



**Reliance**

**Industries Limited**

Growth is Life

**Annual Report  
2010-2011**

**New Businesses. New Technologies.  
New Partnerships.**





Technology is defining our lives.

Technology is also shaping corporate destinies.

Reliance has always adapted new technologies to achieve a cost-competitive position in manufacturing, to create new product applications and to enhance organisational effectiveness.

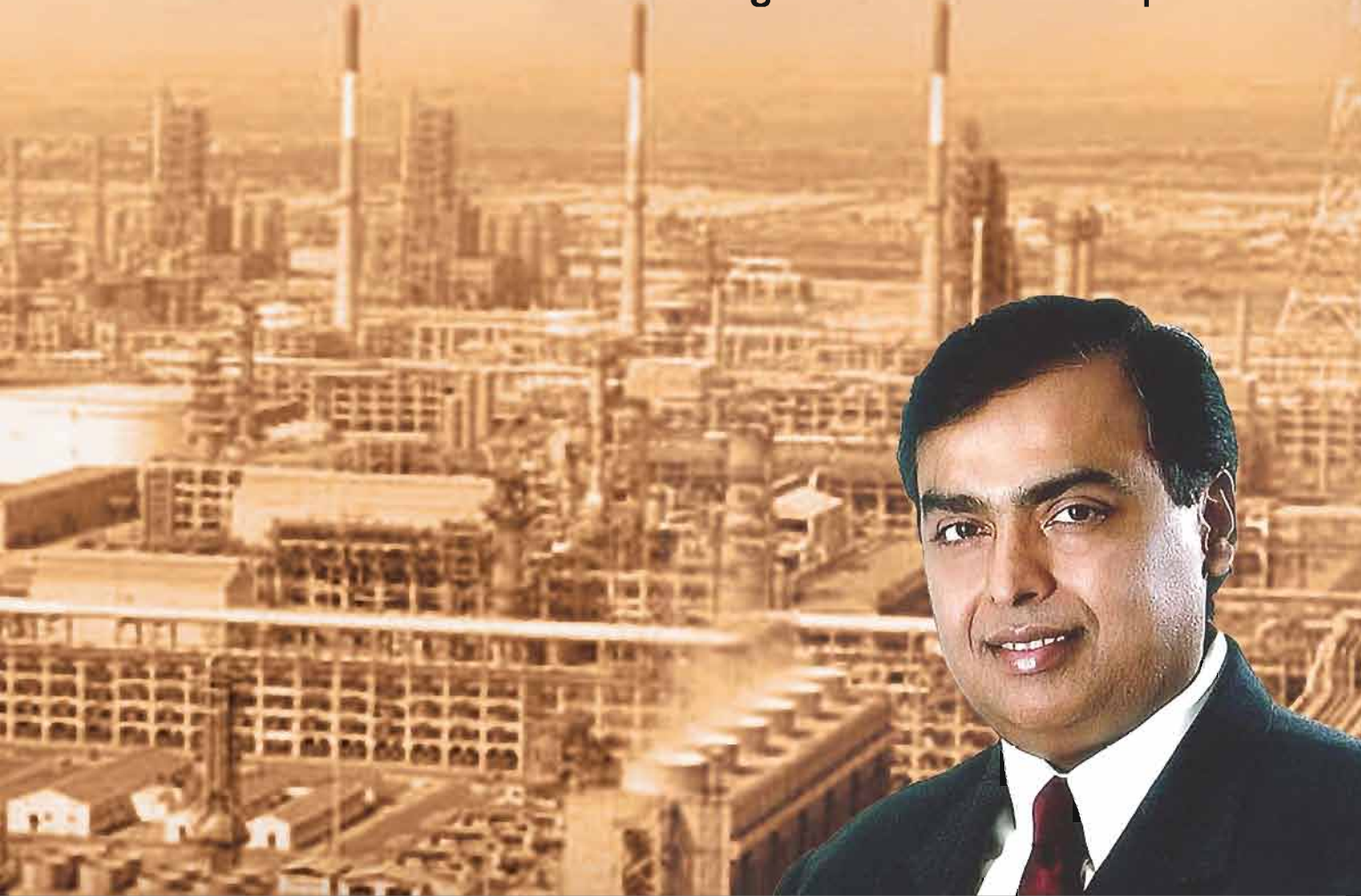
At the beginning of a new decade, we will be investing in technology to create new businesses of the future, and product and service offerings that don't exist today.

We will do this through partnerships to gain access to technology, markets, products and competencies.

Reliance is a reputed operator of the deep-water gas project which is about complex drilling. We use this expertise in horizontal lateral drilling in shale gas. A new basin, a new play and a new hydrocarbon resource.

India is a nation of a billion opportunities and aspirations. We symbolise the Indian opportunity – to create wealth for millions of Indians, provide inputs to farmers, small businessmen, energy to industrial consumers and transportation fuels to all. This opportunity is growing at a faster pace than before, and we will participate in new markets through new enabling technologies and new partnerships.

**New Businesses. New Technologies. New Partnerships.**





## Letter to Shareholders

Dear Fellow Shareowners,

In 2010 – 2011, Reliance Industries Limited (RIL) attained largest profit growth in its history with record operating and financial results from each of the three core segments of petrochemicals, refining & marketing and oil & gas.

RIL achieved a record turnover exceeding Rs. 258,000 crore (\$ 58.0 billion) and highnet profit of Rs. 20,286 crore (\$ 4.5 billion).

This land mark performance was a result of strong global economic recovery, India's consumer demand for products and services linked to a better quality of life and best-in-class manufacturing achievements at all our plants.

Reliance was able to demonstrate the full potential of its manufacturing assets, management capability, high quality of products and access to Indian markets by achieving record turnover, gross and net profits. This is attributed to volume growth and better margin in the core businesses.

The new SEZ refinery and the deep-water gas production facility are globally recognized as among the leading projects of the decade in terms of project execution, cost competitiveness and on-going performance. The new refinery has consistently operated at over 110% of its name plate capacity. This performance has led to its recognition as the best large, complex refinery ever constructed. The KG-D6 project, with over 700 days of incident free uptime has set a benchmark in operation of offshore deep-water gas projects.

Reliance took several strategic initiatives during the year. We entered into three partnerships in shale gas in North America thereby establishing ourselves as one of the leading foreign investors in this emerging unconventional hydrocarbon opportunity. The JVs are expected to accrue resources in excess of 10 TCFe and make a meaningful contribution to our earnings within the next few years. We are building new competencies which will be the basis for a larger footprint in the future.

We also announced a strategic partnership with BP, which will enable us to exploit the full potential of our domestic oil

& gas portfolio. BP will make available to the partnership its sub-surface technical expertise to maximize recoverable resources from the large domestic exploration acreage. A joint venture to import gas from global sources and invest in infrastructure to provide reliable supply of gas to Indian consumers is also contemplated in this partnership.

The world is going digital at a pace that was not imaginable a few years ago. India is one of the most exciting markets in the world in terms of its consumers embracing new technology, experiences and the potential to connect a large part of its population with the rest of the world. We envisage that significant value will be created for consumers as well as operators with the new services and connectivity. RIL acquired ownership of a pan-India broadband wireless access license in 2010. This will place us in a unique position to build a new business to meet consumer aspirations over the next decade and beyond.

The financial services sector is equally poised for rapid and significant growth. Several international companies have approached Reliance to be their partner of choice in establishing niche businesses in India. We will participate in this sector through partnerships with leading global companies.

During 2010 – 2011, we stepped up our commitment to build organizational capacity, management bandwidth and the ability to execute our strategic initiatives. This is a critical commitment that we are making to build a process and performance based organization with a shared vision. It is essential to strengthen this platform to achieve our next phase of growth.

Over the past 5 years Reliance has entered into over 50 partnerships. These partnerships bring new products, competencies, technologies and new markets. Growth through partnerships will be a key part of our strategy. These partnerships will address both the Indian markets as well as provide us with entry points into global markets. Our partnerships in shale gas and joint ventures in retail are few examples towards implementing this strategy.

Participating and Investing in India's growth has been the fundamental principle of Reliance's evolution. We will augment our commitment to the Indian markets by investing in new petrochemical capacity, organized retailing and digital services. The new projects announced by us represent the largest ever investment by Reliance in a sector and largest capital commitment in global arena as well. Our investments in organized retailing are anticipated to be significant and will transform the Indian market. Our partnership with BP should result in renewed investment in the upstream sector.

We are among the 100 most profitable companies in the world and have been felicitated consistently for innovation and shareholder value creation over the past decade.

We are gearing up for the next phase of growth through a combination of our own initiatives and forging new partnerships with leading companies. These investments will accelerate India's growth as a consumer and digital economy. RIL's contribution to India will be compounded by its CSR and Reliance Foundation's initiatives.

I am grateful to the Board of Directors for their unwavering support and guidance. I 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*

April 21, 2011

“

**We are gearing up for the next phase of growth through a combination of our own initiatives and forging new partnerships with leading companies.**”

”



## The Board of Directors



From left to right: Shri P.M.S. Prasad, Prof. Dipak C. Jain, Shri Nikhil R. Meswani, Dr. Dharam Vir Kapur, Shri Rarnniklal 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. 2,58,651 crore (\$ 58.0 billion)
PBDIT	:	Rs. 41,178 crore (\$ 9.2 billion)
Cash Profit	:	Rs. 34,530 crore (\$ 7.7 billion)
Net Profit	:	Rs. 20,286 crore (\$ 4.5 billion)
Net Profit 10 year CAGR	:	23%
Total Assets	:	Rs. 2,84,719 crore (\$ 63.8 billion)

### Significant contribution to India's economic growth

- 13.4% of India's total exports
- 6.9% of the Government of India's indirect tax revenues
- 4.8% of the total market capitalisation in India
- Weightage of 11.9% in the BSE Sensex
- Weightage of 10.1% 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 Yam
- 5th largest producer of Paraxylene (PX)
- 5th largest producer of Polypropylene (PP)
- 8th largest producer of Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG)












## Contents

07	Company Information
09	Financial Highlights
10	Notice of Annual General Meeting
12	Management’s Discussion and Analysis
35	Report on Corporate Social Responsibility
47	Report on Corporate Governance
77	Secretarial Audit Report
79	Directors’ Report
94	Auditors’ Certificate on Corporate Governance
97	Auditors’ Report on Financial Statements
100	Balance Sheet
101	Profit and Loss Account
102	Cash Flow Statement
104	Schedules forming part of Balance Sheet and Profit and Loss Account
123	Significant Accounting Policies and Notes on Accounts
149	Auditors’ Report on Consolidated Financial Statements
150	Consolidated Balance Sheet
151	Consolidated Profit and Loss Account
152	Consolidated Cash Flow Statement
154	Schedules forming part of Consolidated Balance Sheet and Profit and Loss Account
163	Significant Accounting Policies and Notes on Consolidated Accounts
188	Financial Information of Subsidiary Companies
191	Shareholders’ Referencer
203	Members’ Feedback Form
205	Shareholders’ Discount Coupon
207	Attendance Slip and Proxy Form

### Important Communication to Members














The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the members feedback form (refer page 203 of the Annual Report) and register the same with Karvy Computershare Private Limited. **Postage for sending the feed back form will be borne by the Company.**






















## Major Products and Brands

Business/ Brand	Product	Brand	End Uses
<b>Exploration &amp; Production</b>	Crude Oil and Natural Gas		Refining, power, fertilisers, petrochemicals and other industries
<b>Refining</b>	Liquefied Petroleum Gas (LPG)		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		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
<b>Petrochemicals - Polymers</b>			
<b>Repol</b>	Polypropylene (PP)		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.
<b>Relene</b>	Polyethylene (HDPE, LLDPE & LDPE)		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)		Footwear & hotmelt adhesives
<b>Reon</b>	Polyvinyl Chloride (PVC)		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.
<b>Relpipe</b>	Poly-Olefin (HDPE & PP) Pipes		Irrigation, water supply, drainage, industrial effluents, telecom cable ducts & gas distribution.
<b>Cisamer</b>	Poly Butadiene Rubber (PBR)		Tyres, tread rubber, conveyor belts, footwear, sports goods, automotive components, rollers, mechanical goods & dock fenders
<b>Chemicals</b>			
<b>Relab</b>	Linear Alkyl Benzene (LAB)		Detergents

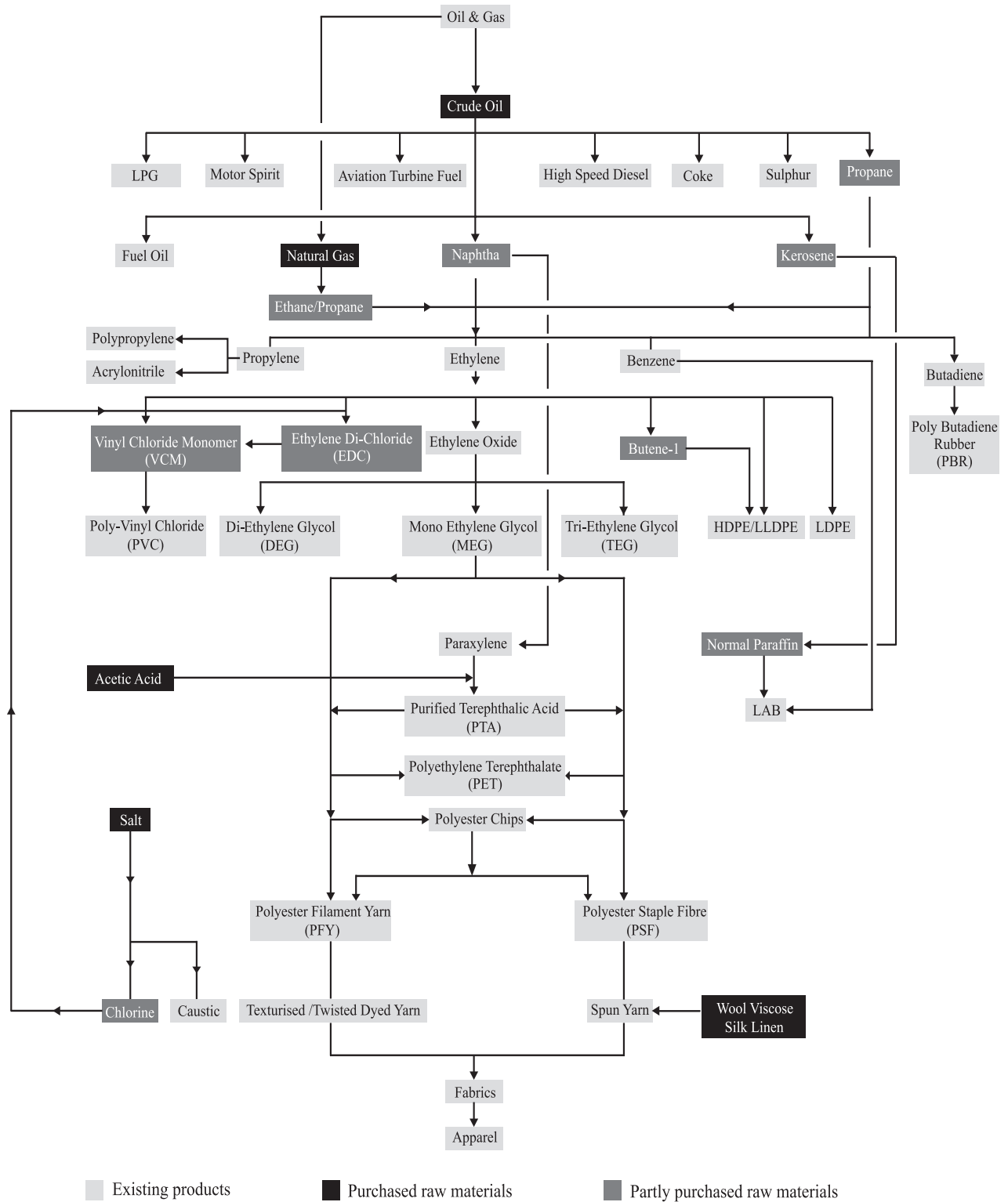


Business/ Brand	Product	Brand	End Uses
<b>Petrochemicals - Polyester &amp; Fibre Intermediates</b>			
	Paraxylene (PX)		Raw material for PTA
	Purified Terephthalic Acid (PTA)		Raw material for polyester
	Mono Ethylene Glycol (MEG)		Raw material for polyester
<b>Recron</b>	Staple Fibre Filament Yarn Texturised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

Business/ Brand	Product	Brand	End Uses
<b>Petrochemicals - Polyester &amp; Fibre Intermediates</b>			
<b>Recron Swarang</b>	Pre-coloured yarns based on chromophores-molecular technology	<b>Recron</b> Swarang	Apparel, home textiles & institutional products requiring high washing, sublimation & rubbing colour fastness.
<b>Recron FR</b>	Flame retardant Fibres & Yarns	<b>RecronFR</b>	Institutional textiles for hospitality, entertainment, transport, safety etc. Also used in home textiles, fill & comfort products.
<b>Recron Duratarp</b>	Polyester Fibres with increased abrasion resistance for better water proof, tear proof and fade-proof qualities	<b>Recron</b> DURATARP	Tarpaulin, Tents & Awnings
<b>Recron Safeband</b>	Structurally modified polyester fibre with antimicrobial and antifungal properties surgical dressings	<b>Recron</b> Safeband	Crepe and Rolled Bandages
<b>Relpet</b>	Polyethylene Terephthalate (PET)		Packaged-water, beverages, confectionary, pharmaceutical, agro-chemical and food products
<b>Textiles</b>			
<b>Vimal</b>	Suitings, Shirts, Readymade Garments		Fabrics, suits, jackets, shirts & trousers
<b>Vimal Gifting</b>	Ready-to-stitch, take away fabric in gift packs		Fabrics
<b>V2</b>	Ready-to-stitch, Take away fabric		Fabrics
<b>Retail</b>			
	Reliance Retail		Organised retail
	Food & Grocery Specialty Store		Fresh vegetables, grocery, general and convenience merchandise
	Mini Hypermarket		Grocery, clothing, leisure, beauty and style, electronics and home merchandise
	Hypermarket		Grocery, clothing, leisure, beauty and style, electronics, home merchandise, furniture and jewellery
	Electronics Specialty Store		Computers, mobiles, entertainment, gaming merchandise
	Exclusive Apple Store		Range of Apple products like iPod and iMac
	Apparel Specialty		Men, ladies, children clothing and accessories
	Health, Wellness & Pharma Specialty Store		Pharma, opticals, natural remedies, nutrition, fitness, skin and personal care merchandise
	Footwear Specialty Store		Men, ladies, children footwear, sports, handbags and accessories
	Jewellery Specialty Store		Fine jewellery
	Books, Music, Toys & Gifts Specialty Store		Books, music, stationery, toys and gifting merchandise

Business/ Brand	Product	Brand	End Uses
	Furniture, Furnishing & Homeware Specialty Store		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		Repair & maintenance services for 2 & 4 wheelers, wide range of tyres, batteries & other automotive accessories
	Iconic Italian Lifestyle Brand		Apparel, footwear and accessories
	Authentic Outdoor Foot wear and Apparel Brand		Footwear and apparel
	Luxury Sportswear Brand		Men's apparel, footwear and accessories
	Italian Luxury Men's clothing		Men's apparel, footwear and accessories
	Outdoor Sports Lifestyle Brand		Apparel, footwear and accessories
	Fashion Forward Footwear and Accessories Brand for Women		Footwear and accessories
	The Finest Toys in the World		Toys
	Office Needs, Office Supplies and Stationery Store		Office and Personal Stationery
	Optical Specialty Store		Spectacles, Sunglasses, Contact Lenses
	International Apparel, Accessories & Home Products Store		Apparel for Women, Men and Children, Lingerie, Beauty and Home Décor
	Iconic Japanese Sports Performance brand		Men, Ladies Sports footwear, clothing & accessories
	Transportation fuels		
	Fleet Management Services		
	Highway Hospitality Services		
	Vehicle Care Services		
	Convenience Shopping		
	Foods		
	Auto LPG		
<b>GAPCO</b>	Petroleum Retail		
	Lubricants		

# Product Flow Chart





## Company Information

### Board of Directors

#### Chairman and Managing Director

Mukesh D. Ambani

#### Executive Directors

Nikhil R. Meswani  
Hital R. Meswani  
P.M.S. Prasad  
Pawan Kumar Kapil<sup>1</sup>

#### Non Executive Directors

Ramniklal H. Ambani  
Mansingh L. Bhakta  
Yogendra P. Trivedi  
Dr. Dharam Vir Kapur  
Mahesh P. Modi  
Hardev Singh Kohli<sup>2</sup>  
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.

<sup>1</sup>w.e.f. May 16, 2010

<sup>2</sup>upto May 16, 2010

### 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

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

### Major Plant Locations

#### Dahej

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

#### Hazira

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

#### Gadimoga

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

#### Jamnagar

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

#### Jamnagar SEZ Unit

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,  
P.O. Patalganga 410 220  
Near Panvel, Dist. Raigad  
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

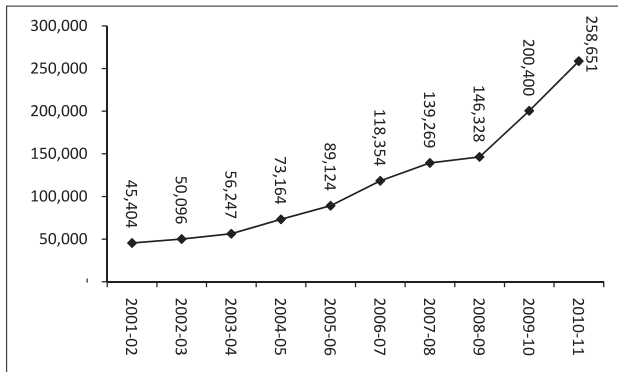
### Registrars & Transfer Agents

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

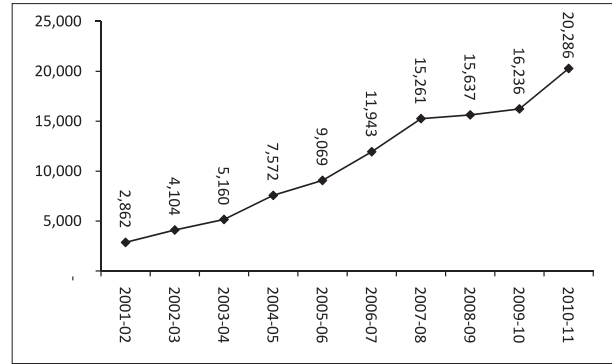
**37<sup>th</sup> Annual General Meeting on Friday, June 3, 2011 at 11.00 a.m.  
at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai 400 020.**

## 10 Years Trend

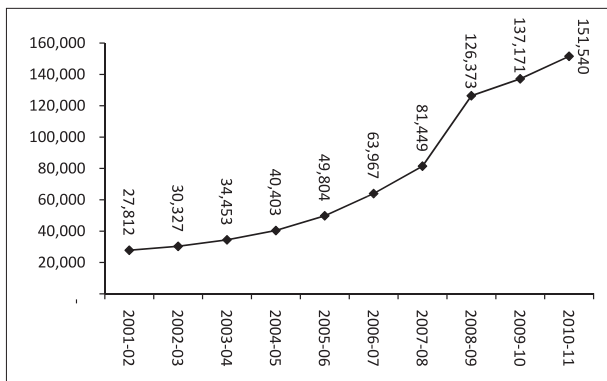
**Turnover (Rs. crore)**



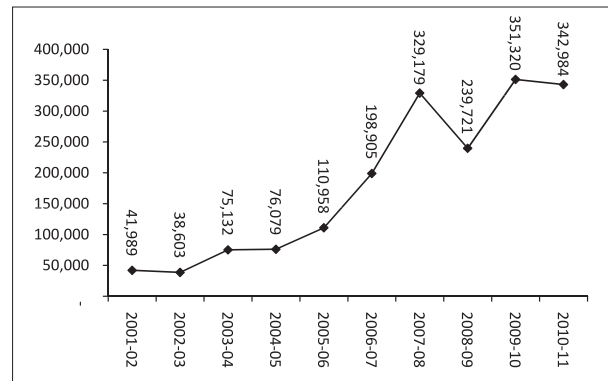
**Profit After Tax (Rs. crore)**  
(Excluding Exceptional Item)



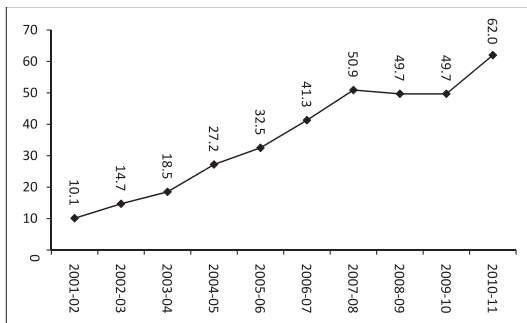
**Net Worth (Rs. crore)**



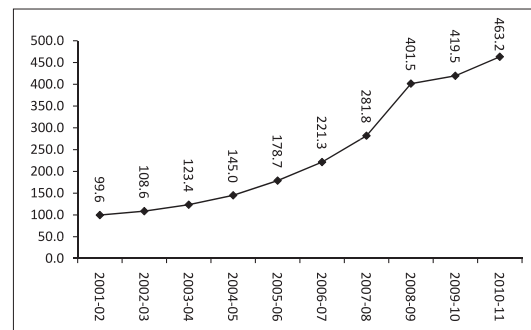
**Market Capitalisation (Rs. crore)**



**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

	2010-11		09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02
	\$ Mn										
Turnover	58,000	2,58,651	2,00,400	1,46,328	1,39,269	1,18,354	89,124	73,164	56,247	50,096	45,404
Total Income	58,684	2,61,703	2,02,860	1,48,388	1,44,898	1,18,832	89,807	74,614	57,385	51,097	46,186
Earnings Before Depreciation, Interest and Tax (EBDIT)	9,234	41,178	33,041	25,374	28,935	20,525	14,982	14,261	10,983	9,366	8,658
Depreciation	3,051	13,608	10,497	5,195	4,847	4,815	3,401	3,724	3,247	2,837	2,816
Exceptional Items	-	-	-	(370)	4,733	-	-	-	-	-	412
Profit After Tax	4,549	20,286	16,236	15,309	19,458	11,943	9,069	7,572	5,160	4,104	3,243
Equity Dividend %*		80	70	130	130	110	100	75	52.5	50	47.5
Dividend Payout	535	2,385	2,084	1,897	1,631	1,440	1,393	1,045	733	698	663
Equity Share Capital	734	3,273	3,270	1,574	1,454	1,393	1,393	1,393	1,396	1,396	1,054
Equity Share Suspense Account	-	-	-	69	-	60	-	-	-	-	342
Equity Share Warrants	-	-	-	-	1,682	-	-	-	-	-	-
Reserves and Surplus	33,247	1,48,267	1,33,901	1,24,730	78,313	62,514	48,411	39,010	33,057	28,931	26,416
Net Worth	33,981	1,51,540	1,37,171	1,26,373	81,449	63,967	49,804	40,403	34,453	30,327	27,812
Gross Fixed Assets	49,614	2,21,252	2,28,004	2,18,673	1,27,235	1,07,061	91,928	59,955	56,860	52,547	48,261
Net Fixed Assets	34,875	1,55,526	1,65,399	1,69,387	84,889	71,189	62,675	35,082	35,146	34,086	33,184
Total Assets	63,846	2,84,719	2,51,006	2,45,706	1,49,792	1,17,353	93,095	80,586	71,157	63,737	56,485
Market Capitalisation	76,911	3,42,984	3,51,320	2,39,721	3,29,179	1,98,905	1,10,958	76,079	75,132	38,603	41,989
Number of Employees		22,661	23,365	24,679	25,487	24,696	12,540	12,113	11,358	12,915	12,864
Contribution to National Exchequer	6,440	28,719	17,972	11,574	13,696	15,344	15,950	13,972	12,903	13,210	10,470

## Key Indicators

	\$	2010-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02
Earnings Per Share - Rs.* [excluding Exceptional item]	1.4	62.0	49.7	49.7	105.3	82.2	65.1	54.2	36.8	29.3	20.6
Turnover Per Share - Rs.	17.7	790.5	612.9	464.9	958.1	814.2	639.6	525.0	402.8	358.8	325.2
Book Value Per Share - Rs.	10.4	463.2	419.5	401.5	560.3	440.0	357.4	289.9	246.7	217.2	199.2
Debt : Equity Ratio		0.44:1	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
EBDIT / Gross Turnover %	15.9	15.9	16.5	17.3	20.8	17.3	16.8	19.5	19.5	18.7	19.1
Net Profit Margin %	7.8	7.8	8.1	10.5	14.0	10.1	10.2	10.3	9.2	8.2	7.1
RONW % **	15.5	15.5	16.4	21.6	28.8	23.5	22.7	21.9	17.0	14.8	16.1
ROCE % **	13.2	13.2	13.9	20.3	20.3	20.5	20.5	21.3	14.0	13.2	15.3

In this Annual Report \$ denotes US\$

1US\$ = Rs. 44.595 (Exchange rate as on 31.03.2011)

\* Adjusted for 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-seventh Annual General Meeting of the members of Reliance Industries Limited will be held on Friday, June 3, 2011 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, 2011, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint 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 & 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.”

