651.96**		935.46	
Investments Written Off	**108.38**				
Less: Provision Written Back	**(90.00)**				
		18.38		-	
Wealth Tax		**13.20**		13.43	
Charity and Donations		**103.37**		82.59	
			2,301.89		2,569.28
			164,050.30		120,110.06
Less : Transferred to Projects Development Expenditure (Net)			**1,217.92**		3,354.17
TOTAL			**162,832.38**		116,755.89

Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.

* Includes diminution in value of investments Rs. 0.15 crore (Previous Year Rs. 3.44 crore) and Rs. NIL (Previous Year Rs. 369.60 crore) towards liabilities on account of corporate guarantees given on behalf of a subsidiary, being an exceptional item.

Schedules forming part of the Profit and Loss Account

SCHEDULE 'M'

(Rs. in crore)

INTEREST AND FINANCE CHARGES	**2009-10**	2008-09
Debentures	**946.36**	545.61
Fixed Loans	**543.38**	424.07
Finance charges on Leased Assets	**21.53**	0.24
Others	**485.94**	775.31
TOTAL	**1,997.21**	1,745.23

Significant Accounting Policies

SCHEDULE 'N'

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

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

Fixed Assets are stated at cost net of cenvat / value added tax and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

D. Leased Assets

a) Operating Leases: Rentals are expensed with reference to lease terms and other considerations.

b) (i) Finance leases prior to 1st April, 2001: Rentals are expensed with reference to lease terms and other considerations.

(ii) Finance leases on or after 1st April, 2001: The lower of the fair value of the assets and present value of the minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Profit and Loss account.

c) However, rentals referred to in (a) or (b) (i) above and the interest component referred to in (b) (ii) above pertaining to the period upto the date of commissioning of the assets are capitalised.

d) All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Initial direct costs in respect of lease are expensed in the year in which such costs are incurred. Income from lease assets is accounted by applying the interest rate implicit in the lease to the net investment.

E. Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortisation.

F. Depreciation

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life except,: on fixed assets pertaining to refining segment and SEZ units, depreciation is provided on Straight Line method (SLM) over their useful life; on fixed bed catalyst with a life of 2 years or more, depreciation is provided over its useful life; on fixed bed catalysts having life of less than 2 years, 100% depreciation is provided in the year of addition; on additions or extensions forming an integral part of existing plants, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets and insurance spares, depreciation is provided as aforesaid over the residual life of the respective plants; on development rights and producing properties, depreciation is provided in proportion of oil and gas production achieved vis-a-vis the proved reserves (net of reserves to be retained to cover abandonment costs as per the production sharing contract and the Government

SCHEDULE 'N' (Contd.)

of India's share in the reserves) considering the estimated future expenditure on developing the reserves as per technical evaluation; premium on leasehold land is amortised over the period of lease; technical know how is amortised over the useful life of the underlying assets and computer software is amortised over a period of 5 years; intangible assets - others are amortised over the period of agreement of right to use, provided in case of jetty the aggregate amount amortised to date is not less than the aggregate rebate availed by the company; on amounts added on revaluation, depreciation is provided as aforesaid over the residual life of the assets as certified by the valuers'; on assets acquired under finance lease from 1st April 2001, depreciation is provided over the lease term.

G 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 Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

H. Foreign Currency Transactions

(a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

(b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

(c) Non monetary foreign currency items are carried at cost.

(d) In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year end rates.

(e) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

I. Investments

Current investments are carried at lower of cost and 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 a decline is other than temporary.

J. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis. By-products are valued at net realisable value. Cost of work-in-progress and finished stock is determined on absorption costing method.

K. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Turnover includes sale of goods, services, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net), Value Added Tax (VAT) and gain / loss on corresponding hedge contracts. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

SCHEDULE 'N' (Contd.)

L. Excise Duty and Sales Tax / Value Added Tax

Excise duty is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in bonded warehouses. Sales tax / Value added tax paid is charged to Profit and Loss account.

M. Employee Benefits

(i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

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

(iii) In respect of employees stock options, the excess of fair price on the date of grant over the exercise price is recognised as deferred compensation cost amortised over the vesting period.

N. Employee Separation Costs

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is charged to the Profit and Loss account in the year of exercise of option.

O. Borrowing Costs

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 necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

P. Financial Derivatives and Commodity Hedging Transactions

In respect of derivative contracts, premium paid, gains / losses on settlement and provision for losses for cash flow hedges are recognised in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

Q. Accounting for Oil and Gas Activity

The Company has adopted Full Cost Method of accounting for its Oil and Gas activity and all costs incurred in acquisition, exploration and development are accumulated considering the country as a cost centre. Oil and Gas Joint Ventures are in the nature of Jointly Controlled Assets. Accordingly, assets and liabilities as well as income and expenditure are accounted on the basis of available information on line by line basis with similar items in the Company's financial statements, according to the participating interest of the Company.

R. Provision for Current 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 difference" between 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. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

S. Premium on Redemption of Bonds / Debentures

Premium on redemption of bonds / debentures, net of tax impact, are adjusted against the Securities Premium Account.

SCHEDULE 'N' (Contd.)

T. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized 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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes on Accounts

SCHEDULE 'O'

1. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

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

Defined Contribution Plans (Rs. in crore)

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

	2009-10	2008-09
Employer's Contribution to Provident Fund	**53.06**	52.19
Employer's Contribution to Super annuation Fund	**11.70**	11.72
Employer's Contribution to Pension Scheme	**15.00**	15.53

The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-a-vis statutory rate.

Defined Benefit Plan

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

I) Reconciliation of opening and closing balances of Defined Benefit Obligation

(Rs. in crore)

	Gratuity (Funded)		**Leave Encashment (Unfunded)**	
	2009-10	2008-09	**2009-10**	2008-09
Defined Benefit obligation at beginning of year	**246.98**	291.46	**476.77**	518.47
On Amalgamation	**-**	0.78	**-**	3.75
Current Service Cost	**22.15**	16.86	**5.27**	5.52
Interest Cost	**17.97**	22.30	**28.13**	31.00
Actuarial (gain) / loss	**28.19**	(57.41)	**(9.35)**	187.50
Benefits paid	**(14.73)**	(27.01)	**(203.41)**	(269.47)
Defined Benefit obligation at year end	**300.56**	246.98	**297.41**	476.77

SCHEDULE 'O' (Contd.)

II) Reconciliation of opening and closing balances of fair value of Plan Assets

(Rs. in crore)

	Gratuity (Funded)	
	2009-10	2008-09
Fair value of Plan assets at beginning of year	**256.14**	190.04
On Amalgamation	**-**	0.08
Expected return on plan assets	**18.77**	17.05
Actuarial gain / (loss)	**5.72**	3.98
Employer contribution	**2.98**	72.00
Benefits paid	**(14.73)**	(27.01)
Fair value of Plan assets at year end	**268.88**	256.14
Actual return on plan assets	**24.49**	21.03

III) Reconciliation of fair value of assets and obligations

(Rs. in crore)

	Gratuity (Funded) As at 31st March		Leave Encashment (Unfunded) As at 31st March	
	2010	2009	**2010**	2009
Fair value of Plan assets	**268.88**	256.14	-	-
Present value of obligation	**300.56**	246.98	**297.41**	476.77
Amount recognized in Balance Sheet	**31.68**	(9.16)	**297.41**	476.77

IV) Expenses recognised during the year (Under the head "Payments to and Provisions for Employees"- Refer Schedule 'L')

(Rs. in crore)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2009-10	2008-09	**2009-10**	2008-09
Current Service Cost	**22.15**	16.86	**5.27**	5.52
Interest Cost	**17.97**	22.30	**28.13**	31.00
Expected return on Plan assets	**(18.77)**	(17.05)	**-**	-
Actuarial (gain) / loss	**22.47**	(61.39)	**(9.35)**	187.50
Net Cost	**43.82**	(39.28)	**24.05**	224.02

SCHEDULE 'O' (Contd.)

V) Investment Details :

	% Invested	
	As at 31st March, 2010	As at 31st March, 2009
GOI Securities	**11.03**	13.34
Public Securities	**12.76**	14.24
State Government Securities	**6.38**	7.66
Private Sector Securities [includes Equity Shares of Reliance Industries Limited, of Rs. 0.15 crore (Previous Year Rs. 0.15 crore)]	**0.05**	0.16
Insurance Policies	**69.45**	64.45
Others (including bank balances)	**0.33**	0.15
	100.00	100.00

VI) Actuarial assumptions

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2009-10	2008-09	**2009-10**	2008-09
Mortality Table (LIC)	**1994-96 (Ultimate)**	1994-96 (Ultimate)	**1994-96 (Ultimate)**	1994-96 (Ultimate)
Discount rate (per annum)	7.5%	8%	7.5%	8%
Expected rate of return on plan assets (per annum)	7.5%	8%	-	-
Rate of escalation in salary (per annum)	6%	4%	6%	4%

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 results of return on plan assets and the Company's policy for plan assets management.

3. Turnover includes Income from Services of Rs. 70.98 crore (Previous Year Rs. 59.96 crore) and sales during trial run period of Rs. 143.26 crore (Previous Year Rs. 2,604.53 crore).

4. The Gross Block of Fixed Assets includes Rs. 38,121.98 crore (Previous Year Rs. 38,121.98 crore) on account of revaluation of Fixed Assets carried out in the past. Consequent to the said revaluation there is an additional charge of depreciation of Rs. 2,980.48 crore (Previous Year Rs. 1,987.14 crore) and an equivalent amount, has been withdrawn from Revaluation Reserve and credited to the Profit and Loss Account. This has no impact on profit for the year.

5. The Company announced a Voluntary Separation Scheme (VSS) for the employees of certain units during the year. A sum of Rs. 19.56 crore (Previous Year Rs. 110.79 crore) has been paid during the year and debited to Profit and Loss Account under the head "Payments to and Provisions for Employees".

6. (a) Payment to Auditors:

(Rs. in crore)

	2009-10	2008-09
(i) Audit Fees	**5.70**	5.10
(ii) Tax Audit Fees	**0.50**	0.50
(iii) For Certification and Consultation in finance and tax matters	**6.38**	4.89
(iv) Expenses Reimbursed	**0.02**	0.04
	12.60	10.53
(b) Cost Audit Fees	**0.22**	0.21

SCHEDULE 'O' (Contd.)

7. Managerial Remuneration:
(Included under the head "Payments to and Provisions for Employees")

(a) Remuneration to Managing Director / Executive Directors

(Rs. in crore)

	2009-10	2008-09
(i) Salaries	**7.42**	1.34
(ii) Perquisites and allowances	**5.57**	1.66
(iii) Commission	**19.94**	34.23
(iv) Leave salary / Encashment	**0.55**	0.55
(v) Contribution to Provident fund and Superannuation fund	**1.06**	0.36
(vi) Provision for Gratuity	**6.36**	0.07
	40.90	38.21
(b) Commission to Non-Executive Directors	**1.75**	1.89

Computation of net profit in accordance with Section 349 of the Companies Act, 1956:

(Rs. in crore)

		2009-10	2008-09
Profit before Taxation		**20,547.44**	18,433.23
Add	Depreciation as per accounts	**10,496.53**	5,195.29
	Loss on sale / discarding of Fixed Assets	**29.28**	16.65
	Investment Provided for	**0.15**	3.44
	Investment written off (net)	**18.38**	-
	Managerial Remuneration	**36.03**	36.26
		31,127.81	23,684.87
Less	Depreciation as per Section 350 of Companies Act, 1956	**13,477.01**	7,182.43
	Premium on Investment in Preference Shares	**0.23**	0.05
	Profit on sale of Fixed Assets	**28.68**	9.57
	Profit on Sale of Investments	**238.43**	425.40
	Net Profit for the year	**17,383.46**	16,067.42
Salaries, Perquisites and Commission to Managing Director / Executive Directors calculated @ 0.40% of the Net profit. (Previous Year @ 0.402%)		**69.53**	64.59
Less:	Salaries & Perquisites of the Managing Director / Executive Directors eligible for commission	**16.09**	2.03
	Commission eligible	**53.44**	62.56
	Commission Restricted to	**19.94**	34.23

SCHEDULE 'O' (Contd.)

(c) General Expenses include Rs. 0.19 crore (Previous Year Rs. 0.20 crore) towards sitting fees paid to non-executive directors.

8. A sum of Rs. 1.35 crore (net debit) [Previous Year Rs. 2.14 crore (net debit)] is included under Establishment expenses representing Net Prior Period Items.

9. Expenditure on account of Premium on forward exchange contracts to be recognised in the Profit and Loss account of subsequent accounting period aggregates Rs. 81.66 crore (Previous Year Rs. 9.28 crore).

10. (a) Fixed assets taken on finance lease prior to 1st April, 2001, amount to Rs. 512.36 crore (Previous Year Rs. 512.36 crore). Future obligations towards lease rentals under the lease agreements as on 31st March, 2010 amount to Rs. 4.87 crore (Previous Year Rs. 5.45 crore).

(Rs. in crore)

	2009-10	2008-09
Within one year	**0.58**	0.58
Later than one year and not later than five years	**2.34**	2.34
Later than five years	**1.95**	2.53
Total	**4.87**	5.45

(b) In respect of Fixed Assets acquired on finance lease on or after 1st April, 2001, the minimum lease rentals outstanding as on 31st March, 2010 are as follows:

(Rs. in crore)

	Total Minimum Lease Payments outstanding As at 31st March		**Future interest on Outstanding Lease Payments**		**Present value of Minimum Lease Payments As at 31st March**	
	2010	2009	**2009-10**	2008-09	**2010**	2009
Within one year	**37.30**	1.51	**20.06**	0.08	**17.24**	1.43
Later than one year and not later than five years	**148.73**	0.39	**63.36**	0.06	**85.37**	0.33
Later than five years	**148.71**	0.20	**28.28**	0.09	**120.43**	0.11
Total	**334.74**	2.10	**111.70**	0.23	**223.04**	1.87

(c) General Description of Lease terms:

(i) Lease rentals are charged on the basis of agreed terms.

(ii) Assets are taken on lease over a period of 3 to 15 years.

SCHEDULE 'O' (Contd.)

11. (a) (i) Assets given on finance lease on or after 1st April, 2001

(Rs. in crore)

Particulars	Total		Not later than one year		Later than one year and not later than five years		Later than five years	
	2009-10	2008-09	**2009-10**	2008-09	**2009-10**	2008-09	**2009-10**	2008-09
Gross Investment	**79.22**	109.74	**30.75**	30.71	**48.47**	79.03	**-**	-
Less: Unearned Finance Income	**10.20**	18.29	**5.78**	8.13	**4.42**	10.16	**-**	-
Present Value of Minimum Lease Rental	**69.02**	91.45	**24.97**	22.58	**44.05**	68.87	**-**	-

(ii) General Description of Lease terms:

• Lease rentals are charged on the basis of agreed rate of interest.

• Assets are given on lease for a period of five years.

(b) Miscellaneous income includes income from finance lease of Rs. 8.14 crore (Previous Year Rs. 9.01 crore).

12. The deferred tax liability comprise of the following:

(Rs. in crore)

		As at 31st March, 2010	As at 31st March, 2009
a.	**Deferred Tax Liability**		
	Related to fixed assets	**11,169.25**	9,973.81
b.	**Deferred Tax Assets**		
	Disallowance under the Income Tax Act 1961	**242.95**	247.51
		10,926.30	9,726.30

13. EARNINGS PER SHARE (EPS)

		2009-10	2008-09
i)	Net Profit after tax as per Profit and Loss Account attributable to Equity Shareholders(Rs. in crore)	**16,235.67**	15,309.32
ii)	Net Profit before Exceptional item (Rs. in crore)	**16,235.67**	15,637.04
iii)	Weighted Average number of equity shares used as denominator for calculating EPS	**3,26,98,62,848***	3,14,78,35,738*
iv)	Basic and Diluted Earnings per share (Rs.)	**49.65**	48.63
v)	Basic and Diluted Earnings (before exceptional items) per share (Rs.)	**49.65**	49.68
vi)	Face Value per equity share (Rs.)	**10.00**	10.00

* Adjusted for issue of bonus shares in 2009-10 in the ratio of 1:1.

SCHEDULE 'O' (Contd.)

14. PROJECT DEVELOPMENT EXPENDITURE

(in respect of Projects up to 31st March,2010, included under Capital work-in-progress)

(Rs. in crore)

		2009-10		2008-09
Opening Balance	**17,095.19**		1,419.04	
Add: On Amalgamation	**-**		1,141.41	
		17,095.19		2,560.45
Add: Transferred from Profit and Loss Account				
Schedule – L	**1,217.92**		3,354.17	
Schedule – J	**-**		(88.52)	
Interest Capitalised	**983.81**		3,396.91	
Exchange Difference	**-**		10,939.75	
		2,201.73		17,602.31
		19,296.92		20,162.76
Less: Project Development Expenses Capitalised during the year		**17,843.72**		3,067.57
Closing Balance		**1,453.20**		17,095.19

SCHEDULE 'O' (Contd.)

15. RELATED PARTY DISCLOSURES :

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

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industrial Investments and Holdings Limited	
2	Reliance Ventures Limited	
3	Reliance Strategic Investments Limited	
4	Reliance Industries (Middle East) DMCC	
5	Reliance Jamnagar Infrastructure Limited	
6	Reliance Retail Limited	
7	Reliance Netherlands B.V.	
8	Reliance Haryana SEZ Limited	
9	Reliance Fresh Limited	
10	Retail Concepts and Services (India) Limited	
11	Reliance Retail Insurance Broking Limited	
12	Reliance Dairy Foods Limited	
13	Reliance Exploration & Production DMCC	
14	Reliance Retail Finance Limited	
15	RESQ Limited	
16	Reliance Global Management Services Limited	Subsidiary Companies
17	Reliance Commercial Associates Limited	
18	Reliancedigital Retail Limited	
19	Reliance Financial Distribution and Advisory Services Limited	
20	RIL (Australia) Pty Limited	
21	Reliance Hypermart Limited	
22	Gapco Kenya Limited	
23	Gapco Rwanda SARL	
24	Gapco Tanzania Limited	
25	Gapco Uganda Limited	
26	Gapoil (Zanzibar) Limited	
27	Gapoil Tanzania Limited	
28	Gulf Africa Petroleum Corporation	
29	Transenergy Kenya Limited	
30	Recron (Malaysia) Sdn Bhd	
31	Reliance Retail Travel & Forex Services Limited	
32	Reliance Brands Limited	
33	Reliance Footprint Limited	
34	Reliance Trends Limited	
35	Reliance Wellness Limited	

SCHEDULE 'O' (Contd.)

Sr. No.	Name of the Related Party	Relationship
36	Reliance Lifestyle Holdings Limited	
37	Reliance Universal Ventures Limited	
38	Delight Proteins Limited	
39	Reliance Autozone Limited	
40	Reliance F&B Services Limited	
41	Reliance Gems and Jewels Limited	
42	Reliance Integrated Agri Solutions Limited	
43	Strategic Manpower Solutions Limited	
44	Reliance Agri Products Distribution Limited	
45	Reliance Digital Media Limited	
46	Reliance Food Processing Solutions Limited	
47	Reliance Home Store Limited	
48	Reliance Leisures Limited	
49	Reliance Loyalty & Analytics Limited	
50	Reliance Retail Securities and Broking Company Limited	
51	Reliance Supply Chain Solutions Limited	
52	Reliance Trade Services Centre Limited	
53	Reliance Vantage Retail Limited	
54	Reliance International Exploration and Production Inc.	
55	Wave Land Developers Limited	
56	Reliance-GrandOptical Private Limited	Subsidiary Companies
57	Reliance Universal Commercial Limited	
58	Reliance Petroinvestments Limited	
59	Reliance Global Commercial Limited	
60	Reliance Cyprus Limited	
61	Reliance People Serve Limited	
62	Reliance Infrastructure Management Services Limited	
63	Reliance Global Business B.V.	
64	Reliance Gas Corporation Limited	
65	Reliance Global Energy Services Limited	
66	Reliance One Enterprises Limited	
67	Reliance Global Energy Services (Singapore) Pte. Ltd.	
68	Reliance Personal Electronics Limited	
69	Reliance Polymers (India) Limited	
70	Reliance Polyolefins Limited	
71	Reliance Aromatics and Petrochemicals Private Limited	
72	Reliance Energy and Project Development Private Limited	
73	Reliance Chemicals Limited	
74	Reliance Universal Enterprises Limited	

SCHEDULE 'O' (Contd.)

Sr. No.	Name of the Related Party	Relationship
75	International Oil Trading Limited	Subsidiary Companies
76	Reliance Review Cinema Limited	
77	Reliance Replay Gaming Limited	
78	Reliance Nutritional Food Processors Limited	
79	RIL USA Inc.	
80	Reliance Commercial Land & Infrastructure Limited	
81	Reliance Corporate IT Park Limited	
82	Reliance Eminent Trading & Commercial Private Limited	
83	Reliance Progressive Traders Private Limited	
84	Reliance Prolific Traders Private Limited	
85	Reliance Universal Traders Private Limited	
86	Reliance Prolific Commercial Private Limited	
87	Reliance Comtrade Private Limited	
88	Reliance Ambit Trade Private Limited	
89	Reliance Petro Marketing Limited	
90	LPG Infrastructure (India) Private Limited	
91	Reliance Infosolutions Private Limited	
92	Reliance Corporate Center Limited	
93	Reliance Convention and Exhibition Center Limited	
94	Central Park Enterprises DMCC	
95	Reliance International B. V.	
96	Reliance Corporate Services Private Limited	
97	Reliance Industrial Infrastructure Limited	Associates
98	Reliance Europe Limited	
99	Reliance LNG Limited	
100	Indian Vaccines Corporation Limited	
101	Gujarat Chemicals Port Terminal Company Limited	
102	Reliance Utilities and Power Private Limited	
103	Reliance Utilities Private Limited	
104	Reliance Ports and Terminals Limited	
105	Reliance Gas Transportation Infrastructure Limited	
106	Shri Mukesh D. Ambani	Key Managerial Personnel
107	Shri Nikhil R. Meswani	
108	Shri Hital R. Meswani	
109	Shri H.S. Kohli	
110	Shri P.M.S. Prasad	
111	Shri R. Ravimohan	
112	Dhirubhai Ambani Foundation	Enterprises over which Key Managerial Personnel are able to exercise significant influence
113	Jamnaben Hirachand Ambani Foundation	
114	Hirachand Govardhandas Ambani Public Charitable Trust	
115	HNH Trust and HNH Research Society	

SCHEDULE 'O' (Contd.)

(ii) Transactions during the year with related parties :

(Rs. in crore)

Sr. No.	Nature of Transactions (Excluding reimbursements)	Subsidiaries	Associates	Key Managerial Personnel	Others	Total
1.	Purchase of Fixed Assets	**238.54**	**-**	**-**	**-**	**238.54**
		908.00	*0.35*	*-*	*-*	*908.35*
2.	Purchase / Subscription of Investments	**2,415.80**	**24.51**	**-**	**-**	**2,440.31**
		4,292.16	*2,000.41*	*-*	*-*	*6,292.57*
3.	Sale / redemption of Investments	**6,326.92**	**155.63**	**-**	**-**	**6,482.55**
		0.06	*102.23*	*-*	*-*	*102.29*
4.	Premium Accrued on Investment in Preference Shares	**-**	**-**	**-**	**-**	**-**
		0.27	*-*	*-*	*-*	*0.27*
5.	Net Loans and advances given / (returned)	**(2,812.43)**	**(8.00)**	**-**	**-**	**(2,820.43)**
		(193.54)	*(4.89)*	*-*	*-*	*(198.43)*
6.	Turnover	**9,124.51**	**212.72**	**-**	**-**	**9,337.23**
		3,304.04	*29.53*	*-*	*-*	*3,333.57*
7.	Other Income	**450.45**	**6.45**	**-**	**-**	**456.90**
		205.50	*5.35*	*-*	*-*	*210.85*
8.	Purchases	**56.46**	**45.00**	**-**	**-**	**101.46**
		598.93	*-*	*-*	*-*	*598.93*
9.	Electric Power, Fuel and Water	**-**	**960.30**	**-**	**-**	**960.30**
		-	*685.74*	*-*	*-*	*685.74*
10.	Hire Charges	**-**	**559.00**	**-**	**-**	**559.00**
		-	*76.34*	*-*	*-*	*76.34*
11.	Manpower Deputation Charges	**40.69**	**85.93**	**-**	**-**	**126.62**
		40.12	*4.47*	*-*	*-*	*44.59*
12.	Payment to Key Managerial Personnel	**-**	**-**	**40.90**	**-**	**40.90**
		-	*-*	*38.21*	*-*	*38.21*
13.	Sales and Distribution Expenses	**72.13**	**2,532.84**	**-**	**-**	**2,604.97**
		73.61	*1,263.23*	*-*	*-*	*1,336.84*
14.	Rent	**0.13**	**-**	**-**	**-**	**0.13**
		4.50	*2.25*	*-*	*-*	*6.75*
15.	Professional Fees	**91.75**	**21.32**	**-**	**-**	**113.07**
		39.01	*16.60*	*-*	*-*	*55.61*

SCHEDULE 'O' (Contd.)