By Order of the Board of Directors

Vinod M. Ambani  
President and Company Secretary

April 21, 2011

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 Ramniklal H. Ambani, Shri Nikhil R. Meswani, Prof. Ashok Misra and Shri Yogendra P. Trivedi, 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. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
8. (a) The Company has already notified closure of Register of Members and Share Transfer Books from Monday, May 9, 2011 to Saturday, May 14, 2011 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.  
(b) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between June 4, 2011 and June 9, 2011 to those members whose names shall appear on the Company’s Register of Members on May 9, 2011; 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.



9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrars and Transfer Agents, M/s. Karvy Computershare Private Limited.
11. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial years 1995-96 to 2002-03, to the **Investor Education and Protection Fund** (the IEPF) established by the Central Government.
12. 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 / Registrars and Transfer Agents, M/s. Karvy Computershare Private Limited.
13. 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'.
14. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into a single folio.
15. 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.
- 16. Members are advised to refer to the Shareholders' Referencer provided in the Annual Report.**
- 17. Members are requested to fill in and send the Feedback Form provided in the Annual Report.**

By Order of the Board of Directors

Vinod M. Ambani  
President and Company Secretary

April 21, 2011

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

### **Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the members feedback form (refer page 203 of the Annual Report) and register the same with Karvy Computershare Private Limited. **Postage for sending the feed back form will be borne by the Company.**

## Management's Discussion and Analysis

### Forward-looking statements

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

### OVERVIEW

#### Value creation through operating excellence and new initiatives

In line with its aspirations of ongoing growth, Reliance is investing its resources in core businesses across the integrated energy chain. It is also taking an initiative of investing in new technologies and businesses that help meet changing aspirations of millions of Indian consumers. These strategies and initiatives are aimed to ensure that Reliance delivers long-term growth and creates unprecedented value for its stakeholders.

Reliance Industries Limited (RIL) has an integrated business model that combines a long-term perspective, with focus on operational excellence and disciplined approach towards capital investment to deliver shareholder value. The Company has identified, developed and executed projects while applying best practices that ensure superior project returns across a range of scenarios. It has regularly generated higher income from its productive capital base, as demonstrated by superior returns on average capital employed. It has delivered industry-leading financial and operating results that multiply long-term shareholder value. RIL's proven and tested business model, and superior cash flow served its shareholders well in the Financial Year 2010 – 2011 (FY-11).

FY-11 was a strong year for its upstream oil and gas business. RIL completed two years of operations of its KG-D6 production facility. It not only delivered new supplies of crude oil and natural gas to the nation, but also provided significant value for the Company and its

shareholders. Production from KG-D6 for FY-11 was 7.95 million barrels (MMBL) of crude oil, and 720 billion cubic feet (BCF) of natural gas - a growth of 97.6% and 41.7% respectively.

In FY-11, Reliance entered into four Joint Ventures (JV) in the United States of America. These JVs, over a period, will enhance Reliance's position in development of unconventional natural gas and oil resources and develop new competencies in operating new businesses. The Company is confident that the combination of its complementary strengths will open new opportunities to meet the growing global energy demand and raise value for its shareholders.

In the downstream and chemical business, RIL maintained a long-term strategic approach during the recent economic downturn. The Company maintained operating rates upwards of 100% in the refining and petrochemicals business. It processed 66.6 million metric tonnes (MMT) of crude, the highest ever, at its Jamnagar refinery complex.

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

- 175 based on revenues
- 100 based on profits

#### RIL - BP alliance

During the year, RIL and BP announced a strategic partnership in the oil and gas business. This partnership comprises BP taking 30 per cent stake in 23 oil and gas production sharing contracts that Reliance operates in India, including the KG-D6 block, and the formation of a joint venture (50:50) for sourcing and marketing gas in India. The partnership will also endeavour to accelerate the creation of infrastructure for receiving, transporting and marketing natural gas in India. The partnership will combine BP's world-class deep-water exploration and development capabilities with Reliance's project management and operations expertise.

BP will pay RIL an aggregate consideration of \$ 7.2 billion, and completion adjustments, for the interests to be acquired in the 23 production sharing contracts in India. Future performance payments of upto \$ 1.8 billion could be paid based on exploration success that results in the development of commercial discoveries.

Completion of the transaction is subject to Indian regulatory approvals and other customary conditions. RIL has applied to local regulatory authorities and the Government of India for necessary approvals for this partnership.

### Shale gas joint ventures

The growing importance of U.S. shale gas resources is reflected in USA's Department of Energy's EIA Annual Energy Outlook 2011 energy projections, with technically recoverable U.S. shale gas resources now estimated at 862 TCF. Given a total natural gas resource base of 2,543 trillion cubic feet (TCF), shale gas resources constitute 34% of the domestic natural gas resource base and 50% of 48 onshore resources in the US. As a result, shale gas is the largest contributor to the projected growth in production, and by 2035, shale gas production is expected to account for 46% of U.S. natural gas production as per the report.

During the year, the Company took a significant step by entering into partnerships in the United States of America with Atlas Energy, Pioneer Natural Resources and Carrizo Oil & Gas through three distinctive joint venture agreements. It has also entered into a separate joint venture with Pioneer Natural Resources aimed at addressing the mid-stream opportunity in gas evacuation and transportation.

RIL, through its subsidiary, Reliance Marcellus LLC, has entered into a joint venture with the USA based Atlas Energy, Inc., Pittsburgh, Pennsylvania, under which Reliance acquired a 40% interest in Atlas's core Marcellus Shale acreage position. The acreage will support the drilling of over 3,000 wells with a net resource potential of approximately 13.3 TCFe (5.3 TCFe net to Reliance).

RIL, through its subsidiary, Reliance Eagleford Upstream Holding LP, has entered into a joint venture with the USA based Pioneer Natural Resources Company, Irving, Texas, under which Reliance acquired a 45% interest in Pioneer's core Eagle Ford shale acreage position. The acreage will support the drilling of over 1,750 wells with a net resource potential to the joint venture of nearly 10 TCFe (4.5 TCFe net to Reliance).

RIL, through its subsidiary, Reliance Marcellus II LLC, has entered into a joint venture with the USA based Carrizo Oil & Gas Inc., under which Reliance acquired 60% interest in Marcellus Shale acreage in central and northeast Pennsylvania. The acreage will support the drilling of approximately 1,000 wells with a net resource potential of nearly 3.4 TCFe (2.0 TCFe net to Reliance).

### Joint venture for Butyl Rubber production in India

During the year, RIL and Russia's SIBUR announced a joint venture for the setting up of a facility for producing 100,000 tonnes of butyl rubber in India. This is a significant step towards Reliance's commitment to service India's

growing automotive sector by bringing in complex technologies, available with only a very few companies globally. The setting up of domestic manufacturing of butyl rubber will fulfill a longstanding demand of the Indian tyre and rubber industry.

### Spearheading the knowledge revolution

During the year, RIL acquired a 95% stake in Infotel Broadband Services Limited, which emerged as a successful bidder in all the 22 circles of the auction for Broadband Wireless Access (BWA) spectrum conducted by the Department of Telecommunication, Government of India. RIL has invested Rs. 4,201.64 crore by way of subscription to equity capital issued by Infotel Broadband. RIL sees the broadband opportunity as a new frontier of knowledge economy in which it is confident of taking leadership position and providing India with an opportunity to be in the forefront among the countries providing world-class 4G network and services.

### Continuing success in exploration and production

This was yet another successful period for RIL's oil and gas exploration and production business. The Company made five oil discoveries in the on-land exploratory block CB-ONN-2003/1 (CB-10 A&B) in the Cambay basin, awarded under the NELP-V round of exploration bidding. These discoveries are significant as this play fairway is expected to open more oil pool areas, leading to better hydrocarbon potential within the block. The block covers an area of 635 sq. km. in two parts, viz. Part A & Part B. RIL holds 100% participating interest (PI) in the block.

The Company also made a gas discovery in the exploration block KG-DWN-2003/1 (KG-V-D3) of NELP-V. The deep-water block KG-DWN-2003/1 is located in the Krishna basin, about 45 km. off the coast in the Bay of Bengal. The block covers an area of 3,288 sq. km. in which RIL holds a 90% PI. During the period, the following six discoveries were notified to the Directorate General of Hydrocarbons (DGH), Government of India:

- Dhirubhai-47 in Well AF1 in CB-10 block
- Dhirubhai-48 in Well AJ1 in CB-10 block
- Dhirubhai-49 in Well AT1 in CB-10 block
- Dhirubhai-50 in Well AN1 in CB-10 block
- Dhirubhai-51 in Well AR1 in CB-10 block
- Dhirubhai-52 in Well W1 in KG-V-D3 block

### Supreme Court judgement in RNRL-RIL dispute

The Honourable Supreme Court of India has delivered its judgment in the Reliance Natural Resources Limited (RNRL) -RIL legal dispute. The judgment recognized the dominant

role of the provisions of the Production Sharing Contract and upheld the policies formulated by the Government under which it has the authority to regulate production and distribution of natural gas. RIL and RNRL signed a Gas Supply Master Agreement in compliance with the Gas Utilization Policy and EGOM decisions. During the year, RIL and Reliance ADA Group companies approved and signed an agreement cancelling all existing non-compete arrangements entered between the two groups in January 2006, pursuant to the scheme of reorganization of the Reliance Group and entered a new simpler, non-compete agreement with respect to only gas-based power generation.

### Financial performance

Turnover	Rs. 2,58,651 crore \$ 58,000 million	+29% +30%
PBDIT	Rs. 41,178 crore \$ 9,234 million	+25% +26%
Cash profit	Rs. 34,530 crore \$ 7,743 million	+24% +25%
Net profit	Rs. 20,286 crore \$ 4,549 million	+25% +26%

The net profit for the year was at Rs. 20,286 crore (\$ 4,549 million) with a Compounded Annual Growth Rate (CAGR) of 23% over the past 10 years. RIL has announced a dividend of 80% amounting to Rs. 2,772 crore (\$ 622 million), including dividend distribution tax. This is one of the highest payouts by any private sector company in India.

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:

- 13.4% of exports
- 6.9% of the indirect tax revenues
- 4.8% of the market capitalisation
- Weightage of 11.9% in the BSE Sensex
- Weightage of 10.1% in the NSE Nifty

### FINANCIAL REVIEW

RIL delivered superior financial performance with improvements across key parameters. The turnover achieved for the year ended March 31, 2011 was Rs. 2,58,651 crore (\$ 58.0 billion), a growth of 29% over the previous year. The increase in revenue was due to 11% rise in volumes and 18% rise in prices. During the year, exports including deemed exports, were higher by 33% at Rs. 1,46,667 crore (\$ 32.9 billion).

The consumption of raw materials increased by 31% from Rs. 1,47,919 crore to Rs. 1,93,234 crore (\$ 43.3 billion). This was mainly on account of higher crude oil processed in the SEZ refinery. Traded goods purchases were Rs. 1,464 crore (\$ 328 million) as compared to Rs. 2,996 crore in the previous year.

The staff cost was Rs. 2,624 crore (\$ 588 million) for the year as against Rs. 2,350 crore in the previous year.

The operating profit before other income increased by 25% from Rs. 30,581 crore to Rs. 38,126 crore (\$ 8.5 billion). The net operating margin for the period was 15.4 % as compared to 15.9% in the previous year.

Other income was higher at Rs. 3,052 crore (\$ 684 million) against Rs. 2,460 crore, primarily due to higher average cash balances.

EBITDA increased by 25% from Rs. 33,041 crore to Rs. 41,178 crore (\$ 9.2 billion).

Interest cost was higher at Rs. 2,328 crore (\$ 522 million) as against Rs. 1,997 crore. The gross interest cost was lower at Rs. 2,802 crore (\$ 628 million) as against Rs. 2,981 crore for the previous year on account of lower interest rates. The interest capitalised was lower at Rs. 474 crore (\$ 106 million) as against Rs. 984 crore in the previous year due to commissioning of projects.

Depreciation (including depletion and amortisation) was higher at Rs. 13,608 crore (\$ 3.1 billion), against Rs. 10,497 crore in the previous year, primarily on account of higher depletion charges in oil and gas and incremental depreciation due to the SEZ refinery.

Profit after tax was Rs. 20,286 crore (\$ 4.5 billion) as against Rs. 16,236 crore for the previous year, an increase of 25%.

The earning per share (EPS) for the year was Rs. 62.0 (\$ 1.4).

Net gearing at 13.5%, net debt to equity of 0.17, return on capital employed at 13.2% and return on equity at 15.5% are measures of RIL's strong financial position at the end of the year.

During the year, the Company has issued and allotted 29,99,648 equity shares to the eligible staff of the Company and its subsidiaries under Employees Stock Option Scheme. As a result, the Company's equity share capital stands at Rs. 3,273 crore.

The net capital expenditure for the year ended March 31, 2011 was Rs. 6,068 crore (\$ 1.4 billion).

During the year, a total of Rs. 28,719 crore (\$ 6.4 billion) was paid in the form of taxes and duties.



RIL maintained its status as India's largest exporter. The exports, including deemed exports, were at Rs. 1,46,667 crore (\$ 32.9 billion) as against Rs. 1,10,176 crore in the previous year.

RIL exported to 122 countries around the world. The exports represent 57% of RIL's turnover. Petroleum products constitute 88% while the balance is contributed by petrochemicals.

### Resources and liquidity

In FY-11, RIL took advantage of low interest rates and raised capital at historically low costs. During the year, RIL raised \$ 1 billion through external commercial borrowings at competitive rates and issued Rs. 500 crore of debentures.

Additionally, Reliance Holding USA, Inc., a wholly owned subsidiary of RIL raised \$ 1.5 billion through the issuance of 10 and 30 year senior notes. The notes were tightly priced as a result of significant investor demand and allowed Reliance to considerably extend its maturity profile. The offering was India's largest corporate bond issuance and the first US Dollar 30 year bond issuance out of Asia since 2003, showcasing the creditworthiness of Reliance and its access to public capital markets.

RIL continuously undertakes liability management to reduce cost of debt and to diversify its liability mix.

As on March 31, 2011, RIL's total long-term debt was at Rs. 55,092 crore (\$ 12.4 billion). RIL's cash and cash equivalent stood at Rs. 42,393 crore (\$ 9.5 billion) as at March 31, 2011. RIL's net debt was Rs. 25,004 crore which is the equivalent of 0.60 times of its FY-11 EBITDA. The increase in cash was primarily driven by the receipt of Rs. 9,004 crore (\$ 2.0 billion), part of the total consideration of \$ 7.2 billion to be received from BP Exploration (Alpha) Limited. RIL continued to efficiently manage its short-term resources by placing them in very liquid, highly rated securities such as bank fixed deposits, CDs, Government securities and bonds.

RIL's short-term debt of Rs. 12,305 crore (\$ 2.8 billion) is adequately covered by its net working capital.

As at the end of the fiscal year, RIL's total debt was Rs. 67,397 crore. 85% of long-term debt and almost all of RIL's short-term debt was denominated in foreign currencies.

RIL's long-term debt to equity ratio was at 0.37. RIL's gross debt to equity ratio, including long-term and short-term debt as on March 31, 2011, was at 0.44, while the net debt to equity ratio was at 0.17. As on March 31, 2011, RIL's net gearing was 13.5 %.

RIL's superior credit profile is reflected in its lending relationships, with over 100 banks and financial institutions having commitments to RIL.

RIL's financial discipline and prudence is also reflected in the strong credit ratings ascribed by rating agencies. Its continued balance sheet strengthening in FY-11 resulted in Moody's, Fitch and S&P recently upgrading their outlook for the Company. Moody's has rated RIL's international debt at investment grade Baa2, with an upgraded outlook from 'stable' to 'positive'. S&P has rated RIL's international debt as BBB, which is a notch above India's sovereign rating.

S&P recently upgraded its outlook on RIL from 'stable' to 'positive'. 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 & GAS EXPLORATION AND PRODUCTION

Energy markets have improved significantly over the past 12-15 months as a result of improved economic growth, higher demand for refined products and limited supplies of crude oil. In 2010, global oil demand grew by 3.4% (or 2.9 MMBD) to 87.9 MMBD, which is the highest growth in the last 30 years. Emerging Asia which comprises India and China, accounted for 40% of the oil demand increase. Global LNG markets also grew by 13% and are currently at 275 million tonnes per annum (MMTPA).

Crude prices increased 25% during the year wherein Brent oil prices averaged \$86.7/bbl vis-à-vis \$69.5/bbl in FY-10. In FY-11, the US benchmark Henry Hub gas prices averaged \$4.13/MMBTU vis-à-vis \$3.98/MMBTU in FY-10. Prices remained range-bound in the US due to excess drilling and lack of export infrastructure. However, Asian LNG prices remained linked to crude oil and spot prices in recent months touched \$10-12/MMBTU.

It is expected that global energy consumption growth will average at around 1.7% per annum over the next two decades. Of this, non-OECD energy consumption is expected to be 68% higher by 2030, averaging 2.6% p.a. growth, and accounting for 93% of global energy growth. OECD energy consumption in 2030 is expected to be around 6% higher than today, with growth averaging at a measly 0.3% p.a. over the next two decades.

The fuel mix is changing relatively slowly, due to long asset lifetime, but gas and non-fossil fuels are gaining share at the expense of coal and crude oil. The fastest growing fuels are renewables (including biofuels) which

are expected to grow at 8.2% p.a. 2010-30; among fossil fuels, gas grows the fastest (2.1% p.a.).

Non-OECD countries are likely to account for 80% of the global rise in gas consumption, with growth averaging at around 3% p.a. Demand growth is expected to be the fastest in non-OECD Asia (4.6% p.a.) and the Middle East (3.9% p.a.). It is expected that over the next two decades, China could consume about 43 BCF per day, which is comparable to that of the 47 BCF per day that EU currently consumes. The growth is expected to remain modest in OECD markets (1% p.a.), particularly in North America.

Oil continues to suffer a long run decline in market share, while gas is steadily gaining. Natural gas is projected to be the fastest growing fossil fuel globally. Production is expected to grow in every region except Europe, with Asia accounting for the world's largest production and consumption increments.

The IEA estimates that global upstream capital spending, which had fallen by 15% in 2009, has rebound in 2010 and is pegged at \$ 470 billion. Global offshore capital expenditure is estimated at \$ 150 billion and nearly \$ 874 billion is expected to be spent over the next five years. A substantial portion of this investment will flow into deep-water. Deep-water capital expenditure is pegged at nearly \$ 50 billion and deep-water production is set to double in the next five years. Currently, there are very few fields with water depths of more than 2,000 meters under development. Many of the recent discoveries have been in those water depths. The capital expenditure sanctioned in this water depth is likely to double by 2012.

The role of unconventional oil is also expected to increase significantly and will touch 10% of world oil demand by 2035.

India continues to remain amongst the fastest growing economies of the world with a projected growth of 8-9%. Consequently, India's energy needs are expected to treble by 2035 from 468 million tonnes of oil equivalent (MTOE) to nearly 1405 MTOE. India can fulfill its agenda for climate change as natural gas used to generate power has half the CO<sub>2</sub> emissions of conventional coal power generation and near-zero sulphur emissions.

### **Indian gas market**

In India, gas constitutes around 10% of the current energy basket compared to the global average of 24% and hence presents a vast potential for growth. The demand for natural gas in India is expected to grow at a CAGR of 10% over the next five years and could soon be a significant player in the global gas market.

### **RIL – BP partnership**

On February 21, 2011, RIL and BP announced a strategic partnership between the two companies and signed the relationship framework and transactional agreements. The partnership across the full value chain comprises BP taking a 30% stake in 23 oil and gas production sharing contracts that Reliance operates in India, including the producing KG-D6 block. The partnership will aim to combine BP's deep-water exploration & development capabilities with Reliance's project management & operations expertise. The two companies will also form a joint venture (50:50) for the sourcing and marketing of gas in India and bid together for incremental opportunities in the deep-water blocks in the east coast of India.

BP will pay RIL an aggregate consideration of \$ 7.2 billion, and completion adjustments, for the interests to be acquired in the 23 production-sharing contracts. Future performance payments of upto \$ 1.8 billion could be paid based on exploration success that results in development of commercial discoveries. RIL will continue to be the operator under the production-sharing contracts. Completion of the transactions is subject to regulatory and the Government of India approvals.

### **RIL gas marketing**

KG-D6 was the single largest source of domestic gas in the country for FY-11 and accounted for almost 35% of the total gas consumption in India. The gas from KG-D6 catered to demand from 57 customers in critical sectors like fertilizer, power, steel, petrochemicals and refineries. The gas from KG-D6 accounted for about 44% of the total domestic gas production paving the way for increased energy independence for the country.

### **RIL's E&P business: KG-D6**

KG-D6 gas fields completed 730 days of 100% uptime and zero-incident production. An average daily gas production from KG-D6 block for the year was 55.9 MMSCMD with a cumulative production of 1,257 BCF since inception, of which 720 BCF was produced in the current fiscal. An average oil production for the year from the block was 21,971 barrels per day with a cumulative production of 14 MMBL of oil and condensate since inception, of which 8 MMBL of oil and 1 MMBL of condensate was produced in the current fiscal.

In the D1-D3 gas fields a total of 20 wells have been drilled, of which 18 are production wells. Of these, 2 wells have been drilled this fiscal.

6 wells in the D26 field are under production. Of these, MA-2 which was earlier a gas injection well has been

converted to a production well since April 2010.

An integrated development plan for all gas discoveries in KG-D6 is being conceptualized. This will encompass existing wells and other discoveries within the block to maximize capital efficiency and to accelerate monetization.

#### **Other domestic blocks**

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

- Well W1 in the KG-V-D3 block
- Well AF1, AJ1, AT1, AN1 and AR1 in on-land CB-10 block

The Company has also submitted initial proposal for commerciality to DGH for review and discussion for the following blocks:

- Discovery D33 in GS-01 block
- Discoveries D39 and D41 in KG-V-D3 block
- Discovery D36 in KG-D4 block

RIL has submitted an integrated appraisal programme for all discoveries in Part A of CB-10 block. Further, RIL has been continuing with the appraisal activities for the other discoveries in KG-D6, KG-V-D3 and CB-10 blocks.

In FY-11, RIL has relinquished CB-ON/1 block due to their poor prospectivity. Currently, RIL's portfolio consists of 28 exploration blocks.

#### **Panna-Mukta and Tapti fields**

The Panna-Mukta fields produced 9.3 MMBL of crude oil and 52.1 BCF of natural gas in FY-11 – a decline of 31% and 25% respectively over the previous year. The lower volumes are on account of complete shutdown due to failure of the single point mooring system (SPM) and parting of anchor chains 4 and 5 to the SPM from July 20, 2010 to October 25, 2010.

Tapti fields produced 1.2 MMBL of condensate and 95.2 BCF of natural gas in FY-11 – a decline of 22% and 13% respectively over the previous year. The decrease in production was due to a natural decline in the reserves.

Drilling of 6 wells in Panna-L is expected to commence soon and oil production is expected in the later part of FY-12. Its reserves are estimated at 7.0 MMBL. The anticipated production from all 6 wells is approximately 3,000 BOPD.

#### **CBM blocks**

RIL holds 3 CBM blocks in Sohagpur (East), Sohagpur (West) and Sonhat. So far, RIL has completed the following work in the Sohagpur (East) and Sohagpur (West) blocks:

- Over 40 core holes drilled, logged and tested for gas content, permeability and coal properties
- 31 wells air drilled and tested for productivity
- 75 hydraulic fracturing jobs done
- 5 cavitation completion wells and 2 sets of in-seam horizontal wells

The process for acquiring land for well sites, market assessment & infrastructure for evacuation and transportation of gas has commenced.

#### **International business**

During the year, Reliance entered into one of the fastest growing opportunities emerging in the U.S. unconventional gas business through three upstream joint ventures. These joint ventures will materially increase Reliance's resources base and provide Reliance with an entirely new platform to grow its exploration and production business while simultaneously enhancing its ability to operate unconventional resource projects in the future.

#### **RIL - Chevron**

RIL, through its subsidiary, Reliance Marcellus LLC, entered into a joint venture with Atlas Energy, Inc. (now owned by Chevron Corporation) under which Reliance acquired a 40% interest in Atlas' core Marcellus shale acreage position. The acquisition cost of participating interest in the JV consisting of \$ 339 million of upfront payment and an additional payment of \$ 1.36 billion under a carry arrangement for 75% of Atlas's capital costs over an anticipated seven and a half year development programme. Reliance becomes a partner in approximately 300,000 net acres of undeveloped leasehold in the core area of the Marcellus shale in southwestern Pennsylvania. The acreage will support the drilling of over 3,000 wells with a net resource potential of approximately 13.3 TCFe (5.3 TCFe net to Reliance).

While Atlas will serve as the development operator for the joint venture, Reliance is expected to begin acting as development operator in certain regions in coming years as part of the joint venture. Under the framework of the joint venture, Atlas will continue acquiring leasehold in the Marcellus shale region and Reliance will have the option to acquire 40% share in all new acreage. Reliance also obtains the right of first offer with respect to potential future sales by Atlas of around 280,000 additional Appalachian acres currently controlled by Atlas.