Sr. No.	Nature of Transactions (Excluding reimbursements)	Subsidiaries	Associates	Key Managerial Personnel	Others	Total
16.	General expenses	**392.21**	**9.87**	**-**	**-**	**402.08**
		66.04	*9.05*	-	-	*75.09*
17.	Donations	**-**	**-**	**-**	**18.97**	**18.97**
		-	-	-	*37.23*	*37.23*
18.	Interest Expenses	**21.45**	**-**	**-**	**-**	**21.45**
		3.64	-	-	-	*3.64*
19.	Investment written off (net)	**-**	**18.38**	**-**	**-**	**18.38**
		-	-	-	-	-
	Balance as at 31st March, 2010					
20.	**Investments**	**12,757.40**	**2,033.31**	**-**	**-**	**14,790.71**
		16,668.52	*2,051.69*	-	-	*18,720.21*
21.	**Sundry Debtors**	**2,978.18**	**20.01**	**-**	**-**	**2,998.19**
		359.29	*119.91*	-	-	*479.20*
22.	**Loans & Advances**	**3,890.31**	**1,427.19**	**-**	**-**	**5,317.50**
		6,459.73	*1,449.64*	-	-	*7,909.37*
23.	**Sundry Creditors**	**170.08**	**414.80**	**-**	**-**	**584.88**
		86.31	*257.17*	-	-	*343.48*
24.	**Financial Guarantees**	**1,588.85**	**563.47**	**-**	**-**	**2,152.32**
		1,598.31	*431.12*	-	-	*2,029.43*
25.	**Performance Guarantees**	**-**	**7.03**	**-**	**-**	**7.03**
		1.50	*11.07*	-	-	*12.57*

Note : Figures in italics represent Previous Year's amounts.

SCHEDULE 'O' (Contd.)

Disclosure in Respect of Material Related Party Transactions during the year :

1. Purchase of Fixed Assets include Reliance Jamnagar Infrastructure Limited Rs. NIL (Previous Year Rs. 730.64 crore), Reliance Retail Limited Rs. NIL (Previous Year Rs. 171.34 crore), Reliance Home Store Limited Rs. 0.05 crore (Previous Year Rs. 5.48 crore), Reliance Corporate IT Park Limited Rs. 238.38 crore (Previous Year Rs. NIL), Reliance Europe Limited Rs. NIL (Previous Year Rs. 0.35 crore).

2. Purchase / Subscription of Investments include Reliance Industrial Investments and Holdings Limited Rs. NIL (Previous Year Rs. 1,750.00 crore), Reliance Strategic Investments Limited Rs. 112.78 crore (Previous Year Rs. NIL), Reliance Industries (Middle East) DMCC Rs. 99.32 crore (Previous Year Rs. 355.04 crore), Reliance Jamnagar Infrastructure Limited Rs. NIL (Previous Year Rs. 1,275.00 crore), Reliance Exploration & Production DMCC Rs. 658.47 crore (Previous Year Rs. 912.11 crore), Reliance Retail Limited Rs. 1,220.00 crore (Previous Year Rs. NIL), Reliance Global Business B.V. Rs. 324.40 crore (Previous Year Rs. NIL) (including conversion of share application money of Rs. 196.86 crore of Previous Year into 'A' Class Preference Shares), Reliance Gas Transportation Infrastructure Limited Rs. 24.51 crore (Previous Year Rs. 2,000.00 crore).

3. Sale / redemption of Investments include Reliance Strategic Investments Limited Rs. 4,216.92 crore (Previous Year Rs. NIL), Reliance Ventures Limited Rs. 10.00 crore (Previous Year Rs. NIL), Reliance Industrial Investments and Holdings Limited Rs. 1,750.00 crore (Previous Year Rs. NIL), Reliance Jamnagar Infrastructure Limited Rs. 350.00 crore (Previous Year Rs. NIL), Reliance Gas Transportation Infrastructure Limited Rs. 65.68 crore (Previous Year Rs. 102.23 crore), Reliance Ports and Terminals Limited Rs. 89.95 crore (Previous Year Rs. NIL).

4. Loans given during the year include Reliance Industrial Investments and Holdings Limited Rs. NIL (Previous Year Rs. 1,211.15 crore), Reliance Retail Limited Rs. NIL (Previous Year Rs. 1,156.32 crore), Reliance Exploration & Production DMCC Rs. 22.45 crore (Previous Year Rs. 19.97 crore), Gapco Kenya Limited Rs. NIL (Previous Year Rs. 22.94 crore), Gapco Tanzania Limited Rs. NIL (Previous Year Rs. 166.06 crore), Gapoil Tanzania Limited Rs. NIL (Previous Year Rs. 179.35 crore), Reliance Global Business B.V. Rs. NIL (Previous Year Rs. 200.57 crore), Reliance Gas Corporation Limited Rs. NIL (Previous Year Rs. 5.96 crore), Reliance Infosolutions Private Limited Rs. 4.70 crore (Previous Year Rs. 107.59 crore), Reliance Corporate IT Park Limited Rs. 6.00 crore (Previous Year Rs. NIL), Gujarat Chemicals Port Terminal Company Limited Rs. 17.00 crore (Previous Year Rs. 0.14 crore). Loans returned during the year from Reliance Ventures Limited Rs. NIL (Previous Year Rs. 1,001.49 crore), Reliance Strategic Investments Limited Rs. NIL (Previous Year Rs. 14.05 crore), Reliance Industries (Middle East) DMCC Rs. 87.31 crore (Previous Year Rs. 447.63 crore), Reliance Jamnagar Infrastructure Limited Rs. NIL (Previous Year Rs. 1,619.00 crore), Reliance Netherlands B.V. Rs. NIL (Previous Year Rs. 145.99 crore), Reliance Industrial Investments and Holdings Limited Rs. 1,454.51 crore (Previous Year Rs. NIL), Recron (Malaysia) Sdn Bhd Rs. NIL (Previous Year Rs. 35.30 crore), Gapco Kenya Limited Rs. 19.78 crore (Previous Year Rs. NIL), Gapco Tanzania Limited Rs. 40.19 crore (Previous Year Rs. NIL), Gapoil Tanzania Limited Rs. 19.39 crore (Previous Year Rs. NIL), Reliance Retail Limited Rs. 1,027.61 crore (Previous Year Rs. NIL), Reliance Global Business B.V. Rs. 196.86 crore (Previous Year Rs. NIL) (conversion of share application money of Previous Year into 'A' Class Preference Shares), Reliance Industrial Infrastructure Limited Rs. 25.00 crore (Previous Year Rs. 10.00 crore).

5. Turnover include to Reliance Industries (Middle East) DMCC Rs. NIL (Previous Year Rs. 234.07 crore), Reliance Jamnagar Infrastructure Limited Rs. 0.03 crore (Previous Year Rs. 14.25 crore), Reliance Retail Limited Rs. 39.46 crore (Previous Year Rs. 1.25 crore), Gapco Kenya Limited Rs. 2,492.30 crore (Previous Year Rs. 2,341.53 crore), Gapco Tanzania Limited Rs. 262.92 crore (Previous Year Rs. 139.56 crore), Gapoil Tanzania Limited Rs. 230.01 crore (Previous Year Rs. 272.07 crore), Recron (Malaysia) Sdn Bhd Rs. 71.87 crore (Previous Year Rs. 143.24 crore), Reliance Supply

SCHEDULE 'O' (Contd.)

Chain Solutions Limited Rs. NIL (Previous Year Rs. 1.29 crore), International Oil Trading Limited Rs. NIL (Previous Year Rs. 155.11 crore), Reliance Trends Limited Rs. 2.37 crore (Previous Year Rs.0.78 crore), LPG Infrastructure (India) Private Limited Rs. 191.55 crore (Previous Year Rs. 0.44 crore), Reliance Petro Marketing Limited Rs. 364.19 crore (Previous Year Rs. 0.10 crore), Reliance Food Processing Limited Rs. 1.28 crore (Previous Year Rs. NIL), RIL USA Inc. Rs. 4,875.63 crore (Previous Year Rs. NIL), Reliance Industrial Investments and Holdings Limited Rs. 592.31 crore (Previous Year Rs. NIL), Reliance Utilities Private Limited Rs. 0.03 crore (Previous Year Rs. 25.02 crore), Reliance Ports and Terminals Limited Rs. 3.31 crore (Previous Year Rs. 0.03 crore), Reliance Gas Transportation Infrastructure Limited Rs. 209.37 crore (Previous Year Rs. 4.48 crore).

6. Other Income from Reliance Industrial Investments and Holdings Limited Rs. 373.62 crore (Previous Year Rs. 14.14 crore), Reliance Ventures Limited Rs. 2.10 crore (Previous Year Rs. 112.91 crore), Reliance Strategic Investments Limited Rs. 33.07 crore (Previous Year Rs. 17.96 crore), Reliance Industries (Middle East) DMCC Rs. 0.81 crore (Previous Year Rs. 5.49 crore), Reliance Jamnagar Infrastructure Limited Rs. NIL (Previous Year Rs. 1.04 crore), Reliance Exploration & Production DMCC Rs. 12.25 crore (Previous Year Rs. 19.97crore), Gapco Kenya Limited Rs. 1.70 crore (Previous Year Rs. 3.16 crore), Gapco Tanzania Limited Rs. 6.07 crore (Previous Year Rs. 11.45 crore), Gapoil Tanzania Limited Rs. 6.61 crore (Previous Year Rs. 10.35 crore), Recron (Malaysia) Sdn Bhd Rs. 4.62 crore (Previous Year Rs. 5.24 crore), Reliance Global Business B. V. Rs. NIL (Previous Year Rs. 3.71 crore), Reliance Infosolutions Private Limited Rs. 8.14 crore (Previous Year Rs. 0.08 crore), Reliance Industrial Infrastructure Limited Rs. 3.88 crore (Previous Year Rs. 2.14 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 0.83 crore (Previous Year Rs. 1.92 crore), Reliance Europe Limited Rs. 1.74 crore (Previous Year Rs. 1.29 crore).

7. Purchases from Reliance Industrial Investments and Holdings Limited Rs. NIL (Previous Year Rs. 32.06 crore), Reliance Industries (Middle East) DMCC Rs. NIL (Previous Year Rs. 566.87 crore), Recron (Malaysia) Sdn Bhd Rs. 2.25 crore (Previous Year Rs. NIL), Reliance Petro Marketing Limited Rs. 54.21 crore (Previous Year Rs. NIL), Reliance Gas Transportation Infrastructure Limited Rs. 34.43 crore (Previous Year Rs. NIL), Reliance Ports and Terminals Limited Rs. 10.57 crore (Previous Year Rs. NIL).

8. Electric Power, Fuel and Water charges paid to Reliance Utilities and Power Private Limited Rs. 285.83 crore (Previous Year Rs. 289.88 crore), Reliance Utilities Private Limited Rs. 674.47 crore (Previous Year Rs. 395.86 crore).

9. Hire Charges paid to Reliance Europe Limited Rs. NIL (Previous Year Rs. 4.63 crore), Reliance Industrial Infrastructure Limited Rs. 32.01 crore (Previous Year Rs. 22.53 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 48.86 crore (Previous Year Rs. 42.05 crore), Reliance Gas Transportation Infrastructure Limited Rs. 314.56 crore (Previous Year Rs. 7.14 crore), Reliance Ports and Terminals Limited Rs. 163.57 crore (Previous Year Rs. NIL).

10. Manpower Deputation Charges to Reliance Retail Limited Rs. 33.72 crore (Previous Year Rs. 20.81 crore), Reliance Trends Limited Rs. NIL (Previous Year Rs. 12.00 crore), Reliance Petroinvestments Limited Rs. NIL (Previous Year Rs. 2.75 crore), Reliance People Serve Limited Rs. 3.00 crore (Previous Year Rs. 4.20 crore), Strategic Manpower Solutions Limited Rs. 3.97 crore (Previous Year Rs. 0.35 crore), Reliance Industrial Infrastructure Limited Rs. 11.81 crore (Previous Year Rs. 4.47 crore), Reliance Ports and Terminals Limited Rs. 74.12 crore (Previous Year Rs. NIL).

11. Payment to Key Management Personnel include to Shri Mukesh D. Ambani Rs. 15.00 crore (Previous Year Rs. 15.00 crore), Shri Nikhil R. Meswani Rs. 11.14 crore (Previous Year Rs. 10.93 crore), Shri Hital R. Meswani Rs. 11.14 crore (Previous Year Rs. 10.93 crore), Shri H. S. Kohli Rs. 1.32 crore (Previous Year Rs. 1.35 crore), Shri P. M. S. Prasad Rs. 1.53 crore (Previous Year Rs. NIL), Shri R. Ravimohan Rs. 0.77 crore (Previous Year Rs. NIL).

12. Sales and Distribution Expenses include to Reliance Retail Limited Rs. 72.13 crore (Previous Year Rs. 72.84 crore), Reliance Ports and Terminals Limited Rs. 2,524.35 crore (Previous Year Rs. 1,255.26 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 8.49 crore (Previous Year Rs. 7.97 crore).

13. Rent paid to Reliance Supply Chain Solutions Limited Rs. 0.13 crore (Previous Year Rs. 4.50 crore), Reliance Industrial Infrastructure Limited Rs. NIL (Previous Year Rs. 2.25 crore).

14. Professional Fees paid to Reliance Financial Distribution and Advisory Services Limited Rs. 5.00 crore (Previous Year Rs. 14.00 crore), Reliance Universal Ventures Limited Rs. 2.30 crore (Previous Year Rs. 3.50 crore), Reliance Supply Chain Solutions Limited Rs. 36.00 crore (Previous Year Rs. 21.00 crore), Reliance Infosolutions Private Limited Rs. 48.00 crore (Previous Year Rs. NIL), Reliance Europe Limited Rs. 20.20 crore (Previous Year Rs. 16.60 crore), Reliance Ports and Terminals Limited Rs. 1.12 crore (Previous Year Rs. NIL).

15. General Expenses include to Reliance Jamnagar Infrastructure Limited Rs. 373.17 crore (Previous Year Rs. 60.01 crore), Reliance Hypermart Limited Rs. 0.03 crore (Previous Year Rs. 1.95 crore), Reliance Retail Travel & Forex Services Limited Rs. 0.05 crore (Previous Year Rs. 1.63 crore), Reliance Retail Limited Rs. 4.60 crore (Previous Year Rs. NIL), Reliance Footprint Limited Rs. 1.47 crore (Previous Year Rs. 0.39 crore), Reliance Fresh Limited Rs. 2.51 crore (Previous Year Rs. 0.13 crore), Reliance Polyolefins Limited Rs. 9.00 crore (Previous Year Rs. NIL), Reliance Industrial Infrastructure Limited Rs. 9.00 crore (Previous Year Rs. 9.00 crore).

16. Donations to Dhirubhai Ambani Foundation Rs. 16.25 crore (Previous Year Rs. 35.47 crore), Jamnaben Hirachand Ambani Foundation Rs. 1.30 crore (Previous Year Rs. 0.04 crore).

17. Interest Expenses include to LPG Infrastructure (India) Private Limited Rs. NIL (Previous Year Rs. 3.64 crore), Reliance Corporate IT Park Limited Rs. 21.45 crore (Previous Year Rs. NIL).

18. Investment written off (net) includes Gujarat Chemicals Port Terminal Company Limited Rs. 18.38 crore (Previous Year Rs. NIL).

SCHEDULE 'O' (Contd.)

16. Loans and Advances in the nature of Loans given to Subsidiaries and Associates :

A) Loans and Advances in the nature of Loans

(Rs. in crore)

Sr No.	Name of the Company		As at 31st March, 2010	As at 31st March, 2009	Maximum Balance during the year
1.	Reliance Industrial Investments and Holdings Limited*	Subsidiary	**2,649.54**	4,104.04	5,541.44
2.	Reliance Ventures Limited	Subsidiary	-	-	25.55
3.	Reliance Strategic Investments Limited	Subsidiary	-	-	1,101.45
4.	Reliance Industries (Middle East) DMCC	Subsidiary	**-**	87.31	87.31
5.	Gapco Kenya Limited	Subsidiary	**-**	19.78	23.22
6.	Gapoil Tanzania Limited	Subsidiary	**149.61**	169.00	233.73
7.	Gapco Tanzania Limited	Subsidiary	**114.42**	154.61	213.83
8.	Reliance Exploration & Production DMCC	Subsidiary	**22.45**	-	363.31
9.	Gujarat Chemicals Port Terminal Co Limited	Associate	**5.60**	22.38	22.38

* Excluding Debentures of Rs. 721.48 crore (Previous Year Rs. 721.48 crore)

Notes:

(a) Loans and Advances shown above, to Subsidiaries fall under the category of 'Loans & Advances' in nature of Loans where there is no repayment schedule and are re-payable on demand.

(b) All the above loans and advances are interest bearing.

(c) Loans to employees as per Company's policy are not considered.

B) (i) Investment by the loanee in the shares of the Company

*None of the loanees and loanees of subsidiary companies have, per se, made investments in shares of the Company. These investments represent shares of the Company allotted as a result of amalgamation of erstwhile Reliance Petroleum Limited (amalgamation in 2001-02) and Indian Petrochemicals Corporation Limited with the Company under the Schemes approved by the Hon'ble High Court of Bombay and Gujarat and certain subsequent inter se transfer of shares.

(Rs. in crore)

Sr No.	Name of the Company	No. of Shares**	Amount
1.	*Reliance Aromatics & Petrochemicals Private Limited	2,98,89,898	273.81
2.	*Reliance Energy & Project Development Private Limited	20,58,000	304.92

** After considering bonus shares issued.

SCHEDULE 'O' (Contd.)

(ii) Investment by Reliance Industrial Investments and Holdings Limited in subsidiaries

In Equity Shares :

Sr No.	Name of the Company	No. of Shares
1.	Reliance Commercial Land & Infrastructure Limited	4,30,10,000
2.	Reliance Global Business B.V.	18,00,000
3.	Reliance Gas Corporation Limited	50,000
4.	Reliance Universal Enterprises Limited	38,55,000

(iii) Investment by Reliance Exploration & Production DMCC in subsidiaries

In Equity Shares :

Sr No.	Name of the Company	No. of Shares
1.	Reliance International B. V.	20,000
2.	Central Park Enterprises DMCC	367

17. (a) Disclosure of the Company's Interest in Oil and Gas Joint Ventures:

Sr. No.	Name of the Fields in the Joint Ventures	% Interest	Sr. No.	Name of the Fields in the Joint Ventures	% Interest
1.	Panna Mukta	30% (30%)	8.	CB - ON/1	40% (40%)
2.	Tapti	30% (30%)	9.	AS – ONN - 2000/1	90% (90%)
3.	NEC – OSN - 97/2	90% (90%)	10.	KG – DWN - 2001/1	90% (90%)
4.	KG – DWN - 98/3	90% (90%)	11.	KG – DWN – 2003/1	90% (90%)
5.	GS – OSN - 2000/1	90% (90%)	12.	MN – DWN – 2003/1	85% (85%)
6.	GK - OSJ – 3	60% (60%)	13.	KG-DWN-2005/2	70% (70%)
7.	GK - OS - 5	NIL (40%)			

Figures in bracket represent Previous Year's (%) Interest.

(b) Net Quantities of Company's interest (on gross basis) in proved reserves and proved developed reserves :

	Proved Reserves (Million MT)		Proved Developed Reserves (Million MT)	
	2009-10	2008-09	**2009-10**	2008-09
Oil:				
Beginning of the year	**11.02**	11.64	**4.97**	3.58
Additions	**1.13**	0.12	**4.69**	2.13
Deletion	**-**	-	**-**	-
Production	**1.04**	0.74	**1.04**	0.74
Closing balance	**11.11**	11.02	**8.62**	4.97

	Proved Reserves (Million M3*)		Proved Developed Reserves (Million M3*)	
	2009-10	2008-09	**2009-10**	2008-09
Gas:				
Beginning of the year	**2,20,468**	2,22,188	**1,33,894**	16,842
Additions	**5,353**	168	**11,536**	1,18,940
Deletion	**-**	-	**-**	-
Production	**14,607**	1,888	**14,607**	1,888
Closing balance	**2,11,214**	2,20,468	**1,30,823**	1,33,894

* 1 cubic meter (M3) = 35.315 cubic feet and 1 cubic feet = 1000 BTU

SCHEDULE 'O' (Contd.)

18. As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

19. ADDITIONAL INFORMATION

(Rs. in crore)

	As at 31st March, 2010	As at 31st March, 2009
(A) Estimated amount of contracts remaining to be executed on Capital account and not provided for:		
(i) In respect of joint Ventures	**12.71**	2,992.66
(ii) In respect of others	**15,220.45**	22,901.77
(B) Uncalled liability on partly paid Shares (Net of calls in advance)	**4,270.38**	4,310.00
(C) Contingent Liabilities		
(i) Outstanding guarantees furnished to Banks and Financial Institutions including in respect of Letters of credit		
(a) In respect of joint Ventures	**243.50**	-
(b) In respect of others	**2,136.74**	4,316.25
(ii) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties		
(a) In respect of joint Ventures	**-**	-
(b) In respect of others	**2,152.97**	2,032.94
(iii) Liability in respect of bills discounted with Banks (Including third party bills discounting)		
(a) In respect of joint Ventures	**-**	-
(b) In respect of others	**1,834.44**	1,347.88
(iv) Claims against the Company / disputed liabilities not acknowledged as debts		
(a) In respect of joint Ventures	**-**	-
(b) In respect of others	**822.35**	1,268.99
(v) Performance Guarantees		
(a) In respect of joint Ventures	**-**	-
(b) In respect of others	**108.04**	112.80
(vi) Sales tax deferral liability assigned	**5,380.25**	5,406.89

(D) The Income-Tax assessments of the Company have been completed up to Assessment Year 2007-08. The disputed demand outstanding up to the said Assessment Year is Rs. 701.39 crore. 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.

SCHEDULE 'O' (Contd.)