#### **RIL - Pioneer**

RIL, through its subsidiary, Reliance Eagleford Upstream LP, entered into a joint venture with Pioneer Natural Resources Company under which Reliance acquired a 45%

interest in Pioneer's core Eagle Ford shale acreage position in two separate transactions. Pioneer and Newpek LLC, Pioneer's existing partner in Eagle Ford, simultaneously conveyed 45% of their respective interests in the Eagle Ford to Reliance. Newpek owned an approximate 16% non-operated interest in Pioneer's core Eagle Ford shale acreage. Following the transaction, Pioneer, Reliance and Newpek own 46%, 45% and 9% of the joint venture interests, respectively.

The joint venture has an approximate net working interest of 91% in 289,000 gross acres implying 263,000 net acres. Reliance paid \$ 1.315 billion for its implied share of 118,000 net acres. This upstream transaction consideration included combined upfront cash payments of \$ 263 million and additional \$ 1.052 billion capital costs under a carry arrangement for 75% of Pioneer's and Newpek's capital costs over an anticipated four years. The joint venture's leasehold, which is largely undeveloped, is located in the core area of the Eagle Ford shale in south Texas. Low operating costs, significant liquids content (70% of the acreage lies within the condensate window) and excellent access to services in the region combine to make the Eagle Ford one of the most economically attractive unconventional resources in North America. Pioneer believes the acreage will support the drilling of over 1,750 wells with a net resource potential to the joint venture of approximately 10 TCFe (4.5 TCFe net to RIL).

The joint venture plans to increase the current drilling programme to approximately 140 wells per year within three years. Also included in the transaction is current production of 28 MMCFe/d (11 MMCFe/d net to Reliance) from five currently active horizontal wells. While Pioneer will serve as the development operator for the upstream joint venture, Reliance is expected to begin acting as development operator in certain areas in coming years as part of the joint venture. Under the framework of the joint venture, Pioneer will continue acquiring leasehold in the Eagle Ford Shale and Reliance will have the option to acquire a 45% share in all newly acquired acres.

Additionally, Reliance and Pioneer formed a midstream joint venture that will service the gathering needs of the upstream joint venture. Reliance's subsidiary, Reliance Eagleford Midstream LLC, paid \$ 46 million to acquire a 49.9% membership interest in the joint venture. Pioneer and Reliance will have equal governing rights in the joint venture and Pioneer will serve as operator.

#### **RIL - Carrizo**

RIL, through its subsidiary, Reliance Marcellus II, LLC, entered into a joint venture with Carrizo Oil & Gas, Inc.

Under the transaction, Reliance acquired a 60% interest in Marcellus shale acreage in Central and Northeast Pennsylvania that was held in a 50:50 joint venture between Carrizo and ACP II Marcellus LLC, an affiliate of Avista Capital Partners. Pursuant to the transaction, Reliance acquired 100% of Avista's interest and 20% of Carrizo's interests in the joint venture. Reliance and Carrizo own 60% and 40% interests, respectively, in a newly formed joint venture between the companies. Reliance agreed to a total consideration of \$ 392 million, comprising \$ 340 million of initial payment and \$ 52 million of drilling carry obligations. The drilling carry obligations will provide for 75% of Carrizo's share of development costs over an anticipated two year development programme.

The joint venture will have approximately 104,400 net acres of undeveloped leasehold in the core area of the Marcellus shale in central and northeast Pennsylvania, of which Reliance's 60% interest will represent approximately 62,600 net acres. This acreage is expected to support the drilling of approximately 1,000 wells over the next 10 years, with a net resource potential of about 3.4 TCFe (2.0 TCFe net to Reliance).

#### **Conventional E&P international blocks**

RIL has 13 blocks in its international conventional 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 99,145 sq. km.

Reliance Exploration & Production DMCC (REP DMCC) has farmed in Block 39 (Peru) with 10% participation interest and relinquished Block 155 (Peru) where REP DMCC had 28.30% participation interest.

During the year, the following activity was undertaken as part of the exploratory campaign:

- 2D acquisition in Yemen (Blocks 34 and 37), Oman (Block 41) and Peru (Block 39). The total 2D acquisition was 1395 LKM.
- 3D acquisition of 800 and 400 sq.km. of 3D in Colombia Borojo North and South respectively.
- Drilled 3 exploratory wells, 1 each in East Timor, Rovi and Sarta. Drilling in Timor was met with limited results.

The results following the drilling campaign in blocks Oman 18 and East Timor K have not been encouraging and accordingly, the expenditure incurred on these blocks amounting to \$177 million (Rs. 807 crore) has been fully



provided for in the books of REP DMCC, a wholly-owned subsidiary of RIL.

## REFINING AND MARKETING

### A year of consolidation and growth

The crude oil demand recovered strongly after a period of contraction in 2009. As a consequence, oil inventories reduced to five-year averages resulting in lowering OPEC spare capacity. Higher oil production also resulted in lower spare capacity and consequently putting upward pressure on prices. Higher demand for light products and higher refining utilisation rates resulted in widening light-heavy differential.

The growing gap between demand and oil supply, coupled with strong crude prices, is encouraging OPEC producers to further ramp up production. This is resulting in increased supplies of heavier crudes and further impacting light-heavy differentials. This should cause light-heavy spread to widen, and hence improved complex refining margins.

For FY-11, Arab light-heavy differential averaged at \$ 3.2/bbl, an increase of 86% over the previous year.

According to IEA, oil demand in 2010 grew to 87.9 MMBPD, up 3.4% in 2010 vis-à-vis 2009. It is pertinent to note that demand growth in 2009 was (-)1.3% vis-à-vis 2008 and therefore, seen in the context of the change over the last 2 years, growth in 2010 was in excess of 4.5%, the fastest recovery in over a decade. Demand growth in 2010 was driven by non-OECD countries which contributed to an additional growth of 2.2 MMBPD (5.7% on a year-on-year basis) which was 76% of global demand growth.

### Average crude oil prices (\$/bbl)

	FY-11			FY-10		
	High	Low	Average	High	Low	Average
<b>WTI</b>	106.8	65.6	83.3	83.5	45.9	70.6
<b>Brent</b>	116.9	67.6	86.7	80.5	46.5	69.6
<b>Dubai</b>	111.6	68.2	84.2	81.3	47.2	69.5

(Source: Platts)

The consumption of middle distillates, the part of the barrel that is most levered to the economic cycle has picked up particularly strongly in recent months, leading to higher global oil demand. Middle distillate product cracks are expected to continue to rise due to strong demand for these products across Asia. Stronger oil demand, delays in new refining capacities in Asia, and widening light-heavy oil price differential going forward provide a further upside to complex refining margins in Asia.

Geopolitical unrest in the Middle East/North Africa regions has been a major cause for the oil price increase in early 2011, with increasing focus on potential contagion to major oil exporters beyond Libya. Since the oil price spiked in February 2011, refining margins have strongly recovered and remain higher across all regions, driven by strong diesel margins, with Asian margins close to all-time highs.

Refinery outages of around 1.4 MMBPD in Japan have taken away around 350,000 BPD of diesel supply from the domestic market. Prior to the earthquake, Japan's 4.5 MMBPD refining capacity was running at close to 90% with diesel production of around 1.25 MMBPD. Large Asian export-oriented refiners are likely to shift products to Japan, leading to tightening supply in the European market.

### Refinery capacity and utilization

It is estimated that the net refining capacity addition in 2009 was 2.6 MMBPD and a further 0.5 MMBPD in 2010. Limited capacity addition in 2010, strong demand growth and wider margins have helped utilization rates improve during the year. The average capacity utilization rates in FY-11 for refineries in North America, Europe and Asia were at 83.8%, 77.8% and 83.9% as compared to 81.6%, 76.6% and 83.5% of last year's respectively.

With higher global GDP forecasts and higher global oil demand forecasts coupled with minor capacity additions, refining utilisation rates are expected to improve over the next few years.

### Demand for petroleum products

#### Light distillates

Gasoline was a weak link in the otherwise improving refining business. For most of the year, high inventories kept gasoline markets in USA amply supplied. Structural issues, like tightening fuel standards and rising share of ethanol, are likely to impact the gasoline cracks in the medium term.

Recent improvement in overall economic condition has had its positive impact. Gasoline inventory draws are presently higher at 1.9% and below the 5-year average and 5.3% below the year-ago level. On a year-on-year basis, the DOE of USA estimates gasoline demand is up 1.1% as Americans drove 0.2% more in early 2011 compared to the year-ago period.

Gasoline consumption in non-OECD is underpinned by rising incomes, younger demographics and surging car sales of China, India, Brazil and other emerging economies.

### Middle distillates

These have been the harbinger of the improvement seen in refining margins during the year. Better demand and improving prospects have resulted in diesel cracks at early 2008 levels. It is pertinent to note that the refining industry has actually had to operate at close to 2008 peak diesel yields in 2H FY-11 in order to meet demand.

Given the loss of refinery capacity in Japan, growing industrial demand for diesel generators in the country and on-going diesel demand from emerging market economies, the supply cushion is clearly smaller than it otherwise would have been.

Middle distillate stocks are at a virtually identical level to those seen at the beginning of 2007, six months ahead of the start of the rally that culminated with diesel cracks close to \$50/bbl. With crude oil stocks once again tight, and concern rising as to whether OPEC supplies will be sufficient to meet peak summer demand, the conditions for a rapid distillate stock draw - similar to the one seen in 2007 - are highly possible.

A much faster and stronger economic growth in non-OECD has resulted in higher demand for diesel. Supporting factors for Asian diesel market were strong demand for low sulphur diesel from India. China suffered from diesel shortage in the second half of the year, prompting increased import requirements.

Increased business, personal travel and global trade led to demand growth and better aviation fuel margins.

### Changing trends

Petroleum products demand growth, product mix redistribution and progressively stricter quality requirements will continue to reshape the refining industry. The trend is towards lighter and lower sulphur refined transportation fuels. All regions of the world, except Africa, will reduce sulphur in gasoline to below average 150 ppm by 2020. For diesel, all regions except Africa will have sulphur content below an average content of 50 ppm.

### Changing product specifications for sulphur (parts per million)

Country	2010	2015	2020
<b>Gasoline</b>			
US	30	30	30
EU	10	10	10
Brazil	<1000	<1000	10
China	150 - 50	150 - 10	50 - 10

Country	2010	2015	2020
India	500 - 50	50 - 10	50 - 10
Russia	500	50 - 10	10
<b>Gasoil</b>			
US	15	15	15
EU	10	10	10
Brazil	500 - 50	50	10
China	350 - 50	350 - 10	50 - 10
India	500 - 50	50 - 10	50 - 10
Russia	2000 - 150	50 - 10	10

The continuing global trend of tightening product specification presents new trade and margin opportunities for large modern refiners like Reliance, which has the ability to produce large quantities of ultra-clean fuels.

### Demand for petroleum products in India

The demand for petroleum products in India increased from 130.5 MMT to 134.4 MMT, reflecting a growth of 2.9% in FY-11. The Indian refining capacity increased to 184.1 MMT from 179.9 MMT. Details of product-wise demand and growth during the last year are as follows:

(In KT)	FY-11	FY-10	Growth (%)
Diesel	59,869	56,148	6.6
Gasoline	14,200	12,818	10.8
ATF	5,078	4,627	9.7
LPG	13,679	12,516	9.3
Kerosene	8,928	9,304	-4.0
Naphtha	8,951	9,014	-0.7
Others	23,674	26,131	-9.4
<b>Total</b>	<b>134,378</b>	<b>130,559</b>	<b>2.9</b>

An increase in per capita income led to higher penetration of personal vehicles (cars and two-wheelers) which resulted in double digit growth in gasoline demand. Higher economic activity resulted in higher diesel demand as well as increased air travel. Increase in availability of natural gas resulted in reducing demand for naphtha while improved distribution of LPG and lower domestic production impacted sales of kerosene.

### Gross refining margins

A robust demand in Asia led to improvement in key product cracks virtually throughout the year. A strong growth in personal automobile ownership in developing Asia resulted in healthy gasoline cracks in the region. Middle distillates were the largest contributors to improved

refining margins in the region. Economic growth, shortage of diesel in China, particularly in the second half of the year and cold winters, were seen to be the key contributors to the strength seen in diesel cracks. Robust petrochemical demand also meant that for most part of the year, naphtha cracks remained strong. Fuel oil crack was the notable exception and remained in the negative, thus creating a drag to simple refining margins. This was mainly on account of abundant supply as US became a major exporter to key Asian markets.

### Key product cracks

(\$/bbl)	Singapore		US		Europe	
	FY-11	FY-10	FY-11	FY-10	FY-11	FY-10
Gasoline	8.3	6.7	10.4	7.9	6.8	9.2
Jet-kero	14.8	7.9	15.8	6.9	13.6	8.7
Diesel	13.8	7.3	13.2	5.1	14.5	9.0
Naphtha	0.4	(0.4)	7.5	3.7	(2.0)	(1.2)
FO	(7.1)	(4.1)	(9.3)	(7.0)	(8.9)	(4.8)

Source: Platts

Singapore margins benefit from growth in demand fuelled by emerging Asian economies. Widening of light-heavy differentials added to the widening complex margins in the region. Europe was impacted by lacklustre petroleum demand and strong Brent price resulting in higher feedstock prices.

Gross Refining Margins (\$/bbl)	FY-11	FY-10
RIL	8.4	6.6
<b>Regional benchmarks</b>		
Singapore (Dubai)	5.2	3.5
US Gulf Coast (Brent)	1.1	2.7
US Gulf Coast (WTI)	6.4	3.2
Rotterdam (Brent)	3.6	3.1

Source: Reuters

For the year under review, RIL's Gross Refining Margin (GRM) was \$ 8.4 /bbl, a premium of \$ 3.2 /bbl over the Singapore complex margin.

### Performance review

RIL processed 66.6 million tonnes of crude and achieved an average utilization of 107%, which is significantly higher than the average utilization rates for refineries globally. Exports of refined products were at \$29.3 billion. This accounted for 38.6 million tonnes of product as compared to 32.8 million tonnes the previous year.

### GAPCO

Reliance has consolidated operations of its GAPCO subsidiaries in East Africa. GAPCO group owns and operates large storage facilities and also has a well-spread retail distribution network. It owns and operates large coastal storage terminals in Dar-e-Salaam (Tanzania), Mombasa (Kenya) and an inland terminal at Kampala (Uganda) and has well-spread depots in East Africa.

GAPCO achieved a turnover of \$ 1.1 billion for 2010 (January-December) which was 36.2% higher as compared to the previous year. GAPCO's EBITDA for 2010 was \$ 29.7 million, an increase of 26.9% on a year-on-year basis while profit before tax increased by 24.5% to \$ 19.3 million. It sold 1.6 million kilo litres of petroleum products during 2010, which was 23.6% higher over the previous year.

### Strategy and outlook

Reliance is best positioned to capture top decile margins as a result of processing cheaper, heavier crudes and benefitting from low operating costs. Built in the last decade, the RIL refineries are state-of-the-art and among the most complex refineries in the world. Strategically located on the west coast of India, it benefits from low transportation costs for its feedstock and also from its proximity to the high-growth markets of Asia. From a product slate perspective, the refineries have been designed to produce higher quantities of middle distillate products like diesel and jet-kero and also ultra-clean fuels that provide it the potential for higher refining margins.

### PETROCHEMICALS

#### Ethylene scenario

Ethylene is the primary building block and a major feedstock for polymers. It is a raw material used in the manufacture of polymers like polyethylene, polyvinyl chloride and polystyrene, as well as organic chemicals like ethylene oxide and ethylene glycols. These products are used in a variety of end markets, such as packaging, transportation, electronic, textile and construction.

Global ethylene markets continue to recover from a state of oversupply that developed in 2008-2010, stemming mainly from the construction of new capacity in the Middle East and Asia and recessionary global conditions. Global ethylene production totalled 122 MMT in 2010, representing an operating rate of 84.9% as compared to 84% in 2009.

### World Ethylene supply/demand - 2010

Production by feedstock		Demand by end use	
Production : 122 MMT		Demand : 122 MMT	
Naphtha	50%	PE	61%
Ethane	33%	Ethylene Oxide	14%
Propane	8%	EDC	11%
Butane	4%	EBZ	6%
Others	5%	Others	8%

Capacity additions in the Middle East and the Asian continent during the recent past have dramatically changed the supply scenario. The Middle East now accounts for 18% of global ethylene capacity as compared to 10% in 2005. Similarly, Asia now contributes to 33% of the global ethylene capacity as compared to 29% in 2005. With the capacity that has become operational in the Middle East, the feedstock mix for cracker has also changed in favour of gas.

### Ethylene capacity additions trend: 2005 - 2010

Ethylene capacity (KT)	2005	2010	2005-2010 (% CAGR)
USA	34,842	32,706	-1%
European Union	25,313	26,087	1%
Middle East	11,803	25,290	16%
Asia	33,504	47,630	7%
Others	10,412	11,890	3%
<b>World</b>	<b>115,874</b>	<b>143,603</b>	<b>4%</b>

Source: CMAI

Strong economic growth in developing Asia has resulted in the demand for key petrochemical products reaching an all-time high. Petrochemical prices also improved on account of higher demand and cost push from higher feedstock prices.

Polymers are used in a wide variety of applications like agriculture, food packaging, healthcare, automotive components and household appliances. Plastics growth will continue to be driven by applications where plastics can deliver a cost advantage and performance enhancement.

Global commodity plastics consumption in 2010 was estimated at 196 MMT. Of this, polyethylene (PE) accounts for 36% of all plastic consumption, followed by polypropylene (PP) which accounts for 25% and polyvinyl chloride (PVC) which accounts for 18% of plastic demand.

### Global Polyolefins + PVC demand

(in MMT)	2008	2009	2010	Growth % 2010 vs. 2009
LDPE	17.7	17.9	18.7	4.5%
LLDPE	18.4	18.9	20.8	10.1%
HDPE	29.5	30.9	32.9	6.5%
PP	43.5	45.1	48.5	7.5%
PVC	32.4	31.6	34.8	10.1%
Ethylene	108.2	111.5	120.3	7.9%
Propylene	66.7	69.0	74.6	8.1%

Source: CMAI

Operating rates in Asia improved on account of higher demand and planned maintenance shut-down by cracker operators. The US saw a remarkable improvement in the operating rates with improved demand and advantageous feedstock. Competitive pressure on margins has resulted in the closure of some high-cost assets in Western Europe.

In 2010, PP capacity addition of 4.7 MMT exceeded incremental growth in demand of 3.4 MMT. Consequently, operating rates declined to 82.3% vis-à-vis 83.2% in 2009. In the next four to five years, around 90% of incremental capacity is expected to come up in the Middle East, Asia and Africa reflecting the region's growing prominence in the sector.

Operating rates for PE declined to 81.9% levels in 2010 from 83.0% in 2009 as incremental capacity of 8.1 MMT exceeded incremental demand of 4.8 MMT. In 2010, global demand for PE grew by 7.1% following the economic revival. While the whole of Asia is leading in demand growth for PE, new capacity is being built predominantly in the Middle East and China. Global capacity addition in 2010 was 8.1 MMT, out of which 6.2 MMT is in these two regions. In 2011, 2.3 MMT of additional capacity is expected globally and most of it is coming up in Asia and the Middle East.

The operating rate for PVC increased to 75.9% levels in 2010 from 72.5% in 2009, with capacity addition of 2.5 MMT, lagging behind the incremental demand of 3.2 MMT. In 2010, global demand for PVC grew by 10.1% following the strong demand from Asia. In 2011, 4.5 MMT of additional PVC capacity is expected globally.

The product price recovery continued throughout the last year, although not at the same pace of feedstock prices. Product margins remained stable in most parts despite the high price environment.

### Product prices

Price (\$/MT)	FY-11	FY-10	% change
Naphtha	744	602	24%
PP	1,370	1,172	17%
HDPE	1,236	1,202	3%
PVC	1,005	892	13%

Source: Platts

### RIL performance

Reliance maintained its leadership in the domestic market with a commodity polymer production share of 47%. RIL's polymer production for the year remained unchanged despite turnaround activities carried out during the year. RIL's cracker operating rate was at 90% in FY-11 as compared to 98% in FY-10. Due to cracker shutdown at Hazira, Nagothane and Gandhar manufacturing sites, the production of ethylene decreased by 8% to 1,686 KT while the production of propylene decreased by 5% to 696 KT as compared to the corresponding period of the previous year.

### Polymer production in KT

	FY-11	FY-10
PP	2,496	2,399
PE	967	1,068
PVC	631	624
Total	4,094	4,091

### PP

The domestic demand scenario has been extremely bullish for PP, reaching 2.6 MMT with an annual growth rate of 18% in FY-11, after a robust 20% growth in FY-10. The demand for PP in India is expected to grow at a healthy CAGR of over 10% over the next 4-5 years.

RIL, with its portfolio of PP grades being produced through multi-line production, is positioned well to capture the future growth. With an aim to capture new markets and opportunities, RIL introduced a new random co-polymer grade SRX100 catering to the fast growing rigid packaging sector. It has the potential to replace styrenics and imported high clarity random PP grades.

### PE

RIL's production of PE declined by 9.4% to 967 KT in FY-11. This was due to cracker shutdown at Nagothane and planned turnaround at cracker at Gandhar complex.

The domestic LDPE demand reduced by 9% due to widening LLD- LD price delta and as a result most processors started using LL rich blends.

In the PE business, market expansion with value-added grades is an ongoing activity to have an edge over competition. Some of the grade development activities during 2010 were:

- Introduced F46003E for HD film sector as alternate for F46003.
- Introduced HP19010 for the packaging film sector.

### PVC

PVC consumption in India is estimated to be 1.9 MMT in FY-11, which represents a growth of 6% over the previous year. India imported about 650 KT of PVC during FY-11. Pipes and fittings continued to be the major market accounting for 72% domestic PVC demand. PVC is a major product for the infrastructure sector, applied in irrigation pipes, drinking water supply, sewerage schemes, profiles for the building industry, wires and cables, etc.

### New developments and growth initiatives

Reliance took a lead role in creating new market by conducting customer meets - "Rishta" throughout India, to propel growth of PP, PE, and PVC in the field of engineering, agriculture, infrastructure and packaging sector.

Geotextile made from PP has immense potential in construction of roads with improved durability and in river and sea embankment, to prevent erosion. Reliance worked in tandem with textile ministry, industry bodies to facilitate new investment in this "Technical Textile". Several states of India have already specified use of PP geotextile in road and river embankment.

Agriculture is a prime sector for sustainable growth of India. Non-woven PP has proven to be an ideal solution in banana plantations. The Company has tied up for new projects with several agricultural institutes to establish PP in other fruits and vegetables plantation. Apart from increased yields, it will help farmers to grow high quality produce for export business.

The Company worked with leading consumer durable manufacturers to successfully introduce PP in four-wheelers, refrigerators and water filters. Reliance is also driving metal replacement and import substitution programme with major commercial/two wheeler manufacturers by introducing niche grade of PP.



Reliance has made another break-through in glass replacement by using PP bottles in “flavoured milk” packaging. Light weight, clear, break-resistant PP bottles will now replace glass bottles. This is a landmark innovation of Reliance offering high technology, safe and hygienic product.

## Chemicals Business

### Global scenario

The global chemical industry has undergone a transformation since major financial crisis of 2008. The chemical industry benefitted from industry discipline and rapid economic recovery, especially in China and India. Despite unplanned outages, the industry demonstrated a slow and consistent improvement in production volumes. The overall margins improved as increase in raw materials could be passed on to the end-user even as operating rates remained stable.

An excessive demand pull from the automotive sector coupled with high natural rubber prices created high margin environment in the elastomer segment. Shortage of cotton created superior performance in acrylic fibres and provided support to acrylonitrile.

**Benzene:** The global capacity of benzene in 2010 was 56 MMT against production of 40 MMT, resulting in average operating rate of 72%. Demand for the year was 39.8 MMT. Globally, capacity has increased by more than 7.5 MMT in the past 4-5 years resulting in excess capacity.

**Butadiene:** North-East Asia remains the world’s largest market with a global market share of 44%, followed by 22%, and 21% by USA and Europe respectively. The demand grew at 10% on a year-on-year basis.

**Polybutadiene Rubber (PBR)** is the second largest synthetic rubber among elastomers and its demand is estimated at 2.7 MMT. Global demand for synthetic rubber in coming years is expected to grow at 4.8% annually.

**Caustic Soda (CS):** The installed capacity of caustic soda is 85 MMT globally. The global consumption of caustic soda increased to 63 MMT in FY-11, an increase of about 6% over FY-10 and operating rate of 74%. Around 55% of the global chlor alkali capacity is now in Asia.

**Linear Alkyl Benzene (LAB):** Globally, the consumption of LAB is pegged close to 3 MMTPA against capacity of 3.6 MMTPA. The consumption growth is at 2.5% per annum and is expected to continue at this rate driven by Asian demand. With an installed capacity of 182 KT, Reliance is the world’s fifth largest producer of LAB.

**Acrylonitrile:** The global capacity of acrylonitrile in 2010 was 5.7 MMT against production of 5.1 MMT, resulting in average operating rate of 90%. The demand for the year was 5.08 MMT.

### Indian chemical scenario

The Indian chemical industry environment was in line with the global business environment with the exception of the elastomer segment due to the excessive demand from the automobile segment. RIL has leadership position in aromatic segment constituting benzene, toluene and xylene.

The demand from downstream sectors covering SBS rubber, PBR, ABS and styrene butadiene latex recovered during the year and total demand is pegged at 117 KT. Domestic demand for PBR is met by RIL besides imports with consumption estimated at 135 KT. The market estimates demand for PBR to reach 155 KT by 2013 (a growth of 5% CAGR).

RIL is the sole producer of acrylonitrile in India with a capacity of 41 KTA. RIL’s production in entirety is sold in the domestic market and represents nearly 30% share with the rest being imported.

RIL’s crackers at Hazira, Nagothane, Dahej and Vadodara are among the world’s most integrated petrochemical complexes with upstream refining, E&P and downstream chemical facilities. RIL is a leading producer of LAB, benzene and butadiene in India. RIL also produces basic aromatic building blocks of the highest purity, conforming to the product grades. These include toluene, mixed-xylene and ortho-xylene.

For the year, RIL’s benzene production was at 700 KT, a growth of 4% on a year-on-year basis. Total sales for the year were 681 KT, out of which 381 KT was exports, 215 KT was domestic and 85 KT was for captive consumption. Exports of benzene during FY-11 were at 381 KT mainly to the US, Europe, besides Middle East. Toluene, a major bi-product of BTX group, registered production volumes of 105 KT.

RIL produced 174 KT of butadiene during the year of which 61 KT was exported after meeting the entire domestic requirement and captive consumption.

RIL is the only manufacturer of PBR in India. During the year, it produced 76 KT, an increase of 4.7% on a year-on-year basis, most of which was sold in the domestic market.

RIL has the annual capacity to produce 168 KTA of caustic soda and 141 KT of chlorine. RIL’s capacity utilization for

the year was at 97% as against average domestic capacity utilization of 75%.

RIL produces 163 KT of LAB on an annualized basis. Tightness of normal paraffins resulted in lower utilization of LAB capacity.

RIL's entire production of acrylonitrile was sold in the domestic market. The upswing in demand from derivatives and restricted global supplies supported prices and margins.