20. LICENSED AND INSTALLED CAPACITY

(As certified by the Management)

			UNIT	Licensed Capacity As at 31st March, 2010	2009	Installed Capacity As at 31st March, 2010	2009
A		Refining of Crude Oil	Mill. MT	**N.A.**	N.A.	**60**	33
B	i	Ethylene	MT	**N.A.**	N.A.	**1,883,400**	1,883,400
	ii	Propylene	MT	**N.A.**	N.A.	**759,800**	759,800
	iii	Benzene	MT	**N.A.**	N.A.	**730,000**	730,000
	iv	Toluene	MT	**N.A.**	N.A.	**197,000**	197,000
	v	Xylene	MT	**N.A.**	N.A.	**165,000**	165,000
	vi	Hydro Cynic Acid	MT	**3,600**	3,600	**3,600**	3,600
	vii	Ethane Propane Mix	MT	**N.A.**	N.A.	**450,000**	450,000
	viii	Caustic Soda Lye/Flakes	MT	**N.A.**	N.A.	**168,000**	168,000
	ix	Chlorine	MT	**N.A.**	N.A.	**141,200**	141,200
	x	Acrylonitrile	MT	**N.A.**	N.A.	**41,000**	41,000
	xi	Linear Alkyl Benzene	MT	**N.A.**	N.A	**182,400**	182,400
	xii	Butadiene & Other C4s	MT	**N.A.**	N.A.	**419,000**	419,000
	xiii	Cyclohexane	MT	**N.A.**	N.A.	**40,000**	40,000
C	i	Paraxylene	MT	**N.A.**	N.A.	**1,856,000**	1,904,600
	ii	Orthoxylene	MT	**N.A.**	N.A.	**420,000**	467,900
	iii	Toluole	MT	**N.A.**	N.A.	**180,000**	180,000
D		Poly Vinyl Chloride	MT	**N.A.**	N.A.	**625,000**	625,000
E		High/Linear Low Density Poly Ethylene	MT	**N.A.**	N.A.	**1,115,000**	1,115,000
F		High Density Polyethylene Pipes	MT	**N.A.**	N.A.	**80,000**	80,000
G		Poly Butadiene Rubber	MT	**N.A.**	N.A.	**74,000**	74,000
H		Polypropylene	MT	**N.A.**	N.A.	**2,685,200**	1,735,200
I	i	Mono Ethylene Glycol	MT	**N.A.**	N.A.	**733,400**	733,400
	ii	Higher Ethylene Glycol	MT	**N.A.**	N.A.	**52,080**	52,080
	iii	Ethylene Oxide	MT	**N.A.**	N.A.	**116,000**	116,000
J		Purified Terephthalic Acid	MT	**N.A.**	N.A.	**2,050,000**	2,050,000
K		Polyester Filament Yarn/Polyester Chips	MT	**N.A.**	N.A.	**822,725+**	822,725+
L		Polyester Staple Fibre/ Acrylic Fibre / Chips	MT	**N.A.**	N.A.	**741,612**	741,612
M		Poly Ethylene Terephthalate	MT	**N.A.**	N.A.	**290,000**	290,000
N		Polyester Staple Fibre Fill	MT	**N.A.**	N.A.	**42,000**	42,000
0		Man-made Fibre Spun Yarn on worsted system	Nos	**N.A.**	N.A.	**24,094**	24,094
P		Man-made Fibre on cotton system (Spindles)	Nos	**N.A.**	N.A.	**23,040**	23,040
Q	i	Man-made Fabrics (Looms)	Nos	**N.A.**	N.A.	**335**	364
	ii	Knitting M/C	Nos	**22**	22	**20**	20
R		Solar Photovoltaic Modules	M.W.	**N.A.**	N.A.	**30**	30

SCHEDULE 'O' (Contd.)

NA - Delicensed vide notification No 477(E) dated 27th July 1991 and Press Note No 1 (1998 series) dated 8th June 1998

+ Includes 32,300 MT based on average denier of 40

21. (a) The Ministry of Corporate Affairs, Government of India vide its Order No. 46/92/2010-CL-III dated 16-04-2010 issued under Section 211(4) of the Companies Act, 1956 has exempted the Company from disclosure of quantitative details in the Profit and Loss Account under paras 3(i)(a), 3(ii)(a) (1) & (2), 3(ii)(b) of Part II, Schedule VI to the Companies Act,1956.

(b) The Ministry of Corporate Affairs, Government of India vide its Order No. 47/165/2010-CL-III dated 15-04-2010 has granted approval that the requirement to attach various documents in respect of subsidiary companies, as set out in sub-section (1) of section 212 of the Companies Act, 1956, shall not apply to the Company. As per the Order, the financial information of each subsidiary is attached.

22. PRODUCTION MEANT FOR SALE :

Products	**Unit**	**2009-10**	**2008-09**
Crude Oil	MT	**1,021,797**	683,023
Gas	BBTU	**435,157**	63,393
Petroleum Products	'000 MT	**46,076**	29,733
Ethylene	MT	**357**	9,917
Propylene	MT	**28,095**	134
Benzene	MT	**662,254**	593,796
Toluene	MT	**108,963**	104,580
Caustic Soda lye / Flakes	MT	**124,138**	133,779
Acrylonitrile	MT	**39,462**	30,445
Linear Alkyl Benzene	MT	**162,813**	154,586
Butadiene	MT	**102,934**	88,307
Cyclohexane	MT	**29,269**	18,057
Paraxylene	MT	**514,938**	572,254
Orthoxylene	MT	**357,983**	223,976
Poly Vinyl Chloride	MT	**624,018**	613,783
Polyethylene	MT	**1,057,906**	990,189
High Density Polyethylene Pipes	Mtrs. In lacs	**96**	95
Poly Butadiene Rubber	MT	**72,894**	71,974
Polypropylene	MT	**2,398,598**	1,513,644
Ethylene Glycol	MT	**301,509**	352,182
Purified Terephthalic Acid	MT	**610,787**	648,219
Polyester Filament Yarn	MT	**796,033**	694,592
Polyester Staple Fibre	MT	**627,857**	578,462
Poly Ethylene Terephthalate	MT	**314,191**	297,870
Polyester Staple Fibre Fill	MT	**59,601**	39,729
Fabrics	Mtrs. in Lacs	**163**	174

SCHEDULE 'O' (Contd.)

23. Financial and Derivative Instruments

a) Derivative contracts entered into by the Company and outstanding as on 31st March, 2010

(i) **For hedging Currency and Interest Rate Related Risks:**

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March amount to Rs 1,23,430.42 crore (Previous Year Rs. 60,373.04 Crore). Category wise break up is given below:

(Rs in crore)

Sr. No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
1	Interest Rate Swaps	**48,361.08**	23,215.50
2	Currency Swaps	**4,199.76**	4,435.15
3	Options (net)	**44,853.83**	2,492.71
4	Forward Contracts	**26,015.75**	30,229.68

(ii) For hedging commodity related risks :

Category wise break up is given below :

(in Kbbl)

Sr. No.	Particulars	As at 31st March, 2010 Petroleum product sales	As at 31st March, 2010 Crude Oil purchases	As at 31st March, 2009 Petroleum product sales	As at 31st March, 2009 Crude oil purchases
1	Forward swaps (net)	**1,900**	**8,185**	2,985	6,157
2	Futures	**4,070**	**4,967**	256	2,689
3	Spreads	**9,545**	**32,141**	1,908	13,424
4	Options (net)	**1,800**	**12,175**	9,387	10,800

In addition the Company has net margin hedges outstanding for contracts relating to petroleum product sales of 72,700 kbbl (Previous Year 30,650 kbbl).

b) In accordance with principles of prudence and other applicable guidelines as per Accounting Standards notified by the Companies (Accounting Standards) Rules 2006, the Company has charged an amount of Rs. 94.09 crore (Previous Year Rs. 35.32 Crore) to the Profit and Loss Account in respect of derivative contracts other than those contracts which are effective hedges.

c) Foreign currency exposures that are not hedged by derivative instruments as on 31st March, 2010 amount to Rs. 50,442.30 crore. (Previous Year Rs. 51,432.57 crore).

24. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

(Rs. in crore)

	2009-10	2008-09
Raw Materials and Traded Goods	**1,52,083.05**	1,02,072.93
Stores, Chemicals and Packing Materials	**1,430.63**	1,407.80
Capital goods	**1,190.22**	6,592.69

SCHEDULE 'O' (Contd.)

25. EXPENDITURE IN FOREIGN CURRENCY :

(Rs. in crore)

	2009-10	2008-09
Capital Contracts (Includes Rs. 16.45 crore for SEZ unit)	**37.70**	122.81
Oil and Gas Activity	**7,106.51**	12,084.66
Technical and Engineering Fees (Includes Rs. 1,011.51 crore for SEZ unit)	**1,011.51**	231.91
Production Royalty	**-**	3.32
Machinery Repairs (Includes Rs. 1.19 crore for SEZ unit)	**30.10**	28.68
Building Repairs	**0.12**	0.11
Lease Rent	**2.14**	28.44
Payments To and Provisions For Employees	**17.50**	23.62
Sales Promotion Expenses	**21.86**	39.28
Brokerage and Commission (Includes Rs. 3.49 crore for SEZ Unit)	**37.94**	176.17
Ocean Freight (Includes Rs. 762.35 crore for SEZ unit)	**1,307.02**	727.06
Warehousing and Distribution Expenses (Includes Rs. 813.65 crore for SEZ unit)	**896.70**	130.54
Insurance (Includes Rs. 0.13 crore for SEZ Unit)	**2.69**	5.18
Rent	**3.43**	2.87
Rates & Taxes	**0.31**	0.64
Other Repairs (Includes Rs. 0.35 crore for SEZ unit)	**9.68**	58.14
Travelling Expenses (Includes Rs. 0.07 crore for SEZ unit)	**7.28**	12.18
Professional Fees (Includes Rs. 65.71 crore for SEZ unit)	**263.30**	257.50
Charity & Donations	**7.09**	2.83
Hire Charges	**0.26**	3.96
Bank Charges	**50.93**	32.30
Establishment Expenses (Includes Rs. 21.62 crore for SEZ unit)	**56.09**	36.48
Claims against guarantee relating to subsidiary	**-**	369.60
Interest Charges (Includes Rs. 394.11 crore for SEZ unit)	**1,175.29**	2,135.07
Other Finance Charges (Includes Rs. 205.33 crore for SEZ unit)	**296.41**	507.63
Premium on Redemption of Bonds	**11.62**	19.96

26. VALUE OF RAW MATERIALS CONSUMED :

	2009-10		2008-09	
	Rs. in crore	**% of Consumption**	Rs. in crore	% of Consumption
Imported	**1,41,108.21**	**95.40**	1,00,350.46	95.75
Indigenous	**6,811.00**	**4.60**	4,454.59	4.25
	1,47,919.21	**100.00**	104,805.05	100.00

SCHEDULE 'O' (Contd.)

27. VALUE OF STORES, CHEMICALS AND PACKING MATERIALS CONSUMED

	2009-10		2008-09	
	Rs. in crore	**% of Consumption**	Rs. in crore	% of Consumption
Imported	**1,412.28**	**50.91**	1,164.25	51.20
Indigenous	**1,361.70**	**49.09**	1,109.77	48.80
	2,773.98	**100.00**	2,274.02	100.00

28. EARNINGS IN FOREIGN EXCHANGE

(Rs. in crore)

	2009-10	2008-09
FOB value of exports [Excluding captive transfers to Special Economic Zone of Rs. 6,363.27 crore]	**1,02,655.60**	86,827.52
Interest	**25.08**	70.01
Others	**20.32**	19.25

29. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External Account (NRE A/c). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given herein below:

	2009-10 (Interim Dividend)	2008-09 (Final Dividend)
a) Number of Non Resident Shareholders	**38,072**	27,123
b) Number of Equity Shares held by them	**28,99,24,139**	26,89,52,851
c) (i) Amount of Dividend Paid (Gross) (Rs. in Crore)	**376.90**	349.64
(ii) Tax Deducted at Source	**-**	-
(iii) Year to which dividend relates	**2008-09**	2007-08

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Deloitte Haskins & Sells**
Chartered Accountants

A. Siddharth
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Mumbai
April 23, 2010

V.M. Ambani
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani
H.R. Meswani
P.M.S. Prasad
} Executive Directors

H.S. Kohli
R.H. Ambani
M.L. Bhakta
Y.P. Trivedi
Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
} Directors

Dr. R. A. Mashelkar

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details:

Registration No:	L17110MH1973PLC019786		
Balance Sheet Date:	31.03.2010	State Code:	11

II. Capital raised during the year (Amount in Rs. Crore):

Public Issue:	NIL	Rights Issue:	NIL
Bonus Issue:	1626.79	Private Placement:	NIL
Conversion of Bonds:	NIL	Equity Share Suspense:	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Crore):

Total Liabilities:	251006.43	Total Assets:	251006.43
Sources of Funds:			
Paid up Capital:	3270.37	Reserves & Surplus:	133900.24
Equity Share Suspense:	NIL	Unsecured Loans:	50824.19
Secured Loans:	11670.50	Current Liabilities:	40414.83
Deferred Tax Liabilities:	10926.30		
Application of Funds:			
Net Fixed Assets:	165398.71	Investments:	23228.62
Current Assets:	62379.10		

IV. Performance of the Company (Amount in Rs. Crore):

Turnover:	200399.79	Total Expenditure:	178321.94
Net Turnover:	192461.02	Profit After tax:	16235.67
Profit Before Tax:	20547.44	Dividend: Rs. per share	7.00
Earning per share in Rs.	49.65		

V. Generic Names of principal products / services of the company:

Item Code No. (ITC Code):
27.10

Product Description:
BULK PETROLEUM PRODUCTS

Item Code No. (ITC Code):
390210.00

Product Description:
POLYPROPYLENE (PP)

Item Code No. (ITC Code):
390120.00

Product Description:
POLYETHYLENE

Financial Information of Subsidiary Companies

Rs. in crore

Sr. No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Invest-ments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	Country
1	Reliance Industrial Investments and Holdings Limited	INR	148.96	692.26	5,253.00	5,253.00	1,747.39	592.67	1.45	0.25	1.20	-	India
2	Reliance Ventures Limited	INR	2.69	2,358.52	2,363.72	2,363.72	554.49	8.88	6.99	1.25	5.74	0.00	India
3	Reliance Strategic Investments Limited	INR	2.34	1,037.13	1,057.38	1,057.38	913.40	42.67	9.26	1.10	8.16	-	India
4	Reliance Industries (Middle East) DMCC *	INR	379.41	22.43	501.87	501.87	-	514.90	3.44	-	3.44	-	U.A.E
		USD MN	81.54	4.82	107.86	107.86	-	110.66	0.74	-	0.74	-	
5	Reliance Jamnagar Infrastructure Limited	INR	101.85	1,641.95	2,318.50	2,318.50	0.62	390.40	236.64	21.40	215.24	-	India
6	Reliance Retail Limited	INR	5,730.00	(13.75)	5,984.76	5,984.76	167.77	290.72	(7.00)	(25.22)	18.22	-	India
7	Reliance Netherlands B. V.	INR	1.07	(0.67)	4.36	4.36	0.87	1.01	(2.75)	-	(2.75)	-	Netherlands
		EUR MN	0.16	(0.10)	0.65	0.65	0.13	0.15	(0.41)	-	(0.41)	-	
8	Reliance Haryana SEZ Limited	INR	0.05	0.25	3,416.54	3,416.54	-	5.79	0.67	0.26	0.41	-	India
9	Reliance Fresh Limited	INR	0.05	(411.93)	1,827.63	1,827.63	-	2,083.99	(217.09)	(81.93)	(135.16)	-	India
10	Retail Concepts & Services (India) Limited	INR	0.05	(40.19)	60.97	60.97	0.00	109.47	(4.61)	(2.78)	(1.83)	-	India
11	Reliance Retail Insurance Broking Limited	INR	4.00	(2.42)	3.12	3.12	-	6.31	1.75	(0.73)	2.48	-	India
12	Reliance Dairy Foods Limited	INR	0.05	(11.79)	112.09	112.09	-	293.49	(6.18)	(2.03)	(4.15)	-	India
13	Reliance Exploration & Production DMCC *	INR	1,686.06	(282.30)	2,576.18	2,576.18	135.53	66.82	(334.32)	-	(334.32)	-	U.A.E
		USD MN	362.36	(60.67)	553.66	553.66	29.13	14.36	(71.85)	-	(71.85)	-	
14	Reliance Retail Finance Limited	INR	2.02	101.85	103.92	103.92	101.78	-	(0.37)	(0.25)	(0.12)	-	India
15	RESQ Limited	INR	0.05	(0.77)	2.65	2.65	0.00	5.12	(0.98)	(0.38)	(0.60)	-	India
16	Reliance Global Management Services Limited	INR	0.25	0.60	71.94	71.94	-	251.02	0.56	0.21	0.35	-	India
17	Reliance Commercial Associates Limited	INR	0.05	(0.02)	0.03	0.03	0.03	-	(0.00)	-	(0.00)	-	India
18	Reliancedigital Retail Limited	INR	0.05	(21.52)	240.78	240.78	0.01	411.87	(9.75)	(3.71)	(6.04)	-	India
19	Reliance Financial Distribution and Advisory Services Limited	INR	0.05	(20.09)	14.87	14.87	-	9.82	(0.16)	1.34	(1.50)	-	India
20	RIL (Australia) Pty Limited	INR	20.58	(13.75)	7.24	7.24	-	0.01	(11.03)	-	(11.03)	-	Australia
		AUD	5.00	(3.34)	1.76	1.76	-	0.00	(2.68)	-	(2.68)	-	
21	Reliance Hypermart Limited	INR	0.05	(96.83)	1,428.13	1,428.13	1.15	516.82	(67.65)	(25.14)	(42.51)	-	India
22	Gapco Kenya Limited *	INR	89.43	108.89	1,040.30	1,040.30	-	2,671.86	32.19	10.59	21.60	-	Kenya
		KSH MN	1,459.54	1,777.14	16,979.00	16,979.00	-	43,607.92	525.40	172.89	352.51	-	
23	Gapco Rwanda SARL	INR	3.57	(0.98)	11.20	11.20	-	83.00	7.22	2.47	4.75	-	Rwanda
		FRW MN	448.50	(122.84)	1,406.84	1,406.84	-	10,426.71	906.98	310.36	596.62	-	
24	Gapco Tanzania Limited *	INR	54.87	46.31	636.07	636.07	-	643.60	48.42	52.90	(4.48)	-	Tanzania
		TZS MN	15,500.00	13,082.14	179,680.38	179,680.38	-	181,807.64	13,679.31	14,943.00	(1,263.69)	-	
25	Gapco Uganda Limited	INR	21.44	44.75	99.14	99.14	-	325.75	5.05	2.84	2.21	-	Uganda
		USH MN	8,750.10	18,263.78	40,466.06	40,466.06	-	132,958.74	2,061.64	1,157.44	904.20	-	
26	Gapoil (Zanzibar) Limited	INR	1.77	(1.26)	7.55	7.55	-	0.06	0.01	-	0.01	-	Zanzibar
		TZS MN	500.00	(355.29)	2,133.86	2,133.86	-	15.76	4.00	-	4.00	-	
27	Gapoil Tanzania Limited *	INR	51.01	122.75	462.40	462.40	-	558.31	9.52	42.37	(32.85)	-	Tanzania
		TZS MN	14,410.00	34,674.97	130,620.56	130,620.56	-	157,713.39	2,688.16	11,969.00	(9,280.84)	-	
28	Gulf Africa Petroleum Corporation *	INR	102.37	(26.34)	303.47	303.47	-	-	(17.68)	-	(17.68)	-	Mauritius
		USD MN	22.00	(5.66)	65.22	65.22	-	-	(3.80)	-	(3.80)	-	
29	Transenergy Kenya Limited *	INR	7.35	(5.84)	1.58	1.58	-	17.35	0.04	(0.43)	0.47	-	Kenya
		KSH MN	120.00	(95.35)	25.84	25.84	-	283.13	0.70	(7.07)	7.77	-	

As on 31.12.2009: 1 Euro = Rs. 67.02, 1 US $ = Rs. 46.53, 1 RM = Rs. 13.59, 1 KSH = 0.6127, 1 FRW = 0.0796, 1 TZS = 0.0354, 1 USH = 0.0245; Exchange Rate as on 31.3.2010, 1 Euro = Rs. 60.45, 1 US $ = Rs. 44.90, 1 Aus $ = Rs. 41.16, 1 KSH = Rs. 0.5805, 1 SGD = Rs 32.08, 1 GBP = 67.96.

Financial Information of Subsidiary Companies

Rs. in crore

Sr. No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Invest-ments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	Country
30	Recron (Malaysia) Sdn Bhd	INR	3.40	1,197.48	2,960.36	2,960.36	-	3,926.10	15.91	(6.39)	22.30	-	Malaysia
		RM MN	2.50	881.15	2,178.34	2,178.34	-	2,888.96	11.71	(4.70)	16.41	-	
31	Reliance Retail Travel & Forex Services Limited	INR	1.00	(1.28)	0.12	0.12	-	0.06	(0.02)	-	(0.02)	-	India
32	Reliance Brands Limited	INR	0.05	-	37.77	37.77	11.05	-	-	-	-	-	India
33	Reliance Footprint Limited	INR	0.05	(13.26)	72.65	72.65	-	53.47	(4.73)	(1.94)	(2.79)	-	India
34	Reliance Trends Limited	INR	0.05	(4.49)	224.30	224.30	0.01	184.21	(2.12)	(0.73)	(1.39)	-	India
35	Reliance Wellness Limited	INR	0.05	(18.12)	68.75	68.75	1.15	121.87	(17.47)	(6.11)	(11.36)	-	India
36	Reliance Lifestyle Holdings Limited	INR	0.05	(20.46)	159.35	159.35	60.45	0.63	(7.84)	(2.88)	(4.96)	-	India
37	Reliance Universal Ventures Limited	INR	0.05	(5.55)	33.75	33.75	-	2.54	(0.08)	(0.21)	0.13	-	India
38	Delight Proteins Limited	INR	0.05	(4.70)	19.52	19.52	-	32.77	(3.16)	(2.09)	(1.07)	-	India
39	Reliance Autozone Limited	INR	0.05	(1.68)	26.00	26.00	-	17.84	(1.80)	(0.61)	(1.19)	-	India
40	Reliance F&B Services Limited	INR	0.05	(2.15)	1.16	1.16	0.00	0.18	(0.26)	-	(0.26)	-	India
41	Reliance Gems and Jewels Limited	INR	0.05	(9.89)	28.14	28.14	-	0.61	(8.03)	(3.88)	(4.15)	-	India
42	Reliance Integrated Agri Solutions Limited	INR	0.05	(3.13)	25.30	25.30	-	0.14	(2.19)	-	(2.19)	-	India
43	Strategic Manpower Solutions Limited	INR	0.05	(10.97)	11.15	11.15	-	126.93	(1.71)	(0.98)	(0.73)	-	India
44	Reliance Agri Products Distribution Limited	INR	0.05	(13.07)	25.61	25.61	-	74.54	(8.23)	(2.99)	(5.24)	-	India
45	Reliance Digital Media Limited	INR	0.05	(1.47)	8.96	8.96	-	18.99	(0.74)	(0.28)	(0.46)	-	India
46	Reliance Food Processing Solutions Limited	INR	0.05	(72.59)	250.97	250.97	-	133.32	(55.65)	(20.80)	(34.85)	-	India
47	Reliance Home Store Limited	INR	0.05	(13.50)	67.80	67.80	-	60.85	(13.62)	(4.67)	(8.95)	-	India
48	Reliance Leisures Limited	INR	0.05	(9.73)	55.27	55.27	-	44.28	(6.80)	(1.59)	(5.21)	-	India
49	Reliance Loyalty & Analytics Limited	INR	0.05	(8.74)	0.50	0.50	-	0.97	(2.30)	-	(2.30)	-	India
50	Reliance Retail Securities and Broking Company Limited	INR	0.05	(1.15)	0.04	0.04	-	0.18	(0.20)	-	(0.20)	-	India
51	Reliance Supply Chain Solutions Limited	INR	1.01	(15.96)	278.37	278.37	-	131.50	(5.58)	(2.51)	(3.07)	-	India
52	Reliance Trade Services Centre Limited	INR	0.05	(9.93)	0.03	0.03	-	0.05	(0.63)	-	(0.63)	-	India
53	Reliance Vantage Retail Limited	INR	0.56	(19.01)	107.59	107.59	-	-	(4.61)	(6.83)	2.22	-	India
54	Wave Land Developers Limited	INR	135.38	(1.35)	134.19	134.19	69.11	0.12	0.09	0.03	0.06	-	Kenya
		KSH MN	2,332.11	(23.31)	2,311.55	2,311.55	1,190.54	2.04	1.62	0.62	1.00	-	
55	Reliance-GrandOptical Private Limited	INR	0.05	(0.01)	0.05	0.05	-	-	(0.00)	-	(0.00)	-	India
56	Reliance Universal Commercial Limited	INR	0.05	0.01	4.48	4.48	4.47	-	(0.00)	-	(0.00)	-	India
57	Reliance Petroinvestments Limited	INR	8.88	175.17	184.54	184.54	183.22	-	(0.02)	-	(0.02)	-	India
58	Reliance Global Commercial Limited	INR	0.05	0.01	4.48	4.48	4.47	-	(0.00)	-	(0.00)	-	India
59	Reliance People Serve Limited	INR	0.05	(1.07)	2.28	2.28	-	5.63	(0.31)	(0.16)	(0.15)	-	India
60	Reliance Infrastructure Management Services Limited	INR	0.05	(0.01)	0.04	0.04	-	-	(0.00)	-	(0.00)	-	India
61	Reliance Global Business B V	INR	302.13	14.15	377.21	377.21	0.01	23.15	20.13	-	20.13	-	Netherlands
		EURO MN	49.98	2.34	62.40	62.40	0.00	3.83	3.33	-	3.33	-	
62	Reliance Gas Corporation Limited	INR	0.05	(0.00)	6.08	6.08	-	-	(0.00)	-	(0.00)	-	India

As on 31.12.2009: 1 Euro = Rs. 67.02, 1 US $ = Rs. 46.53, 1 RM = Rs. 13.59, 1 KSH = 0.6127, 1 FRW = 0.0796, 1 TZS = 0.0354, 1 USH = 0.0245; Exchange Rate as on 31.3.2010, 1 Euro = Rs. 60.45, 1 US $ = Rs. 44.90, 1 Aus $ = Rs. 41.16, 1 KSH = Rs. 0.5805, 1 SGD = Rs 32.08, 1 GBP = 67.96.

Financial Information of Subsidiary Companies

Rs. in crore

Sr. No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Invest-ments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	Country
63	Reliance Global Energy Services (Singapore) Pte. Ltd.	INR	4.81	0.55	5.49	5.49	-	5.87	0.29	0.06	0.23	-	Singapore
		SGD MN	1.50	0.17	1.71	1.71	-	1.83	0.09	0.02	0.07	-	
64	Reliance One Enterprises Limited	INR	0.05	(0.04)	0.96	0.96	-	-	(0.00)	-	(0.00)	-	India
65	Reliance Global Energy Services Limited *	INR	3.40	(0.14)	6.80	6.80	-	11.89	0.88	0.27	0.61	-	U K
		GBP MN	0.50	(0.02)	1.00	1.00	-	1.75	0.13	0.04	0.09	-	
66	Reliance Personal Electronics Limited	INR	0.05	(0.82)	0.39	0.39	-	0.07	(0.25)	-	(0.25)	-	India
67	Reliance Polymers (India) Limited	INR	4.41	2,180.51	2,184.97	2,184.97	611.09	-	(0.04)	-	(0.04)	-	India
68	Reliance Polyolefins Limited	INR	13.26	2,573.14	2,588.17	2,588.17	2,511.84	9.00	0.58	0.20	0.38	-	India
69	Reliance Aromatics and Petrochemicals Private Limited	INR	4.11	2,503.44	2,781.37	2,781.37	2,781.36	0.00	(0.01)	-	(0.01)	0.00	India
70	Reliance Energy and Project Development Private Limited	INR	1.01	951.68	1,257.79	1,257.79	1,255.99	0.00	(0.00)	-	(0.00)	0.00	India
71	Reliance Chemicals Limited	INR	7.58	2,598.64	2,606.22	2,606.22	2,604.91	-	(0.00)	-	(0.00)	-	India
72	Reliance Universal Enterprises Limited	INR	13.26	3,403.42	3,416.67	3,416.67	3,416.56	0.01	(0.04)	-	(0.04)	-	India
73	Reliance Review Cinema Limited	INR	0.05	(0.13)	0.32	0.32	0.01	0.98	(0.15)	(0.07)	(0.08)	-	India
74	Reliance Replay Gaming Limited	INR	0.05	(0.02)	0.14	0.14	-	0.61	(0.01)	(0.01)	0.00	-	India
75	Reliance Nutritional Food Processors Limited	INR	0.05	(0.05)	1.21	1.21	-	-	(0.04)	-	(0.04)	-	India
76	Reliance Commercial Land & Infrastructure Limited	INR	46.90	1,940.74	2,025.72	2,025.72	0.01	-	(0.03)	-	(0.03)	-	India
77	Reliance Corporate IT Park Limited	INR	1,786.33	(126.98)	2,124.43	2,124.43	-	21.77	0.31	0.05	0.26	-	India
78	Reliance Eminent Trading & commerical Private Limited	INR	14.67	2,060.34	2,076.91	2,076.91	2.79	0.75	(12.85)	1.33	(14.18)	-	India
79	Reliance Progressive Traders Private Limited	INR	13.96	1,559.83	1,659.72	1,659.72	-	-	(16.84)	6.37	(23.21)	-	India
80	Reliance Prolific Traders Private Limited	INR	12.83	1,260.22	1,276.39	1,276.39	-	-	(2.94)	0.44	(3.38)	-	India
81	Reliance Universal Traders Private Limited	INR	10.12	32.68	49.04	49.04	-	-	(0.21)	0.01	(0.22)	-	India
82	Reliance Prolific Commercial Private Limited	INR	1.66	331.22	335.70	335.70	-	-	(0.10)	0.00	(0.10)	-	India
83	Reliance Comtrade Private Limited	INR	1.48	241.47	243.10	243.10	-	0.00	(0.03)	0.00	(0.03)	-	India
84	Reliance Ambit Trade Private Limited	INR	1.93	465.53	470.77	470.77	-	-	(0.02)	0.00	(0.02)	-	India
85	Reliance Petro Marketing Limited	INR	4.11	106.25	158.53	158.53	0.04	468.37	0.26	0.16	0.10	-	India
86	LPG Infrastructure (India) Private Limited	INR	0.05	6.63	101.04	101.04	0.00	204.33	1.99	0.84	1.15	-	India
87	Reliance Infosolutions Private Limited	INR	0.01	1.15	229.38	229.38	-	193.20	0.41	0.38	0.03	-	India
88	RIL USA inc. *	INR	13.47	(49.92)	1,961.14	1,961.14	-	6,225.34	(58.91)	-	(58.91)	-	USA
		USD MN	3.00	(11.12)	436.78	436.78	-	1,386.49	(13.12)	-	(13.12)	-	
89	International Oil Trading Limited *	INR	0.22	1.03	1.26	1.26	-	75.16	9.79	-	9.79	-	British Virgin Island
		USD MN	0.05	0.23	0.28	0.28	-	16.74	2.18	-	2.18	-	
90	Central Park Enterprises DMCC *	INR	0.47	(0.05)	8.94	8.94	-	-	(0.05)	-	(0.05)	-	
		USD MN	0.10	(0.01)	1.92	1.92	-	-	(0.01)	-	(0.01)	-	
91	Reliance Corporate Services Private Limited	INR	0.06	0.00	0.06	0.06	0.05	-	(0.00)	-	(0.00)	-	India
92	Reliance Corporate Centre Limited	INR	0.05	0.00	88.82	88.82	-	-	-	-	-	-	India
93	Reliance Convention and Exhibition Centre Limited	INR	0.05	0.00	111.90	111.90	-	-	-	-	-	-	India
94	Reliance International B.V. *	INR	0.12	0.12	0.79	0.79	-	2.06	0.18	-	0.18	-	Netherlands
		EURO MN	0.02	0.02	0.13	0.13	-	0.34	0.03	-	0.03	-	

As on 31.12.2009: 1 Euro = Rs. 67.02, 1 US $ = Rs. 46.53, 1 RM = Rs. 13.59, 1 KSH = 0.6127, 1 FRW = 0.0796, 1 TZS = 0.0354, 1 USH = 0.0245; Exchange Rate as on 31.3.2010, 1 Euro = Rs. 60.45, 1 US $ = Rs. 44.90, 1 Aus $ = Rs. 41.16, 1 KSH = Rs. 0.5805, 1 SGD = Rs 32.08, 1 GBP = 67.96.

* Financial Information is based on Unaudited Results.

Consolidated Financial Statements & Notes

Auditors' Report on Consolidated Financial Statements

To The Board of Directors
Reliance Industries Limited

We have audited the attached Consolidated Balance Sheet of Reliance Industries Limited (the Company) and its subsidiaries (collectively referred to as "the Group") as at 31st March, 2010, and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. Financial statements / consolidated financial statements of certain subsidiaries and joint ventures, which reflect total assets of Rs. 40,269.90 crore as at 31st March, 2010, total revenue of Rs. 25,332.43 crore and net cash flows amounting to Rs. (168.25) crore for the year then ended, have been audited by one or jointly by two of us or one of us with other and financial statements of certain associates in which the share of profit of the Group is Rs. 9.98 crore have been audited by one of us.

2. We did not audit the financial statements / consolidated financial statements of certain subsidiaries, whose financial statements / consolidated financial statements reflect total assets of Rs. 11,735.34 crore as at 31st March, 2010, total revenue of Rs. 462.76 crore and cash flows amounting to Rs. (7.87) crore for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

3. We have relied on the unaudited consolidated financial statements of certain subsidiaries whose consolidated financial statements reflect total assets of Rs. 4,315.30 crore as at 31st December, 2009, total revenue of Rs. 4,698.73 crore, cash flows amounting to Rs. 38.73 crore for the year then ended and on the unaudited financial statements of certain associates wherein the Group's share of profit aggregates Rs. 0.79 crore. These unaudited financial statements / consolidated financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of the subsidiaries and associates is based solely on such approved unaudited financial statements / consolidated financial statements.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and (AS) 27, Financial Reporting of Interests in Joint Ventures, as notified by the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit as aforesaid, and on consideration of reports of other auditors on the separate financial statements / consolidated financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March 2010;

   (ii) in the case of the Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and

   (iii) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For **Chaturvedi & Shah** Chartered Accountants (Registration No. 101720W)	For **Deloitte Haskins & Sells** Chartered Accountants (Registration No. 117366W)	For **Rajendra & Co.** Chartered Accountants (Registration No. 108355W)
D. Chaturvedi **Partner** Membership No.: 5611	**A. Siddharth** **Partner** Membership No.: 31467	**A. R. Shah** **Partner** Membership No.:47166

Mumbai
April 23, 2010

Reliance Industries Limited
Consolidated Balance Sheet as at 31st March, 2010

(Rs. in crore)

	Schedule		As at 31st March, 2010		As at 31st March, 2009
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	'A'	**2,978.02**		1,374.68	
Equity Share Suspense		-		69.25	
Reserves and Surplus	'B'	**1,38,024.96**		1,19,812.61	
			1,41,002.98		1,21,256.54
Minority Interest			**573.53**		138.90
Loan Funds					
Secured Loans	'C'	**11,694.40**		10,747.73	
Unsecured Loans	'D'	**52,911.12**		65,508.87	
			64,605.52		76,256.60
Deferred Tax Liability			**10,677.57**		9,551.33
TOTAL			**2,16,859.60**		2,07,203.37
APPLICATION OF FUNDS					
Fixed Assets	'E'				
Gross Block		**2,24,125.28**		1,57,182.43	
Less: Depreciation		**63,934.03**		50,138.23	
Net Block		**1,60,191.25**		1,07,044.20	
Capital Work-in-Progress		**17,033.68**		73,845.97	
			1,77,224.93		1,80,890.17
Investments					
In Associates		**2,404.32**		2,596.43	
In Others		**10,707.93**		3,839.11	
			13,112.25		6,435.54
Current Assets, Loans and Advances					
Current Assets	'F'				
Inventories		**34,393.32**		20,109.61	
Sundry Debtors		**10,082.92**		4,844.97	
Cash and Bank Balances		**13,890.83**		22,742.10	
Other Current Assets		**91.40**		47.59	
		58,458.47		47,744.27	
Loans and Advances	'G'	**10,647.21**		11,001.80	
		69,105.68		58,746.07	
Less: Current Liabilities and Provisions	'H'				
Current Liabilities		**38,890.57**		35,756.98	
Provisions		**3,695.02**		3,115.03	
		42,585.59		38,872.01	
Net Current Assets			**26,520.09**		19,874.06
Miscellaneous Expenditure [to the extent not written off or adjusted]			**2.33**		3.60
TOTAL			**2,16,859.60**		2,07,203.37
Significant Accounting Policies	'M'				
Notes on Accounts	'N'				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Deloitte Haskins & Sells**
Chartered Accountants

A. Siddharth
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Mumbai
April 23, 2010

V.M. Ambani
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani
H.R. Meswani
} Executive Directors

P.M.S. Prasad
H.S. Kohli

R.H. Ambani
M.L. Bhakta
Y.P. Trivedi
Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
} Directors

Dr. R. A. Mashelkar

Reliance Industries Limited
Consolidated Profit and Loss Account for the year ended 31st March, 2010

(Rs. in crore)

	Schedule		**2009-10**		2008-09
INCOME					
Turnover		**2,11,727.07**		1,55,788.51	
Less: Excise Duty / Service Tax Recovered		**7,987.35**		4,564.50	
Net Turnover			**2,03,739.72**		1,51,224.01
Other Income (including share in associates)	**'I'**		**10,791.33**		1,914.24
Variation in Stocks	**'J'**		**6,034.99**		2,269.54
			2,20,566.04		1,55,407.79
EXPENDITURE					
Purchases			**7,537.51**		7,201.77
Manufacturing and Other Expenses	**'K'**		**1,71,343.29**		1,22,869.63
Interest and Finance Charges	**'L'**		**2,059.58**		1,816.27
Depreciation		**14,000.62**		7,712.58	
Less: Transferred from Revaluation Reserve [Refer Note 6, Schedule 'N']		**2,991.80**		1,987.14	
Less: Transferred from Capital Reserve		**63.02**		74.46	
			10,945.80		5,650.98
Adjustment Pursuant to the Scheme of Amalgamation including write off of Investments in Reliance Petroleum Limited		-		7,728.92	
Less: Transferred from General Reserve		-		7,728.92	
			1,91,886.18		1,37,538.65
Profit before Tax			**28,679.86**		17,869.14
Provision for Current Tax			**3,124.91**		1,208.18
Provision for Fringe Benefit Tax			-		65.23
Provision for Deferred Tax			**1,131.37**		1,645.42
Profit after Tax (before adjustment for Minority Interest)			**24,423.58**		14,950.31
Add: Share of (Profit)/ Loss transferred to Minority Interest			**79.56**		18.41
Profit after Tax (after adjustment for Minority Interest)			**24,503.14**		14,968.72
Add: Balance brought forward from Previous Year			**5,391.95**		4,710.11
(Short) / Excess Provision for Tax for earlier years			**(0.23)**		3.41
Excess Provision for Tax for earlier years - Minority Interest			-		(0.83)
Transfer from Statutory Reserve			**33.94**		-
Amount Available for Appropriations			**29,928.80**		19,681.41
APPROPRIATIONS					
Statutory Reserve		**2.90**		1.04	
General Reserve		**14,000.00**		11,728.92	
Debenture Redemption Reserve		**189.50**		340.05	
Capital Redemption Reserve		**8.65**		-	
Interim Dividend on Equity Shares		-		1,897.05	
Proposed Dividend on Equity Shares		**2,084.67**		-	
Tax on Dividend on Equity Shares		**346.24**		322.40	
Proposed Dividend on Preference Shares (Minority-Interest Rs. 19,880.00, Previous Year Rs. 19,880.00)		-		-	
Tax on Dividend on Preference Shares (Minority - Interest Rs. 3,302.00, Previous Year Rs. 3,379.00)		-		-	
			16,631.96		14,289.46
Balance Carried to Balance Sheet			**13,296.84**		5,391.95
Basic and Diluted Earnings per Share of face value of Rs. 10 each (in Rupees)			**82.29**		**54.11**
Basic and Diluted Earnings per Share of face value of Rs. 10 each (in Rupees) (Before exceptional items) [Refer Note 11, Schedule 'N']			**53.39**		**55.30**
Significant Accounting Policies	**'M'**				
Notes on Accounts	**'N'**				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

For **Deloitte Haskins & Sells**
Chartered Accountants

For **Rajendra & Co.**
Chartered Accountants

D. Chaturvedi
Partner

A. Siddharth
Partner

A.R. Shah
Partner

Mumbai
April 23, 2010

V.M. Ambani
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani
H.R. Meswani
Executive Directors

P.M.S. Prasad
H.S. Kohli
R.H. Ambani
M.L. Bhakta
Y.P. Trivedi
Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R. A. Mashelkar
Directors

Reliance Industries Limited
Consolidated Cash Flow Statement for the year 2009-10

(Rs. in crore)

		2009-10		2008-09
A: CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax as per Profit and Loss Account		**28,679.86**		17,869.14
Adjusted for:				
Miscellaneous Expenditure written off	**2.09**		1.02	
Share in Income of Associates	**(10.77)**		127.14	
Net Prior Year Adjustments	**1.35**		2.64	
Diminution in value of Investments	**8.30**		3.44	
Investment written off (net)	**245.33**		-	
Impairment of Assets	**17.70**		-	
Loss on Sale / Discarding of Assets (net)	**33.34**		31.40	
Depreciation	**14,000.62**		7,712.58	
Transferred from Revaluation Reserve	**(2,991.80)**		(1,987.14)	
Transferred from Capital Reserve	**(63.02)**		(74.46)	
Effect of Exchange Rate Change	**(1,799.43)**		474.49	
Effect of De-subsidiarisation	**16.53**		(43.09)	
Profit on Sale of Investments (net)	**(296.18)**		(425.08)	
Exceptional Item	**(8,605.57)**		-	
Dividend Income	**(8.30)**		(44.41)	
Interest / Other Income	**(1,716.18)**		(1,456.07)	
Interest and Finance Charges	**2,059.58**		1,816.27	
		893.59		6,138.73
Operating Profit before Working Capital Changes		**29,573.45**		24,007.87
Adjusted for:				
Trade and Other Receivables	**(5,790.65)**		2,876.25	
Inventories	**(14,396.67)**		(1,503.19)	
Trade Payables	**14,249.20**		(7,145.57)	
		(5,938.12)		(5,772.51)
Cash Generated from Operations		**23,635.33**		18,235.36
Net Prior Year Adjustments		**(1.35)**		(2.64)
Taxes Paid		**(3,140.40)**		(1,926.05)
Net Prior Year Adjustments on Account of Subsidiaries		**0.69**		(19.22)
Net Cash from Operating Activities		**20,494.27**		16,287.45
B: CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets		**(23,278.10)**		(27,856.77)
Sale of Fixed Assets		**261.34**		124.75
Purchase of Investments		**(2,01,137.94)**		(1,09,280.00)
Sale of Investments		**2,03,782.64**		1,12,646.26
Movement in Loans and Advances		**(19.06)**		(101.52)
Interest Income		**2,153.17**		1,319.39
Dividend Income		**7.12**		44.53
Net Cash (Used in) Investing Activities		**(18,230.83)**		(23,103.36)

Consolidated Cash Flow Statement for the year 2009-10 (Contd.)

(Rs. in crore)

		2009-10		2008-09
C: CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Issue of Share Capital (Including Warrants)		**53.54**		15,164.79
Proceeds from Issue of Share Capital to Minority		**459.00**		-
Proceeds from Long Term Borrowings		**6,535.21**		21,963.21
Repayment of Long Term Borrowings		**(12,227.12)**		(3,566.38)
Short Term Loans		**(130.16)**		(1,882.37)
Dividends Paid (including dividend distribution tax)		**(2,219.46)**		(1,908.47)
Interest Paid		**(3,604.37)**		(4,732.92)
Miscellaneous Expenditure / Issue expenses		**(0.36)**		(1.29)
Net Cash (Used in) / from Financing Activities		**(11,133.72)**		25,036.57
Net (Decrease) / Increase in Cash and Cash Equivalents		**(8,870.28)**		18,220.66
Opening Balance of Cash and Cash Equivalents	**22,742.10**		4,474.16	
Add: Upon addition / De-subsidiarisation of Subsidiaries	**19.01**		47.28	
		22,761.11		4,521.44
Closing Balance of Cash and Cash Equivalents		**13,890.83**		22,742.10

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Deloitte Haskins & Sells**
Chartered Accountants

A. Siddharth
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Mumbai
April 23, 2010

V.M. Ambani
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani
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Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R. A. Mashelkar
Directors

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE 'A'

SHARE CAPITAL

(Rs. in crore)

			As at 31st March, 2010		As at 31st March, 2009
Authorised:					
500,00,00,000 (250,00,00,000)	Equity Shares of Rs. 10 each		**5,000.00**		2,500.00
100,00,00,000 (50,00,00,000)	Preference Shares of Rs. 10 each		**1,000.00**		500.00
			6,000.00		3,000.00
Issued, Subscribed and Paid up:					
297,80,19,733 (137,49,46,369)	Equity Shares of Rs. 10 each fully paid up	**2,978.02**		1,374.94	
	Less: Calls in arrears - by others (Rs. 3,922.50)	-		0.26	
			2,978.02		1,374.68
	TOTAL		**2,978.02**		1,374.68

Notes:

1.	194,12,11,766 (48,17,70,552)	Shares out of the issued and subscribed share capital were allotted as Bonus Shares by capitalisation of Securities Premium and Reserves.
2.	52,75,89,219 (38,44,87,495)	Shares out of the issued and subscribed share capital were allotted pursuant to the various Schemes of amalgamation without payments being received in cash.
3.	45,04,27,345 (45,04,27,345)	Shares out of the issued and subscribed share capital were allotted on conversion / surrender of Debentures and Bonds, conversion of Term Loans, exercise of warrants, against Global Depository Shares (GDS) and re-issue of forfeited equity shares.

4. In the year 2004-05 the Company bought back and extinguished 28,69,495 equity shares.

5. The Company has reserved issuance of 13,82,78,892* (Previous Year 13,88,09,318*) Equity Shares of Rs. 10 each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Scheme (ESOS). During the year, the Company has not granted any Options to the eligible employees [Previous Year 1,00,200* options at a price of Rs. 644.50/-* plus all applicable taxes, as may be levied in this regard on the Company]. The options would vest over a maximum period of 7 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specified criteria.

   During the year, the Company has issued and allotted 5,30,426 (Previous Year 1,49,632) equity shares to the eligible employees of the Company and its subsidiaries under ESOS of which 2,42,222 equity shares were allotted pre-bonus and 2,88,204 equity shares post bonus.

6. Issued, Subscribed and paid up capital excludes 29,23,54,627 (Previous Year 19,88,51,864) equity shares directly held by subsidiaries/trust, before their becoming subsidiaries of the Company which have been eliminated.

* Adjusted for issue of bonus shares in 2009-10 in the ratio of 1:1.

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE 'B'

RESERVES AND SURPLUS (Rs. in crore)

		As at 31st March, 2010		As at 31st March, 2009
Revaluation Reserve				
As per last Balance Sheet	12,229.78		1,198.63	
Add: On Revaluation	227.59		13,055.45	
	12,457.37		14,254.08	
Less: Transferred to Profit and Loss Account [Refer Note 6, Schedule 'N']	2,991.80		1,987.14	
Less: Transferred to Minority Interest	51.90		37.16	
		9,413.67		12,229.78
Capital Reserve				
As per last Balance Sheet	880.36		3,604.78	
Add : On Consolidation of Subsidiaries (Net)	(0.26)		481.50	
	880.10		4,086.28	
Less : On Amalgamation	-		3,131.46	
Less : Transferred to Profit and Loss Account	63.02		74.46	
		817.08		880.36
Exchange Fluctuation Reserve		(91.05)		29.40
Capital Redemption Reserve				
As per last Balance Sheet	887.94		887.94	
Add: Transferred from Profit and Loss Account	8.65		-	
	896.59		887.94	
Less: Capitalised on issue of bonus shares	887.94		-	
		8.65		887.94
Securities Premium Account				
As per last Balance Sheet	45,366.22		21,313.80	
Add: Premium on issue of shares	50.97		16,727.04	
Add: On Amalgamation	-		13,429.09	
	45,417.19		51,469.93	
Less: Premium on redemption / buy back of debentures / Bonds	80.19		13.17	
Less: Capitalised on issue of bonus shares	738.85		-	
Less: Elimination on Consolidation	(795.97)		6,090.54	
	45,394.12		45,366.22	
Less: Calls in arrears - by others	0.02		1.80	
		45,394.10		45,364.42
Debentures Redemption Reserve				
As per last Balance Sheet	927.07		587.02	
Add: Transferred from Profit and Loss Account	189.50		340.05	
		1,116.57		927.07
Statutory Reserve				
As per last Balance Sheet	88.03		87.25	
Add: Transferred from Profit and Loss Account	2.90		1.04	
Less: Transferred to Profit and Loss Account	33.94		-	
Less: Transferred to Minority Interest	1.55		0.26	
		55.44		88.03
General Reserve*				
As per last Balance Sheet	54,003.95		50,003.95	
Add: Transferred from Profit and Loss Account	14,000.00		11,728.92	
	68,003.95		61,732.87	
Less: Transferred to Profit and Loss Account	-		7,728.92	
		68,003.95		54,003.95
Share in Reserves of Associates				
Revaluation Reserve				
As per Last Balance Sheet		9.71		9.71
Profit and Loss Account		13,296.84		5,391.95
TOTAL		1,38,024.96		1,19,812.61

* Cumulative amount withdrawn on account of Depreciation on Revaluation is Rs. 2,563.43 crore.