### Opportunities

RIL foresees large opportunities in elastomers and other diverse chemicals. It has already announced its plans to set up a facility for manufacturing 100 KT of butyl rubber in partnership with Sibur. This is a significant step towards the Company's commitment to service India's growing automotive sector by bringing in complex technologies. A new facility to produce butene-1 (40 KTA) and Methyl Tertiary Butyl Ether (144 KTA) using raffinate-1 from the butadiene plant will come on stream in FY-12.

### Polyester Fibre and Filament

Textile and clothing exports by major Asian countries witnessed year-on-year growth amidst revived demand from US and European regions. Textile and clothing imports into US in 2010 increased 15% over 2009 with textile imports rising by 22% and clothing by 12% year-on-year. Chinese textile and clothing exports in 2010 witnessed an impressive growth of 24% over 2009. In case of India, textile and clothing exports witnessed a growth of 11.5% in the first half of FY-11 and are likely to remain healthy in the near future.

There was a renewed investment in downstream textile industry, especially in the Asian countries. The global market for spinning machinery and components posted a strong recovery in 2010, following two years of weak demand.

The polyester chain delta reached the highest level seen in the last one decade. In fact, it has sustained the level above \$1,000/MT since the last two quarters of FY-11. For the full year, chain delta were up 33% over last year.

Another major development during the year was extreme tightness in global cotton availability. This led to record high price levels and widely impacted the entire textile industry. Cotton prices started moving upwards especially since the second half of FY-11. The commodity has witnessed extreme tightness in availability, which resulted in record prices. Cotton prices reached the highest level in the past 150 years, last seen during the American Civil

War way back in 1860s. Both fundamental and market forces played a major role in taking cotton prices to unprecedented levels. During 2010-11 cotton season, major producers like China, Pakistan and Australia witnessed rough weather and floods, which impacted the output.

Towards the end of FY-11, cotton prices were 140% higher than those for polyester as also higher than the historical average of 30%. Garment manufacturers/designers are likely to find ways to use more polyester than cotton in their fabric usage. On the demand side, the rising cotton price will continue to drive substitution demand for polyester. The International Cotton Advisory Committee (ICAC) forecasts that cotton's share of the world textile fibre market could decline to 33% by 2015 as compared to 36.5% in 2009.

### Global fibre demand

The global fibre demand in 2010 witnessed an impressive growth of 4% over 2009 and reached the level of 74 MMT. The corresponding growth in 2009 was just half at 2%. China and India accounted for almost all of the incremental fibre consumption in 2010, with China's share at 83% and India at 15%. Polyester continues to feed the textile industry, accounting for 83% of the increased fibre demand in 2010. By 2020, global fibre demand is expected to grow to 99 MMT, at a CAGR of 3%, from the current level of 74 MMT. Polyester usage for textile applications is expected to grow at over 4% and account for around 80% of the incremental fibre demand in the next decade. Consequently, its share in all fibre demand would grow to 55% from the current 48%.

Last year, Chinese currency appreciated relative to the Indian rupee which benefitted the Indian textile industry and its exports became more competitive.

### Global polyester filament and staple fibre markets

The global polyester markets were largely stable in the first half of FY-11. However, during the second half of the year, higher volatility crept into the markets on account of various factors. The international PSF prices increased to \$2,047/MT by March 2011, up 52% over FY-11 start. Similarly, the international POY prices increased to \$2,040/MT, by March 2011, up 42% over the beginning of FY-11.

Extreme tightness in global cotton availability, renewed downstream demand, fundamental tightness in fibre intermediates supply and lesser polyester capacity addition in the past few years influenced the polyester markets.

Global PFY capacity is expected to grow at a CAGR of 4.4% from the current 27 MMT to 42 MMT by 2020. Global

PSF capacity is expected to grow at a CAGR of 3.4% from the current 16 MMT to 23 MMT by 2020.

#### Product prices

Price (\$/MT)	FY-11	FY-10	% change
POY	1,683	1,287	31%
PSF	1,573	1,177	34%
PET	1,415	1,141	24%

Source: Platts

#### Global PET scenario

Polyester applications in packaging is another segment which is witnessing promising growth. Global production in 2010 increased by 8% over 2009 to 15 MMT. Major increases were witnessed in Asia Pacific, Western Europe and North America. The 2011 global PET production is expected to increase by 1 MMT of which Asia Pacific would account for more than 40%. During the next decade, global PET capacity is expected to grow at a CAGR of 6% from 19 MMT in 2010 to 33 MMT by 2020. During the same period, demand is expected to grow at a CAGR of 7% from 15 MMT in 2010 to 29 MMT by 2020.

PET prices have witnessed significant surge lately, reaching the levels of \$1,895/MT in March 2011, compared to \$1,200/MT in early 2010.

Higher prices of Asian PET as well as feedstock reduced the import penetration from Asia to North America and Europe as import economics turned less lucrative. Consequently, local sourcing in these two regions gained pace and local operating rates remained high. A high level of PET prices led to further implementation of light-weighting of containers in North America.

#### Global feedstock scenario (PX, PTA, MEG)

Polyester feedstock witnessed a largely stable trend in the first half of FY-11, but was subjected to volatile environment in the later part of the year. Again, the fundamental and market forces played a major role in creating the volatility. Supply tightened in the second half of FY-11 in view of increased demand from downstream polyester segment.

In PX, market balances remained tight amidst unplanned outages and strong demand from PTA segment. During the year, PX prices varied in a wider range of \$840/MT to \$1,792/MT, the level last seen in 2008. Also, PX delta over naphtha breached \$800/MT in Q4 FY-11, which is almost 2.5 times the level seen in April 2010. In view of no major

capacity addition in 2010 and expectation of limited capacity addition in FY-12, PX sentiments are expected to remain firm in terms of prices, margins and utilization rates. The PX operating rate is projected to reach as high as 87% in 2011 and 2012.

#### Product prices

Price (\$/MT)	FY-11	FY-10	% change
PX	1,159	995	17%
PTA	1,080	891	21%
MEG	944	752	26%

Source: Platts

Chinese PTA future markets started to witness extreme volatility in the second half of FY-11, which sent PTA prices to record levels. Prices during the year moved in a wider range of \$831/MT to \$1,527/MT. PTA delta over PX, almost touched \$400/MT in Q4 FY-11. Global PTA capacity is expected to reach 76 MMT by 2015 from current 49 MMT, at a CAGR of 9%.

MEG markets closely followed the developments in the PTA and polyester markets. By March 2011, prices and margins reached the high levels which were last seen at the time of outages in the Middle East plants way back in late 2007 and early 2008. The prices moved in a range of \$690/MT to \$1,280/MT. MEG delta over ethylene breached the \$450/MT level in Q4 FY-11, compared to below \$100/MT level seen in early 2010.

#### Domestic scenario

It is expected that the Indian textile and clothing market has the potential to reach \$ 220 billion by 2020 at a CAGR of 10-11% from the current level of around \$ 70 billion. The domestic market has a potential to grow to \$ 140 billion and exports to \$ 80 billion by 2020.

It is believed that India has the potential to increase its export share in world trade from the current 4.5% to 8% and reach \$ 80 billion level by 2020. This high growth in exports can become a reality amidst increased shift in sourcing from developed countries to Asia and India's strengths as a suitable alternative to China for global buyers.

During FY-11, domestic demand for polyester products increased by 13% over the last year. The momentum was led by PET with 24% growth followed by PFY with 13% growth.

### Polyester industry demand growth

(Volume in KT)	FY-11	FY-10	% change
PFY	2,134	1,891	13%
PSF	862	783	10%
PET	416	336	24%

PET is the fastest growing product in the polyester product in India. The current domestic demand is at 0.4 MMT of which RIL's share is over 50%. Also, considering the fact that India's per capita PET consumption is only 0.29 kg against the world average of 2 kg/capita, there is an immense scope to increase PET packaging applications in India.

### Fibre Intermediates industry demand growth

(Volume in KT)	FY-11	FY-10	% change
PX	2,009	1,964	2%
PTA	3,647	3,331	9%
MEG	1,650	1,402	18%

### RIL performance

Reliance continues to be the largest polyester player in the world and maintains leadership position in polyester and feedstock markets; leveraging on the benefits of chain economics. The total polyester capacity, including that of Recron Malaysia, is around 2.4 MMT. As per PCI, RIL is the world's 8<sup>th</sup> largest producer of PTA and MEG and the 5<sup>th</sup> largest producer of PX.

RIL has a significant advantage of integrated operations in the polyester business. For FY-11, the overall domestic market share in polyester (including PET) was 41%. In terms of product differentiation, the specialty product sale in PFY and PSF during the year was around 45% and 57% respectively.

Polyester production in FY-11 was 1,710 KT, up by 3% over the previous year. PFY production was 742 KT, up 2%, while PSF and PET production increased by 3% and 2% respectively.

### Polyester production in KT

	FY-11	FY-10
PFY	742	724
PSF	615	597
PET	353	345
<b>Total</b>	<b>1,710</b>	<b>1,666</b>

In case of fibre intermediates, total production (PX, PTA and MEG) during FY-11 is around 4,548 KT, down marginally by 1% over last year.

### Fibre Intermediate production in KT

	FY-11	FY-10
PX	1,840	1,875
PTA	2,033	2,049
MEG	675	695
<b>Total</b>	<b>4,548</b>	<b>4,619</b>

### New developments and initiatives

Reliance has increased volumes in specialty products like flame retardant fibre, tow and filament which provide flame retardant properties in fabrics. Recron® LP, with unique low pill properties, was introduced for use in worsted suiting in poly-wool blends. Other major developments include Recron®Duratarp for waterproof fabrics, super-micro staple fibre for spinning ultra-fine yarn counts and spun-dyed fibre for the Indian armed forces.

Reliance also developed full dull dope dyed yarns mainly for shirting. Volumes also increased in PBT-based stretch yarns. During the year, Reliance also developed fully drawn yarn (FDY) spin finish, which replaced imports and thus helped reduce cost. RIL is also the preferred supplier for Recron stretch and super coarse yarns for the denim and mink blanket segment.

### Recron Malaysia

Recron Malaysia is an integrated polyester unit with downstream textile operations like spun yarn and fabric production as well. It has a polyester capacity of more than 500 KTA and fabric production of 600 million meters per annum. Since its acquisition by RIL, the Company has undergone significant improvement in terms of operations and profits.

### Petrochemicals expansion plans

On the back of strong petrochemicals and fibres demand growth, Reliance has embarked on a major capacity creation initiative in petrochemicals which is set to significantly enlarge Reliance's footprints in this business.

At Jamnagar, RIL plans to build:

- 1.8 MMTPA of PX capacity.
- 1.4 MMTPA of ethylene capacity.
- 40,000 TPA of PBR and 150,000 TPA SBR capacity.



RIL has simultaneously commenced implementation of its planned expansions across the polyester chain. This is RIL's largest capacity expansion in this sector and is aimed at consolidating its position as the world's largest integrated polyester producer.

The global supply constraints, substantial price increase and uncertain outlook for cotton availability is creating considerable substitution opportunities for polyester products like PFY and PSF.

The demand for PET, which is already India's fastest growing polymer is also poised for substantial growth due to continued demand growth in the bottling, packaging and food & beverages sectors.

RIL has planned its capacity expansion in phases over the next few years. This includes:

- 2.30 MMTPA of PTA capacity with an option of an additional 1.15 MMTPA.
- 395,000 TPA of PFY and 140,000 TPA of PTY capacity.
- 540,000 TPA of PET with the option to add 540,000 TPA.
- 290,000 TPA of PSF capacity.

All the above projects are under various stages of implementation ranging from technology licensing, basic engineering and obtaining the necessary regulatory approvals.

## OPPORTUNITIES

Growth in the Indian economy and demand creates unprecedented opportunities for RIL to invest significantly in each of its core businesses, including those that leverage directly from growth in consumerism and increase in consumption. RIL is in the process of doubling its petrochemical business by investing across the value chain and has already commenced project implementation in the polyester chain.

Reliance is participating in growth in consumer demand for world-class retailing and digital services by rolling out its modern retailing business as well as investing significantly in the broadband wireless business in India.

Large cash balances, robust cash flows and an under leveraged balance sheet allows it to pursue these and other organic and inorganic growth opportunities in its core businesses in a broader, global context. It also continues its quest for conventional and unconventional hydrocarbons in order to meet its aspirations of creating a global scale oil and gas business.

RIL operates the largest, most modern, integrated and complex refining assets in the world. These are also one of the lowest cost refining operations in the world. With its superior sourcing flexibility and product slate, it has historically outperformed benchmark margins. Strong light-heavy crude oil spread will support margin improvement for complex refiners such as RIL. RIL is also one of the world's leading producers of ultra-clean fuels and is set to benefit further from increased demand for such clean fuels.

The wave of global capacity additions in the petrochemicals (ethylene chain) business over the past two years has only slightly affected the global margins and prices as well. However, the strong demand growth across polymer products in India, China and other emerging economies has helped new supply getting absorbed.

The Indian polymer industry is expected to grow at 1.5 to 2 times the GDP growth rate.

RIL, as the world's largest producer of polyester, benefits from the on-going scarcity of cotton. Among its peers, RIL would continue to earn superior returns on account of its fully-integrated operations and robust domestic demand.

The domestic gas sector, despite strong demand growth, has remained under-developed due to inadequate investments in gas infrastructure and low gas price entailing a lack of interest among investors for exploring and developing gas blocks. RIL's partnership with BP combines the skills of both companies and will be focused on discovering more hydrocarbons in India and contributing to India's energy security as well as sourcing gas globally for the Indian markets.

## CHALLENGES, RISKS AND CONCERNS

In the oil & gas business, deep-water exploration and development operations presents technological challenges and operating risks. The challenge for RIL is to ensure optimum level of production, safe and reliable operations while maintaining the highest level of health, safety and environment standards.

In as far as its refining and marketing business is concerned, RIL competes globally with a number of large energy companies some of who also produce crude oil and are integrated in their refining operations. Global sourcing involves inventory, logistics and pricing risks and this necessitates the need for significant risk mitigation strategies. The merchant nature of its refining business means that RIL faces extensive competition in international markets for the sale of key transportation fuels. RIL



benefits from the quality of its assets, an unprecedented level of operational integration as well as an experienced team that has demonstrated its ability to deliver globally competitive refining margins, cost competitiveness and consistently high operating rates.

Over the past three years, a large number of new low-cost ethylene capacities have come on stream in the Middle East region, which has resulted in margin pressure in the ethylene chain. A gradual tightening supply-demand scenario is likely, leading to margin growth for petrochemical products. Feedstock integration, lower operating costs and high operating rates are critical for profitability in the petrochemicals business. RIL has successfully maintained high operating rates on the back of strong domestic demand and a balanced portfolio of liquid and gas-based crackers.

### INTERNAL CONTROLS

RIL's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These systems are designed to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized, recorded and reported.

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 internal audit function team comprises of well-qualified, experienced professionals who conduct regular audits across the Company's operations. 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.

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 by all RIL manufacturing facilities.

### MAJOR SUBSIDIARIES

#### Reliance Retail Limited (RRL)

Reliance Retail continued to expand presence of its value and specialty formats. During the year, Reliance Retail opened 90 new stores spanning across 'value' and 'specialty' segments. In-store initiatives, wider product choice and value merchandising enabled the business to achieve robust growth during this period.

Reliance Retail also established partnerships with several leading international brands aimed at meeting consumer aspirations. During the year, RRL doubled the presence of its partner businesses and operated over 160 stores in various parts of the country. In the fashion and apparel segment, RRL now operates around 40 stores with leading brands like Marks & Spencer (19 stores), Diesel (7 stores), Paul & Shark (4 stores), Ermenegildo Zegna (6 stores) and Timberland (6 stores).

Its presence in the optics business is in partnership with Grand Vision. 51 new stores were added during FY-11 taking the total presence to 100 stores across key markets in the country. The retail chain offers single brand optical products including Vision Express frames, lenses, contact lenses, sunglasses, solutions and accessories.

For the very first time, consumers in India got the opportunity to experience Hamleys, which is considered to be the world's most wonderful toy shop. The brand was launched in India with opening up of 2 stores during the year.

iStore by Reliance Digital is a one-stop-shop for all Apple products and services. There are 17 such stores currently operational.

Reliance Brands also announced exclusive licensing arrangement with two leading international brands:

- Steve Madden, a leading designer, wholesaler and retailer of fashion-forward footwear and accessories for women, men and children.
- Quiksilver, a leading outdoor sports lifestyle company to launch their core brands 'Quiksilver' and 'Roxy'.

Across India, Reliance Retail serves over 2.5 million customers every week. Its loyalty programme, "Reliance One", has the patronage of more than 6.75 million customers.

#### Haryana Special Economic Zone (SEZ)

With a vision to develop industrial infrastructure and support economic growth, Reliance Haryana SEZ Limited (RHSL), a joint venture between Reliance Ventures Limited (RVL) (a subsidiary of RIL) and HSIIDC Limited (a Government of Haryana Company), has received approval from the Government of Haryana to undertake flexible development of the Reliance Haryana Project as an integrated industrial enclave with all the required facilities such as logistics hub and social infrastructure, ensuring sustainable development of manufacturing and service activities with sufficient provision for future

expansion to cater to the demands in the SEZ and non-SEZ framework.

RHSL is being demerged to undertake development of model economic township in Jhajjar and has signed a Shareholder's Agreement to induct Infrastructure Leasing & Financial Services Limited (IL & FS) into a new company to be formed. The shareholding pattern of the new company will be RVL – 45%, IL & FS – 45% and HSIIDC – 10% to be given as sweat equity.

#### **RIL – D. E. Shaw joint venture**

RIL and the D. E. Shaw group agreed to establish a joint venture to build a leading financial services business in India. This JV will incorporate the D. E. Shaw group's investment and technology expertise with Reliance's operational knowledge and extensive presence across India to offer a comprehensive array of financial services to the Indian marketplace. This JV will draw upon the core competencies of both firms to develop a platform that can serve the growing needs of Indian companies and individuals.

#### **RESEARCH & DEVELOPMENT, TECHNOLOGY DEVELOPMENT AND INNOVATION**

In order to sustain and enhance profitable growth, RIL aspires to become a developer of leading edge technologies and continues to be an efficient user of technology.

RIL intends to create world-class physical and intellectual capabilities, with some of the leading scientists bolstering its innovation agenda. The Company focuses its attention to fundamental R&D for sustainability of its business, advanced technical services, enhancing internal capability to develop basic engineering packages, and in building capabilities.

In refining, the focus areas include maximising light olefins yields from the fluidised catalytic cracker (FCC), improving propylene recovery in FCC; advanced characterisation of crude and evaluation of chemicals for desalting; increasing efficiency and reliability of refinery processes and enhancing process capabilities in coking technology to help widen the crude operating window.

In the petrochemicals area, the focus is on providing technology support to ensure efficient asset utilisation, development of specialty grades/materials, development of catalysts /additives for cost reduction, value addition to by-product streams, and leveraging opportunities at the chemicals/oil interface.

RIL is involved in some cutting-edge technologies like fuel cells, carbon fibres, bio-fuels, and gasification of

several types of feedstocks. RIL is the sole industry partner in the New Millennium Indian Technology Leadership Initiative (NMITLI) project on indigenous Fuel Cell Technology Development.

#### **Some major ongoing/completed projects include:**

- Selection of cost effective FCC catalysts and additives for improved conversion and yields.
- Propylene yield improvements.
- Benzene reduction in refining to promote clean fuel.
- Upgrading of bottom barrel through initiatives such as carbon black production, reduced conversion etc.
- De-salter operation improvements.
- Computational fluid dynamics for trouble shooting.
- Molecular compositional blending models.
- Polypropylene quality control.
- Polyolefin inorganic precursor technology development.
- High performance PP homo and copolymers.
- Development of high performance additives for polyolefins.
- Development of clarifiers for PP grades.
- High melt strength PP by post reactor route.
- Superabsorbent polymers.
- Bio-filtration process for effluent water treatment.
- Catalyst for selective dehydrogenation of C11-C14 n-paraffins.
- Inhouse development and utilization of additives for cracker coking passivation.
- Development of oxygen barrier PET for beer packaging.
- Productivity enhancement through polymer modification.
- New co-catalyst systems for bottle-grade PET productivity enhancement.
- Development of anti-pill polyester, elastic polyester, low melt polyester, low cost flame retardant polyester, low antimony/antimony free polyester, and super micro denier polyester staple fiber.
- Development of low cost catalyst, additives and spin finish for polyester.
- Spinning productivity enhancement.
- Deep cut operation
- Revampment of coker unit and process of pitch.

Creation and protection of intellectual property (IP) for the Company continues to be an ongoing area of focus. RIL's portfolio for national and international patents is increasing in existing as well as new technology areas. As a part of our business transformation, RIL is adopting and implementing best in class business processes with state-of-the-art applications to enhance technical excellence.

## INNOVATION

RIL aspires to be one of the most innovative companies in the world. The Reliance Innovation Leadership Centre designs, develops and deploys programmes in realizing this vision anchored around this agenda.

The Leading Expert Access Programme (LEAP) created a hat trick of Nobel Laureates' lectures. Prof Venki Ramakrishnan delivered the 13<sup>th</sup> Reliance LEAP lecture at the National Chemical Laboratory (NCL). In the past, LEAP speakers have included Nobel Laureates Prof Jean Marie Lehn and Prof Robert Grubbs. LEAP has been designed to inspire the RIL family through the life, work and experience of global innovation leaders.

Sustainable growth of any organisation has one important element- generation, exploitation and management of its IP. Last year saw a new energy in this domain through the structuring and institutionalising of the IP thrust area. The focus of the IP team is to transform the organisation from being an IP user to an IP creator. RIL's patent portfolio is on the upswing, both in quality and quantity terms including protection in overseas markets.

## CLEAN DEVELOPMENT MECHANISM

RIL 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 Climate Change (UNFCCC).

In FY-11, RIL undertook validation of two renewable energy CDM projects harnessing solar and biomass energy. These projects have received host country approval from Ministry of Environment and Forest, Government of India. Biomass based process steam generation project is at the final stage of registration at UNFCCC. Also, verification audit of one of the registered projects at Patalganga Manufacturing Division has been conducted in FY-11. UNFCCC has approved the changes proposed by RIL to the small scale methodology for "Recovery and recycling of materials from solid wastes" to include PET recycle.

As proactive action to phase out Chlorofluorocarbons (CFCs), RIL has undertaken replacement of CFC based chiller units with new energy efficient non-CFC chillers.

## HUMAN RESOURCES DEVELOPMENT

RIL's talent base, as on March 31, 2011, stands at 22,661 with an average employee age of 41 years.

In FY-11, the Business Transformation initiative created high engagement and excitement amongst the workforce across all levels at RIL. Some key accomplishments on people management front are illustrated below:

### Learning & Development

In FY-11, RIL enhanced delivery over the last year by ensuring 1,589,395 man hours of learning activities at its manufacturing divisions. Going forward, RIL will focus on building specialist skills and multiple cadres in the organisation to support its goals and aspirations. Additionally, several thousand man-hours of developmental intervention was undertaken to train the leadership teams on developing the second-line, compensation and benefits, executive coaching, rewards and recognition programmes and interviewing & selection.

Six Sigma deployment in FY-11 was focused on improving process capability & reliability issues as per the needs of individual manufacturing sites. A total of 85 projects were executed leading to financial benefit of Rs. 26 Crore for the year 2010-11.

As a part of Six Sigma deployment process, 9 Reliance Certified Black Belts – Wave 1 (RCBB-1) are working across manufacturing divisions and have, in turn, developed 305 Six Sigma Green Belts in 2009-11. Total project execution by this team led by RCBB-1 for a span of two years is 157 leading to financial benefit of Rs. 69 Crore.

Currently, 19 BMGI/ASQ certified Black belts are working in different sites. Based on the effective deployment of Six Sigma methodology by first wave, new batch for Reliance Certified Black Belt – Wave 2 (RCBB-2) has been launched in January, 2011 for which 11 employees have been selected from manufacturing divisions.

In all 354 Black Belts & Green Belts are associated with Six Sigma projects at different sites. For the success of various Six Sigma projects, 1892 team members and supervisory personnel are providing active support.

As a part of standardization of training & development of people with validation of their skill level, web based examination module has been developed for certification

of Six Sigma Green Belts. In FY-11, eight employees have been certified as Reliance Certified Green Belt (RCGB).

### Compensation & Banding

FY-11, saw a significant change in the Company's compensation & banding management process. On the variable pay front, efforts are afoot to move towards an accountability and responsibility driven variable pay programmes designed uniquely for various levels.

### Talent Acquisition

The belief in its people has been the foundation and corner stone of RIL's growth story. It was the youth in their 20s & 30s who brought RIL to this pedestal over the last 3 decades and going forward the intent is to pass the baton on to young leaders over the next 2 to 3 years, to further propel this success story for the next 3 decades. Towards this end there has been a significant endeavor in re-enforcing the existing talent base of 22,661.

RIL's campus hiring programme from the engineering, finance and management institutes has been far more robust, with wider coverage to ensure higher caliber as well diversity.

RIL has launched a specially tailored programme "Reliance Accelerated Leadership Programme", in order to hire high caliber young talent into the Company and build a talent pipeline for the future.

### HR Transformation

RIL is focused on building what would be the best "To Be" Organisation over the next 18 to 24 months. In order to achieve this objective, RIL focused on following initiatives:

- People: Energising and engaging the existing work force, building a pipeline for the future and creating an exciting work place.
- HR Processes: To ensure that RIL continues to have the world's best practice and processes, existing processes are being reengineered and new processes are being introduced.
- Policies: The focus in FY-11 was to make the policies employee friendly keeping in view employee specific needs. The HR policies are being reviewed and benchmarked with world class organisations.
- HR Shared Service Centre: The Centre was established last year to ensure efficient and effective delivery of HR services to RIL employees.

### AWARDS AND RECOGNITION

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

### Leadership

Shri Mukesh Ambani, Chairman & Managing Director, RIL, has been nominated to a 'key advocacy group of Millennium Development Goals', whose mandate includes finding ways to fight socio-economic evils such as poverty, by the United Nations in 2010. Shri Ambani is the only Indian to be a part of the MDG Advocacy Group that comprises eminent international personalities.

Shri Mukesh Ambani has been re-elected as Vice Chairman of the Business Council for Sustainable Development's (WBCSD) Executive Committee for a second consecutive term in 2010.

The Foundation Board of the World Economic Forum (WEF) elected Shri Mukesh Ambani on its Board. WEF's mission is to improve the state of the world and the elected board members make valuable contributions to this mission through their involvement.

Shri Mukesh Ambani received the prestigious 'Dwight D Eisenhower Global Leadership Award' at the Business Council for International Understanding's Annual Global Awards Gala in 2010.

The Asia Society, New York presented the 'Global Vision Award' to Shri Mukesh Ambani, honoring global leaders who help promote understanding between Asians and Americans in 2010.

Shri Mukesh Ambani received the NDTV Profit Business Leadership Award 2010 from the Finance Minister, Government of India in 2010.

The senior editors of Financial Chronicle unanimously voted Shri Mukesh Ambani as 'Businessman of the Year for 2010'.

Shri PMS Prasad was bestowed with the "Outstanding Achievement – Natural Gas" Award at the OCEANTEX 2010.