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE 'C'

SECURED LOANS

(Rs. in crore)

			As at 31st March, 2010		As at 31st March, 2009
A.	**DEBENTURES**				
	Non Convertible Debentures		**9,682.82**		8,642.12
B.	**TERM LOANS**				
	From Banks				
	Rupee Loans		**575.86**		2,033.50
C.	**WORKING CAPITAL LOANS**				
	From Banks				
	Foreign Currency Loans	**1,234.67**		-	
	Rupee Loans	**201.05**		72.11	
			1,435.72		72.11
	TOTAL		**11,694.40**		10,747.73

1. Debentures referred to in A above to the extent of:

   a) Rs. 2,283.00 crore are secured by way of first mortgage / charge on the immovable properties situated at Hazira Complex and at Jamnagar Complex (other than SEZ unit) of the Company.

   b) Rs. 5,000.00 crore are secured by way of first mortgage / charge on the immovable properties situated at Jamnagar Complex (other than SEZ unit) of the Company.

   c) Rs. 1,970.00 crore are secured by way of first mortgage / charge on all the properties situated at Hazira Complex and at Patalganga Complex of the Company.

   d) Rs. 175.00 crore are secured by way of first mortgage / charge on all the properties, both present and future, of the Refinery Division (other than SEZ unit) of the Company and excluding book debts, office premises and certain other properties thereof.

   e) Rs.110.34 crore are secured by way of first mortgage / charge on certain properties situated at village Munja Dhanot, District Kalol in the State of Gujarat and on fixed assets situated at Hoshiarpur Complex of the Company.

   f) Rs. 49.43 crore are secured by way of first mortgage / charge on certain properties situated at Ahmedabad in the State of Gujarat and on fixed assets situated at Nagpur Complex of the Company.

   g) Rs. 44.05 crore are secured by way of first mortgage / charge on certain properties situated at Surat in the State of Gujarat and on fixed assets situated at Allahabad Complex of the Company.

   h) Rs. 51.00 crore are secured by way of first mortgage / charge on movable and immovable properties situated at Thane in the State of Maharashtra and on movable properties situated at Baulpur Complex of the Company.

2. Debentures referred to in A above are redeemable at par, in one or more installments, on various dates with the earliest redemption being on 30th May, 2010 and the last being on 8th December, 2018. The debentures are redeemable as follows: Rs.

Schedules forming part of the Consolidated Balance Sheet

175.00 crore in financial year 2010-11, Rs. 655.00 crore in financial year 2011-12, Rs. 3,043.69 crore in financial year 2012-13, Rs. 4,466.26 crore in financial year 2013-14, Rs. 408.83 crore in financial year 2014-15, Rs. 164.04 crore in financial year 2015-16, Rs. 133.33 crore in financial year 2016-17, Rs. 133.33 crore in financial year 2017-18 and Rs. 503.34 crore in financial year 2018-19.

3. Term loans from banks to the extent of Rs. 570.00 crore are secured by a first ranking pari passu mortgage over leasehold interests of the Company's SEZ unit at Jamnagar under the Land Lease Agreement and the fixed assets (including plant and machinery) affixed thereon; a first ranking pari passu charge over movable assets (other than current assets and investments) of the Company's SEZ unit; a floating second ranking charge over such of the current assets of Company's SEZ unit that are charged on a first ranking basis to the working capital lenders and an assignment of SEZ unit's right, title and interest under the key Project Agreements.

4. Term loans referred to in B above to the extent of Rs. 5.86 crore are secured by hypothecation of vehicles.

5. Working Capital Loans referred to in C above to the extent of :

   a) Rs. 1,417.68 crore are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares, book debts, outstanding monies, receivable claims, bills, materials in transit, etc. save and except receivable of Oil and Gas Division.

   b) Rs. 18.04 crore are secured by way of lien against term deposits with banks.

SCHEDULE 'D'

UNSECURED LOANS

(Rs. in crore)

		As at 31st March, 2010		As at 31st March, 2009
A. Long Term				
i) From Banks	**42,373.97**		52,606.25	
ii) From Others	**3,899.30**		4,512.46	
		46,273.27		57,118.71
B. Short Term				
i) From Banks	**6,271.41**		7,413.47	
ii) From Others	**347.83**		953.99	
		6,619.24		8,367.46
C. Debentures				
Zero Coupon Unsecured Optionally Fully Convertible Debentures of Rs. 100 each		**0.30**		0.30
D. Deferred Sales Tax Liability		**18.31**		22.40
TOTAL		**52,911.12**		65,508.87

Note:

Short term loan from banks includes commercial paper of Rs. 500.00 crore. (Previous Year Rs. NIL).

[Maximum balance outstanding at any time during the Year being Rs. 8,500.00 crore (Previous Year Rs. NIL)].

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE 'E'

FIXED ASSETS

(Rs. in crore)

Description	Gross Block				Depreciation		Net Block	
	As at 01-04-2009	Additions/ Adjustments	Deductions/ Adjustments	**As at 31-03-2010**	For the Year@	**Upto 31-03-2010**	**As at 31-03-2010**	As at 31-03-2009
OWN ASSETS :								
Leasehold Land	1,968.64	98.23	45.80	**2,021.07**	88.78	**189.77**	**1,831.30**	1,861.30
Freehold Land	5,142.78	45.97	47.10	**5,141.65**	-	**-**	**5,141.65**	5,142.78
Buildings	9,736.59	773.53	31.70	**10,478.42**	385.04	**2,437.96**	**8,040.46**	7,685.88
Plant & Machinery	1,24,599.95	62,638.58	295.24	**1,86,943.29**	12,574.67	**55,588.85**	**1,31,354.44**	81,446.62
Electrical Installations	3,009.69	812.94	26.16	**3,796.47**	191.75	**1,242.54**	**2,553.93**	1,955.99
Equipments	4,274.02	2,482.18	115.22	**6,640.98**	319.64	**1,073.94**	**5,567.04**	3,495.87
Furniture & Fixtures	642.12	186.96	13.18	**815.90**	56.36	**344.57**	**471.33**	376.97
Vehicles	343.93	54.80	60.30	**338.43**	47.39	**159.87**	**178.56**	199.04
Ships	396.46	1.01	11.72	**385.75**	15.20	**225.51**	**160.24**	175.84
Aircrafts & Helicopters	78.89	-	10.47	**68.42**	9.34	**20.37**	**48.05**	58.10
Sub-Total	**1,50,193.07**	**67,094.20**	**656.89**	**2,16,630.38**	**13,688.17**	**61,283.38**	**1,55,347.00**	**1,02,398.39**
LEASED ASSETS :								
Plant & Machinery	354.17	1.18	0.01	**355.34**	50.08	**171.22**	**184.12**	233.15
Ships	9.98	-	-	**9.98**	-	**9.98**	**-**	-
Sub-Total	**364.15**	**1.18**	**0.01**	**365.32**	**50.08**	**181.20**	**184.12**	**233.15**
INTANGIBLE ASSETS :								
Technical Knowhow fees**	2,595.40	486.31	1.76	**3,079.95**	130.78	**1,411.90**	**1,668.05**	1,314.28
Software**	460.87	26.47	6.65	**480.69**	43.06	**376.74**	**103.95**	121.60
Others	3,568.94	-	-	**3,568.94**	88.61	**680.81**	**2,888.13**	2,976.78
Sub-Total	**6,625.21**	**512.78**	**8.41**	**7,129.58**	**262.45**	**2,469.45**	**4,660.13**	**4,412.66**
Total	**1,57,182.43**	**67,608.16**	**665.31**	**2,24,125.28**	**14,000.70***	**63,934.03**	**1,60,191.25**	**1,07,044.20**
Previous Year	1,09,180.19	52,103.60	4,101.36	**1,57,182.43**	7,791.37	**50,138.23**	**1,07,044.20**	
Capital Work-in-Progress							**17,033.68**	73,845.97

NOTES :

a) Leasehold Land includes Rs. 203.19 crore (Previous Year Rs. 203.19 crore) in respect of which lease-deeds are pending execution.

b) Buildings include :
   i) Cost of shares in Co-operative Housing Societies Rs. 1.00 crore (Previous Year Rs. 1.00 crore).
   ii) Rs. 4.88 crore (Previous Year Rs. 4.88 crore) in respect of which conveyance is pending.
   iii) Rs. 93.20 crore (Previous Year Rs. 93.20 crore) in shares of Companies / Societies with right to hold and use certain area of Buildings.

c) Intangible assets - Others include :
   i) Jetties amounting to Rs. 646.97 crore (Previous Year Rs. 646.97 crore), the Ownership of which vests with Gujarat Maritime Board. However, under an agreement with Gujarat Maritime Board, the Company has been permitted to use the same at a concessional rate.
   ii) Rs. 2,919.10 crore (Previous Year Rs. 2,919.10 crore) in shares of Companies and lease premium paid with right to hold and use Land and Buildings.

d) Capital Work-in-Progress includes:
   i) Rs. 2,004.84 crore (Previous Year Rs. 17,526.17 crore) on account of Project development expenditure.
   ii) Rs. 1,253.42 crore (Previous Year Rs. 3,052.73 crore) on account of cost of construction materials at site.
   iii) Rs. 1,645.44 crore (Previous Year Rs. 6,664.39 crore) on account of advance against capital expenditure.

e) Additions include Rs. 227.59 crore on revaluation of Buildings, Plant & Machinery and Storage Tanks as at 31.12.2009, based on report issued by international valuers.

f) Gross Block includes Rs. 12,900.63 crore added on revaluation of Building, Plant & Machinery and Equipments as at 01.01.2009, Rs. 154.82 crore on revaluation of Buildings, Plant & Machinery and Storage Tanks as at 22.12.2008 and Rs. 22,497.34 crore added on revaluation of Building, Plant & Machinery, Electrical Installations and Equipments as at 01.08.2005, based on reports issued by international valuers.

g) Additions and Capital Work-in-Progress include Rs. 5,313.81 crore (net gain) [Previous Year Rs. 1,183.26 crore (net loss)] on account of exchange difference during the year.

* Refer to Note 6, Schedule 'N'

** Other than internally generated

@ Includes depreciation of Rs. NIL (Previous Year Rs. 78.79 crore) for pre-acquisition period of subsidiaries acquired during the year and depreciation of Rs. 0.08 crore (Previous Year Rs. NIL) accounted as project development expenditure.

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE 'F'

(Rs. in crore)

		As at 31st March, 2010		As at 31st March, 2009
CURRENT ASSETS				
INVENTORIES				
Stores, Chemicals and Packing Materials	**2,922.74**		3,592.71	
Raw Materials	**15,090.24**		6,171.78	
Stock-in-Process	**6,826.85**		5,612.12	
Finished Goods / Traded Goods	**9,553.49**		4,733.00	
		34,393.32		20,109.61
SUNDRY DEBTORS (Unsecured and Considered Good)				
Over six months	**18.69**		20.26	
Others	**10,064.23**		4,824.71	
		10,082.92		4,844.97
CASH AND BANK BALANCES				
Cash on hand	**26.79**		58.18	
Balance with Banks				
In Current Accounts :				
with Scheduled Banks	**396.19**		650.25	
with Others	**241.41**		96.88	
In Fixed Deposit Accounts :				
with Scheduled Banks	**13,170.60**		21,936.79	
with Others	**55.84**		-	
		13,890.83		22,742.10
OTHER CURRENT ASSETS				
Interest Accrued on Investments	**91.40**		47.59	
		91.40		47.59
TOTAL		**58,458.47**		47,744.27

SCHEDULE 'G'

LOANS AND ADVANCES

(Rs. in crore)

		As at 31st March, 2010		As at 31st March, 2009
UNSECURED - (Considered Good Unless Otherwise Stated)				
Advance Income Tax (Net of Provision)		**1,424.54**		1,277.23
Advances recoverable in cash or in kind or for value to be received	**5,186.14**		5,907.18	
Less: Considered Doubtful	**71.78**		71.78	
		5,114.36		5,835.40
Deposits		**2,668.16**		2,539.17
Balance with Customs, Central Excise Authorities, etc.		**1,440.15**		1,350.00
TOTAL		**10,647.21**		11,001.80

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE 'H'

CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

(Rs. in crore)

		As at 31st March, 2010		As at 31st March, 2009
Sundry Creditors - Micro, Small and Medium Enterprises	**8.31**		7.53	
- Others *	**38,117.31**		34,493.58	
Liability for Leased Assets *	**69.23**		88.66	
Unpaid Dividend #	**98.61**		88.98	
Unpaid Matured debentures #	**1.39**		2.19	
Interest accrued on above #	**0.19**		0.19	
Unpaid Share Application Money #	**1.36**		1.42	
Interest accrued but not due on Loans	**594.17**		1,074.43	
		38,890.57		35,756.98
PROVISIONS				
Provision for Income Tax	**20.61**		21.74	
Provision for Fringe Benefit Tax	**0.01**		3.21	
Provision for Wealth Tax	**50.88**		37.68	
Provision for Leave encashment/ Superannuation / Gratuity	**373.17**		553.28	
Other Provisions	**819.44**		279.67	
Proposed / Interim Dividend	**2,084.67**		1,897.05	
Tax on Dividend	**346.24**		322.40	
		3,695.02		3,115.03
TOTAL		**42,585.59**		38,872.01

* Includes for capital expenditure Rs. 8,977.73 crore (Previous Year Rs. 17,812.54 crore).

\# These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except Rs. 7.02 crore (Previous Year Rs 7.21 crore) which is held in abeyance due to legal cases pending.

Schedules forming part of the Consolidated Profit and Loss Account

SCHEDULE 'I'

OTHER INCOME

(Rs. in crore)

		2009-10		2008-09
Dividend:				
From Current Investments	**1.74**		41.99	
From Long Term Investments	**6.56**		2.42	
		8.30		44.41
Interest:				
From Current Investments	**171.54**		237.75	
From Long Term Investments	-		9.54	
From Others	**1,544.36**		1,208.78	
[Tax deducted at Source Rs. 182.43 crore (Previous Year Rs. 232.44 crore)]		**1,715.90**		1,456.07
Premium on investments in preference shares		**0.28**		-
Profit on Sale of Current Investments (net)		**274.77**		425.08
Profit on Sale of Long Term Investments (net)		**21.41**		-
Profit on Sale of Fixed Assets		**33.95**		15.12
Miscellaneous Income		**136.91**		146.13
Profit / (Loss) on de-subsidiarisation of Subsidiary		**(16.53)**		43.09
Share in Associates		**10.77**		(127.14)
Exceptional Items*		**8,605.57**		-
		10,791.33		2,002.76
Less : Transferred to Project Development Expenditure				
- Interest Income	-		23.80	
- Others	-	-	64.72	88.52
TOTAL		**10,791.33**		1,914.24

* Income from sale of Reliance Industries Limited shares by Petroleum Trust.

Schedules forming part of the Consolidated Profit and Loss Account

SCHEDULE 'J'

VARIATION IN STOCKS

(Rs. in crore)

		2009-10		2008-09
STOCK-IN-TRADE (at close)				
Finished Goods / Traded Goods	**9,553.49**		4,733.00	
Stock-in-Process	**6,826.85**		5,612.12	
		16,380.34		10,345.12
STOCK-IN-TRADE (at commencement)				
Finished Goods / Traded Goods	**4,733.00**		4,236.17	
Stock-in-Process	**5,612.12**		4,508.37	
	10,345.12		8,744.54	
Capitalised During the year	**0.23**		(138.06)	
	10,345.35		8,606.48	
Opening Stock of Subsidiaries (De-subsidiarised) / Acquired during the year	-		(530.90)	
		10,345.35		8,075.58
TOTAL		**6,034.99**		2,269.54

SCHEDULE 'K'

MANUFACTURING AND OTHER EXPENSES

(Rs. in crore)

		2009-10		2008-09
RAW MATERIAL CONSUMED		**1,53,100.20**		1,07,493.84
MANUFACTURING EXPENSES				
Stores, Chemicals and Packing Materials	**3,639.54**		2,598.39	
Electric Power, Fuel and Water	**3,140.75**		3,848.91	
Machinery Repairs	**463.25**		402.94	
Building Repairs	**69.51**		92.37	
Labour, Processing, Production Royalty and Machinery Hire Charges	**1,823.36**		894.79	
Excise Duty #	**369.15**		(111.53)	
Lease Rent	**3.73**		317.67	
Exchange Differences (Net)	**(725.57)**		661.10	
		8,783.72		8,704.64
LAND DEVLOPEMENT AND CONSTRUCTION EXPENDITURE		**180.31**		559.39
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES (including Managerial Remuneration)				
Salaries, Wages and Bonus	**2,312.66**		2,416.56	
Contribution to Provident Fund, Gratuity Fund, Superannuation Fund, Employee's State Insurance Scheme, Pension Scheme, Labour Welfare Fund etc.	**191.76**		324.82	
Employee Welfare and other amenities	**286.45**		276.19	
		2,790.87		3,017.57
SALES AND DISTRIBUTION EXPENSES				
Samples, Sales Promotion and Advertisement Expenses	**33.36**		111.50	
Brokerage, Discount and Commission	**252.47**		404.34	
Warehousing and Distribution Expenses	**3,600.56**		2,621.87	
Sales Tax / Vat / Service Tax	**566.22**		234.74	
		4,452.61		3,372.45

Schedules forming part of the Consolidated Profit and Loss Account

SCHEDULE 'K' (Contd.)

(Rs. in crore)

		2009-10		2008-09
ESTABLISHMENT EXPENSES				
Insurance	**504.06**		335.68	
Rent	**356.71**		147.04	
Rates & Taxes	**72.12**		84.95	
Other Repairs	**301.03**		261.94	
Travelling Expenses	**81.05**		173.01	
Payment to Auditors	**16.83**		14.29	
Professional Fees	**544.02**		689.66	
Loss on Sale / Discarding of Fixed Assets	**67.29**		46.52	
General Expenses*	**948.44**		1,248.53	
Investment written off	**245.33**		-	
Wealth Tax	**13.21**		13.43	
Charity and Donations	**103.41**		87.14	
		3,253.50		3,102.19
		1,72,561.21		1,26,250.08
Less : Transferred to Project Development Expenditure (Net)		**1,217.92**		3,380.45
TOTAL		**1,71,343.29**		1,22,869.63

\# Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.

* Includes diminution in value of investments of Rs. 8.30 crore (Previous Year Rs. 3.44 crore), Rs. NIL (Previous Year Rs. 369.60 crore) towards liabilities on account of corporate guarantees given on behalf of a subsidiary, being an exceptional item and Impairment of Assets of Rs. 17.70 crore (Previous Year Rs. NIL).

SCHEDULE 'L'

INTEREST AND FINANCE CHARGES

(Rs. in crore)

	2009-10	2008-09
Debentures	**946.36**	545.61
Fixed Loans	**546.90**	435.95
Finance charges on Leased Assets	**7.89**	0.24
Others	**558.43**	834.47
TOTAL	**2,059.58**	1,816.27

Significant Accounting Policies to the Consolidated Accounts

SCHEDULE 'M'

SIGNIFICANT ACCOUNTING POLICIES

1. Principles of consolidation

The consolidated financial statements relate to Reliance Industries Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"

b) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 - "Financial Reporting of Interest in Joint Ventures".

c) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.

d) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

e) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of Profit and Loss account being the profit or loss on disposal of investment in subsidiary.

f) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

g) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

h) Investment in Associate Companies has been accounted under the equity method as per (AS 23) - "Accounting for Investments in Associates in Consolidated Financial Statements".

i) The Company accounts for its share in the change in net assets of the associates, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Profit and Loss account to the extent such change is attributable to the associates' Profit and Loss account and through its reserves for the balance, based on available information.

j) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

k) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

2. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

3. Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

SCHEDULE 'N'

NOTES ON ACCOUNTS:

1. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year consolidated financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

2. The Subsidiary companies considered in the consolidated financial statements are:

Name of the Subsidiaries	Country of Incorporation	Proportion of ownership interest
Reliance Industrial Investments and Holdings Limited (including Petroleum Trust)	India	100.00%
Reliance Ventures Limited	India	100.00%
Reliance Strategic Investments Limited	India	100.00%
Reliance Industries (Middle East) DMCC *	U.A.E.	100.00%
Reliance Jamnagar Infrastructure Limited	India	100.00%
Reliance Retail Limited	India	91.10%
Reliance Netherlands B.V. *	Netherlands	100.00%
Reliance Haryana SEZ Limited	India	92.50%
Reliance Fresh Limited	India	91.10%
Retail Concepts and Services (India) Limited	India	91.10%
Reliance Retail Insurance Broking Limited	India	91.10%
Reliance Dairy Foods Limited	India	91.10%
Reliance Exploration & Production DMCC *	U.A.E.	100.00%
Reliance Retail Finance Limited	India	91.10%
RESQ Limited	India	91.10%
Reliance Global Management Services Limited	India	100.00%
Reliance Commercial Associates Limited	India	100.00%
Reliancedigital Retail Limited	India	91.10%
Reliance Financial Distribution and Advisory Services Limited	India	91.10%
RIL (Australia) Pty Limited	Australia	100.00%
Reliance Hypermart Limited	India	91.10%
Gapco Kenya Limited *	Kenya	76.00%
Gapco Rwanda SARL *	Rwanda	76.00%
Gapco Tanzania Limited *	Tanzania	76.00%
Gapco Uganda Limited *	Uganda	76.00%
Gapoil (Zanzibar) Limited *	Zanzibar	76.00%
Gapoil Tanzania Limited *	Tanzania	76.00%
Gulf Africa Petroleum Corporation *	Mauritius	76.00%
Transenergy Kenya Limited *	Kenya	76.00%
Recron (Malaysia) Sdn Bhd *	Malaysia	100.00%
Reliance Retail Travel & Forex Services Limited	India	91.10%
Reliance Brands Limited	India	91.10%
Reliance Footprint Limited	India	91.10%
Reliance Trends Limited	India	91.10%

SCHEDULE 'N' (Contd.)

Name of the Subsidiaries	Country of Incorporation	Proportion of ownership interest
Reliance Wellness Limited	India	91.10%
Reliance Lifestyle Holdings Limited	India	91.10%
Reliance Universal Ventures Limited	India	91.10%
Delight Proteins Limited	India	91.10%
Reliance Autozone Limited	India	91.10%
Reliance F&B Services Limited	India	91.10%
Reliance Gems and Jewels Limited	India	91.10%
Reliance Integrated Agri Solutions Limited	India	91.10%
Strategic Manpower Solutions Limited	India	91.10%
Reliance Agri Products Distribution Limited	India	91.10%
Reliance Digital Media Limited	India	91.10%
Reliance Food Processing Solutions Limited	India	91.10%
Reliance Home Store Limited	India	91.10%
Reliance Leisures Limited	India	91.10%
Reliance Loyalty & Analytics Limited	India	91.10%
Reliance Retail Securities and Broking Company Limited	India	91.10%
Reliance Supply Chain Solutions Limited	India	91.10%
Reliance Trade Services Centre Limited	India	91.10%
Reliance Vantage Retail Limited	India	91.10%
Reliance International Exploration and Production Inc. (Upto 30.03.2010) *	U.S.A	100.00%
Wave Land Developers Limited	Kenya	100.00%
Reliance-GrandOptical Private Limited	India	91.10%
Reliance Universal Commercial Limited	India	100.00%
Reliance Petroinvestments Limited	India	100.00%
Reliance Global Commercial Limited	India	100.00%
Reliance Cyprus Limited (Upto 30.03.2010) *	Cyprus	100.00%
Reliance People Serve Limited	India	91.10%
Reliance Infrastructure Management Services Limited	India	91.10%
Reliance Global Business, B.V.	Netherlands	100.00%
Reliance Gas Corporation Limited	India	100.00%
Reliance Global Energy Services Limited	U.K.	100.00%
Reliance One Enterprises Limited	India	91.10%
Reliance Global Energy Services (Singapore) Pte. Limited	Singapore	100.00%
Reliance Personal Electronics Limited	India	91.10%
Reliance Polymers (India) Limited	India	100.00%
Reliance Polyolefins Limited	India	100.00%
Reliance Aromatics and Petrochemicals Private Limited	India	100.00%
Reliance Energy and Project Development Private Limited	India	100.00%
Reliance Chemicals Limited	India	100.00%
Reliance Universal Enterprises Limited	India	100.00%

SCHEDULE 'N' (Contd.)