### Corporate Rankings and Ratings

RIL continues to be featured, for the sixth consecutive year, in the Fortune Global 500 list of the World's Largest Corporations, ranking for 2010 is as follows:

- Ranked 175 based on Revenues
- Ranked 100 based on Profits

RIL is ranked 68<sup>th</sup> in 2010, in the *Financial Times'* FT Global 500 list of the world's largest companies (up from previous year's 75<sup>th</sup> rank).

RIL has been ranked at 20<sup>th</sup> position, on the basis of sales, in the ICIS Top 100 Chemicals Companies list. RIL is the



only Indian company in the world's Top 20 chemical companies in the global ranking. RIL has also been named as the 8th biggest gainer in the list in terms of operating profits.

RIL is the only Indian company to get a perfect score from CLSA Asia-Pacific Markets (CLSA) in a list of Asia's best companies in terms of CSR and termed the Company as the region's 'Corporate Good Guy'. In its 'Ethical Asia' 2010 report, CLSA has named RIL among its top picks for providing very good data and going well beyond required disclosure.

RIL is rated as the 33rd 'Most Innovative Company in the World' in a survey conducted by the US financial publication- *Business Week* in collaboration with the Boston Consulting Group (BCG). Further, in 2010, BCG has ranked RIL second amongst the world's 10 biggest, 'Sustainable Value Creators', companies for creating the most shareholder value for the period 2000 to 2009.

### Project Management

E&P Division received the Petrotech-2010 Special Technical Award in the 'Project Management' category for completion of their Krishna Godavari Gas project ahead of schedule.

### Health, Safety & Environment

- Allahabad Manufacturing Division received a rating of 90% for its environmental initiatives from British Safety Council in 2010.
- Barabanki Manufacturing Division received '5 Star Rating on BSC Environment' from British Safety Council in 2010.
- Dahej Manufacturing Division received 'Greentech Environment Excellence Award 2010 – Gold' for its excellence in environment practices from Greentech Foundation in 2010.
- Dahej Manufacturing Division received the 'National Award for the Prevention of Pollution in Petrochemicals Sector' for its excellence in environment practices from the Ministry of Environment & Forests, Government of India, in 2010.
- Dahej Manufacturing Division received "Our Cup of Joy India's Best Practices on Water Confederation of Indian Industry (CII) October 2010" Award for the Best practice of water conservation of "Utilizing Cooling Tower Blow Down water for Irrigation Purpose".
- Dahej Manufacturing Division's Quality Control

Department (QCD) (Sangchhatvam) and GCU (Uday) plant won the "Par Excellent" award and RGSS (Suraksha) won the "Distinguished" award at the "24th Annual National Convention on Quality Concepts" (NCQC – 2010).

- Dahej Manufacturing Division's QCD (Sangchhatvam), GCU (Uday) and RGSS (Suraksha) won Gold Award and EOEG (Drishti) won Silver Award at the "21st Gujarat State Level Annual Convention on Quality Concepts – 2010".
- Hazira Manufacturing Division received the DuPont Safety Award for outstanding initiatives towards workplace safety enhancements and accident prevention in 2010, thus making RIL the first Indian / Asian company to win this award.
- Hazira Manufacturing Division received the British Safety Council's (BSC), Five Star Environment Award for its "beyond compliance" initiatives, best environmental practices, innovations and resource conservation efforts in 2010.
- Hazira Manufacturing Division won the UK Energy Institute's Safety Award for 'Road Safety TRUST Programme' in 2010, making RIL the first Indian / Asian company to win this award.
- Hazira Manufacturing Division won the FGI Award for Excellence in Environmental Pollution Abatement and Preservation in 2010.
- Hazira Manufacturing Division won CII's Best Environmental Practice Award under "Most Innovative Project" and "Innovative Project" category in January 2011.
- Hoshiarpur Manufacturing Division, for four consecutive years in a row won the 'State Safety Award' from Punjab Industrial Safety Council & Chief Inspector of Factories, Punjab in 2011.
- Jamnagar Manufacturing Division Domestic Tariff Area (DTA) Refinery received the 'Golden Peacock Award for Occupational Health & Safety' for pace setting performance in OH and Safety in 2010.
- Jamnagar Manufacturing Division DTA Refinery has been conferred with the Institute of Engineers' 'Safety Innovation Award' for the year 2010, organized by the Safety and Quality Forum of the Institute of Engineers.
- Jamnagar Manufacturing Division DTA Refinery received 'Safety Innovation Award' from Safety & Quality Forum of Institute of Engineers (India).



- Jamnagar Manufacturing Division DTA Refinery won the “Greentech Platinum Award (2010)” Safety Category, in Petroleum Refinery Sector for its outstanding Achievement in Safety Management.
- Jamnagar Manufacturing Division has been granted by The National Accreditation Board for Laboratories (NABL), Ministry of Science & Technology; Government of India, “NABL accreditation” based on ISO 15189: 2007 for the DAOH & FWC Medical Laboratory.
- Jamnagar Manufacturing Division Special Economic Zone (SEZ) Refinery received ‘5 Star Award for Health & Safety’ from British Safety Council for sustained performance in Health & Safety in 2010.
- Jamnagar Manufacturing Division SEZ Refinery has won the prestigious ‘Greentech Environment Excellence Award 2010’ in Gold Category in Petroleum Refinery Sector for its best practices in Environment Management.
- Jamnagar Manufacturing Division SEZ Refinery has been selected as the winner of the “10th Annual Greentech Safety Award 2011”, in Platinum Category in the Petroleum Refinery Sector.
- Nagothane Manufacturing Division received the “Vana Shree Award” from the State Government of Maharashtra in 2010.
- Nagpur Manufacturing Division received the ‘Sword of Honour’ from the British Safety Council in 2010.
- Vadodara Manufacturing Division received the CII Environmental Best Practice Award in 2011.

#### **Energy and Water Conservation / Efficiency**

- Hazira Manufacturing Division won the ‘Excellent Energy Efficient Unit Award for FY 2009-10’ from CII in 2010.
- Dahej Manufacturing Division bagged the ‘Excellent Energy Efficient Unit Award 2010’ for its energy conservation efforts from CII in 2010.
- Dahej Manufacturing Division received the ‘National Energy Conservation Award 2010’ for its energy conservation initiatives from the Ministry of Power, Government of India.
- Jamnagar Manufacturing Division received the ‘National Award for Excellence in Energy Management’ for its energy conservation techniques from CII in 2010.

- Jamnagar Manufacturing Division received the ‘I.C.C. Award for Excellence in Energy Management’ for its energy performance from the Indian Chemical Council in 2010.

#### **Technology, Patents, R&D and Innovation**

- Nagpur Manufacturing Division received the ‘Innovation Quest 2010 Trophy’ instituted by the Indian Institution of Industrial Engineering.
- E&P’s KG-D6 won the ‘Innovation for India Awards 2010’ instituted by the Marico Innovation Foundation for their combined synthesis of advanced technologies, extreme engineering, innovative execution, yielding unprecedented results and impact on India’s energy security.
- Hazira Manufacturing Division won the “Innovative Project” from the CII in 2010.
- Hazira Manufacturing Division won the FGI Federation of Gujarat Industries Award for technology development in 2010.
- Hazira Manufacturing Division won the Indian Chemical Council Award for chemical plant design and engineering in 2010.
- Reliance Technology Group (RTG) received “Certificate of Merit” from the Federation of Gujarat Industries and “ICC award for excellence in chemical plant design and engineering” in 2010.

#### **Retail**

- Reliance Footprint received the Retailer of the Year Award in the Non Apparel and Footwear category at Asia Retail Congress 2010.
- Reliance TimeOut received the Retailer of the Year Award in the Leisure Category at Asia Retail Congress 2010.
- Vision Express was bestowed the ‘Award 2010’ for its contribution by the Netherlands India Chamber of Commerce and Trade in 2010.
- Reliance Trends received the ‘Retail Marketing Campaign of the Year Award’ at the Asia Retail Congress 2010.
- Reliance Trends received the ‘Impactful Retail Design and Visual Merchandising of the Year Award’ at the Asia Retail Congress 2010.

#### **Sustainability**

- Jamnagar Manufacturing Division won the ‘Golden Peacock Global Award for Sustainability for the year 2010’.

# Report on Corporate Social Responsibility

## Report on Corporate Social Responsibility

RIL embraces responsibility for impact of its operations and actions on all stakeholders including society and community at large. Management's commitment, work ethics and business processes at RIL encourages all its employees and other participants to ensure a positive impact and its commitment towards corporate social responsibility.

The Company's commitment to excellence in Health and Safety is embedded in the Company's core values. The Company has a stringent policy of 'safety of persons overrides all production targets', which drives all employees to continuously break new ground in safety management for the benefit of people, property, environment and the communities where we operate. The Company is aware of the environmental impacts of its operations and it continually strives to reduce the impacts.

RIL respects human rights, values its employees, and invests in innovative technologies and solutions for sustainable energy flow and economic growth. The Company has supported innumerable social and community initiatives across India touching the lives of millions of people positively by supporting environmental and health-care projects and social, cultural and educational programmes. Besides focusing primarily on the welfare of economically and socially deprived sections of society, RIL also aims at developing techno-economically viable and environment-friendly products and services for the benefit of millions of its consumers, while at the same time ensuring the highest standards of safety and environment protection in our operations.

### Health, Safety & Environment

#### Health

RIL focuses on achieving excellence in occupational and personal health of its employees across locations. The Company has state-of-the-art Occupational Health Centres (OHC) at its manufacturing divisions and major offices. These OHCs are equipped with state-of-the-art diagnostic and therapeutic equipment and are manned by qualified occupational health specialists.

RIL's medical and occupational health departments are also in the forefront to prevent lifestyle diseases such as heart problems, hypertension, diabetes and communicable diseases such as malaria, tuberculosis and HIV / AIDS through a series of regular health awareness sessions, daily health tips and personal counseling. Health

promotional activities are also extended to employees' family members staying at Company townships.

RIL has full-fledged modern hospitals at its major townships at Jamnagar, Vadodara, Nagothane and Patalganga, which cater to curative health services to employees and their family members. In FY 2010-11, new facilities were added to the hospitals including a state-of-the-art, special burns treatment unit, at the Dhirubhai Ambani Hospital in Jamnagar.

Started eight years ago as a pilot project at few manufacturing divisions, Change Agents for Safety, Health and workplace Environment (CASHe) has grown and become a movement encompassing the entire enterprise with thousands of improvement projects. The programme has been instrumental in creating a culture of implementing health, safety and environment improving projects at workplace on a priority basis. This programme has also helped the Company improve its performance on the occupational health and safety front.

#### Safety

In FY 2010-11, RIL's HSE Management System (HSE-MS) has been further strengthened with new initiatives. The HSE-MS have been institutionalised to establish Company-wide safety management objectives, guiding principles and processes.

RIL continues to pursue world class operational excellence through the HSE Management System initiative, in strategic partnership with M/s DuPont Sustainable Solutions. In FY 2010-11, RIL implemented the operational discipline framework of 11 characteristics to embed operational discipline in the organization in 6 major manufacturing sites. RIL's manufacturing divisions undertook a rigorous self-assessment of operational discipline and they are in the process of implementing improvement measures with total employee involvement.

In order to ingrain the safety culture, a set of 'Life Protection Rules' (LPR) have been introduced in FY 2010-11. The LPR focuses on 10 high risk activities. Complying with the LPR is mandatory for all RIL employees, and for the employees of contractors. LPR complements our 'Safety Best Practices' and 'Safety Procedures' to be followed at all locations.

Process Safety Management (PSM) has been further strengthened in FY 2010-11, through strategic initiatives for sustenance. One of the focuses was to conduct self assurance studies for the safety of the community through

Process Hazard Analysis (PHA) and Quantitative Risk Assessment (QRA) in plants prioritized on risk basis. Implementation of recommendations emerging from such studies has resulted in evolving inherent safer measures in operations of such plants.

RIL's Central HSE audit programme is a critical component of the HSE governance process, which has been specifically designed to ensure that stakeholder expectations, HSE Policy and HSE Management Standards are being effectively implemented across the Group. The HSE Audit Protocol is based on the HSE Management Standards and systems and performance management principles. The process provides assurance to the Group and the Board that the HSE Management Standards are being implemented and it identifies best practices that can be shared across RIL Group.

The Company has further reinforced its ties with global institutions such as the Centre for Chemical Process Safety, the American Institute of Chemical Engineers, American Chemical Council and the British Safety Council, which gives access to industry best practices.

RIL's HSE systems are aligned with recognised management systems and global best practices. Most manufacturing divisions have been certified to ISO 14001:2004 certification of Environmental Management Systems and OHSAS 18001:2007 certification of Safety Management Systems.

At the E&P operations, RIL has adopted the HSE Management System and uses Safety Case approach for the onshore and offshore facilities to demonstrate high levels of safety integrated into the design and operations through several risk and hazard assessment studies. RIL has established emergency management systems and is checking and improving the efficacy of the same through periodic mock drills at various facilities of the entire KG-D6 assets, drilling and CBM operations.

RIL's KG-D6 asset comprising of Onshore Terminal, Supply Bases and Off-shore facilities were certified with ISO-9001:2008; ISO 14001:2004 and OHSAS 18001:2007 by M/s DNV in April 2010. The Company has also labeled the same as 'Integrated Management System' for the KG-D6 Asset. Additionally, M/s DNV successfully completed the first 'Surveillance Audit' of RIL's KG-D6 asset in August 2010.

For Coal Bed Methane and Onshore Drilling operations without any Lost Time Incidents, both internal and regulatory audits (through Oil Industry Safety Directorate)

were conducted to ensure that all statutory requirements are met in the operations.

RIL's stress on enhancing HSE performance through launching of HSE management Systems of international Standards continued with further launching of 18 HSE standards and 41 associated HSE procedures, which will be implemented across the Company's E&P operations. RIL has a well planned safety training programme for employees and also contract employees.

### **Environment**

In its pursuit of excellence in environmental management towards sustainable business development, Reliance continues to be committed to develop and implement Environmental Management System (EMS) throughout the Group to measure, control and reduce the environmental impact. In this context, during FY 2010-11, Gadimoga and Jamnagar SEZ manufacturing divisions have instituted ISO-14001:2004. With this, the international environmental accreditation based management system covers Company's all manufacturing divisions. In majority of cases this has been integrated with ISO: 9001:2008 Quality Management System and ISO-18001:2007 OSHA management systems.

RIL has also referred Global Reporting Initiative's guidelines 2006 for developing its environment performance indicators. This concerted effort is aimed at developing environmental initiatives to address to RIL's long term target of becoming water positive, carbon neutral and maximizing possible recycling and reuse of wastes. A management framework with defined structures, roles and responsibilities, group standards, audits and training has been further strengthened.

RIL is fully compliant with various environmental protection and health and safety laws and regulations. In its constant endeavour to be fully compliant with all regulatory standards, RIL has instituted a compliance management system, which ensures that the Company is in full compliance to all applicable legal requirements. Prior to the implementation of new projects the potential environmental impacts are assessed. The environment impact assessment and risk analysis are performed for all new and major expansion projects and necessary measures are incorporated to mitigate adverse environmental impacts at the planning stage of project.

Further, in FY 2010-11, RIL has updated its group environmental standards and second party audit protocols. In an important initiative, in FY 2010-11, the

Company developed 'RIL- Environmental Management Process' with the help of international agencies. The processes include work streams, role and responsibility matrix and performance indicators to monitor the progress. RIL strongly believes that these actions will be the Change Agent for further reducing the Company's environmental risks significantly.

In RIL's improvement efforts, audits play an important role. The Company has developed three-tier audit systems. Trained and qualified internal auditors perform internal or first party environmental audits of our environment management system at regular intervals. In FY 2010-11, RIL has developed an environment second party audit protocol for the RIL- Environmental Standards. The high level environmental audit by the external agency or third party is performed for all manufacturing divisions which include annual audit by Gujarat Pollution Control Board (GPCB) recognized auditors in the State of Gujarat and ISO-14001:2004 audits by the accreditation agencies at regular frequency.

In FY 2010-11, a five star environment audit by British Safety Council, UK was performed at Hazira, Barabanki and Allahabad manufacturing divisions. These manufacturing divisions have achieved more than 90% score. With this, RIL's nine manufacturing divisions have been audited for its environmental management by the British Safety Council (BSC) and the remaining manufacturing divisions are planned to be audited in FY 2011 -12. In line with the world class organization, RIL reports its externally verified environmental performance based on Global Reporting Initiative guidelines. We achieved a trend of continuous reduction in our emissions and discharges and increase in effluent and waste recycling.

To be in harmony with nature, RIL continues its efforts such as mangrove plantation and maintenance in the coastal areas with the help of international agencies, tree plantation, maintenance of green belts and gardens in and around our manufacturing units, vermi-compost of waste and its use as manure, recycling of treated water in cooling water system and in horticulture activities, etc. Further, RIL is partnering with the Ministry of Environment and Forests, Government of India and Gujarat Ecological Commission to set up the National Centre for Marine Biodiversity (NCMB) – India's first Centre of Excellence for the study of India's coastal biodiversity, at Jamnagar. This is the first such initiative in India where the

Government and a private sector stakeholder will be partnering to safeguard the biodiversity of coastal areas.

RIL's continued efforts on reducing environment footprint are aptly reflected in its E&P business, at domestic and also international operations. RIL completed its planned exploration operations with all necessary regulatory approvals and permits in its domestic and international blocks in Australia, Timor Leste, Yemen, Oman, Kurdistan and Columbia. RIL completed its drilling campaign in Timor Leste without any environmental incidents. Apart from internal tracking of environmental compliance through an in-house portal, external agencies like M/s. PricewaterhouseCoopers also monitored RIL's regulatory compliance through its Compliance Monitoring Tools. No adverse notices / reports were received from the statutory bodies during FY 2010-11.

Site operations in KG-D6 received certification under ISO-14001:2004 under an Integrated Management System from M/s. DNV. Wastes, effluents and emissions, at RIL's E&P operations, are in full compliance to the norms and standards. The treated waste water from sanitary effluents is being reused in the green belt.

With an objective of imparting awareness on oil spills control at sea during emergencies, RIL conducted oil spill response mock exercises in the East Coast with the involvement of all major operators and Indian Coast Guard in September 2010. To inculcate the spirit of cleaner beaches along the coast, RIL joined Indian Coast Guard and State Pollution Control Board's initiative of beach cleaning at Kakinada in October 2010.

RIL regularly conducts environmental monitoring around its facilities at both onshore and offshore and submits the monitoring reports to the regulatory bodies without any adverse comments. RIL engaged the services of national environmental laboratories like National Environmental Engineering Research Institute (NEERI) and National Institute of Oceanography (NIO) to conduct the onshore and offshore environmental monitoring studies. RIL's production facilities in and around Gadimoga (KG-D6 onshore terminal site) are well developed with green belt. In FY 2010-11, the Company planted more than 10,000 saplings, 43,000 shrub plants, 37000 sq.mts of lawn and 15,000 sq. mts. of ground covers apart from about 20,000 seasonal plants. Orchards of coconut, guava, pomegranate, jack fruit and mangoes are cultivated in the operational site. Some native animals like ducks, rabbits,



love birds and fowls are also brought in the green belt to enhance biodiversity.

RIL has undertaken a new initiative for conversion of organic waste to vermi compost. This includes processing of food and paper wastes from its operations at Gadimoga. RIL continues to support the maintenance of mangrove plantation undertaken with the help of M/s. MS Swaminathan Foundation in an area of 10 Hectares at Chollangipeta which is near to the KG-D6 facility. Further, the Company is undertaking a study of biodiversity enhancement in this region with M/s. MS Swaminathan Foundation through project grants.

### **Social responsibility and community development**

RIL's contribution 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), relief and assistance in the event of a natural disaster, and miscellaneous activities such as contribution to other social development organisations etc. RIL's CSR teams across its manufacturing divisions interact with the neighbouring community on regular basis.

### **Education**

A network of nine schools caters to 13,251 students spread across geographies in India. CSR teams from RIL's manufacturing divisions and E&P operations work ardently to support the educational requirements of the community and schools in the neighbouring region benefiting thousands of students from the underprivileged section of the society.

RIL plays a pivotal role in supporting Government's initiative towards education of girl child. In Gujarat, under the project "Kanya Kelvani", RIL's Dahej Manufacturing Division has extended financial assistance towards education of girl child in the state.

RIL has created a platform for computer learning in many villages. Its manufacturing divisions have provided computers to primary and secondary schools under the Company's computer literacy initiative.

RIL continues to provide support to school run by Lions Club of Naroda Charitable Trust. The school renders quality education in English medium to children of labourers working in GIDC, Naroda area, who are economically and socially backward. Jamnagar Manufacturing Division constructed a school building for

village Kana Chikari of Lalpur taluka in Gujarat. Hoshiarpur Manufacturing Division has adopted village Mangrowal-Nari primary school. Annually free uniforms, books, shoes and school bags are given to students and also free electricity is provided to the school.

RIL's CSR teams continue to provide uniforms, books etc, to students of neighbouring villages of manufacturing divisions and E&P operations. Further, continuous monitoring is being done in local schools for improving the performance of students. Regular counseling sessions are also being arranged with experts in personality development and psychology for motivating the children to achieve better results.

To encourage school children from neighbouring villages in their learning process, Nagothane Manufacturing Division and the MADER Foundation provided school uniforms to the tribal and underprivileged students. Eleven schools were selected for this initiative, out of which seven Zilla Parishad schools are located on a hilltop near the manufacturing division. Further, meritorious students were felicitated with an objective of encouraging them for higher studies.

RIL's Project Jagruti, the project to tackle dyslexia in Surat, is setting the pace for the community's response to the social dogma of the mentally underprivileged children. More than 8,800 hours have been spent by 35 trained teachers and more than 1,000 hours by RIL volunteers to uplift and bring the dyslexic students from the underprivileged segment into the main stream. RIL employee's spouses are supporting this activity and many teaching aids have been developed. NIOS registration has been initiated for Academic Year ("AY") 2011-12.

Partnership with similar associations across the country and UNESCO / BBC has been initiated to spread awareness and benefit the students with latest training aids. Awareness stall was put up that attracted thousands at the national book fair organized by Surat Municipal Corporation (SMC). Membership of Maharashtra Dyslexia Association and International Dyslexia Association has been taken to make the project more focused with proven scientific practices and to get availability of resourceful experts, sourcing global knowledge / resources and best practices / models in the LD/Dyslexia space. Focus is on early identification of learning disability in child and procuring various screening tests for the same.

### **Reliance Dhirubhai Ambani Protsaham Scheme**

The Scheme, launched in AY 2008-09, continues to support



poor meritorious students. Recipient students of Reliance Dhirubhai Ambani Protsaham Scheme got admissions in junior colleges of their choice. With admissions of AY 2010-11, the total strength of students receiving support under the scheme has gone up to 656. The first batch of the Protsaham students passed out the intermediate examination held in March 2010 with flying colours and from AY 2010-11 onwards, RIL is providing financial aid to the toppers for pursuing their higher studies in engineering and medical streams.

### **Mumbai Indians Education for All Initiative**

Mumbai Indians took on the mandate of education as a primary social issue. It launched its Education for All Initiative during the Indian Premier League (IPL) season in 2010 to create a movement to support efforts to provide quality education to all children. This initiative was the brainchild of Mrs. Nita Ambani, a passionate advocate for the cause of education. Through this effort, Mumbai Indians supported five NGOs carting out outstanding work in the field of education - Akanksha, Nanhi Kali, Pratham, Teach for India and Ummeed. As part of this initiative, Mumbai Indians helped create awareness for the cause of education and the work of these five organizations through official Mumbai Indian videos, TV commercials that ran through the duration of the IPL, sale of Mumbai Indians Education for All wristbands as part of the merchandizing and awareness creation through its radio partners and in-stadium announcements during games.

In addition, Mumbai Indians also invited 700 children from all the NGOs to see each of the Mumbai Indians home games. The Mumbai Indians team joined Mrs. Ambani at the presentation ceremonies and worked with the media to ensure adequate coverage of the work of such groups. Mumbai Indians also organized a briefing for the cricket team to interact with children and staff of all the NGOs.

Through the sale of the wristbands and additional support, Mumbai Indians was able to gift Rs. 11 lacs to each of the groups at the conclusion of IPL 3. This collaboration continued through the year with an invitation to the groups to send children to attend the Mumbai Indians games at the Champions League matches in South Africa.

### **Community Health Care**

RIL has developed Community Medical Centres near most of its manufacturing divisions to provide comprehensive health services covering preventive, promotive and

curative health care services to the community from neighbouring villages.

The manufacturing divisions conduct regular health check-ups for children in schools of their respective neighbouring regions. Doctors advise children and their parents on various health care issues and personal hygiene. Medical camps were organized by all sites benefitting patients from nearby villages and tribal areas. All patients are given medicines free of cost. As required, all sites have provided ambulance support to roadside accident victims to shift them to hospitals / nursing homes. Patalganga site has conducted a series of health awareness programs in local schools and nearby small scale industries.

### **Drishti**

A unique joint initiative of RIL and National Association of Blind, Project Drishti has undertaken over 9,000 free corneal graft surgeries for the visually challenged Indians from the underprivileged segment of the society. It is the largest corneal grafting surgery project enabled by a single corporate entity in India.

The initiative to combat TB, HIV / AIDS is a unique public-private partnership program 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.

Hazira Manufacturing Division's DOTS HIV / AIDS Centre is one of the largest Anti-Retroviral Treatment Centre (ART Centre) in the country. A 22 bedded hospital for HIV / AIDS patients has been commissioned recently. Manufacturing divisions at Jamnagar and Patalganga too have ART Centre facilities. The initiative was expanded to other manufacturing divisions; activities are largely in the advocacy and awareness area. A special initiative of awareness campaign on 'Prevention of HIV/AIDS' targeted at drivers and cleaners of all product transport vehicles has been undertaken at various sites. Awareness lectures on prevention are conducted and condoms have been distributed.

Dahej Manufacturing Division commenced Integrated Counseling and Testing Centre (ICTC) for HIV/AIDS at Dahej in partnership with Gujarat State AIDS Control Society (GSACS) in FY 2010-11. This initiative is aimed at addressing the health of the increasing number of migrant workers in the region resulting from the industrial growth

planned under Dahej SEZ and PCPIR Zone. Objective of the initiative is to create necessary awareness amongst workers to prevent HIV/AIDS.

Jamnagar Manufacturing Division runs ‘**Project Balkalyan**’, with an objective to provide nutritional support to children affected with HIV infection. Nutritional kit is distributed to all HIV positive children when they visit the Centre for monthly follow up. Hazira Manufacturing Division, through Reliance Ladies Club (an association of spouses of RIL employees) has a similar ongoing child adoption programme – ‘**Project Hope**’, at Hazira to take care of nutritional requirement of HIV positive children.

**The Primary Health Centre (PHC)** at Dahej, Bharuch district, adopted by RIL under the National Rural Health Mission Programme caters to the community health needs of 23 surrounding villages.

In 2004, RIL established the PHC at Gadimoga. The PHC has six member medical staff with all the amenities such as two-bed nursing room. Medicines are offered free of cost. Further, RIL runs two sub-centres of the PHC at Bhairavapalem and Laxmipathipuram. RIL is also constructing a new 30-bed PHC and the existing PHC will be shifted to the new building.