Name of the Subsidiaries	Country of Incorporation	Proportion of ownership interest
International Oil Trading Limited	British Virgin Island	100.00%
Reliance Review Cinema Limited	India	91.10%
Reliance Replay Gaming Limited	India	91.10%
Reliance Nutritional Food Processors Limited	India	91.10%
RIL USA inc.	U.S.A	100.00%
Reliance Commercial Land & Infrastructure Limited	India	100.00%
Reliance Corporate IT Park Limited	India	97.80%
Reliance Eminent Trading & Commercial Private Limited	India	100.00%
Reliance Progressive Traders Private Limited	India	100.00%
Reliance Prolific Traders Private Limited	India	100.00%
Reliance Universal Traders Private Limited	India	100.00%
Reliance Prolific Commercial Private Limited	India	100.00%
Reliance Comtrade Private Limited	India	100.00%
Reliance Ambit Trade Private Limited	India	100.00%
Reliance Petro Marketing Limited	India	91.10%
LPG Infrastructure (India) Private Limited	India	91.10%
Reliance Infosolutions Private Limited	India	100.00%
Reliance Corporate Center Limited	India	100.00%
Reliance Convention and Exhibition Center Limited	India	100.00%
Central Park Enterprises DMCC *	U.A.E	100.00%
Reliance International B. V.	Netherlands	100.00%
Reliance Corporate Services Private Limited	India	100.00%

* Subsidiary Company having 31st December as a reporting date.

3. The significant Associates / Joint Ventures considered in the consolidated financial statements are:

Reliance Industrial Infrastructure Limited	India	45.43%
Reliance Europe Limited #	U.K.	50.00%
Reliance LNG Limited	India	45.00%
Gujarat Chemicals Port Terminal Company Limited	India	41.80%
Reliance Commercial Dealers Limited	India	50.00%
Delta Hydrocarbons S A Luxembourg #	Luxembourg	23.15%
Indiawin Sports Private Limited	India	50.00%
eOfficePlanet India Private Limited	India	44.64%
Reliance-Vision Express Private Limited	India	45.55%
Reliance-Grandvision India Supply Private Limited	India	45.55%
Reliance Vornado Management Private Limited	India	45.55%
Reliance Vornado Development Private Limited	India	45.55%
Marks and Spencer Reliance India Private Limited	India	44.64%
Reliance Innovative Building Solutions Private Limited	India	50.00%
Diesel Fashion India Reliance Private Limited	India	44.64%

Associate Company having 31st December as a reporting date.

SCHEDULE 'N' (Contd.)

4. In respect of jointly controlled entities, the Company's share of assets, liabilities, income and expenditure of the joint venture companies are as follows:

(Rs. in crore)

Particulars		**As on 31st March, 2010**	As on 31st March, 2009
(i)	Assets		
	Long Term Assets	**63.87**	17.07
	Investments	**41.26**	-
	Current Assets	**97.55**	101.62
(ii)	Liabilities		
	Loans (Secured & Unsecured)	**10.31**	0.78
	Current Liabilities and Provisions	**48.39**	42.80
	Deferred Tax	**-**	(0.76)
(iii)	Income	**101.46**	27.93
(iv)	Expenses	**136.33**	46.94

5. The audited/unaudited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or International Financial Reporting Standards. The differences in accounting policies of the Company and its subsidiaries are not material and there are no material transactions from 1st January, 2010 to 31st March, 2010 in respect of subsidiaries having financial year ended 31st December, 2009.

6. The Gross Block of Fixed Assets includes Rs. 38,504.39 crore (Previous Year Rs. 38,121.98 crore) on account of revaluation of Fixed Assets. Consequent to the said revaluation there is an additional charge of depreciation of Rs. 2,991.80 crore (Previous Year Rs. 1,987.14 crore) and an equivalent amount, has been withdrawn from Revaluation Reserve and credited to the Profit and Loss Account. This has no impact on profit for the year.

7. Turnover includes Income from Services of Rs. 210.36 crore (Previous Year Rs. 907.50 crore) and sales during trial run period of Rs. 143.26 crore (Previous Year Rs. 2,604.53 crore).

8. Managerial Remuneration:
(Included under the head "Payments to and Provisions for Employees")

(a) Remuneration to Managing Director / Executive Directors

(Rs. in crore)

		2009-10	2008-09
(i)	Salaries	**7.42**	1.34
(ii)	Perquisites and allowances	**5.57**	1.66
(iii)	Commission	**19.94**	34.23
(iv)	Leave salary / Encashment	**0.55**	0.55
(v)	Contribution to Provident fund and Superannuation fund	**1.06**	0.36
(vi)	Provision for Gratuity	**6.36**	0.07
		40.90	38.21
(b)	Commission to Non-Executive Directors	**1.75**	1.89

SCHEDULE 'N' (Contd.)

9. A sum of Rs. 1.35 crore (net debit) [Previous Year Rs. 2.64 crore (net debit)] is included under Establishment expenses representing Net Prior Period Items.

10. The deferred tax liability comprise of the following:

(Rs. in crore)

			As at 31st March, 2010		As at 31st March, 2009
a	**Deferred Tax Liabilities :**				
	Related to fixed assets		**11,702.87**		10,647.90
b	**Deferred Tax Assets :**				
	Related to fixed assets	**94.08**		71.21	
	Disallowances under the Income Tax Act, 1961	**251.03**		256.93	
	Carried forward loss of subsidiaries	**680.19**	**1,025.30**	768.43	1,096.57
			10,677.57		9,551.33

11. EARNINGS PER SHARE (EPS)

		2009-10	2008-09
i)	Net Profit after tax (after adjusting Minority Interest) as per Profit and Loss Account (Rs. in crore)	**24,503.14**	14,968.72
ii)	Excess / (Short) provision for tax for earlier years (Rs. in crore)	**(0.23)**	2.58
iii)	Net profit attributable to equity shareholders (Rs. in crore)	**24,502.91**	14,971.30
iv)	Net Profit before Exceptional item (Rs. in crore)	**15,897.34**	15,299.03
v)	Weighted Average number of equity shares used as denominator for calculating EPS	**2,97,75,08,221***	2,76,66,32,010*
vi)	Basic and Diluted Earnings per share (Rs.)	**82.29**	54.11
vii)	Basic and Diluted Earnings (before exceptional items) per share (Rs.)	**53.39**	55.30
viii)	Face Value per equity share (Rs.)	**10.00**	10.00

* Adjusted for issue of bonus shares in 2009-10 in the ratio of 1:1.

SCHEDULE 'N' (Contd.)

12. FINANCIAL AND DERIVATIVE INSTRUMENTS

a) **Derivative contracts entered into by the Company and outstanding as on 31st March, 2010.**

(i) **For hedging Currency and Interest Rate Related Risks:**

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March, 2010 amount to Rs. 1,23,647.74 crore (Previous Year Rs. 60,519.46 crore).

Category wise break up is given below :

(Rs. in crore)

Sr. No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
1	Interest Rate Swaps	**48,361.08**	23,215.50
2	Currency Swaps	**4,199.76**	4,435.15
3	Options (net)	**44,853.83**	2,492.71
4	Forward Contracts	**26,233.07**	30,376.10

(ii) **For hedging commodity related risks :**

Category wise break up is given below :

		As at 31st March, 2010			As at 31st March, 2009		
Sr. No	Particulars	Petroleum products sales	Crude Oil purchases	Other products	Petroleum products sales	Crude oil purchases	Other products
		(in Kbbl)	(in Kbbl)	(in Kg)	(in Kbbl)	(in Kbbl)	(in Kg)
1	Forward swaps (net)	**1,900**	**8,185**	**572**	2,985	6,157	77
2	Futures	**5,772**	**4,967**	-	256	2,689	-
3	Spreads	**10,306**	**32,141**	-	1,908	13,424	-
4	Options (net)	**1,800**	**12,175**	-	9,387	10,800	-

In addition the Company has net margin hedges outstanding for contracts relating to petroleum product sales of 72,700 kbbl (Previous Year 30,650 kbbl).

b) In accordance with principles of prudence and other applicable guidelines as per Accounting Standards notified by the Companies (Accounting Standards) Rules 2006 the Company has charged an amount of Rs. 94.09 crore (Previous Year Rs. 35.32 crore) to the Profit and Loss Account in respect of derivative contracts other than those contracts which are effective hedges.

c) Foreign currency exposures that are not hedged by derivative instruments as on 31st March 2010 amount to Rs. 50,487.21 crore (Previous Year Rs. 51,440.50 crore).

13. Segment Information:

The Company has identified three reportable segments viz. Petrochemicals, Refining and Oil & Gas. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

SCHEDULE 'N' (Contd.)

(i) **Primary Segment Information :** (Rs. in crore)

	Particulars	Petrochemicals		Refining		Oil and Gas		Others		Unallocable		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
1	**Segment Revenue**												
	External Turnover	59,106.84	56,449.69	1,36,068.25	91,456.17	11,774.04	3,488.73	4,777.94	4,393.92	-	-	2,11,727.07	1,55,788.51
	Inter Segment Turnover	47.18	-	39,051.42	18,430.30	875.01	92.11	12.66	43.00	-	-	-	-
	Gross Turnover	**59,154.02**	**56,449.69**	**1,75,119.67**	**1,09,886.47**	**12,649.05**	**3,580.84**	**4,790.60**	**4,436.92**	-	-	**2,11,727.07***	**1,55,788.51***
	Less: Excise duty / Service Tax recovered	3,132.01	4,082.40	4,805.42	397.56	-	-	49.92	84.54	-	-	7,987.35	4,564.50
	Net Turnover	**56,022.01**	**52,367.29**	**1,70,314.25**	**1,09,488.91**	**12,649.05**	**3,580.84**	**4,740.68**	**4,352.38**	-	-	**2,03,739.72**	**1,51,224.01**
2	**Segment Result before Interest and Taxes**	8,640.41	6,946.79	6,056.24	9,769.57	5,199.29	2,130.76	98.47	(304.09)	423.56	79.71	20,417.97	18,622.74
	Less: Interest Expense	-	-	-	-	-	-	-	-	2,059.58	1,816.27	2,059.58	1,816.27
	Add: Interest Income	-	-	-	-	-	-	-	-	1,715.90	1,432.27	1,715.90	1,432.27
	Add: Exceptional Item	-	-	-	-	-	-	-	-	8,605.57	(369.60)	8,605.57	(369.60)
	Profit Before Tax	8,640.41	6,946.79	6,056.24	9,769.57	5,199.29	2,130.76	98.47	(304.09)	8,685.45	(673.89)	28,679.86	17,869.14
	Current Tax	-	-	-	-	-	-	-	-	3,124.91	1,208.18	3,124.91	1,208.18
	Fringe Benefit Tax	-	-	-	-	-	-	-	-	-	65.23	-	65.23
	Deferred Tax	-	-	-	-	-	-	-	-	1,131.37	1,645.42	1,131.37	1,645.42
	Profit after Tax (before adjustment for Minority Interest)	8,640.41	6,946.79	6,056.24	9,769.57	5,199.29	2,130.76	98.47	(304.09)	4,429.17	(3,592.72)	24,423.58	14,950.31
	Add: Share of (Profit) / Loss transferred to Minority	-	-	5.54	11.66	-	-	74.02	6.75	-	-	79.56	18.41
	Profit after Tax (after adjustment for Minority Interest)	8,640.41	6,946.79	6,061.78	9781.23	5,199.29	2,130.76	172.49	(297.34)	4,429.17	(3,592.72)	24,503.14	14,968.72
3	**Other Information**												
	Segment Assets	45,796.76	49,728.63	1,01,591.78	88,012.92	58,858.45	57,598.75	19,898.91	18,690.46	33,296.96	32,041.02	2,59,442.86	2,46,071.78
	Segment Liabilities	4,805.02	4,093.91	24,348.58	16,083.74	8,113.03	12,969.59	1,359.73	1,097.35	3,959.23	4,627.42	42,585.59	38,872.01
	Capital Expenditure	513.09	15,658.36	3,439.09	18,256.21	5,439.67	29,080.25	709.39	8,565.46	29.32	403.83	10,130.56	71,964.11
	Depreciation	2,140.70	2,384.89	3,378.31	2,091.20	4,897.58	705.64	356.75	400.43	172.46	68.82	10,945.80	5,650.98
	Non Cash Expenses other than depreciation	-	-	-	-	-	-	-	-	271.33	3.44	271.33	3.44

*Total Gross Turnover is after elimination of inter segment turnover of Rs. 39,986.27 crore (Previous Year Rs. 18,565.41 crore).

(ii) As per Accounting Standard on Segment Reporting (AS-17), "Segment Reporting", the Company has reported segment information on consolidated basis including businesses conducted through its subsidiaries.

(iii) The reportable Segments are further described below :

— The petrochemicals segment includes production and marketing operations of petrochemical products namely, High and Low density Polyethylene, Polypropylene, Polyvinyl Chloride, Poly Butadiene Rubber, Polyester Yarn, Polyester Fibre, Purified Terephthalic Acid, Paraxylene, Ethylene Glycol, Olefins, Aromatics, Linear Alkyl Benzene, Butadiene, Acrylonitrile, Caustic Soda and Polyethylene Terephthalate.

— The refining segment includes production and marketing operations of the petroleum products.

— The oil and gas segment includes exploration, development and production of crude oil and natural gas.

— The businesses, which were not reportable segments during the year, have been grouped under the "Others" segment. This mainly comprises of:

* Textile

* Retail Business

* SEZ development

SCHEDULE 'N' (Contd.)

(iv) Secondary Segment Information:

(Rs. in crore)

		2009-2010	2008-2009
1.	**Segment Revenue – External Turnover**		
	- Within India	**85,777.52**	62,582.30
	- Outside India	**1,25,949.55**	93,206.21
	Total Revenue	**2,11,727.07**	1,55,788.51
2.	**Segment Assets**		
	- Within India	**2,49,417.81**	2,38,637.79
	- Outside India	**10,025.05**	7,433.99
	Total Assets	**2,59,442.86**	2,46,071.78
3.	**Segment Liability**		
	- Within India	**41,572.57**	36,865.91
	- Outside India	**1,013.02**	2,006.10
	Total Liability	**42,585.59**	38,872.01
4.	**Capital Expenditure**		
	- Within India	**10,073.19**	70,652.51
	- Outside India	**57.37**	1,311.60
	Total Expenditure	**10,130.56**	71,964.11

14. PROJECT DEVELOPMENT EXPENDITURE

(in respect of Projects upto 31st March, 2010, included under Capital work in progress)

(Rs. in crore)

		2009-10			2008-09
Opening Balance			**17,526.17**		2,791.02
Add:	Transferred from Profit and Loss Account				
	Schedule - K	**1,217.92**		3,380.45	
	Schedule - I	-		(88.52)	
	Expenses on Project under Construction	**152.53**		359.76	
	Interest Capitalised	**983.81**		3,396.91	
	Exchange Difference	-		10,939.75	
			2,354.26		17,988.35
Less:	Project Development Expenses Capitalised during the year	**17,875.59**		3,232.56	
	De-subsidiarised / Transferred during the year	-		20.64	
			17,875.59		3,253.20
Closing Balance			**2,004.84**		17,526.17

SCHEDULE 'N' (Contd.)

15. ADDITIONAL INFORMATION

(Rs. in crore)

	As at 31st March, 2010	As at 31st March, 2009
(A) Estimated amount of contracts remaining to be executed on Capital account and not provided for:		
(i) In respect of joint Ventures	**17.76**	2,992.66
(ii) In respect of others	**15,635.05**	22,772.61
(B) Uncalled liability on venture fund units	**145.41**	102.80
(C) Contingent Liabilities		
(i) Outstanding guarantees furnished to Banks and Financial Institutions including in respect of Letters of credit		
(a) In respect of joint Ventures	**243.54**	-
(b) In respect of others	**2,323.96**	6,542.71
(ii) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties		
(a) In respect of joint Ventures	-	-
(b) In respect of others	**583.72**	34.91
(iii) Liability in respect of bills discounted with Banks (Including third party bills discounting)		
(a) In respect of joint Ventures	**-**	-
(b) In respect of others	**1,834.44**	1,347.88
(iv) Claims against the Company / disputed liabilities not acknowledged as debts		
(a) In respect of joint Ventures	**0.01**	-
(b) In respect of others	**869.75**	1,286.17
(v) Performance Guarantees		
(a) In respect of joint Ventures	-	-
(b) In respect of others	**108.04**	125.26
(vi) Sales tax deferral liability assigned	**5,380.25**	5,407.31

(D) The Income-Tax assessments of the Company have been completed up to Assessment Year 2007-08. The disputed demand outstanding up to the said Assessment Year is Rs. 701.76 crore. 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.

SCHEDULE 'N' (Contd.)

16. Related Party Disclosures :

(i) List of related parties and relationships:

Sr No.	Name of the Related Party	Relationship
1.	Reliance Industrial Infrastructure Limited	
2.	Reliance Europe Limited	
3.	Reliance LNG Limited	
4.	Indian Vaccines Corporation Limited	
5.	Gujarat Chemicals Port Terminal Company Limited	
6.	Reliance Utilities and Power Private Limited	
7.	Reliance Utilities Private Limited	
8.	Reliance Ports and Terminals Limited	
9.	Reliance Gas Transportation Infrastructure Limited	
10.	Reliance Commercial Dealers Limited	
11.	Reliance Commercial Trading Private Limited	
12.	Delta Hydrocarbons S A Luxembourg	
13.	Indiawin Sports Private Limited	
14.	Delta Corp East Africa Limited	
15.	Diesel Fashion India Reliance Private Limited	
16.	Atri Exports Private Limited	Associate Companies / Joint Ventures
17.	Shree Salasar Bricks Private Limited	
18.	N.C. Trading Company Private Limited	
19.	KCIPI Trading Company Private Limited	
20.	Prakhar Commercials Private Limited	
21.	Pepino Farms Private Limited	
22.	Marugandha Land Developers Private Limited	
23.	Jaipur Enclave Private Limited	
24.	Einsten Commercials Private Limited	
25.	Ashwani Commercials Private Limited	
26.	Vishnumaya Commercials Private Limited	
27.	Carin Commercials Private Limited	
28.	Netravati Commercials Private Limited	
29.	Rakshita Commercials Private Limited	
30.	Kaniska Commercials Private Limited	
31.	Rocky Farms Private Limited	
32.	Centura Agro Private Limited	
33.	Fame Agro Private Limited	
34.	Noveltech Agro Private Limited	
35.	Honeywell Properties Private Limited	

SCHEDULE 'N' (Contd.)

Sr No.	Name of the Related Party	Relationship
36.	Parinita Commercial Private Limited	Associate Companies / Joint Ventures
37.	Chander Commercial Private Limited	
38.	Creative Agrotech Private Limited	
39.	Reliance-Vision Express Private Limited	
40.	Marks and Spencer Reliance India Private Limited	
41.	Reliance Vornado Development Private Limited	
42.	Reliance Vornado Management Private Limited	
43.	Reliance-GrandVision India Supply Private Limited	
44.	eOfficePlanet India Private Limited	
45.	Supreme Tradelink Private Limited	
46.	Reliance Paul And Shark Fashions Private Limited	
47.	Gaurav Overseas Private Limited	
48.	Reliance Innovative Building Solutions Private Limited	
49.	Reliance Investment Holdings B.V.	
50.	Reliance Investment Sarl	
51.	Paradise Global Enterprises B.V.	
52.	Shri Mukesh D. Ambani	Key Managerial Personnel
53.	Shri Nikhil R. Meswani	
54.	Shri Hital R. Meswani	
55.	Shri H. S. Kohli	
56.	Shri P.M.S. Prasad	
57.	Shri R. Ravimohan	
58.	Dhirubhai Ambani Foundation	Enterprises over which Key Managerial Personnel are able to exercise significant influence
59.	Jamnaben Hirachand Ambani Foundation	
60.	Hirachand Govardhandas Ambani Public Charitable Trust	
61.	HNH Trust and HNH Research Society	

SCHEDULE 'N' (Contd.)

(ii) Transactions during the year with related parties :

(Rs. in crore)

Sr. No.	Nature of Transactions (Excluding reimbursements)	Associates	Key Managerial Personnel	Others	Total
1.	Purchase of Fixed Assets	**87.98**	**-**	**-**	**87.98**
		1.24	-	-	*1.24*
2.	Sale of Fixed Assets	**0.01**	**-**	**-**	**0.01**
		29.11	-	-	*29.11*
3.	Purchase / Subscription of Investments	**98.63**	**-**	**-**	**98.63**
		2,491.69	-	-	*2,491.69*
4.	Sale / redemption of Investments	**205.63**	**-**	**-**	**205.63**
		102.27	-	-	*102.27*
5.	Loans and advances given / (returned)	**(9.40)**	**-**	**-**	**(9.40)**
		51.28	-	-	*51.28*
6.	Unsecured Loans (taken) / repaid	**595.00**	**-**	**-**	**595.00**
		-	-	-	-
7.	Turnover	**220.67**	**-**	**-**	**220.67**
		31.21	-	-	*31.21*
8.	Other Income	**6.45**	**-**	**-**	**6.45**
		5.58	-	-	*5.58*
9.	Purchases	**45.00**	**-**	**-**	**45.00**
		-	-	-	-
10.	Electric Power, Fuel and Water	**960.30**	**-**	**-**	**960.30**
		685.74	-	-	*685.74*
11.	Hire Charges	**559.00**	**-**	**-**	**559.00**
		151.63	-	-	*151.63*
12.	Manpower Deputation Charges	**85.93**	**-**	**-**	**85.93**
		4.47	-	-	*4.47*
13.	Payment to Key Managerial Personnel	**-**	**40.90**	**-**	**40.90**
		-	*38.21*	-	*38.21*
14.	Sales and Distribution Expenses	**2,532.95**	**-**	**-**	**2,532.95**
		1,263.23	-	-	*1,263.23*
15.	Rent	**-**	**-**	**-**	**-**
		2.25	-	-	*2.25*
16.	Professional Fees	**21.32**	**-**	**-**	**21.32**
		16.60	-	-	*16.60*

SCHEDULE 'N' (Contd.)

Sr. No.	Nature of Transactions (Excluding reimbursements)	Associates	Key Managerial Personnel	Others	Total
17.	General expenses	**9.90**	**-**	**-**	**9.90**
		9.05	-	-	*9.05*
18.	Donations	**-**	**-**	**18.97**	**18.97**
		-	-	*37.23*	*37.23*
19.	Interest	**81.31**	**-**	**-**	**81.31**
		-	-	-	-
20.	Investment written off (net)	**18.38**	**-**	**-**	**18.38**
		-	-	-	-
	Balance as at 31st March, 2010				
21.	**Investments**	**2,293.93**	**-**	**-**	**2,293.93**
		2,642.98	-	-	*2,642.98*
22.	**Sundry Debtors**	**26.35**	**-**	**-**	**26.35**
		123.21	-	-	*123.21*
23.	**Loans & Advances**	**1,973.11**	**-**	**-**	**1,973.11**
		1,741.52	-	-	*1,741.52*
24.	**Unsecured Loan**	**310.12**	**-**	**-**	**310.12**
		-	-	-	-
25.	**Sundry Creditors**	**604.97**	**-**	**-**	**604.97**
		226.28	-	-	*226.28*
26.	**Financial Guarantees**	**563.47**	**-**	**-**	**563.47**
		431.12	-	-	*431.12*
27.	**Performance Guarantees**	**7.03**	**-**	**-**	**7.03**
		11.07	-	-	*11.07*

Note : Figures in Italics represent Previous Year's amounts.

SCHEDULE 'N' (Contd.)

Disclosure in respect of Material Related Party Transactions during the year :

1. Purchase of Fixed Assets include Reliance Ports and Terminals Limited Rs. 87.98 crore (Previous Year Rs. 0.64 crore), Reliance Europe Limited Rs. NIL (Previous Year Rs. 0.35 crore), Gaurav Overseas Private Limited Rs. NIL (Previous Year Rs. 0.25 crore).

2. Sale of Fixed Assets include to Reliance Commercial Dealers Limited Rs. NIL (Previous Year Rs. 29.11 crore).

3. Purchase / Subscription of Investments include Reliance Gas Transportation Infrastructure Limited Rs. 24.51 crore (Previous Year Rs. 2,000.00 crore), Delta Corp East Africa Limited Rs. NIL (Previous Year Rs. 5.63 crore), Delta Hydrocarbons S.A., Luxembourg Rs. 24.12 crore (Previous Year Rs. 435.57 crore), Reliance Commercial Trading Private Limited Rs. 50.00 crore (Previous Year Rs. 50.00 crore).

4. Sale / redemption of investments include Reliance Gas Transportation Infrastructure Limited Rs. 65.68 crore (Previous Year Rs. 102.23 crore), Reliance Commercial Trading Private Limited Rs. 50.00 crore (Previous Year Rs. NIL), Reliance Ports and Terminals Limited Rs. 89.95 crore (Previous Year Rs. NIL).

5. Loans given during the year include Indiawin Sports Private Limited Rs. 44.60 crore (Previous Year Rs. 57.73 crore), Gujarat Chemicals Ports Terminal Company Limited Rs. 17.00 crore (Previous Year Rs. 0.14 crore), Delta Corp East Africa Limited Rs. NIL (Previous Year Rs. 5.28 crore), Jaipur Enclave Private Limited Rs. 1.01 crore (Previous Year Rs. NIL), Marugandha Land Developers Private Limited Rs. 0.56 crore (Previous Year Rs. NIL), Reliance Commercial Trading Limited Rs. 5.18 crore (Previous Year Rs. NIL), Gaurav Overseas Private Limited Rs. 1.35 crore (Previous Year Rs. NIL), Chander Commercials Private Limited Rs. 33.15 crore (Previous Year Rs. NIL); Loans returned during the year include Reliance Industrial Infrastructure Limited Rs. 25.00 crore (Previous Year Rs. 10.00 crore), Reliance Europe Limited Rs. NIL (Previous Year Rs. 0.20 crore), Reliance Commercial Dealers Limited Rs. 52.13 crore (Previous Year Rs. 1.12 crore), Delta Corp East Africa Limited Rs. 8.92 crore (Previous Year Rs. NIL), Rocky Farms Private Limited Rs. 25.90 (Previous Year Rs. NIL).

6. Unsecured Loan repaid during the year include Reliance Ports and Terminal Limited Rs. 595.00 crore (Previous Year Rs. NIL).

7. Turnover includes Reliance Ports and Terminal Limited Rs. 8.33 crore (Previous Year Rs. 0.09 crore), Reliance Gas Transportation and Infrastructure Limited Rs. 209.42 crore (Previous Year Rs. 4.48 crore), Reliance Utilities Private Limited Rs. 2.91 crore (Previous Year Rs. 25.02 crore).

8. Other Income includes Interest from Gujarat Chemicals Port Terminal Company Limited Rs. 0.83 crore (Previous Year Rs. 1.92 crore), Reliance Industrial Infrastructure Limited Rs. 3.88 crore (Previous Year Rs. 2.14 crore), Guarantee Commission from Reliance Europe Limited Rs. 1.74 crore (Previous Year Rs. 1.29 crore).

9. Purchases includes Reliance Gas Transportation Infrastructure Limited Rs. 34.43 crore (Previous Year Rs. NIL), Reliance Ports and Terminal Limited Rs. 10.57 crore (Previous Year Rs. NIL).

10. Electric Power, Fuel and Water charges include Reliance Utilities and Power Private Limited Rs. 285.83 crore (Previous Year Rs. 289.88 crore), Reliance Utilities Private Limited Rs. 674.47 crore (Previous Year Rs. 395.86 crore).

11. Hire Charges include Reliance Europe Limited Rs. NIL (Previous Year Rs. 4.63 crore), Reliance Industrial Infrastructure Limited Rs. 32.01 crore (Previous Year Rs. 22.53 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 48.86 crore (Previous Year Rs. 42.05 crore), Reliance Commercial Dealers Limited Rs. NIL (Previous Year Rs. 75.29 crore), Reliance Gas Transportation Infrastructure Limited Rs. 314.56 crore (Previous Year Rs. 7.14 crore), Reliance Ports and Terminal Limited Rs. 163.57 crore (Previous Year Rs. NIL).

12. Payment to Key Management Personnel include to Shri Mukesh D. Ambani Rs. 15.00 crore (Previous Year Rs. 15.00 crore), Shri Nikhil R. Meswani Rs. 11.14 crore (Previous Year Rs. 10.93 crore), Shri Hital R. Meswani Rs. 11.14 crore (Previous Year Rs. 10.93 crore), Shri H. S. Kohli Rs. 1.32 crore (Previous Year Rs. 1.35 crore), Shri P. M. S. Prasad Rs. 1.53 crore (Previous Year Rs. NIL), Shri R. Ravimohan Rs. 0.77 crore (Previous Year Rs. NIL).

13. Sales and Distribution Expenses include Reliance Ports and Terminals Limited Rs. 2,524.46 crore (Previous Year Rs. 1,255.26 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 8.49 crore (Previous Year Rs. 7.97 crore).

14. Rent includes Reliance Industrial Infrastructure Limited Rs. NIL (Previous Year Rs. 2.25 crore).

15. Professional Fees include Reliance Europe Limited Rs. 20.20 crore (Previous Year Rs. 16.60 crore), Reliance Ports and Terminal Limited Rs. 1.12 crore (Previous Year Rs. NIL).

16. Manpower Deputation Charges include Reliance Industrial Infrastructure Limited Rs. 11.81 crore (Previous Year Rs. 4.47 crore), Reliance Ports and Terminals Limited Rs. 74.12 crore (Previous Year Rs. NIL).

17. General expenses include Reliance Industrial Infrastructure Limited Rs. 9.00 crore (Previous Year Rs. 9.00 crore), Reliance Gas Transportation Infrastructure Limited Rs. 0.03 crore (Previous Year Rs. NIL).

18. Donations to Dhirubhai Ambani Foundation Rs. 16.25 crore (Previous Year Rs. 35.47 crore), Jamnaben Hirachand Ambani Foundation Rs. 1.30 crore (Previous Year Rs. 0.04 crore).

19. Interest include Reliance Ports and Terminals Limited Rs. 81.31 crore (Previous Year Rs. NIL).

20. Investment written off (net) includes Gujarat Chemicals Port Terminal Company Limited Rs. 18.38 crore (Previous Year Rs. NIL).

SCHEDULE 'N' (Contd.) (Rs. in crore)

		As at 31st March, 2010	As at 31st March, 2009
17. DETAILS OF INVESTMENTS:			
A. INVESTMENTS IN ASSOCIATES			
LONG TERM INVESTMENTS			
Other Investments			
In Equity Shares - Quoted, fully paid up			
68,60,064 (68,60,064)	Reliance Industrial Infrastructure Limited of Rs. 10 each	**106.43**	96.44
		106.43	96.44
In Equity Shares - Unquoted, fully paid up			
11,08,500 (11,08,500)	Reliance Europe Limited of Sterling Pound 1 each	**28.01**	27.92
22,500 (22,500)	Reliance LNG Limited of Rs. 10 each	**0.02**	0.02
5,000 (5,000)	Reliance Commercial Trading Private Limited of Rs. 10 each (Rs. 23,275)	**-**	0.01
49,99,990 (49,99,990)	Reliance Commercial Dealers Limited of Rs. 10 each	**7.14**	6.47
10,40,000 (10,40,000)	Delta Hydrocarbons S.A. Luxembourg	**135.53**	314.53
75,000 (75,000)	Indiawin Sports Private Limited of Rs. 10 each	**-**	-
7,12,47,314 (7,12,47,314)	Delta Corp East Africa Limited of KES 10 each	**69.11**	75.08
62,63,125 (62,63,125)	Indian Vaccines Corporation Limited of Rs. 10 each	**0.90**	0.90
12,04,20,000 (12,04,20,000)	Gujarat Chemicals Port Terminal Company Limited of Re. 1 each	**5.88**	24.25
- (5,000)	Reliance Innovative Building Solutions Private Limited of Rs. 10 each	**-**	0.34
22,50,000 (24,30,000)	Reliance Utilities Private Limited Class 'A' Shares of Re. 1 each	**0.23**	0.24
22,70,000 (20,90,000)	Reliance Utilities and Power Private Limited Class 'A' Shares of Re. 1 each	**0.23**	0.21
- (5,000)	Reliance Paul and Shark Fashions Private Limited of Rs. 10 each	**-**	0.01
5,000 (5,000)	Gaurav Overseas Private Limited of Rs. 10 each (Rs. 38,843)	**-**	0.01

SCHEDULE 'N' (Contd.) (Rs. in crore)

		As at 31st March, 2010		As at 31st March, 2009	
2,000 (-)	Reliance Investment Holdings B.V. of Euro 50 each	**0.67**		-	
25,000 (-)	Paradise Global Enterprise B.V. of Euro 1 each	**0.17**		-	
250 (-)	Reliance Investment Sarl of Euro 25 each (Rs. 67 : Previous Year Rs. NIL)	**-**		-	
		247.89		449.99	
In Preference Shares - Unquoted, Fully paid up					
50,00,00,000 (50,00,00,000)	9% Non Cumulative Redeemable Preference Shares of Reliance Gas Transportation Infrastructure Limited of Rs 10 each	**2,000.00**		2,000.00	
		2,000.00		2,000.00	
In Debentures - Unquoted, Fully Paid Up					
- (5,00,000)	Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Commercial Trading Private Limited of Rs. 1,000 each.	**-**		50.00	
5,00,000 (-)	Zero Coupon Secured Optionally Fully Convertible Debentures of Reliance Commercial Trading Private Limited of Rs. 1,000 each.	**50.00**		-	
		50.00		50.00	
Total Investment in Associates (A)			**2,404.32**		2,596.43
B. INVESTMENTS IN OTHERS					
LONG TERM INVESTMENTS					
Government and other Securities - Unquoted					
	6 Years National Savings Certificate (Includes deposited with Sales Tax Department and other Govt. Authorities)	**0.10**		0.09	
		0.10		0.09	
			0.10		0.09
Trade Investments					
In Equity Shares Unquoted, fully paid up					
1,00,00,000 (1,00,00,000)	Petronet India Limited of Rs. 10 each	**10.00**		10.00	
25 (25)	The Colaba Central Co-operative Consumer's Wholesale and Retail Stores Limited. (Sahakari Bhandar) of Rs. 200 each (Rs. 5,000 : Previous Year Rs. 5,000)	**-**		-	
		10.00		10.00	
			10.00		10.00

SCHEDULE 'N' (Contd.)

(Rs. in crore)

		As at 31st March, 2010	As at 31st March, 2009
Other Investments			
In Equity Shares-Quoted, fully paid up			
- (8,572)	Portland General Electric Company - Common Stock Equity	-	0.82
- (25,00,000)	Industrial Development Finance Corporation Limited of Rs.10 each	-	39.28
- (8,75,673)	State Bank of India of Rs.10 each	-	191.19
19,84,860 (-)	Den Network Limited of Rs. 10 each	**38.00**	-
		38.00	231.29
In Equity Shares-Unquoted, fully paid up			
85,000 (85,000)	National Stock Exchange of India Limited of Rs. 10 each	**28.48**	28.48
1,000 (1,000)	Air Control and Chemical Engineering Company Limited of Re. 1 each (Rs. 1,500 : Previous Year Rs. 1,000)	-	-
1,500 (1,500)	Reliance Research and Development Services Private Limited of Rs.10 each (Rs. 15,000: Previous Year Rs. 15,000)	-	-
1,800 (1,800)	Shinano Retail Private Limited of Rs.10 each (Rs. 18,000: Previous Year Rs. 18,000)	-	-
1,800 (1,800)	Teesta Retail Private Limited of Rs.10 each (Rs. 18,000: Previous Year Rs. 18,000)	-	-
1,800 (1,800)	Sharnya Trading Private Limited of Rs. 10 each (Rs. 18,000: Previous Year Rs. 18,000)	-	-
	Trevira Holding Gmbh (Rs. NIL : Previous Year Rs. 67)	-	-
18 (-)	Parabool Enterprises B.V. of Euro 100 each	**0.01**	-
		28.49	28.48
In Preference Shares - Unquoted, Fully paid up			
14,00,000 (-)	10% Non Cumulative Optionally Convertible Preference Shares of Shinano Retail Private Limited	**700.00**	-
		700.00	-

SCHEDULE 'N' (Contd.) (Rs. in crore)

		As at 31st March, 2010		As at 31st March, 2009	
In Debentures Quoted, fully paid up					
2,000 (2,000)	Citi Corporation Finance (India) Limited - Non Convertible Redeemable Debentures of Rs. 10,00,000 each	**200.00**		200.00	
70,000 (-)	Citifinancial Consumer Finance India Limited - Non Convertible Redeemable Debentures of Rs. 1,00,000 each - Series 418	**700.00**		-	
7,500 (7,500)	DSP Merril Lynch Capital Limited - Secured Guaranteed, Non Convertible Debentures of Rs. 1,00,000 each	**75.00**		75.00	
- (5,000)	DSP Merril Lynch Capital Limited - Secured Guaranteed, Redeemable Non Convertible Debentures of Rs. 1,00,000 each	**-**		50.00	
1,00,00,000 (-)	Zero coupon Unsecured Optionally Fully Convertible Debentures of Reliance KG Exploration and Production Private Limited of Rs. 10 each	**10.00**		-	
		985.00		325.00	
			1,751.49		584.77
In Others					
400 (400)	Peninsula Realty Fund of Rs. 1,00,000 each.		**3.36**		3.19
9,92,677 (9,93,177)	HDFC India Real Estate of Rs. 1,000 per unit		**106.37**		106.42
50,000 (50,000)	JM Financial Property Fund of Rs. 10,000 per unit (Rs. 8,000 paid up)		**40.00**		40.00
20,000 (20,000)	Urban Infrastructure Opportunities Fund of Rs. 1,00,000 per unit		**200.00**		200.00
8,000 (8,000)	Urban Infrastructure Opportunities Fund of Rs. 1,00,000 per unit (Rs. 20,000 paid up)		**19.20**		19.20
88 (88)	Pass Through Certificates (PTC) issued by Indian Residential MBS Trust		**0.33**		1.87
	MPM Bioventure IV - QP, LP, USA		**79.76**		-
8,81,340 (-)	HDFC Warrants		**24.33**		-
Total Long Term Investments			**2,234.94**		965.54

SCHEDULE 'N' (Contd.)

(Rs. in crore)

		As at 31st March, 2010	As at 31st March, 2009
CURRENT INVESTMENTS			
Other Investments			
In Government Securities - Quoted			
	6.05 % GOI 2019	**-**	372.96
	7.59 % GOI 2016	**5.04**	-
		5.04	372.96
In Treasury Bills - Quoted			
	364 Days Treasury Bills	**-**	6.66
		-	6.66
In Certificate of Deposits with Scheduled Banks - Quoted		**3,973.27**	1,338.31
		3,973.27	1,338.31
In Public Sector Undertaking / Public Financial Institution & Corporate Bonds - Quoted			
- (600)	Citi Financial Consumer Finance India Limited	-	60.00
1,250 (1,500)	EXIM Bank of India	**125.00**	150.00
7,537 (3,600)	Housing Development Finance Company Limited	**774.43**	359.06
3,600 (2,350)	Infrastructure Development Finance Company Limited	**346.52**	234.52
2,050 (-)	Indian Railway Finance Corporation Limited	**206.16**	-
8,500 (-)	LIC Housing Finance Limited	**850.03**	-
- (1,350)	National Bank for Agricultural and Rural Development	-	135.21
1,250 (-)	National Housing Bank Limited	**124.48**	-
3,400 (-)	Power Finance Corporation Limited	**348.11**	-
8,950 (-)	Rural Electrification Corporation Limited	**895.45**	-
- (50)	State Bank of Mysore	-	5.00
		3,670.18	943.79
In Commercial Paper - Unquoted			
	Housing Development Finance Corporation Limited	**-**	95.97
	Infrastructure Development Finance Company Limited	**-**	92.59
		-	188.56

SCHEDULE 'N' (Contd.) (Rs. in crore)

		As at 31st March, 2010		As at 31st March, 2009	
Collateralised Borrowing & Lending Obligation		-		23.29	
		-		23.29	
In Units-Unquoted					
1,75,66,322 (-)	ICICI Prudential Institutional Liquid Plan - Super Institutional Growth of Rs. 100 each	**239.00**		-	
13,00,69,316 (-)	HDFC Liquid Fund - Premium Plan - Growth of Rs. 10 each	**240.00**		-	
58,39,951 (-)	ICICI Prudential Flexible Income Plan Premium - Growth of Rs. 100 each	**100.00**		-	
4,95,83,326 (-)	HDFC Cash Management Fund - Treasury Advantage Plan - Growth of Rs. 10 each	**100.07**		-	
6,61,43,253 (-)	LICMF Floating Rate Fund - Short Term Plan - Growth of Rs. 10 each	**100.00**		-	
2,79,078 (-)	ICICI Prudential Liquid Super Institutional Plan - Dividend Daily of Rs. 100 each	**2.79**		-	
1,33,25,379 (-)	HDFC Liquid Fund Premium Plan - Dividend - Daily Reinvest of Rs. 10 each	**16.33**		-	
7,28,672 (-)	HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment of Rs. 10 each	**0.77**		-	
15,84,630 (-)	ICICI Prudential Institutional Liquid Plan - Super Institutional Daily Dividend of Rs. 100 each	**15.85**		-	
60,63,553 (-)	ICICI Prudential Liquid Super Insitutional Plan - Div - Daily of Rs. 100 per unit	**0.61**		-	
8,81,87,236 (-)	HDFC Floating rate income Fund Dividend Reinvestment Daily of Rs. 10 each	**9.08**		-	
		824.50		-	
	Total Current Investments		**8,472.99**		2,873.57
	Investment in Others (B)		**10,707.93**		3,839.11
	Total (A+B)		**13,112.25**		6,435.54

Note :

Provision for diminution in the value of investments is Rs. 8.30 crore (Previous Year Rs. 3.44 crore).

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Deloitte Haskins & Sells**
Chartered Accountants

A. Siddharth
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Mumbai
April 23, 2010

V.M. Ambani
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani
H.R. Meswani
P.M.S. Prasad
Executive Directors

H.S. Kohli
R.H. Ambani
M.L. Bhakta
Y.P. Trivedi
Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R. A. Mashelkar
Directors

Shareholders’ Referencer

AT A GLANCE

- Presently, the Company has around 3.6 million folios of shareholders holding Equity Shares in the Company.
- The Company’s Equity Shares are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Global Depository Receipts (GDRs) of the Company are listed on the Luxembourg Stock Exchange and traded on International Order Book (London Stock Exchange) and also PORTAL System (NASD, USA).
- The Company’s Equity Shares are most actively traded security on both BSE and NSE.
- The Company’s Equity Shares are under compulsory trading in demat form only.
- 96.86% 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 Registrars and Transfer Agents (R&TA) of the Company.

INVESTOR SERVICE AND GRIEVANCE HANDLING MECHANISM

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

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

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

COMPANY’S RECOMMENDATIONS TO THE SHAREHOLDERS / INVESTORS

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

Open Demat Account and Dematerialise your shares

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

Consolidate Multiple Folios

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

Register NECS Mandate and furnish correct bank account particulars with Company / Depository Participant

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

Fill and submit Nomination Form

Investors should register the nominations. In case of physical shares with the Company and in case of dematerialised shares with their DP. Nomination would help the nominees to get the shares transmitted in their favour without any hassles. Investors must ensure that nomination made is in the prescribed form and must be witnessed by two witnesses in order to be effective.

Deal with Registered Intermediaries

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

Obtain documents relating to purchase and sale of securities

A valid Contract Note / Confirmation Memo should be obtained from the broker / sub-broker, within 24 hours of execution of purchase or sale of securities and it should be ensured that the Contract Note / Confirmation Memo contains order number, trade number, trade time, quantity, price and brokerage. In case the 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.

Monitor holdings regularly

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

Transfer securities before Book Closure/ Record Date

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

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 securities in electronic form by providing the details of demat account to the Registrar and Transfer Agent of the Company.

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 investor of transaction in the demat account by sending SMS. Investors will be informed about debits and credits to their demat account without having to call-up their DPs and investors need not wait for receiving Transaction Statements from DPs to know about the debits and credits.

Exercise caution

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

Mode of Postage

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

CONCEPTS AND PROCEDURES FOR SECURITIES RELATED MATTERS

Dealing in Securities

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

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

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

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

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

What is the Process of trading of Securities?

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

Step 1. Investor / trader decides to trade

Step 2. Places order with a broker to buy / sell the required quantity of respective securities

Step 3. Best priced order matches based on price-time priority

Step 4. Order execution is electronically communicated to the broker's terminal

Step 5. Trade confirmation slip issued to the investor / trader by the broker

Step 6. Within 24 hours of trade execution, contract note is issued to the investor / trader by the broker

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

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

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

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

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

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

What is online trading in securities?

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

What precautions an online investor must take?

Investor trading onling must take following precautions:

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

What are the other safety measures online client must observe?

- Avoid placing order from the shared PC's / through cyber cafés.
- Log out after having finished trading to avoid misuse.
- Ensure that one does not click on "remember me" option while signing on from nonregular location.
- Do not leave the terminal unattended while one is "signed-on" to the trading system.
- Protect your personal computer against viruses by placing firewall and an anti-virus solution.
- Do not open email attachments from people you do not know.

DIVIDEND

Payment of Dividend

The Dividend is paid under two modes viz:
(a) National Electronic Clearing Services (NECS)
(b) Physical dispatch of Dividend Warrant

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

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

NECS facility is a 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.

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

NEFT denotes payment of dividend electronically through RBI clearing to selected bank branches which have implemented Core Banking solutions (CBS). This extends to all over the country, and is not necessarily restricted to the 68 designated centres where payment can be handled through ECS. To facilitate payment through NEFT, the shareholder is required to ensure that the bank branch where his/her account is operated, is under CBS and also records the particulars of the new bank account with the DP with whom the demat account is maintained.

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

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

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

Some of the major benefits are :

a. Shareholder need not make frequent visits to his bank for depositing the physical paper instruments.
b. Prompt credit to the bank account of the investor through electronic clearing.
c. Fraudulent encashment of warrants is avoided.
d. Exposure to delays / loss in postal service avoided.
e. As there can be no loss in transit of warrants, issue of duplicate warrants is avoided.

Which cities provide NECS facility?

NECS has no restriction of centres or of any geographical area inside the country. Presently around 32,000 branches of 114 banks participate in NECS.

How to avail of NECS Facility?

Investors holding shares in physical form may send their NECS Mandate Form, duly filled in, to the Company's R&TA. The Form may be downloaded from the Company's website www.ril.com under the section "Investor Relations".

However, if shares are held in dematerialised form, NECS mandate has to be sent to the concerned Depository Participant (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 (CCBS) 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 Registrar and Transfer Agents of the Company in case you hold shares in physical form and to the concerned depository participant in case you hold shares in demat form.

In case you do not provide your new account number allotted after implementation of CBS, please note that ECS to your old account may either be rejected or returned.

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

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

Can NECS Facility be opted out by investors?

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

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

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

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

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

No duplicate warrant will be issued in respect of dividends which have remained unpaid / unclaimed for a period of seven years in the unpaid dividend account of the Company as they are required to be transferred to the

Investor Education and Protection Fund (IEPF) constituted by the Central Government.

Why do the shareholders have to wait till the expiry of the validity period of the original 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.

Unclaimed / Unpaid Dividend

What are the Statutory provisions governing unclaimed dividend?

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

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

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

Chart 1 Status of unclaimed and unpaid dividend for different years

	Dividend upto 1994-95	Dividend for 1995-96 to 2000-2001	Dividend for 2001-2002 and thereafter
Transfer of unpaid dividend	Transferred to General Revenue account of the Central Government	Transferred to Central Government's Investor Education and Protection Fund (IEPF)	Will be transferred to IEPF on due date (s)
Claims for unpaid dividend	Can be claimed from ROC, Maharashtra*	Cannot be claimed	Can be claimed from the Company's R&TA 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 1994-95 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, in Form II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.