**Dhirubhai Ambani Hospital** at Lodhivali, Maharashtra continues to play a significant role in improving the quality of life in surrounding communities. It extends prompt and specialized services to the Mumbai-Pune highway accident victims. Trauma patients are provided free lifesaving treatment. Besides taking care of hospitalization requirements, the hospital provides poor patients and senior citizens subsidized treatment - both in the outpatient and in-patient departments. ART clinic, a public-private-partnership initiative between RIL, CII and NACO, offers free of cost treatment to HIV/AIDS patients. In association with the Lions Club, the hospital conducts cataract surgery camps annually.

A well-equipped community medical centre with four observation bed facility at Jamnagar continues to offer free-of-cost, round the clock with comprehensive health services. Manufacturing divisions offer free medical services including free medicines to the neighboring villages.

In tribal villages surrounding Nagothane Manufacturing Division, villagers are deprived of medical facilities in the region because of absence of proper approach road to the

villages as they are located on hilltops. The manufacturing division realizes the health problems faced by the tribal’s and it took a major step towards providing free OPD (out patient department) treatment on weekly basis to the tribal people staying at hill tops. Moreover, the manufacturing division developed the road and even made it motorable up to village Gangawane. Every week a doctor with medical team and medicines visits tribal hamlet and provides OPD services to tribals.

Hazira Manufacturing Division along with an NGO have launched an orthopedic hospital with ultra-modern facilities and one rehabilitation centre. Both facilities have become operational in March 2011. Hospital building was inaugurated by the Chief Minister of the State of Gujarat.

RIL’s 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 doctor accompanied by a nurse, visits neighbouring villages on a scheduled basis all through the week.

RIL has established an Early Intervention and Rehabilitation Center for supporting the mentally challenged children living in Tallarevu Mandal and Yanam Union Territory. This center is being run with the technical support of NGO Uma Mano Vikasa Kendram, Kakinada. At present, children from the region having different disabilities have already been enrolled.

### **Safety initiatives for community**

Road Safety System is most cost effective and easy to use tool for improving public safety and thus offering a life-line to humanity. Hazira Manufacturing Division has institutionalised road safety training and has reached out to over 158,000 tanker / truck drivers who visit the plant for pick-up and dropping feedstock / finished goods. The training focuses on safe operation of fleet vehicles by eliminating unsafe driver and driving behaviors and reinforcing aspects of save lives, reduce injuries, prevent crashes, control driver performance, minimize risk and liability. A centre dedicated for training truck drivers for transportation of hazardous goods has been established for round-the-clock training. No driver is allowed inside complex without training.

To provide emergency and trauma care to victims of highway accidents, Hazira Manufacturing Division has

tied up with an NGO, 'Life Line Foundation' and adopted 110 kms stretch on the State Highway in Gujarat starting from Sachin to Bharuch and the state highway via Hazira Olpad Hansot Ankleshwar.

Further, for the first time in State of Gujarat, the local RTO has been supported by installing a multimedia based training facility to render safety awareness to all license aspirants.

### **Environment initiatives for the community**

A zero garbage campaign has been launched in Reliance Townships to propagate the concept of solid waste (dry and wet waste) management. This is a part of cleanliness drive for a disease-free environment at employees' township, the surrounding villages of Hazira Manufacturing Division and also Surat city in Gujarat.

To reduce plastic litter, as part of its commitment towards responsible care and product stewardship intervention, Hazira Manufacturing Division in partnership with an NGO is working for social and economical security of woman rag-pickers. Under the programme, direct sale of waste PET bottles to processing units is facilitated, thus eliminating channel of waste merchants and promoting, woman rag pickers' group. This program is being extended to over 350 slums of Surat and also various other RIL locations in Gujarat and other states.

Further, RIL in partnership with Gujarat Engineering Research Institute (GERI) and R & B Department constructed a 900 meter road stretch using 5% plastic waste. RIL's CSR team used unattended / non-recyclable plastic waste in construction of tar road which reduced construction cost as well improved road life and reduced road maintenance cost. Unattended and non recyclable plastic waste sourced from rag pickers' cooperative group also dead stock seized by Surat Municipal Corporate was used. Awareness and sensitization programs about the technology and its benefit to community have been undertaken to benefit the population of neighbouring villages of Hazira.

RIL's manufacturing divisions continue its green energy drive by making the rural folks aware of alternate energy, efficient energy usage. An NGO called GAIA Initiative from Japan is working with Hazira Manufacturing Division for this project. Some of the projects that have been initiated are: installation and commissioning of solar-micro-wind combined power system at HIV DOT Centre, Mora village, Surat, installation and commissioning of Solar-

Micro-wind combined system (2 kW) at J H Ambani School, Surat, installation and commissioning of solar AC (1.7 TR) at Orphanage, HIV DOT Centre, Mora Village and training on "house-hold energy conservation / efficiency measures" conducted for all village in the vicinity of the manufacturing division.

To bring out the innovative spirit of young students of Surat / RIL employees and also to acknowledge / reward the ideas that can contribute to improving the environment, Hazira Manufacturing Division announced a 'Green Idea Award Scheme' in 2010.

RIL organised programmes of industrial, academic, historical and environmental importance such as Chemical Industry-2020 Vision and Action at Ankleshwar; Global Bird Watchers Conference at Jamnagar; Van Mahotsav-2010 at Palitana; International Conference on Global Warming at Gujarat Vidyapeeth; Conference on Synergy with Energy; Conference on Gujarat's Maritime History by Darshak Itihas Nidhi. Further, tree plantation activities were organised at many locations. Awareness of cleaner, greener environment and global warming issues are made at schools and also to villages from the surrounding region.

### **Community Development**

#### **Reliance Rural Development Trust**

In FY 2010-11, Reliance Rural Development Trust (RRDT) undertook 797 works in 760 beneficiary villages of 125 talukas under 24 districts of Gujarat to create rural infrastructure under the Gokul Gram Yojana (GGY) of the Government of Gujarat. Total 608 facilities got completed during the year. The completed facilities include 478 Anganwadi buildings, 58 Cement Concrete Roads, 61 underground RCC sumps and 05 Check Dams and 06 other works with the total expenditure of Rs. 24 Crore in FY 2010-11. The Check Dams completed in FY 2010-11, will have total water storage capacity of 8.7 mcf and would cater to about 1,065 Hectares of rural land. RRDT, since its inception in 2001 till March 31, 2011, across the State of Gujarat, has completed 7,306 various rural infrastructure facilities with an expenditure of more than Rs. 270 crore.

Further, RIL's manufacturing divisions supply free potable water to the neighbouring villages especially during water shortage periods. They also contribute to the development of various village infrastructure such as developing, bus sheds, roads, street lights, installation of solar street lights in number of villages, free supply of blankets etc.

### **Livelihood Support Programmes**

RIL has always been at the forefront in implementing initiatives especially for the welfare of rural women and youth of surrounding villages through various self-help groups (SHG).

Continuing with the services and keeping up the tradition, Hazira, Vadodra, Nagothane, Gadimoga and many other manufacturing divisions offer training programmes through various SHGs help the rural women and youth to be “self sustaining” and generating income for themselves and supporting their families. It is a matter of great pride that many of the beneficiaries of these training programmes are earning a decent amount of livelihood and are financially supporting their families. For the womenfolk, courses are offered for dress making and designing, beauty culture and health care, hospital attendant (Helpers for Hospital and Nursing Homes); while for the youth of the surrounding communities, courses such as plumbing and hand pump repairing training, computer hardware repair, motor vehicle driving, mobile repairing and doormat making etc. Further, training in horticulture cultivation and fruit saplings are also given to the farmers of the adjoining villages.

Jamnagar Manufacturing Division continues to serve the villages around the refinery complex, the city of Jamnagar and the community at large. RIL’s local community welfare cell constantly remains in close touch with the villagers.

Numerous infrastructure developments in villages adjoining and neighbouring the Jamnagar Manufacturing Division such as development of cement concrete roads, drainage, crematorium and also supply of water construction of Haja Dada temple at a neighbouring village, Sikka were undertaken in FY 2010-11. Fodder for cows of neighbouring villages was supplied by RIL’s CSR team working at Jamnagar.

In FY 2010-11, RIL initiated several village infrastructure development projects such as construction and renovation of community halls, burial ground and school compound wall in Gadimoga Panchayat. RIL promoted Organic Aqua culture with the technical guidance of National Center for Sustainable Aqua culture (a sister concern of MPEDA).

Around RIL’s on-land operations in the Coal Bed Methane project areas in Madhya Pradesh, the Company continues to give medical support to the villagers through a mobile medical van.

To help farmers buy the correct and high yield variety of paddy seeds, a ‘Kisan Mela’ was organized by MADER Foundation. Several varieties of paddy seeds, and fertilizers were made available to farmers. On the purchase of first bag of paddy seeds, financial assistance was given by MADER Trust as subsidy. Farmers are also encouraged to cultivate vegetables in the winter season making them available host of vegetable seeds and a financial subsidy from MADER Foundation on the purchases.

### **Improving quality of agricultural produce**

RIL conducted several programmes and participated in farming related exhibitions to propagate advanced technologies in the production, handling, storage and distribution of agricultural products. Use of **Leno bags** made out of polypropylene (PP) was extensively promoted amongst farmers. Leno bags are immensely beneficial to farmers as it reduces handling losses in fruits and vegetable products.

RIL demonstrated use of advanced farming techniques by use of plastic in enhancing productivity, reducing losses and increase in earnings and distributed promotional materials. Filling, storing and transportation trials were conducted with PP leno bags to help remove apprehensions of users in adopting advanced packaging solutions.

RIL also had a targeted solution for the banana growing farmers, those who are involved in export of their produce, in the States of Gujarat and Tamil Nadu. Usage of PP non-woven material as skirting bags for bananas helps in growing spotless fruits of uniform size. This helps in 10-15% increased yield and in uniform ripening across the bunch, while allowing air, water, pesticide to pass through while giving protection from insects and pests attack. RIL has been working with the farmers and with Krishi Vigyan Kendra to create awareness of the concept in order to improve the quality of the produce across the country.

Reuse of well site water to the crops is demonstrated through irrigation in an experimental farm for enhanced utility of resources available for the upliftment of quality of life of the living communities around manufacturing divisions and E&P operations.

### **Skill Up-gradation for Plumbers**

RIL’s Polymer team conducted training programmes and workshops for plumbers on advanced technology in plumbing systems with PPR pipes. Advanced techniques



of welding to prevent leakage and ensuring hygienic and safe drinking water to the users were taught at these events. Brochures, training manuals and installation guides were made available in various vernacular languages. Plumbing kits were also distributed to plumbers selected by our customers. Installation of PPR plumbing system takes less time for installation and reduces physical labour thus leading to higher earnings for the plumbers. Through these programmes local plumbers are kept abreast with advanced and modern technologies in plumbing.

### **Heritage Conservation**

Development of Dwarka and other places of religious and spiritual significance is a passion for RIL. The construction and beautification at Temple Parisar in Dwarka has been completed.

The newly developed facility at the temple square is ready for dedication to devotees of Lord Dwarkadheesh. We are now poised to take up construction of Sudama Setu, a pedestal bridge connecting two banks of river Gomati.

In FY 2010-11, resurfacing and strengthening of 'Dhirubhai Ambani Marg, a by-pass road leading to the temple from the national highway was completed. Refurbishing of the temple premises such as construction of ceiling in adjoining area of the main temple premises, reinstallation of CCTV based camera security system etc. was completed in FY 2010-11.

RIL continues to support social, educational, cultural and spiritual activities of Shardapeeth of Jagadguru Shankaracharyaji, Dwarka. Also, financial assistance was extended to Shree Somnath Trust for construction of Kokila Dhirubhai Ambani Sagar Darshan Dham (a place of accommodation for pilgrims and furniture was provided to Dhirajdham at Nathdwara Temple. RIL also extended support to publication of 'Shraddha Setu' -a coffee table book on Gujarat's pilgrimage centres.

### **Supporting Indian Culture**

During the traditional Navratri garba festival, gifts to girls were distributed individually by RIL. Several institutions organizing Navratri festival at Jamnagar, Chorwad, Ahmedabad, Gandhinagar, Mumbai, etc. were given financial assistance. RIL sponsored a state level navratri festival under the banner of Gujarat Industries Navratri Festival Society. Unlike other commercial Navratri venues, the entry here is free for all; modern and classical garba competitions as well as traditional street-garbas are

performed and the whole venue is developed for nine days in such a way that one gets a total feel of Gujarat's culture, cuisines and crafts at one place.

Financial assistance and support was given to festivals such as Durga puja, Utkal dival, Shivratri, 150 years of Swami Vivekanand, Sardar Patel's birth anniversary, and other cultural/voluntary organisations in FY 2010-11.

RIL in partnership with a regional magazine sponsored a convention of Gujarati Poetry and Music during the year. This was one more contribution to strengthen and consolidate RIL's association with Gujarati community at large. Also, the activities of the Vishwa Gujarati Samaj; Swarnim Gujarat celebrations etc. were supported and promoted during the year.

### **Promoting Sports and Sportsmen**

RIL continues to promote and support sports and sportsmen. The Company extended support to Reliance Inter-Cricket Tournament, G1 Cricket Tournament, affiliated MPCA's All India Cricket Tournament, Central Board of Cricket, etc. Financial support was given to International Tournament for upcoming chess-players; Gujarat State Chess Association for conducting under-09 chess tournament; as well as to one upcoming chess-player. Support was also given to Gujarat State Football Association and Jamnagar District Football Association for players' coaching fees, uniform and their daily allowances as well as to the publication of a special handbook on the Football World Cup. Third Gujarat Major Ranking Badminton Tournament at Ahmedabad, Hockey League Night Tournament at Rajkot, Tennis Tournament of Government Employees at Ahmedabad, Table Tennis Championship Tournament at Vadodara, Kabaddi Tournament of Maharashtra Krida Mandal, Shuttle Tournament at Kochi and Sports Carnival at Bhopal were some of the major sports-events that were supported during the year.

Mumbai Indians (MI), the Mumbai-based IPL franchise owned by IndiaWin Sports Pvt. Ltd, a subsidiary company of Reliance Industries Limited is led by Sachin Tendulkar. MI registered the most number of wins in Season III of the Indian Premier League, and reached the finals. MI has been the most followed team in the IPL and enjoys a huge global fan base.

IMG Reliance Private Limited (IMGR), the equal joint venture between IMG and RIL, forged partnerships with



the All India Football Federation (AIFF) and Basketball Federation of India (BFI). Through its partnership with AIFF and BFI, IMGR is set to revolutionize the Indian Sports scenario. IMGR will work with the Federations to improve the standard of game in India by participating from grassroots to professional levels.

IMGR has initiated “IMG Reliance Scholarships for India” to identify and train young athletes in India. The first batch of “IMG Reliance Scholars”, is undergoing training at IMG Academies, at Bradenton, Florida. IMGR also operates India’s premier lifestyle event, “Lakme Fashion Week”; “Aircel Chennai Open”, India’s only ATP level Tennis event and “Avantha Masters”, the professional golf tournament on European and Asian Tour.

#### **Acknowledging and supporting talent**

‘Real Heroes’, an initiative of CNN-IBN in partnership with RIL honors the silent warriors of change. In its fourth year, ‘Real Heroes’, acknowledges the extraordinary contribution from ordinary citizens in the fields ranging from ‘Women’s Welfare’ to ‘Social Welfare’, from ‘Youth’ to ‘Education and Children’ and from ‘Health and Disability’ to ‘Sports’. The Real Heroes are felicitated at a grand event with a trophy and cash prize of Rs. 5 lakh each.

RIL partnered with the Stanford University and Stanford Graduate School of Business for creation of the ‘**Reliance-Dhirubhai Ambani Undergraduate Scholarship Fund**’ as well as ‘**Reliance Dhirubhai India Education Fund**’ with the aim of identifying and supporting promising Indian students with financial need for higher education. The ‘**Reliance Dhirubhai Fellows**’ receive full financial support for education of Stanford.

RIL instituted ‘**NASI-Reliance Industries Platinum Jubilee Awards**’ covering both ‘Physical and Biological Sciences’, in partnership with National Academy of Sciences, India (NASI). Backed by an endowment from RIL, NASI recognizes scientists for their significant contribution for application-oriented innovations and research.

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.

To commemorate the 78<sup>th</sup> Birth Anniversary of RIL’s Founder Chairman Dhirubhai Ambani, in December 2010, district level quiz competition (**RDHA Quiz 2010**) was

organised, where more than 500 schools in East Godavari district participated.

#### **Supporting Institutions**

Dahej Manufacturing Division extended financial assistance to ‘Swajaldhara Scheme’ organized by Water and Sanitation Management Organization (WASMO), Government of Gujarat, for developing drinking water facility by laying pipeline in the neighbouring villages.

RIL also extended financial support to students and educational institutions such as: Centre for Environmental Planning and Technology (CEPT), Consumer Education and Research Council (CERC), Pt. Deendayal Petroleum University, MP Shah Medical College, Jamnagar, Gramshree Trust, Patan especially engaged in vocational training of needy women. Premdhara Shishu Vihar, Gandhinagar was given a special financial support for the slum-children school run by it. In another such unique assistance, financial assistance was given to Shri Vidyamrut Varshini, Valsad, a 100 year old school known for its Sanskrit teaching. The School had even impressed Mahatma Gandhi and Kasturba when they visited it.

Similarly, RIL has extended financial assistance to development of Dhirubhai Ambani Vanijya Bhavan - the new premise of Jamnagar Chamber of Commerce and Industry and for repairing and refurbishing Sardar Vallabhbhai Patel National Memorial at Shahibaug, Ahmedabad.

#### **Reliance Foundation**

Reliance Foundation, envisaged to become one of the foremost professional philanthropic organizations in the world, was incorporated in 2010. The Foundation focuses on five core pillars: education, health, rural development, urban renewal, and promotion and protection of India’s art and culture. The Foundation embodies corporate systems and processes driven organization operating on a not for profit basis, with the overall aim to create and support meaningful and innovative activities that will address some of India’s most pressing development challenges.

In October 2010, Reliance Foundation launched **Mission BIJ**, its flagship program focusing on supporting smallholder farmers. BIJ, which stands for ‘**Bharat India**

**Jodo' (BIJ)** aims to bridge the gap between rural and urban areas. Its overall goal is to make farming a profession of first choice by empowering smallholder farmers. Starting in over 6 geographic sites spread across four states, Mission BIJ will provide support to smallholder farmers along the supply chain through input support, technical assistance, post harvest and marketing support. Initially envisaged as an agricultural focused program, Mission BIJ will eventually work with farmers and communities on a comprehensive rural development strategy, including education, health, and infrastructure and community development.

Reliance Foundation has also launched an initiative to set up a world-class multidisciplinary university in Maharashtra as well as revamping and creating a world class tertiary care hospital in Mumbai. Reliance Foundation is also planning interventions in the space of education and health services that aim to address the service delivery challenges on the ground in rural India.

#### **Dhirubhai Ambani Foundation**

Dhirubhai Ambani Foundation (DAF) has Education and Public Healthcare as its focus areas. The Foundation's "Dhirubhai Ambani Undergraduate Scholarship Scheme" has been motivating students excelling at the +2 level and assisting them to pursue higher education. Similarly, the Foundation's "Dhirubhai Ambani SSC Merit Reward Scheme" has been recognizing and rewarding the Board toppers at Std X exams. The Schemes also makes special provision to reach out to the Physically Challenged Category and the girl child.

On a district-wise basis for the State Education Boards and state-wise basis for CBSE, the Schemes are in implementation in several states, viz. Maharashtra, Goa, Gujarat and the Union territories of Daman, Diu and Dadra Nagar Haveli.

In the rest of the states and union territories, the scheme rewards the physically challenged category of the State Boards and the top five students per state per year are given the Scholarships and the Rewards. With a sustained follow-up, DAF has now succeeded in taking its Schemes for the physically challenged to 19 other states which have State Education Boards. This has benefited additional 232 physically challenged students, 129 rewardees and 103 scholars. Till date the Schemes have benefited 8,153 students, 1,389 of whom are physically challenged.

#### **Sir Hurkisondas Nurrotumdas Hospital and Research Centre**

Sir Hurkisondas Nurrotumdas Hospital and Research Centre (HNHRC) is a renowned institution in South Mumbai, having rendered quality healthcare to the society for more than 85 years. It is a 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. Strengthening and renovation work was carried out in the HNHRC building. Intensive care units and operation theatres have been upgraded. HNHRC has periodically conducted programmes like free health camps and public education sessions on prevention of diseases. Free health checkups and screening programmes for senior citizens and physically challenged were also organized. HNHRC has started B. Sc. Nursing course which will help to generate more graduates in the field of nursing. The construction of new hospital has started and is in full swing.

#### **Sir Hurkisondas Nurrotumdas Medical Research Society**

Sir Hurkisondas Nurrotumdas Medical Research Society (HNMRS), a non-profit research organisation based in Mumbai was established 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. Upgrading of scientific knowledge and infrastructure is done incrementally in HNMRS. It is poised for further paradigm upgradation of its capabilities in the area of Applied Research.

#### **Dhirubhai Ambani International School**

Dhirubhai Ambani International School recognizes the imperative of imparting an educational experience that is

world-class in every respect and which prepares children for global citizenship. The School's vision is to provide a learning environment that encourages children to bring out the best in themselves and which supports their all-round development, through discovering the joy of learning, awakening and illuminating their intellect in multi-dimensional ways and instilling abiding values in themselves.

Building on the School's excellent track record all these years, across all its three streams - the ICSE, the IGCSE and the IB Diploma - our students have achieved impressive results in the examinations held in 2010. As against the average score of 36 (out of the maximum possible score of 45) achieved by the first five batches of our IB students, the sixth batch, the Class of 2010, attained an average score of 37, compared to the world average of 29.8 points. And 2 of them earned the perfect score of 45 points, a score that was only achieved by 86 children worldwide in the previous year. For the fourth year in a row, our ICSE children have achieved excellent results - earning an average score of 94.06%, with 45% of them scoring 95% and above and the topper scoring 96.80%. 85.3% of all IGCSE grades achieved were A\* and A grades, as compared to the world average of 35% and the Indian average of 34%. Some of our children have topped the world in several subjects while some have been national toppers. For the fifth year in a row, one of our children received the '**Best IGCSE Student in India**' award from the Cambridge International Examinations.

The School's performance on the university placement front continues to be excellent. The IB Class of 2011 has earned admission offers from the world's top universities. 4 students were accepted at Oxbridge, 15 at University College London, 7 at Imperial, 9 at King's College, 1 at University of Edinburgh, 3 at University of Bristol, 8 at University of Manchester, 19 at Warwick and 6 at London School of Economics, among others. Amongst the Ivy League and other leading universities, Yale has accepted 1 student, University of Chicago 5, Princeton 1, Columbia

4, U-Penn 3, Stanford 3, Michigan 2, Cornell 3, Northwestern 1, UC Berkeley 9, Carnegie Mellon 11, University of California LA 19, Brown 1 and New York University 19. Other reputable universities that have offered admission to our students include McGill, British Columbia, University of Toronto and University of Hong Kong. Students who applied to universities in other countries and those who plan to study in India are expected to do equally well when their admissions are finalized.

The School's students are involved in several service activities. They work with NGOs like Advitya, Akanksha, Mukangan and Pratham. Through the 'Across the Road' neighbourhood service initiative and education and health programmes, our students reach out to community members in Bandra-Kurla Complex, Mumbai. The Empowering Villages Everywhere (EVE) initiative provides solar lamps to villages where electricity is scarce. Our students are enthusiastically continuing their work to construct houses and roads in Hassachipatti (a village near Matheran) and also provide educational opportunities for children there; through a fete they raised substantial funds to support this initiative.

In 2010, our School hosted the Round Square South Asia and the Gulf Region Junior Regional Conference at the School, DAIS Study and Activity Centre at Matheran, with participation of 20 Schools from Bangladesh, Jordan, Sultanate of Oman, UAE and India. The theme of this conference was water conservation. The School celebrated its Annual Day on the theme 'Chirstmast'. It consisted of a musical 'The Gift', showcasing the School's talent and reinforcing the spirit of giving and the Chirstmas Carnival, which was organized by our students to raise funds towards community service. The Annual DAIMUN (Dhirubhai Ambani International School Model United Nations) Conference 2010 deliberated on the menace of corruption and how it could be addressed with the urgency it deserves. 'Paigaam' Peace Conference, which fosters a harmonious relationship with people from across the border, was another highlight of the year at the School.

# Report on Corporate Governance

## Report on Corporate Governance

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

### 1. Statement on Company's philosophy on Corporate Governance

Good governance practices stem from the culture and mindset of the organisation. The governance is about out-performing sustainable organisations. These are the organisations that succeed consistently in the market place, gain a greater share of market opportunities and sustainably drive their top and bottom lines. 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 pedestal blocks for future growth and ensuring that we achieve our ambitions in a prudent and sustainable manner.

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholders aspirations and societal expectations. At Reliance 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.

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

accounting team, auditors and senior management - the CEO and CFO. At Reliance, 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.

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.

Over the years governance processes and systems have been strengthened at Reliance and the corporate governance has always been an integral part of the way the business is done. This emanates from our strong belief that sound governance is integral to creating value on an overall basis. Since our Initial Public Offer (IPO) 33 years back, we have grown revenues and net profit by a Compounded Annual Growth Rate (CAGR) of 28.24% and 30.73% respectively. The financial markets have endorsed this sterling performance as is reflected in a 25.32% CAGR growth in our market capitalisation 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 epitomises 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 Board with defined role & responsibilities:**

A majority of the Board, 7 out of 13, are independent directors. The Audit Committee, Remuneration Committee and Corporate Governance and Stakeholders' Interface Committee comprise only independent directors. The Company has defined guidelines and established

framework 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.

The Board critically evaluates strategic direction of the Company, management policies and their effectiveness. 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.

**Audits and internal checks and balances:** M/s. Deloitte Haskins & Sells, Chartered Accountants, M/s. Chaturvedi & Shah, Chartered Accountants, one of India's leading audit firms and a member of the Nexia's global network of independent accounting and consulting firms and M/s. Rajendra & Co., Chartered Accountants, one of India's oldest audit firms, the three leading audit firms, audit the accounts of the Company. The Company has a Management Audit Cell that reviews internal controls and operating systems & procedures. A dedicated Legal Compliance 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 programme in conformity with best international standards, supported by a robust online system that covers all manufacturing units of the Company as well as its subsidiary companies. The gamut of this system includes statutes such as, industrial and labour laws, taxation laws and health, safety and environment regulations.

At the heart of our processes is the wide use of technology that ensures robustness and integrity of financial reporting, internal controls, 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.

**Best Corporate Governance practices:** Reliance believes in maintaining the highest standards of Corporate Governance and it's the Company's constant endeavour

to adopt the best Corporate 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 include the following:

- The Company has a 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 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 whole-time practice. The quarterly audit reports are placed before the Board and the annual audit report placed before the Board is included in the Annual Report.

**Corporate Social Responsibility (CSR):** Social welfare and community development is at the core of the Reliance's CSR philosophy and this continues to be a top priority. The CSR teams at the Company's manufacturing divisions interact with the neighbouring community on regular basis. The Company's contributions to the community are in the 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. The Company also supports and partners with several NGOs in community development and health initiatives.