Chart 2 Information in respect of unclaimed and unpaid dividends declared for 2000-01 and thereafter

Financial year ended	RIL		Erstwhile IPCL (Merged with RIL)	
	Date of declaration of dividend	Last date for Claiming unpaid dividend	Date of declaration of dividend	Last date for Claiming unpaid dividend
31.03.2003	16.06.2003	15.06.2010	13.06.2003	12.06.2010
31.03.2004	24.06.2004	23.06.2011	12.06.2004	11.06.2011
31.03.2005	03.08.2005	02.08.2012	27.06.2005	26.06.2012
31.03.2006	27.06.2006	26.06.2013	25.05.2006	24.05.2013
31.03.2007 (Interim)	10.03.2007	08.03.2014	10.03.2007	08.03.2014
31.03.2008	12.06.2008	11.06.2015	-	-
31.3.2009	07.10.2009	06.10.2016		

DEMATERIALISATION / REMATERIALISATION OF SHARES

What is Dematerialisation of shares?

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

Why dematerialise shares? Trading in Compulsory Demat

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

Benefits of Demat

- Elimination of bad deliveries
- Elimination of all risks associated with physical certificates
- No stamp duty on transfers
- Immediate transfer / trading of securities
- 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 securities
- Periodic status reports and information available on internet
- Ease related to change of address of investor
- Elimination of problems related to transmission of demat shares
- Ease in portfolio monitoring
- Ease in pledging the shares

How to dematerialise shares?

The procedure for dematerialising shares is as under :

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

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

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

What is the SMS alert facility?

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

What is rematerialisation of shares?

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

What is the procedure for rematerialisation of shares?

- Shareholders should submit duly filled in Rematerialisation Request Form (RRF) to the concerned DP.
- DP intimates the relevant Depository of the request through the system.
- DP submits RRF to the Company’s R&TA.
- Depository confirms rematerialisation request to the Company’s R&TA.
- The Company’s R&TA 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.

NOMINATION FACILITY:

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

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

What is the procedure for appointing a nominee?

Investors, especially those who are holding shares in single name, are advised to avail of the nomination facility by submitting the prescribed Form 2B to the Company's R&TA. Form 2B may be downloaded from the Company's website, www.ril.com under the section "Investor Relations".

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

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

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

Can a nomination once made be revoked / varied?

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

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

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

Is nomination form required to be witnessed ?

A nomination form must be witnessed by the two witnesses.

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

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 by reporting death of the nominator along with the attested copy of the death certificate.

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.

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

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

TRANSFER / TRANSMISSION / TRANSPOSITION / DUPLICATE CERTIFICATES ETC.

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

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

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

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

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

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

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

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

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

The procedure for registration of shares gifted (held in physical form) is same as the procedure for a normal transfer. The stamp duty payable for registration of gifted shares would be @ 25 paise for every Rs. 100 or part thereof, of the face value or the market value of the shares prevailing as on the date of the document, if any, conveying the gift or the date of execution of the transfer deed, whichever is higher. The procedure for registration of shares gifted (held in demat form) is the same as the procedure for transfer of shares in demat form in off market mode.

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

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

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

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

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

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

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

Share certificates along with a request letter duly signed by all the joint holders may be sent to the Company's R&TA 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 / R&TA. For shares held in demat form, investors are advised to approach their DP concerned for transposition of the shares the Company.

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 R&TA, immediately about loss of share certificate(s), quoting their folio number and details of share certificate(s), if available.

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

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

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

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

Procedure to get the certificates issued in various denomi-nations 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 Karvy 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 Karvy for the prescribed form for consolidation of folios. This will help the investors to efficiently monitor the holding and receivable thereon.

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. Shareholders are also requested to quote their folio number and furnish proof such as attested copies of Ration Card / PAN Card / Passport / Latest Electricity or Telephone Bill / Lease Agreement etc. If shares are held in dematerialised form, information about change in address needs to be sent to the DP concerned.

Change of name

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

Shareholders may request the Company's R&TA 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 R&TA, after verification, will effect the change of name and send the share certificate(s) in the new name of the shareholders. Shareholders holding shares in demat form, may request the concerned DP in the format prescribed by DP.

Authority to another person to deal with shares

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

Shareholders need to execute a Power of Attorney in favour of the concerned person and submit a notarised copy of the same to the Company's R&TA. After scrutiny of the documents, the R&TA 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.

INITIATIVES TAKEN BY THE COMPANY

Setting new benchmarks in Investor Service

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

(A) Registrations

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

(B) Correspondence

Sl. No	Particulars	Service Standards (No. of working days)
Queries / Complaints		
1.	Non-receipt of Annual Reports	2
2.	Non-receipt of Dividend Warrants	4
3.	Non-receipt of Interest/ Redemption Warrants	4
4.	Non-receipt of Certificate	2
Event Based		
1.	TDS certificate	2
2.	Allotment / call money	4
3.	Others	2
Requests		
1.	Change of Address	2
2.	Revalidation of Dividend Warrants	3
3.	Revalidation of Redemption Warrants	3
4.	Bank Mandate / Details	2
5.	Nomination	2
6.	Power of Attorney	2
7.	Multiple Queries	4
8.	IEPF Letters	3

Intimation Letters to Investors

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

Consolidation of Folios

The Company has initiated a unique investor servicing measure for consolidation of small holdings within the same household. In terms of this, those shareholders holding less than 10 shares (under a single folio) in the Company, within the same household, can send such shares for transfer along with transfer forms duly filled in and signed, free of cost; the stamp duty involved in such cases will be borne by the Company.

Scheme for disposal of ‘Odd Lot’ Equity Shares

At the Annual General Meeting of the Company held on June 26, 1998, our Founder Chairman Shri Dhirubhai H. Ambani, announced for the benefit of small shareholders a scheme for disposal of ‘Odd Lot’ shares (the Scheme) to facilitate such shareholders to realise the full market value without having to suffer a discount for odd lots.

In order to assist small shareholders in disposal of such odd lot shares held in physical form, the Company has formed a Trust known as ‘Reliance Odd Lot Shares Trust’ which will dispose of the odd lot shares on behalf of the shareholders.

The salient features of the Scheme effective July 1, 1998, are as under :

- This Scheme is available to Indian national residents in respect of any master folio having holdings up to 49 shares.
- The holders of Equity Shares in odd lot may avail of the Scheme by lodging duly filled in application form and a duly executed transfer deed along with the relevant share certificate(s).
- The odd lot shares offered under the Scheme are sold through designated brokers in the Bombay Stock Exchange / National Stock Exchange.
- All costs of implementing the Scheme will be borne by the Company.

INFORMATION REGARDING TAX ON DIVIDEND AND SALE OF SHARES

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

- No tax is payable by shareholders on dividend. However, the Company is required to pay dividend tax @ 15% and surcharge @7.5% together with education cess @ 2% and higher education cess @ 1%.
- Short Term Capital Gains (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 higher education cess @ 1%.
- No Long Term Capital Gains (LTCG) tax is payable on sale of shares through a recognised 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:
  (a) 20% of the capital gain computed after substituting ‘cost of acquisition’ with ‘indexed cost of acquisition’;
  (b) 10% of the capital gain computed before substituting ‘cost of acquisition’ with ‘indexed cost of acquisition’.
- STT is payable as under
  - @ 0.125% by both the purchaser and the seller in respect of delivery based transactions
  - @ 0.017% by the seller in respect of derivatives
  - @ 0.025% by the seller in respect of transactions in securities not being settled by actual delivery.

INVESTOR SERVICING AND GRIEVANCE REDRESSAL - EXTERNAL AGENCIES

Ministry of Corporate Affairs

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

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

Securities and Exchange Board of India (SEBI)

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

Stock Exchanges

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

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

Depositories

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

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

Other Information

Permanent Account Number (PAN)

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

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

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.

SHAREHOLDERS' GENERAL RIGHTS

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

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 securities nor to act upon any unpublished price sensitive information.

- To participate effectively in the proceedings of shareholders' meetings.
- To respond to communications seeking shareholders' approval through Postal Ballot.
- To respond to communications of SEBI / Depository / Depository Participant / Brokers / Sub-brokers / Other Intermediaries / Company, seeking investor feedback / comments.

DEALING IN SECURITIES MARKET

DO'S

- Transact only through Stock Exchanges.
- Deal only through SEBI registered intermediaries.
- Complete all the required formalities of opening an account properly (Client registration, Client agreement forms etc).
- Ask for and sign "Know Your Client Agreement".
- Read and properly understand the risks associated with investing in securities / derivatives before undertaking transactions.
- Assess the risk - return profile of the investment as well as the liquidity and safety aspects before making your investment decision.
- Ask all relevant questions and clear your doubts with your broker before transacting.
- Invest based on sound reasoning after taking into account all publicly available information and on fundamentals.
- Beware of the false promises and to note that there are no guaranteed return on investments in the Stock Market
- Give clear and unambiguous instructions to your broker / sub-broker / depository participant.
- 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 Depository participant.
- Keep copies of all your investment documentation.
- Handle Delivery Instruction Slips (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 rumours; 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 Delivery Instruction Slips of your demat account lying around carelessly or with anyone.
- Do not sign blank Delivery Instruction Slips (DIS) and keep them with Depository Participant (DP) or broker to save time. Remember your carelessness can be your peril.
- Do not keep any signed blank transfer deeds.

NOTE

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

Reliance
Industries Limited

Members Feedback Form 2009-2010

Name : .... e-mail id : ....

Address : ....

DP ID. : ....

Client ID. : ....

Folio No. : ....
(in case of physical holding)

No. of equity shares held : ....
(the period for which held)

Signature of member

		Excellent	Very Good	Good	Satisfactory	Unsatisfactory
Directors' Report and Management's Discussion and Analysis	Contents					
	Presentation					
Report on Corporate Governance	Contents					
	Presentation					
Shareholders' Referencer	Contents					
	Presentation					
Quality of Financial and non- financial information in the Annual Report	Contents					
	Presentation					
Information on Company's Website	Contents					
	Presentation					
INVESTOR SERVICES						
Turnaround time for response to shareholder query						
Quality of response						
Timely receipt of Annual Report						
Conduct of Annual General Meeting						
Timely receipt of dividend warrants / payment through ECS						
Promptness in confirming demat / remat requests						
Overall rating						

Views/Suggestions for improvement, if any ....

....

....

Members are requested to send this feedback form to the address given overleaf.

BUSINESS REPLY INLAND LETTER

Postage
will be
paid by the
Addressee

Business Reply Permit No.
MBI-S-1363
Nariman Point
Mumbai - 400 021

No postage
stamp
necessary if
posted in
INDIA

To,
Shri Atul Tandon
Asst. Company Secretary
Reliance Industries Limited
Registered Office: 3rd Floor, Maker Chambers IV
222, Nariman Point
Mumbai 400 021

Fold

VIMAL

Reliance
Industries Limited

Registered Office: 3rd Floor, Maker Chambers IV, 222, Nariman Point, Mumbai - 400 021

DISCOUNT COUPON

The Coupon entitles you to purchase "VIMAL" fabrics and apparel at a discount of 15% upon Cash Purchase up to the face value on each part of the discount coupon mentioned herein subject to (A) No Credit Card Purchases may be acceptable (B) Fabric discount coupon purchases are not eligible for any other additional discount. (C) Discount coupon must be presented intact at the time of purchase. (D) Validity of the Coupon will not be extended and no duplicate coupon will be issued. Coupons not valid at Vimal Factory Outlets. The following list of stores could be updated without prior notification.

Vimal Gifting packs available in Suit lengths, Safari Lengths, Trousering and combis (Shirting & Trousering).

VIMAL SHOWROOMS

ANDHRA PRADESH: ***Gajuwaka*** - Sri Vamsi: Opp. Sri Kanya Complex, Main Road, Ph:2515531 • ***Gopalapatnam*** - Sri Vamsi: Main Road, Ph:558199 • ***Guntur*** - Annapurna Enterprises: # 6-9-18, Arundelpet, Ph:2234379 • ***Hyderabad*** - Amardeep, Kothi, Opp Osmanis Medical College, Ph: 9391020633 • ***Kakinada*** - Bulchand's, Main Road , Ph: 9849142833 • ***Khammam*** - Vimal Showroom: Kaman Bazaar Ph:645880 • ***Ongole***: Mangaldeep New: Shop No 19-20, Sri Bapuji Market Complex, Ph:9849690527 • ***Tirupathi*** - Latha Enterprises: 31, Gandhi Road, Ph: 2222226 • ***Rajahmundry*** - Sri Ram Vimal Showroom: 10/15/42, Main Road, Fort Gate, Ph:2461150 • ***Secunderabad*** - Bombay Vimal store, 1-6-1, M.G. Road, Ph: 27896055 • ***Vizianagram*** - Maruthideep: 7-9-4, M.G Road, Ph:271244 • ***Vijaywada*** - Alekya Enterprises: # 27-16-30, Besant Road, Ph:2574359 • ***Vizag*** - Sri Vamsi: Lorven Plaza, Daba Garden, Ph:2746562 • **ASSAM**: ***Guwahati*** - Abhishek: Sir Sadullah Road, Fancy Bazaar, Ph:2543220 • **BIHAR**: ***Patna*** - Amber: Khaitan Super Market, Ph:2687989 Archana, Kankarbag, MIGH-58 Robinson: Boring Road Sarang - New Market • **CHANDIGARH**: ***Chandigarh*** - Krishna Textiles: SCO 5, Sector 20D, Tribune Road, Ph:3919685 • **DELHI**: ***New Delhi*** - Kumardeep: G5 (I)C Janak Place, Janak Puri, Ph:28111955 Chanan Singh Het Raj: Shop No 11, Malviya nagar, Ph: 26681565 Fancy textiles: Shop no 11, F Block,Vikaspuri Poshak: RJ-686, Palam Colony, Raj Nagar Main road, Ph: 9818039704 Raj Emporium: D-10, Vikas Marg, Laxmi Nagar, Ph:22546031 Rangoli: N.I.T,Faridabad, Ph: 9810909799 Stylecraft: Arya Samaj Road, Karol Bagh, Ph:28752133 Uneek Selection: 6D, Kamla Nagar, Ph:23845839 Vats, RJ-686, Palam Colony, Raj Nagar Main road, Delhi, Ph: 25362113 • **GUJARAT**: ***Ahmedabad*** - Shree Top In Town: Pathar Kuva, Relief Road, Ph:25355251 Vimal Showroom: C.G Road, Ph:65444661 Vimal Showroom: Naroda, Ph:66068195 • ***Jamnagar*** - Vimal Showroom: Teen Batti, Ph: 2678093 Priya Retail Shop: Near Natraj Cinema, Ashram Road, Ph:55312882 • ***Rajkot*** - Venus Fabrics: Sir Lakhaji Road, Ph:2222847 • ***Vadodara*** - Arihant: Productivity Road, Alka Puri, Ph:3054667 Mangalam Fashion: Near Kothi Bus Stand, Raopura, Ph:2438546 Sefali Emporium: Narmada Apts, Navrang Cinema Road, Ph:2438296 • **HARYANA**: ***Faridabad*** – Sanjay Cloth house, main Market, Ballabh garh, Ph: 9810575298 Sethi Collection, 29-32, new market, ballabh Gargh, Ph: 9873200832 • ***Gurgaon*** - Gulati Bros, Sadar Bazaar, Ph: 9811240490 • ***Karnal*** - Salwan Fabrics House: Old Mugal Canal, Karan Commercial Complex, Ph: 2201415 • ***Narnaul*** - Vijay Deep: Pul Bazaar, Ph:2251508 • ***Rohtak***: Vardhaman, 5/867 Dalal Building, Railway Road. Ph: 01262 269994 • **J&K**: ***Jammu*** - B R Traders: Raghunath Bazaar, Ph:2549153 • **JHARKHAND**: ***Jamshedpur*** - Panna: Zanda Chowk, Sakchi Bazaar, Ph:2431989 • **KARNATAKA**: ***Bangalore*** - Vimal Showroom: M.G Road, Ph : 66965601 Vimal Showroom : K.G Road, Ph : 22871586

VIMAL — Reliance Industries Limited

(C) **Rs.1500** 15% OFF
Valid upto 30.06.2011
at above Vimal Showrooms
Serial No:

VIMAL — Reliance Industries Limited

(D) **Rs.1500** 15% OFF
Valid upto 30.06.2011
at above Vimal Showrooms
Serial No:

VIMAL — Reliance Industries Limited

(E) **Rs.1500** 15% OFF
Valid upto 30.06.2011
at above Vimal Showrooms
Serial No:

VIMAL — Reliance Industries Limited

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Exclusive Gift Packs Available

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Serial No:

VIMAL — Reliance Industries Limited

Reliance Industries Limited - Textile Division
103-106, Naroda Industrial Estate,
Ahmedabad - 382 330, India.
Ph: +91-79-6606 8888/8999
Fax: +91-79-6606 8555
onlyvimal@ril.com
www.ril.com

VIMAL — Reliance Industries Limited

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www.ril.com

Reliance
Industries Limited

ATTENDANCE SLIP

Registered Office: 3rd floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400 021.

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*			Master Folio No.	
Client Id*			No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 36TH **ANNUAL GENERAL MEETING** of the Company held on Friday, June 18, 2010 at 11.00 a.m.at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai 400 020.

Signature of Shareholder / proxy

* Applicable for investors holding shares in electronic form.

PROXY FORM

Reliance
Industries Limited

Registered Office : 3rd Floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400 021, India

DP Id*			Master Folio No.	
Client Id*				

I/We……………………………………………………………………………………………of……………………being a member/members of Reliance Industries Limited hereby appoint…………………………………………………………………………… ……………………………………………………………………………… of ………………………………………………………………or failing him……………………………………………………………… of ………………………………………………………………

as my/our proxy to vote for me/us and on my/our behalf at the 36th **Annual General Meeting** of the company to be held on Friday, June 18, 2010 at 11.00 a.m. and at any adjournment thereof.

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

Resolutions	For	Against
1. Adoption of Accounts, Reports of the Board of Directors and Auditors		
2. Declaration of Dividend on Equity Shares		
3. Re-appointment of the following Directors retiring by rotation:		
a) Shri Hital R. Meswani		
b) Shri Mahesh P. Modi		
c) Dr. Dharam Vir Kapur		
d) Dr. Raghunath A. Mashalkar		
4. Appointment of Auditors		
5. Appointment of and remuneration payable to Shri Pawan Kumar Kapil as a Whole-time Director		

Signed this…………………day of …………………………2010

Signature

Affix a
15 paise
Revenue
Stamp

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

NOTE: (1) **The proxy, to be valid, should be deposited at the Registered Office of the Company at 3rd Floor, Maker Chambers IV, 222 Nariman Point, Mumbai 400 021 not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.**

(2) **A Proxy need not be a member of the Company**.

**(3) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate. Should you so desire, you may also appoint the Chairman or the Company Secretary of the Company as your Proxy, who shall carry out your mandate as indicated above in the event of a poll being demanded at the meeting.

(4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(5) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.



Think Growth. Think Transformation.
Think Reliance.

A new India is emerging.

An India that is young and confident.

An India that embraces change.

An India that wants to grow from that change.

In the quest for rapid and broad-based economic growth, India's need for energy resources has multiplied like never before.

At Reliance, we look at the entire country as a growth platform that we want to transform to facilitate inclusive growth.

We have always committed our resources and worked fervently and firmly in the pursuit of transformational growth.

All our business interests – oil & gas, refining and marketing, petrochemicals, textiles, retail and special economic zones, our products and services are engines of growth that transform lives.

The small differences that we make touch the lives of millions of Indians and add up to transforming the entire nation.

After all, India is emerging as an economic superpower of tomorrow.

Our endeavour is to make this happen today.

Dhirubhai-1, India's first Floating Production Storage and Offloading (FPSO) vessel, located in KG-D6, off the East coast of India.

Think Growth. Think Transformation.
Think Reliance.

We believe in growth that has the power to transform.

Transform India. Transform Lives. Transform Tomorrow.

We transformed the stock market when we scripted a historic opening and ushered in the era of sharing corporate wealth with shareholders in India.

We transformed the textile industry when we weaved magic with our polyester business and redefined style for the common man.

We transformed the polymer and the petrochemical industries by facilitating a better standard of living and redefining the lives of millions of people.

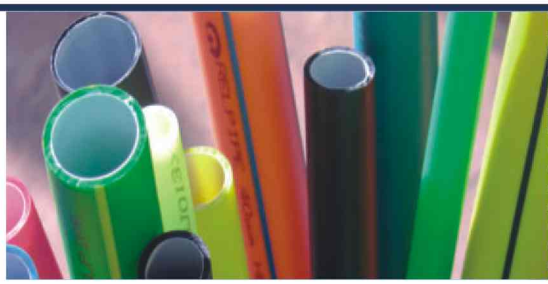
We transformed the energy sector by setting up the world's largest greenfield refinery. The new export-oriented refinery transformed Jamnagar into the largest refining hub in the world thereby creating a new benchmark in world class operations by Indian companies.

We transformed the telecommunication sector when we connected millions of Indians and redefined communication in India by making a call cheaper than a postcard.

We have embarked on transforming hydrocarbon production through new discoveries and have redefined the Company's growth trajectory as well as India's march towards energy security.

Each of these transformations has enhanced the lives of millions of Indians and has become the impetus for further transformations. Every day, we are crossing new frontiers and transforming the growth of our country.

Panoramic view of the new 580,000 Barrels Per Stream Day (BPSD) refinery at the Jamnagar SEZ



At Reliance, transformation is a constant that takes place everyday.

As we set higher goals for Reliance, we have introduced five important transformational initiatives – on the business and organisational fronts.

- A global transformation initiative to leverage Reliance's financial and technical skills, open new vistas for our enterprise and for our energetic talent to create new value globally, as the world resets to a new fundamental economic reality.
- A business transformation initiative to support higher growth, institutionalise best-in-class processes and install new structure for governance, talent and performance management, to continue on our hyper-growth path.
- An organisational transformation initiative to bring about best practices as well as pave the way for the next generation of young professionals into our leadership team.
- An operational transformation initiative to bring about greater capital, manufacturing and human resources productivity and efficiency.
- A rural transformation initiative that will lay the grounds for participation in the alternative energy sector, create rural market linkages as well as create unique skills required to grow rural markets which can be an engine of growth for 'Bharat'.

These qualitative transformational initiatives are imperatives in the internal organisational space of Reliance, given the imminent multi-fold growth. These would enable the Company to face major macro-economic and business environment challenges.

Think Growth. Think Transformation. **Think Reliance.**

Reliance nurtures relationships across the entire range of stakeholders, which helps the Company understand pertinent issues, develop businesses, enhance shareholder value and manage risks better.

It is this relationship, trust, commitment to stakeholder interest and the warm reciprocal of the same by the stakeholders that make the Company robust, resilient and sustainable.

Reliance actively integrates stakeholder goals with its own and then pursues them collaboratively.

The Reliance growth story is intricately linked to India's social and economic development.

Reliance has a long and strong tradition of supporting the larger communities that it connects with – from education, health, drinking water, large-scale development of employable skills, to assistance during natural calamities.

"I strongly believe that we can, and should do, much more. I also believe that this effort has to bring into play Reliance's strengths of strategic planning, meticulous detailing and flawless execution on a large format". With this perspective in mind, Shri Mukesh D. Ambani announced the launch of 'The Reliance Foundation' in November 2009.

The Reliance Foundation will address social development imperatives of India, specifically quality, formal and vocational education, affordable high-quality health care, meaningful rural development and urban renewal as well as preservation of India's priceless heritage of arts and culture.

Reliance has been making significant efforts in nation-building through wealth creation, employment generation, exports and energy security.

The Reliance Foundation would aim to make a similar contribution through meaningful, innovative and effective activities in the social development sphere.

Reliance Drishti Art Competition - 2009

Paintings by National Gold Winners. Theme: Cleaner Greener India.

Ojas Mhatre
(Age Group 5-7 years)

Archana Prasad
(Age Group 11-13 years)

Mira Salvi
(Age Group 5-7 years)

Vasundhara Chandra
(Age Group 8-10 years)

Nisarg Bhatt
(Age Group 8-10 years)

T V Sreevatsan
(Age Group 5-7 years)

Naiya Patel
(Age Group 8-10 years)

Upasana Calcuttawala
(Age Group 5-7 years)

Drashti Patel
(Age Group 8-10 years)

Anthony D'souza
(Age Group 8-10 years)

Ayushi Shah
(Age Group 11-13 years)

Deepali Garg
(Age Group 11-13 years)

Reliance
Industries Limited
Growth is Life