**Reporting on triple bottom-line performance:** The Company commenced annual reporting on its *triple-bottom-line* performance from the Financial Year 2004-05. All its sustainability reports are externally assured and



Global Reporting Initiative (GRI) checked. The maiden report received ‘in-accordance’ status from GRI and all subsequent reports are ‘G3 Checked A+’ application level reports. From Financial Year 2006-07, in addition to referring GRI G3 sustainability reporting guidelines, the Company refers to the American Petroleum Institute / the International Petroleum Industry Environmental Conservation Association guidelines and the United Nations Global Compact principles. The Company has also aligned its sustainability activities with the focus areas of the World Business Council for Sustainable Development.

**Shareholders communications:** The Board recognises the importance of two-way communication with shareholders and 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 or 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 over 80 cities across India, details of which are available on the Company’s website www.ril.com. The Company ensures that queries, complaints and suggestions are responded in a timely and consistent manner. A shareholder referencer is provided with this report which is quite comprehensive and informative.

**Employees Stock Option Scheme:** One of the widest programmes of its kind in the Indian corporate sector, the Company’s Employees’ Stock Option Programme was introduced in 2007. The programme has ensured complete alignment of individual interests with the growth imperatives of the Company.

**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. The composition of the Board and category of Directors is as follows:

<b>Category</b>	<b>Name of Directors</b>
<b>Promoter Director</b>	Mukesh D. Ambani Chairman and Managing Director
<b>Executive Directors</b>	Nikhil R. Meswani Hital R. Meswani P.M.S. Prasad Pawan Kumar Kapil <sup>1</sup>
<b>Non-Executive Non-Independent Directors</b>	Ramniklal H. Ambani Hardev Singh Kohli <sup>2</sup>
<b>Independent Directors</b>	Mansingh L. Bhakta Yogendra P. Trivedi Dr. Dharam Vir Kapur Mahesh P. Modi Prof. Ashok Misra Prof. Dipak C. Jain Dr. Raghunath A. Mashelkar

<sup>1</sup>w.e.f. May 16, 2010

<sup>2</sup>upto May 16, 2010

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 and 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**

A 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 the Institute of Chemical Technology, Mumbai (earlier the University Department of Chemical Technology, the University of Bombay). He has pursued MBA from Stanford University, USA.

He joined Reliance in 1981 and 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.

He led the creation of the world's largest grassroots petroleum refinery at Jamnagar, with a current capacity of 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 which has transformed "Jamnagar" as the 'Refining Hub of the World'.

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 create value and be beneficial to a large section of India's society.

He is also steering Reliance's development of infrastructure facilities and implementation of a pan-India organised retail network spanning multiple formats and supply chain infrastructure.

His achievements have been acknowledged at national and international levels. Recently, some of the awards and recognition bestowed on him are:

- Awarded the Dean's Medal by the 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 for 2009', in 2010.

- Awarded The Dwight D. Eisenhower Global Leadership Award by The Business Council for International Understanding (BCIU) in 2010.
- Honoured at the Awards Dinner by Asia Society 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.

He 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 (NCAER), New Delhi.

He is a Member of Millennium Development Goals (MDG) Advocacy Group constituted by United Nations (UN), a Member of The Foundation Board of World Economic Forum and Vice Chairman of World Business Council for Sustainable Development (WBCSD).

Further, he is a member of the Indo-US CEOs Forum, the International Advisory Board of Citigroup, the International Advisory Board of the National Board of Kuwait, the Advisory Council for the Graduate School of Business, Stanford University, the International Advisory Board of Brookings, Member of the Business Council, McKinsey Advisory Council and the Asia Business Council and Advisory Board of D.E. Shaw India Advisory Services Private Limited.

He is the Chairman, Board of Governors of the Indian Institute of Management, Bangalore, Chairman of Pandit Deendayal Petroleum University, Gandhinagar. He is also 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).

He has been appointed as a Director by the Board of Directors of the Bank of America Corporation on its Board. He is the first non-American to occupy such a position.

He is the Chairman of Reliance Retail Limited, a Director of Reliance Infotel Broadband Services Limited, Reliance Foundation, IMG Reliance Private Limited and Reliance Europe Limited.

At RIL, he is the Chairman of the Finance Committee and a Member of the Employees Stock Compensation Committee.

He is Promoter of the Company and holds 36,15,846 shares of the Company in his name as on March 31, 2011.

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

He joined Reliance at an early age in 1986 and since July 01, 1988 he is a Whole-time Director designated as Executive Director on the Board of the Company.

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 the University Institute of Chemical Technology (UICT), Mumbai.

He 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.

He holds 2,78,374 shares of the Company in his name as on March 31, 2011.

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

He joined Reliance Industries Limited in 1990. He is on the Board of the Company as Whole-time 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.

He 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 and is a member of the Audit Committee of Reliance Commercial Dealers Limited. He is a member of the Finance Committee, the Shareholders'/Investors' Grievance Committee and Health, Safety and Environment Committee of the Company.

He 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.

He also serves on the Board of Overseers at the University of Pennsylvania.

He holds 2,11,886 shares of the Company in his name as on March 31, 2011.

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

He has been with the Company for about 30 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 10 years since inception in the Exploration and Production business, made the largest gas discovery in 2002 and has since commissioned India's first and one of the world's largest deepwater gas production facilities.

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

He 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 Exploration & Production business.

He is a Director of Reliance Commercial Dealers Limited and several private limited companies. He is member of the Audit Committee of Reliance Commercial Dealers Limited.

He holds 36,666 shares of the Company in his name as on March 31, 2011.

**Shri Pawan Kumar Kapil** has been appointed as a Whole-time Director designated as Executive Director of the Company with effect from May 16, 2010.

He holds a Bachelor's degree in Chemical Engineering and has a rich experience of more than four decades in the 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.

He started his career in 1966 with the 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 a strong penchant for analytical work and high technology skills, he was chosen to head the Central Technical Services Department at the Corporate Office of Indian Oil Corporation. Here he did extensive work in 'expansion of the existing refineries', 'energy optimisation', 'debottlenecking 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 the Ministry of Petroleum, the Government of India. He has traveled extensively and has been to USA, Russia, the Middle East, Europe and the Far East in connection with refinery design, technology selection, crude sourcing, etc. Having served for 28 years in Indian Oil Corporation and OCC in various

capacities, he rose to the position of Executive Director and spearheaded the setting up of Panipat Refinery for the Indian Oil Corporation.

He has been the Site President of the Jamnagar complex since 2001. Under his able leadership, in 2005, the Jamnagar Refinery became the first Asian Refinery to be declared the 'Best Refinery in the world', at the 'World Refining & Fuel Conference' at San Fransisco, USA. Both Refineries have bagged many national and international awards for Excellence in Safety performance, Energy conservation & Environment management, including the 'Golden Peacock Global Award for Sustainability for the year 2010'.

In recognition of his excellent achievements, the CHEMTECH Foundation had conferred on him the "Outstanding Achievement Award for Oil Refining" in 2008. He is also a Member of the Research Council of the Indian Institute of Petroleum, Dehradun.

He is a member of Health, Safety and Environment Committee of the Company.

He holds 16,776 shares of the Company in his name as on March 31, 2011.

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

He 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 textile operations from its factory at Naroda, in Ahmedabad

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

He is Director of the Gujarat Industrial Investments Corporation Limited, Sintex Industries Limited and several private limited companies. He is the Chairman of the Audit Committee of the Gujarat Industrial Investments Corporation Limited and member of the Remuneration Committee of Sintex Industries Limited. He is the Chief Mentor in Tower Overseas Limited.

He holds 1,72,632 shares of the Company in his name as on March 31, 2011.

**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 53 years and has vast experience in legal field and particularly on matters relating to corporate laws, banking and taxation.

He is a 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.

He is a Director of Ambuja Cements Limited, Micro Inks Limited, the Indian Merchant's Chamber, Mumbai, JCB India Limited, Abhijeet Power 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. In its normal annual survey conducted by Asia Law Journal, Hong Kong, a leading International law journal, he has been nominated as one of 'the Leading Lawyers of Asia 2010'. This is the fifth consecutive year in which he has been so nominated.

He holds 3,00,000 shares of the Company in his name as on March 31, 2011.

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



He is 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, Zodiac Clothing Company Limited, Seksaria Biswan Sugar Factory Limited, New Consolidated Construction Company 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 the All India Association of Industries; W.I.A.A. CLUB, B.C.A. Club, Orient Club, the Yachting Association of India and the Yacht Club.

He is 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 Committee of Birla Power Solutions Limited. He is a member of the Audit Committee of Zodiac Clothing Company Limited, Sai Service Station Limited and Seksaraia Biswan Sugar Factory Limited.

He has been conferred Honorary Doctorate (Honoris Causa) by Fakir Mohan University, Balasore, Odisha.

He holds 27,984 shares of the Company in his name as on March 31, 2011.

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

He 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. ENERTIA Awards 2010 conferred Life Time Achievement Award on Dr. Kapur for his contribution to the Power and Energy Sector and for his leadership in the fledgling NTPC for which he was described as a Model Manager by the Board of Executive Directors of World Bank.

As Secretary to the Government of India in the Ministries of Power, Heavy Industry and Chemicals & Petrochemicals during 1980-86, he made significant contributions with introduction of new management practices and liberalisation initiatives including authorship of "Broad banding" and "Minimum economic sizes" in industrial licensing. He was also associated with a number of national institutions as Member, the Atomic Energy Commission; Member, the Advisory Committee of the Cabinet for Science and Technology; Chairman, the Board of Governors, IIT Bombay; Member, the Board of Governors, IIM Lucknow and Chairman, the 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. He is recipient of "India Power, Life Time Achievement Award" presented by the Council of Power Utilities, for his contributions to Energy and Industry sectors. 4th ENERTIA Awards also conferred "Life Time Achievement Award" on Dr. Kapur.

He 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 Seil 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 Seil Power Products Limited and GKN Driveline (India) Limited, Shareholders'/Investors' Relations Committees of Honda Seil Power Products Limited and DLF Limited, Chairman's Executive Committee of GKN Driveline (India) Limited, Corporate Governance Committee of DLF Limited and Compliance 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.

He holds 13,544 shares of the Company in his name as on March 31, 2011.

**Shri Mahesh Prasad Modi**, M.Sc (Econ.) (London), Fellow, Economic Development Institute of the World Bank, held high positions in the Government of India as: Chairman of Telecom Commission & Secretary, Telecommunications Department & Director General, Telecommunications; Secretary, the Ministry of Coal; Special Secretary (Insurance), Economic Affairs Department; and Joint Secretary, the Ministry of Petroleum, Chemicals and Fertilizers. He has served as Director on the Board of Directors of many public sector and private sector companies, including: GAIL (Founder Director), IPCL, BPCL, CRL, BRPL, Life Insurance Corporation of India, General Insurance Corporation, Mangalore Refinery & Petrochemicals, Essar Shipping, BSES, ICICI Prudential Life Insurance Co.; and India Advisory Board of BHP Billiton. He has considerable management experience, particularly in the fields of energy, petrochemicals, telecom and insurance.

He is a Director on the Board of FACOR Power Limited. He is a member of the Audit Committee, the Employees Stock Compensation Committee and the Corporate Governance and Stakeholders' Interface Committee of the Company.

He holds 2,924 shares of the Company in his name as on March 31, 2011.

**Prof. Ashok Misra** is a B.Tech. in Chemical Engineering from IIT Kanpur, M.S. in Chemical Engineering from the Tufts University and a Ph.D. in Polymer Science & Engineering from the University of Massachusetts. He has also completed the 'Executive Development Programme' and 'Strategies for Improving Directors' Effectiveness Programme' at the Kellogg School of Management, Northwestern University.

He was the Director at the Indian Institute of Technology, Bombay from 2000 to 2008, where he made significant contributions taking the institute to greater heights. During his tenure the IIT Bombay was transformed into a leading Research & Development institute, while at the same time maintaining its reputation as a leader in quality engineering education. Prior to this he 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),

the Indian National Academy of Engineering, the Indian Institute of Chemical Engineers, the Indian Plastics Institute and the Maharashtra Academy of Sciences. He is the Founder President of the Polymer Processing Academy (launched in 2011) and the former President of the Society of Polymer Science, India.

He 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, the Tufts University and the University of Massachusetts. He was awarded the Distinguished Service Award by IIT Delhi during its Golden Jubilee this year. 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 150 international publications. He is on the editorial board of 4 scientific journals.

He holds 2,240 shares of the Company in his name as on March 31, 2011.

**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 had been Dean of the Kellogg School of Management, Northwestern University, Evanston, Illinois, USA from July, 2001 to March, 2011. He will join as Dean, INSEAD, a leading business school with three campuses - Fontainebleau (Paris), France, Singapore and Abu Dhabi from May 1, 2011. He has more than 25 years' experience in management and education. He has published several articles in international journals on marketing and allied subjects.

His 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, the Government of India in 1976.

He is a Director of John Deere & Company, Global Logistic Properties 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 also a member of the Audit Committee.

He does not hold any shares 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 institute 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).

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

He 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.

He is a Director of Tata Motors Limited, Hindustan Unilever Limited, Thermax Limited, Piramal Life Sciences Limited,

KPIT Cummins Infosystems Limited, Sakal Papers Limited, IKP Knowledge Park and several private limited companies. He is also a Director of Reliance Gene Medix Plc. (company incorporated outside India).

He is a member of the Audit Committee of the Company.

He is a member of the Audit committees of Tata Motors Limited and Hindustan Unilever Limited. He is a member of the Remuneration Committee of Hindustan Unilever Limited, KPIT Cummins Infosystems Limited and Piramal Life Sciences Limited.

He does not hold any shares 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 authorised to constitute additional functional Committees, from time to time, depending on the business needs.

The internal guidelines of the Company for Board/Board Committee meetings facilitate the decision making process at the meetings of the Board/Board Committees in an informed and efficient manner. The following sub-sections deal with the practice of these guidelines at 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 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/Board Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board/Board Committee meetings.
- (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 information disseminated 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

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

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

#### F. Compliance

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

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

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, 2010	13	13
2.	May 11, 2010	13	12
3.	June 07, 2010	13	7
4.	July 27, 2010	13	13
5.	October 30, 2010	13	13
6.	November 29, 2010	13	13
7.	January 21, 2011	13	13
8.	February 20, 2011	13	7



**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 2010-11		No of Other Directorship(s) <sup>1</sup>	No of Membership(s) / Chairmanship(s) of Board Committees in other Companies <sup>2</sup>
	Board Meetings	Last AGM		
Mukesh D. Ambani	8	Yes	2	Nil
Nikhil R. Meswani	7	Yes	1	1 (as Chairman)
Hital R. Meswani	7	Yes	2	2 (including 1 as Chairman)
Hardev Singh Kohli <sup>3</sup>	2	-	Nil	Nil
P.M.S. Prasad	6	Yes	1	1
Pawan Kumar Kapil <sup>4</sup>	4	Yes	Nil	Nil
Ramniklal H. Ambani	6	Yes	2	1 (As Chairman)
Mansingh L. Bhakta	8	Yes	5	4 (including 1 as Chairman)
Yogendra P. Trivedi	7	Yes	8	4 (including 1 as Chairman)
Dr. Dharam Vir Kapur	7	Yes	5	6 (including 4 as Chairman)
Mahesh P. Modi	7	Yes	1	Nil
Prof. Ashok Misra	8	Yes	Nil	Nil
Prof. Dipak C. Jain	7	No	1	1
Dr. Raghunath A. Mashelkar	7	No	6	2

<sup>1</sup>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.

<sup>2</sup>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.

<sup>3</sup>upto May 16, 2010. <sup>4</sup>w.e.f. May 16, 2010.

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:** The Audit Committee of the Board comprises three independent directors namely Shri Yogendra P. Trivedi, Chairman, Shri Mahesh P. Modi and Dr. Raghunath A. Mashelkar. 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.

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 judgment by the management.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with listing and other legal requirements relating to financial statements.
    - Disclosure of related party transactions.
    - 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, debenture holders, 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 the 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, 2011, 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
Mahesh P. Modi	6	6
Dr. Raghunath A. Mashelkar	6	5

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:** One meeting of the Corporate Governance and Stakeholders' Interface Committee was held during the year ended March 31, 2011.

### Attendance of each Member at the CGSI 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
Dr. Dharam Vir Kapur	1	1
Mahesh P. Modi	1	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, 2011.

**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	-
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) within the limits approved by the Board 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:** Eight meetings of the Finance Committee were held during the year ended March 31, 2011.

**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, Chairman	8	8
Nikhil R. Meswani	8	8
Hital R. Meswani	8	8

**(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, 2011.

**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 <sup>1</sup>	1	1
Pawan Kumar Kapil <sup>2</sup>	3	3
Dr. Dharam Vir Kapur	4	4

<sup>1</sup>upto May 16, 2010

<sup>2</sup>w.e.f. May 16, 2010

**(vi) Remuneration Committee**

**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.

**Terms of Reference:** The Remuneration Committee has been constituted to recommend/review remuneration of the Managing Director and Whole-time 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 and Managing Director and the Whole-time Directors, including Stock Options granted during 2010-11:**

Rs. in crore

Name of the Director	Salary	Perquisites and allowances	Retiral benefits	Commission payable	Total	Stock Options granted
Mukesh D. Ambani	4.16	0.60	1.00	9.24	15.00	Nil
Nikhil R. Meswani	1.04	1.45	0.24	8.32	11.05	Nil
Hital R. Meswani	1.04	1.45	0.22	8.32	11.03	Nil
P.M.S. Prasad	0.86	1.35	0.16	-	2.37	Nil
Pawan Kumar Kapil	0.44	0.66	0.12	-	1.22	Nil



The Chairman and Managing Director's compensation has been set at Rs. 15 crore as against Rs. 38.75 crore that he is eligible as per the shareholders' approval, reflecting his desire to continue to set a personal example for moderation in managerial compensation levels.

The tenure of office of the aforesaid Managing Director and Whole-time Directors is for a period of 5 years, except Shri Pawan Kumar Kapil, whose tenure is for a period of 3 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 2010-11 are as detailed below:**

Rs. in lakhs

Name of the Non-Executive Director	Sitting Fee	Commission	Total
Ramniklal H. Ambani	1.20	21.00	22.20
Mansingh L. Bhakta	2.80	21.00	23.80
Yogendra P. Trivedi	4.60*	21.00	25.60
Dr. Dharam Vir Kapur	2.80	21.00	23.80
Mahesh P. Modi	3.40*	21.00	24.40
Prof. Ashok Misra	1.60	21.00	22.60
Prof. Dipak C. Jain	1.80*	21.00	22.80
Dr. Raghunath A. Mashelkar	2.40	21.00	23.40
<b>Total</b>	<b>20.60</b>	<b>168.00</b>	<b>188.60</b>

\*includes Rs.40,000 pertaining to previous financial years.

During the year, the Company has paid Rs. 0.64 crore as professional fees to M/s. Kanga & Co., a firm in which Shri Mansingh 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 of the Board, comprises four Directors, namely, Shri Mansingh L. Bhakta, Chairman, Shri Yogendra P. Trivedi, Shri Nikhil R. Meswani and Shri Hital R. Meswani.

**Terms of Reference:** The Shareholders'/Investors' Grievance 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 Registrars 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 with 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:** Four meetings of the Shareholders'/Investors' Grievance Committee (SIGC) were held during the year ended March 31, 2011.

**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	4	4
Yogendra P. Trivedi	4	4
Nikhil R. Meswani	4	4
Hital R. Meswani	4	2

**Compliance Officer**

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

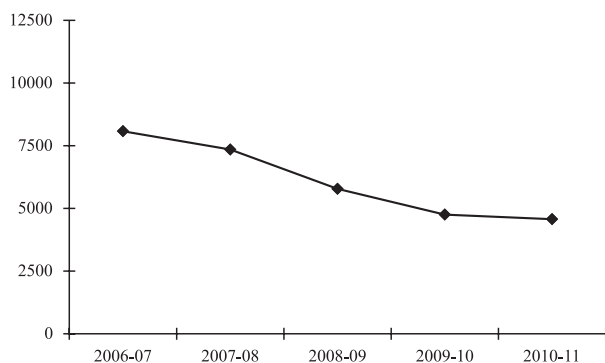
**Investor Grievance Redressal**

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

Type of Complaints	Number of Complaints
Non-Receipt of Annual Reports	153
Non-Receipt of Dividend Warrants	3722
Non-Receipt of Interest/Redemption Warrants	329
Non-Receipt of Certificates	367
<b>Total</b>	<b>4571</b>

There were no outstanding complaints as on March 31, 2011. 180 requests for transfers and 534 requests for dematerialisation were pending for approval as on March 31, 2011, which were approved and dealt with by April 1, 2011. Given below is a chart showing reduction in investor’s complaints.

**Number of Complaints Received**



**B. Functional Committees:**

The Board is authorised 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, advisors 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 & Ethics for Directors’/ Management Personnel**

The Code of Business Conduct & Ethics for Directors’/ 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](http://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 and 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 & Ethics for Directors’/Management Personnel in respect of the financial year 2010-11.

Mukesh D. Ambani  
Chairman and 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:

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

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

#### 2009-10

Date and Time: June 18, 2010 at 11.00 a.m.

Special Resolutions passed: Nil

#### 2008-09

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

Special Resolutions passed: Nil

#### 2007-08

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

Special Resolutions passed: Nil

### (B) Special Resolution passed through Postal Ballot:

No special resolution was passed through Postal Ballot during 2010-11. 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 arms 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 a Show Cause Notice 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 of the Company are published in 'Financial Express'/'Indian Express' and 'Navshakti' and are displayed on the Company's website [www.ril.com](http://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's 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/debenture holders 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 had sent feedback forms seeking shareholders' views on various matters relating to investor services and the Annual Report 2009-10. 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, June 03, 2011 at 11.00 a.m.  
Birla Matushri Sabhagar,  
19, Marine Lines, Mumbai 400020

### Financial Calendar (tentative)

**Financial Year:** April 1, 2011 to March 31, 2012

### Results for the quarter ending:

**June 30, 2011** - Fourth week of July, 2011

**September 30, 2011** - Third week of October, 2011

**December 31, 2011** - Third week of January, 2012

**March 31, 2012** - Third week of April, 2012

**Annual General Meeting** - June, 2012

### Date of Book Closure

Monday, May 9, 2011 to Saturday, May 14, 2011  
(both days inclusive) for payment of dividend.

### Dividend Payment

Credit/dispatch between June 4, 2011 and June 9, 2011.

### 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

### GLOBAL DEPOSITORY RECEIPTS (GDRs)

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

Also traded on International Order Book 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,  
1<sup>st</sup> Floor, 414, Senapati Bapat Marg,  
Lower Parel, Mumbai 400 013.

**Debt Securities**

The Wholesale Debt Market (WDM) Segment of  
BSE & NSE.

**Debenture Trustees**

Axis Bank Limited  
Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg, Worli, Mumbai 400 025

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

Axis Trustee Services Limited  
2nd Floor - E, Axis Bank Tower,  
Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai 400 025

**Payment of Listing Fees:** Annual listing fee for the year 2011-12 (as applicable) has been paid by the Company to BSE and NSE. Annual maintenance and listing agency fee for the calendar year 2011 has been paid by the Company to the Luxembourg Stock Exchange.

**Stock Market Price Data**

Month	National Stock Exchange (NSE) (In Rs. per share)		Bombay Stock Exchange (BSE) (In Rs. per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2010	1149.70	1012.00	1171.00	1012.05
May 2010	1093.40	976.00	1093.60	976.35
June 2010	1093.95	995.10	1092.90	840.55
July 2010	1094.45	1007.25	1085.00	1004.00
August 2010	1031.00	915.00	1029.70	915.10
September 2010	1048.50	921.00	1048.00	885.15
October 2010	1110.00	990.00	1110.00	991.00
November 2010	1124.90	958.30	1187.00	958.90
December 2010	1075.00	978.75	1075.00	977.20
January 2011	1091.40	902.00	1090.00	903.10
February 2011	1009.40	885.10	1008.65	885.00
March 2011	1055.00	964.00	1054.50	964.10



**Share Price Performance in comparison to broad based indices – BSE Sensex and NSE Nifty as on March 31, 2011**

	<b>RIL</b>	<b>Sensex BSE</b>	<b>Nifty NSE</b>
FY 2010-11	-2.50%	10.94%	11.14%
2 years	37.58%	100.29%	93.11%
3 years	-7.46%	24.29%	23.22%
5 years	163.18%	72.39%	71.45%

**Registrars and Transfer Agents**

Karvy Computershare Private Limited  
Plot No.17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad - 500 081.  
Tel: +91 40-44655070-5099  
Toll Free No.18004258998  
Fax +91 40 23114087  
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, 2011**

<b>Category code</b>	<b>Category of shareholder</b>	<b>Number of shareholders</b>	<b>Total number of shares</b>	<b>As a percentage of (A+B+C)</b>
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>1</sup></b>			
(1)	Indian	68	146 39 23 695	44.72
(2)	Foreign	0	0	0.00
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>68</b>	<b>146 39 23 695</b>	<b>44.72</b>
<b>(B)</b>	<b>Public Shareholding<sup>2</sup></b>			
(1)	Institutions	2 309	93 22 72 904	28.48
(2)	Non-institutions	35 19 740	75 52 09 669	23.07
	<b>Total Public Shareholding</b>	<b>35 22 049</b>	<b>168 74 82 573</b>	<b>51.55</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>			
(1)	Promoter and Promoter Group	0	0	0.00
(2)	Public	1	12 19 67 740	3.73
	<b>Total</b>	<b>1</b>	<b>12 19 67 740</b>	<b>3.73</b>
	<b>TOTAL (A) + (B) + (C)</b>	<b>35 22 118</b>	<b>327 33 74 008</b>	<b>100.00</b>

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

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

**Shareholding Pattern by Size as on March 31, 2011**

Sr. No.	Category (Shares)	Holders	Shares	% of Total Shares
1	1 - 500	33 81 797	22 70 37 517	6.94
2	501 - 1000	83 290	5 84 75 274	1.79
3	1001 - 2000	35 332	4 90 17 499	1.50
4	2001 - 3000	9 228	2 24 83 284	0.69
5	3001 - 4000	3 830	1 33 09 405	0.41
6	4001 - 5000	2 156	97 29 246	0.30
7	5001 - 10000	3 373	2 32 43 123	0.71
8	10001 - 20000	1 212	1 67 35 484	0.51
9	Above 20000	1 900	285 33 43 176	87.17
	<b>TOTAL</b>	<b>35 22 118</b>	<b>327 33 74 008</b>	<b>100.00</b>

**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

Sl. No.	Particulars	Allotment Date	No. of Shares
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
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

Sl. No.	Particulars	Allotment Date	No. of Shares
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
72	ESOS – Allotment	Various dates in 2010-11	29 99 648
			<b>327 62 43 503</b>
	Less : Shares Bought Back and extinguished on January 24, 2005		<b>- 28 69 495</b>
	<b>Total Equity as on March 31, 2011</b>		<b>327 33 74 008</b>

## 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*
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
2009-10	June 18, 2010 (post bonus issue 1:1)	7.00

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

**Note:** Dividend of Rs. 8 per share recommended by the Directors on April 21, 2011 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

Sr. No.	Electronic / Physical	Mode of Holding %
1	NSDL	94.74
2	CDSL	2.40
3	Physical	2.86
	<b>TOTAL</b>	<b>100.00</b>

97.14% of Company's paid-up Equity Share Capital has been dematerialised upto March 31, 2011 (96.86% up to March 31, 2010). 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 2010-2011 is given below:

	BSE	NSE	Total
Shares (nos.)	8 81 252	47 44 484	56 25 736
Value (in Rs. crore)	89.62	483.77	573.39

[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, 2011 represent 12,19,67,740 equity shares constituting 3.73% 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.

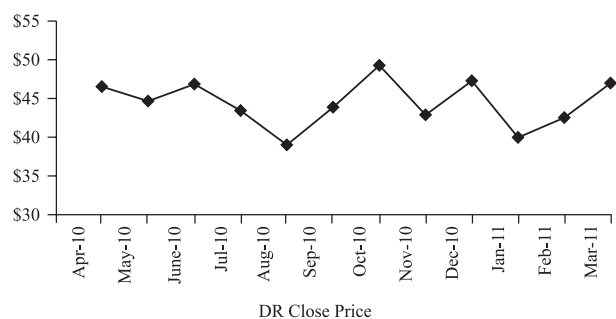
### RIL GDR Program - Important Information

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 Depository 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:** 35,200 Options have been granted in the financial year 2010-11. 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  
Karchana, P. O. T.S.L.  
District Allahabad - 211 010,  
Uttar Pradesh, India.

#### Barabanki

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

#### Hoshiarpur

Dharmshala Road, V.P.O. Chohal  
District Hoshiarpur - 146 024, Punjab, India.

#### Jamnagar

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

#### Jamnagar SEZ Unit

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 – 441 104, District Nagpur  
Maharashtra, India.

#### Naroda

103/106, Naroda Industrial Estate Naroda,  
Ahmedabad - 382 330, Gujarat, India.

#### Patalganga

B-4, Industrial Area, P.O. Patalganga – 410 220  
Near Panvel, Dist. Raigad  
Maharashtra, India.

### Silvassa

342, Kharadpada, Naroli, 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, 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, CYDWN-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.

### CBM Blocks

SP (West) – CBM – 2001/1, SP (East) – CBM – 2001/1, SH (North) – CBM - 2003/II

### Address for Correspondence

#### (i) Investor Correspondence

#### For Shares/Debentures held in Physical form

Karvy Computershare Private Limited  
Plot No.17-24, Vittal Rao Nagar, Madhapur,  
Hyderabad - 500 081.  
Tel:+91 40-44655070-5099  
Toll Free No.18004258998  
Fax +91 40 23114087  
e-mail: rilinvestor@karvy.com  
Website: www.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 S. Sudhakar  
Vice President, Corporate Secretarial  
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. 4.89 crore, lying in the unpaid / unclaimed dividend account, 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.

The cumulative amount transferred to IEPF up to March 31, 2011 is Rs. 88.29 crore.

### Equity Shares in the Suspense Account

As per Clause 5A(I) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense account which were issued pursuant to the public issue of erstwhile Reliance Petroleum Limited (amalgamated with the Company):

	Number of share holders	Number of equity shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2010	107	1450
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	9	114
Number of shareholders to whom shares were transferred from the suspense account during the year	8	102
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2011	99	1348

The voting rights on the shares outstanding in the suspense account as on March 31, 2011 shall remain frozen till the rightful owner of such shares claims the shares.

As per Clause 5A(II) of the Listing Agreement, three reminders were issued for shares issued in physical form,

which remain unclaimed. These shares will be transferred into one folio in the name of "Unclaimed Suspense Account" in due course.

### **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 Whole-time Directors based on their performance and defined assessment criteria.

#### **Communication to Shareholders**

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

#### **Audit Qualification**

The Company is in the regime of unqualified financial statements.

#### **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 Board 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. 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 of the Listing Agreement.

## 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, 2011 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;
  - The Securities Contracts (Regulation) Act, 1956 (‘SCRA’), the Rules made under that Act; and
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 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 Agreements with National Stock Exchange of India Limited and Bombay Stock Exchange 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, Auditors and the Registrar of Companies;
- (e) notice of Board meetings and Committee meetings of Directors;
- (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (g) the 36th Annual General Meeting held on 18 June 2010;
- (h) minutes of proceedings of General Meetings and of Board and its Committee meetings;
- (i) approvals of the Members, the Board of Directors, the Committees of Directors and government authorities, wherever required;
- (j) constitution of the Board of Directors / Committee(s) of Directors and appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;
- (k) payment of remuneration to the Directors including the Managing Director and Whole-time Directors;
- (l) appointment and remuneration of Auditors and Cost Auditors;
- (m) 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;
- (n) payment of interest on debentures and redemption of debentures;

- (o) declaration and payment of dividends;
  - (p) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;
  - (q) borrowings and registration, modification and satisfaction of charges;
  - (r) investment of the Company's funds including inter corporate loans and investments and loans to others;
  - (s) giving guarantees in connection with loans taken by subsidiaries and associate companies;
  - (t) form of balance sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit and Loss Account as per Part II of the said Schedule;
  - (u) Board's report;
  - (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; and
  - (d) there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on 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 Agreements with National Stock Exchange of India Limited and Bombay Stock Exchange 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; and
  - (e) the Company has complied with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

**Dr K R Chandratre**

Practising Company Secretary  
Certificate of Practice No. 5144

Dated: April 21, 2011



## Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 37<sup>th</sup> Annual Report and the audited accounts for the financial year ended March 31, 2011.

### Financial Results

The financial performance of the Company, for the year ended March 31, 2011 is summarised below:

	2010-2011		2009-2010	
	Rs. crore	\$ Mn*	Rs. crore	\$ Mn*
Profit before Depreciation, Interest & Tax	41,177.44	9,234	33,041.18	7,359
Less: Interest	2,327.62	522	1,997.21	445
Depreciation	16,241.33		13,477.01	
Less: Transfer from Revaluation Reserve	2,633.75	13,607.58	2,980.48	2,338
<b>Profit before Tax</b>		<b>3,051</b>		<b>4,576</b>
Less: Provision for Current Taxation	4,320.44	969	3,111.77	693
Provision for Deferred Tax	635.50	143	1,200.00	267
<b>Profit after Tax</b>		<b>4,549</b>		<b>3,616</b>
Add: Balance in Profit and Loss Account	4,999.45	1,114	5,384.19	1,199
<b>Amount Available for Appropriation</b>		<b>5,663</b>		<b>4,815</b>
<b>Appropriation:</b>				
General Reserve	16,000.00	3,588	14,000.00	3,118
Debenture Redemption Reserve	-	-	189.50	42
Dividend on Equity Shares	2,384.99	535	2,084.67	464
Tax on Dividend	386.90	87	346.24	77
Balance carried to Balance Sheet	6,513.86	1,453	4,999.45	1,114
	<b>25,285.75</b>	<b>5,663</b>	<b>21,619.86</b>	<b>4,815</b>

\* 1 \$ = Rs. 44.595 Exchange Rate as on March 31, 2011 (1 \$ = Rs. 44.90 as on March 31, 2010)

### Results of Operations

The first full year of operations, after commissioning of the Company's two large scale projects namely KG D6 and SEZ refinery at Jamnagar, resulted in a record performance during the financial year under review.

- Turnover increased by 29% to Rs. 2,58,651 crore (\$ 58.0 billion)
- Exports increased by 33% to Rs. 1,46,667 crore (\$ 32.9 billion)
- PBDIT increased by 25% and achieved a record level of Rs.41,178 crore (\$ 9.2 billion)
- Profit Before Tax increased by 23% to Rs. 25,242 crore (\$ 5.7 billion)
- Cash Profit increased by 24% to Rs. 34,530 crore (\$ 7.7 billion)
- Net Profit increased by 25% to Rs. 20,286 crore (\$ 4.5 billion)
- Gross Refining Margin at \$ 8.4 /bbl for the year ended March 31, 2011

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. 28,719 crore (\$ 6.4 billion) was paid in the form of various taxes and duties.

### Dividend

Your Directors have recommended a dividend of Rs. 8/- per Equity Share (last year Rs. 7/- per Equity Share) for the financial year ended March 31, 2011, amounting to Rs. 2772 crore (inclusive of tax of Rs. 387 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 9, 2011; in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners.

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 growth objectives of the Company to be met by internal cash accruals and the shareholders' aspirations.

### 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. Its continued Balance Sheet strengthening in financial year 2010-11, resulted in Moody's, Fitch and S&P recently upgrading their outlook for the Company from Stable to Positive. 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, 2011 (cumulative position) are given below:

a. Options Granted	5,96,61,400
b. Exercise Price	
Options Granted	Exercise Price (plus applicable taxes)
5,74,56,000*	642*
54,000*	842*
20,16,000*	1146*
1,00,200*	644.50*
16,000	995
19,200	929
*adjusted for bonus issue	
c. Options Vested	1,65,41,026
d. Options Exercised	36,79,706
e. The total number of shares arising as a result of exercise of Options	36,79,706
f. Options Lapsed	1,24,30,574
g. Variation in terms of Options	-
h. Money realised by exercise of Options	Rs. 261.39 crore

i. Total number of Options in force [(a) - (d) - (f)]	4,35,51,120
j. Employee wise details of Options granted to:	
i. Senior managerial personnel	
1. Shri Nikhil R. Meswani	14,00,000
2. Shri Hital R. Meswani	14,00,000
3. Shri P.M.S. Prasad	10,00,000
4. Shri P.K. Kapil	1,00,000
ii. Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted	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
k. 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. 62.00

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 joint ventures, partnerships and 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.

In line with its aspirations of ongoing growth, Reliance is investing its resources in core business across the

integrated energy chain. While doing so, the Company is also taking the initiative of investing in new technologies and businesses that help meet changing aspirations of millions of Indian consumers. These strategies and initiatives are aimed at ensuring that Reliance delivers long-term sustainable growth and creates unprecedented value for all its stakeholders.

Some of the major events of the year include the following:

- **RIL-BP alliance:**  
RIL has entered into a strategic partnership with BP and signed the relationship framework and transactional agreements. The partnership across the full value chain comprises BP taking a 30% stake in 23 oil and gas production sharing contracts that Reliance operates in India, including the producing KG-D6 block. The two companies will also form a 50:50 joint venture for the sourcing and marketing of gas in India and will endeavour to accelerate the creation of infrastructure for receiving, transporting and marketing of natural gas in India. BP will pay an aggregate consideration of \$ 7.2 billion for the interests to be acquired in the 23 production sharing contracts. Future performance payments of up to \$ 1.8 billion could be paid based on exploration success that results in development of commercial discoveries.
- **Shale gas joint ventures:**  
During the year, the Company, through its subsidiaries, in the United States of America entered into three distinctive joint venture agreements with Atlas Energy, Pioneer Natural Resources and Carrizo Oil & Gas and acquired 40%, 45% and 60% interests, respectively in the shale gas acreage positions to be explored by these joint ventures. The net Shale acreage acquisition by Reliance is 3,12,430 acres. It also entered in to a separate joint venture with Pioneer Natural Resources aimed at addressing the mid-stream opportunity in gas evacuation and transportation.
- **Joint venture for Butyl Rubber production in India:**  
During the year, RIL and Russia's SIBUR announced a joint venture for the setting up of a facility for producing 100,000 MT butyl rubber in India. This is a significant step towards Reliance's commitment to service India's growing automotive sector by bringing in complex technologies, available with only a very few companies globally. The setting up of domestic manufacturing of butyl rubber which is expected to be commissioned by 2013, will fulfill a longstanding demand of the Indian tyre and rubber industry.
- **Spearheading the knowledge revolution:**  
During the year, RIL acquired a substantial stake in

Infotel Broadband Services Limited (Infotel Broadband), which emerged as a successful bidder in all the 22 circles of the auction for Broadband Wireless Access (BWA) Spectrum conducted by the Department of Telecommunications (DoT). RIL owns 95% of the equity share capital of Infotel Broadband.

RIL sees the broadband opportunity as a new frontier of knowledge economy in which it is confident of taking leadership position and providing India with an opportunity to be in the forefront among the countries providing world-class 4G network and services.

- **Others:**  
The Honorable Supreme Court of India delivered its judgment in the Reliance Natural Resources Limited (RNRL) - RIL dispute. The judgment recognized the dominant role of the provisions of the Production Sharing Contract and upheld the policies formulated by the Government under which it has the authority to regulate the production and distribution of natural gas. RIL and RNRL signed a Gas Supply Master Agreement in compliance with the Gas Utilization Policy and EGoM decisions. RIL and Reliance ADA Group companies approved and signed an agreement canceling all existing non-compete arrangements entered into between the two groups pursuant to the scheme of reorganization of the Reliance Group and entered into a new simpler, non-compete agreement with respect to gas based power generation.

### **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.

### **Subsidiaries**

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, 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. 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 the 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 Ramaniklal H. Ambani, Shri Nikhil R. Meswani, Prof. Ashok Misra and Shri Yogendra P. Trivedi, Directors, retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

### **Group**

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

### **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 has approved the appointment of the following cost auditors for conducting Cost Audit for the financial year 2010-11 –

- (i) For the textiles business - M/s. Kiran J. Mehta & Co, 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; and
- (iii) For the polyester business – Shri Suresh D. Shenoy, Cost Accountant, 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 records and documents of the Company. The Secretarial Audit Report for the financial year ended March 31, 2011, is provided in the Annual Report.

The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, 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, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

### **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.

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 the 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 and Managing Director

April 21, 2011

### **Annexure – I**

#### **Particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988**

##### **A. Conservation of Energy**

##### **(a) Energy conservation measures taken:**

Major energy conservation measures carried out during the year 2010-11 are listed below:

##### **Allahabad Manufacturing Division**

- Installation of Awwa nozzles on spinning machines leading to reduction in compressed air consumption.
- Recycling of filter water and cooling water.
- Installation of capacitor on HT circuit, leading to improvement in power factor.

##### **Barabanki Manufacturing Division**

- In order to utilize wind energy 45 Eco-ventilators were provided at various locations in the plant to improve the working atmosphere and reduce the heat load. Fans were provided at Draw line roof, Ware house and DG roof.
- Energy efficient motors were provided at Husk Boiler ESP (Electrostatic Precipitator) unit. Total seven motors were replaced.
- A Solar system Geyser installed and commissioned at canteen for hot water use.
- One solar light has been installed and commissioned at road side, outside the main gate.
- At Nitrogen Plant one line has been fabricated and installed, this has resulted into Stoppage of Nitrogen purge compressor.

##### **Dahej Manufacturing Division**

- Realized energy savings by optimization of Gas Turbine load by implementation of Export-Import tieline control at Captive Power Plant (CPP).
- Achieved water savings by reduction in water to monomer ratio at Poly Vinyl Chloride (PVC) plant.
- Reduction in energy consumption by distillation vent steam utilization at Ultra-high-molecular-weight polyethylene (UHMW) – HDPE II (High Density Poly Ethylene) plant.
- Reduction in effluent generation by replacing 5% Caustic with 32% Caustic for pH control at Vinyl Chloride Monomer (VCM) plant.



- Reduction in energy consumption by providing isolation valve in High Pressure (HP) steam header in Phase-I at CPP.

#### **Hazira Manufacturing Division**

- Upgrading Gas Turbine (GT) capability of GT-3 and GT-5 at Captive Power Plant & Utilities (CPP&U).
- Installation of additional motor driven BFW Pump (B-900) and stoppage of Boiler Feed Pump Turbine (BFPT) at Cracker Plant to achieve energy savings.
- Replacing Existing bowed Super Heater (SH) modules of Heat Recovery Steam Generator (HRSG) #1 and 2 with drainable and finned super heaters.
- Reduction in steam and power consumption by reducing the water/Aqueous EO (Ethylene Oxide) ratio in glycol reactors at Mono Ethylene Glycol (MEG) plant.
- Piping / Process modification in Condensate Trim Cooler (EA 1553) heat exchanger scheme to improve energy performance and reliability at CPP&U.
- Improvement in Waste heat recovery performance of (Make up water heater) MUWH# 3 and MUWH#5 at CPP&U plant.
- Hiboil reflux ratio optimization at Vinyl Chloride Monomer (VCM) plant.
- Maximizing loading on Recycle Ethylene Di-Chloride (REDC) column and minimizing on HB column to reduce SIP consumption by 1.0 Tonnes Per Hour (TPH) and Reflux flow optimization in REDC column.
- Increase in Purified Terephthalic Acid (PTA)-3 Process Air Compressor (PAC) power export.

#### **Hoshiarpur Manufacturing Division**

- Reduction in energy consumption by installation of inverter for chilled water pump.
- Stopped one exhaust blower of Draw Machine # 3 to conserve energy.
- Reduction in specific steam consumption in Draw Machine # 1, 2 & 5.
- Reduction in specific power consumption in Draw Machine # 2 & 5.

#### **Jamnagar (DTA) Manufacturing Division**

- Improvement in heat recovery in Amine Treating by replacing shell and tube heat exchanger with new plate-frame type.

- Reduction of Low Pressure (LP) steam consumption in Amine treating Units by the reduction of lean amine circulation rate.
- Optimization of Coker FGRS (Flare Gas Recovery System). MP steam consumption in ejector reduced and Flare loss reduction by optimizing operating parameters.
- Improvement in centrifugal air compressor's efficiency. Inter-stage cooler bundles replaced with phenolic coated tube bundles to minimize fouling. Implemented in 4 out of 6 compressors.
- Installation of Heat exchanger in Cracked Naphtha Hydro Treaters (CNHT) to recover naphtha splitter Overhead stream heat. Earlier it was routed directly to fin fan cooler.
- Improvement of Ortho Xylene (OX) and Heavy Aromatics (HA) column reboiler heater efficiencies by online cleaning of radiant section.
- Steam Leak reduction. Steam leak survey carried out across the complex. Identified source of leak arrested.
- Fuel saving by improvement in steam load distribution. Steam generation load on HRSG maximized and load on auxiliary boiler reduced. Heat rate lower for HRSG.
- Propylene Treater Regeneration Sequence Modification in Propylene Recovery Unit (PRU) to avoid Propylene loss.
- Power saving in Pumps and compressors by optimizing process parameters.

#### **Jamnagar Manufacturing Division (SEZ):**

- Reduction in LP Steam dumping by taking following measures:-
  - a) Changing over the process unit turbines to motor driven in Crude / Vacuum Gas Oil (VGO) High Tension (HT) / Coker / Clean Fuels (CFP) Complex.
  - b) Reducing the LP Steam generation in Diesel Hydrodesulphurisation (DHDS) -1/2
  - c) VGO HT-3 S-18 Steam generator bypass.
- Zero main flare achievement on continuous basis by
  - a) Arresting the leakages in Hydrogen Complex.
  - b) Implementation of Energy conservation schemes in Alkylation Unit (Refrigeration compressor seal modification).

- c) Implementation of Energy conservation scheme in Flare Gas Recovery Unit (Additional 30" suction piping for the flare gas recovery compressor).
- d) Implementation of Energy conservation scheme at Propylene Recovery Unit (PRU) [PRU regeneration gases to Low Low Pressure (LLP) flare].
  - Minimization of H<sub>2</sub> flaring / H<sub>2</sub> to FG by product pressure-feed control scheme as well as integration of SEZ and DTA hydrogen complex.
  - Running only 3 air compressors in place of 4 in utility complex.
  - Routing of regeneration gases (high N<sub>2</sub> conc.) to LLP Flare in PRU.

#### **Nagpur Manufacturing Division**

- Reduced energy consumption by replacement of old Beacon make Chilled Water Pumps with Grundfos make new energy efficient pumps –Two Nos.
- Reduced energy consumption by replacement of Vertical Turbine pump with Submersible pump at River Intake Well resulting in stoppage of water lubrication pump.

#### **Nagothane Manufacturing Division**

- Stopping of DM water pump to process plants and utilizing the excess capacity available in DM water supplying to CPP.
- Stopping of both vent absorber (C-05 and C-20) tails pump (P-95 and P-56) by rerouting of tails to stripper through different nozzle and utilize stripper vacuum.
- Installation of New Plug flow Steamer (FB501) for hydrocarbon stripping from Polypropylene (PP) powder.

#### **Naroda Manufacturing Division**

- Replacement has been done of 2 nos. Bore-well Pumps with Energy Efficient Pumps.

#### **Patalganga Manufacturing Division**

- Corrocoating of Cooling Water pumps in Linear Alkyl Benzene (LAB) and PTA Plants.
- Chemical cleaning of Convection Bank Heater Tubes in Paraxylene Plant.
- Ceramic coating on Heater Tubes in Paraxylene Plant.

#### **Vadodara Manufacturing Division**

- Use of Aerofoil designed Fibre-reinforced plastic (FRP) blades for cooling tower fans. Scheme was

implemented in two cooling towers i.e. N<sub>2</sub>O<sub>2</sub> (1 fan) and A CN cooling tower (1 fan). In addition to that A CN cooling tower internals were replaced resulting in reduction in make up water by 4.5 m<sup>3</sup>/hr.

- Blocking of muffle block inside burner assembly for 4 burners of Hot Oil heater, LAB plant, resulted in saving of Fuel Gas.
- Reduction in excess Oxygen in flue gas in H-106, of Naphtha Cracker Plant (NCP), from 4.0% to 2.4% by 4 burner blank off lowered the fuel gas consumption significantly.
- Reduction in HF inventory by Single Reactor settler trial led to power saving due to stopping of one pump.
- Installation of Energy Efficient Retrofit Metal halides/ Compact Fluorescent Lamp (CFL) in place of the conventional lighting was done to reduce power consumption.
- VCM EDC (Ethylene Dichloride) Cracker Stack temperature and excess Oxygen (O<sub>2</sub>) reduction was done with the help of Damper adjustment.
- Insulation Health check was carried out for Out Side Battery Limited (OSBL) steam header. Insulation repair work was done for HP and MP header.
- Reduction in Hot Oil circulation flow from 145M<sup>3</sup>/Hr to 120M<sup>3</sup>/Hr in LAB.
- Stripper column bottom 2 pump was operated for reduction in Chemical Oxygen Demand (COD) in A CN 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 Gas Cracker plant.
- Improvement in heat recovery by installation of new E 521 exchanger at MEG plant.
- Reduction in power demand by installation of hydraulic Turbine at Ethane-Propane Recovery Unit (EPRU).
- Recovery of heat energy by replacing exchanger E 624 which a shell and tube type exchanger with a plate type heat exchanger and rerouting of recycle water through it.
- Energy savings by supplying LP ethylene to VCM from Gas Cracker Unit (GCU). This will reduce the

refrigeration load on compressors C2R and C3R at Gas cracker plant.

- Steam savings by cent rate water heat recovery at PVC.

#### **Hazira Manufacturing Division**

- Provision of Glycol ejector in place of steam ejectors in CP-2/3 at Partially Oriented Yarn (POY) plant.
- Improvement in run length of Gasoline Hydrogenation Unit (GHU) 1<sup>st</sup> stage reactor with replacement of catalyst with Ni catalyst at cracker plant and reducing no. of regenerations of GHU 1<sup>st</sup> stage reactor from 4 to 2 regenerations.

#### **Hoshiarpur Manufacturing Division**

- Reduction in energy consumption by installation of Uninterrupted Power Supply (UPS) for Plant lighting system.
- Reduction in energy consumption by stopping return air blower of POY quenches Air Handling Unit (AHU).
- Reduction of energy consumption by installing inverter on Raw water /Cooling water pump

#### **Jamnagar (DTA) Manufacturing Division**

- In LPG recovery improvement scheme across Re-contact Drum (RCD) loop, under the scheme of routing separator liquid to recovery plus unit, stoppage of two pumps at Recovery plus can save 300 kW power which could be Rs 1.29 crore /annum.

#### **Jamnagar Manufacturing Division (SEZ):**

- Provisions of new 8" bypass line to LP Steam generator S-18 in VGO HT-4 Unit.
- Reduction of MP steam by re-routing Light Coker Gas Oil (LCGO) pump around to stripper re-boiler in Coker-2.
- Replacement of MP steam by LP steam in Fluidized Catalytic Cracker (FCC) reactor stripper using thermo-compressor.

#### **Nagpur Manufacturing Division**

- Replacement of 12 nos. centrifugal pumps with high efficiency pumps.

#### **Nagothane Manufacturing Division**

- Anti Corrocoat coating is to be applied to all cooling water pumps to improve efficiency.

#### **Naroda Manufacturing Division**

- Energy Saving by replacing Old Inefficient Electrical Motors by Energy Efficient Motors.
- Gas Conversion of Stenters in Menswear Process House from Gas Fired Thermic Fluid Heating.
- Augmentation of Humidification Systems in Worsted Spinning.

#### **Patalganga Manufacturing Division**

- Corrocoating of Cooling Water pumps in Energy Center and Utility Plants.
- Installation of Heat Pipe Heat Exchanger (HPHE) in Bertram Heater (Dow Vapor service) and CP6 Heater (Dow Liquid service) of Utility Plant.
- Providing efficient Air Intermingling Jets in TORAY FDY Plant.
- Improved Steam traps management.

#### **Vadodara Manufacturing Division**

- Heat recovery scheme of EO column bottom and EO stripper bottom to preheat Cycle gas going to Contactor.
- Proposal to preheat the feed for Low boiler Tower (T-410) with the overhead product stream of High Boiler Tower (T-420) in PBR1 plant is under conceptual stage. Preheating for Feed to T-410 column with bottom product is also under consideration.
- Steam Network audit on regular basis to identify, quantify and control steam leak through valves, pin hole and traps.
- Installation of Variable Frequency Drive (VFD) in Induced Draft (ID) and FD fans of LAB heater.
- In PBR2 plant, Condensate flashing by reducing the condensate drum pressure (V-152) to 1.2 Kg/cm<sup>2</sup> g resulting in additional heat recovery.
- LAB plant, Pacol Compressor motor replacement to avoid the Gear Box resulting in power saving.
- Recovery of H<sub>2</sub> rich gas during reduction of PGH 1st stage reactor.
- By arresting the Flue gas losses through the by-pass stacks of GT's and Insulation health check, the energy loss will be prevented.

- GT2 output improvement by 7.5% and heat rate reduction by 2%. This will be achieved by up-rating the gas turbine major components.
- (c) **Impact of measures of (a) and (b) given above for reduction of energy consumption and consequent impact on the cost of production of goods:**

#### Allahabad Manufacturing Division

- Reduction in compressed air consumption due to installation of Awwa nozzles on spinning machines has resulted savings of Rs. 12.46 lacs per annum.
- Savings of Rs. 8.93 lacs per annum has been achieved due to recycling of filtered water and cooling water.
- Installation of capacitor on HT circuit leading to improvement in power factor and realized savings of Rs. 4.63 lacs per year.

#### Barabanki Manufacturing Division

- In order to utilize wind energy 45 Eco-ventilators were provided at various locations in the plant to improve the working atmosphere and reduce the heat load. Fans were provided at Draw line roof, Ware house and DG roof.
- Energy efficient motors were provided at Husk Boiler ESP unit. Total seven motors were replaced.
- A Solar system Geyser installed and commissioned at canteen for hot water use.
- One solar light has been installed and commissioned at road side, outside the main gate.
- At Nitrogen Plant one line has been fabricated and installed this has resulted into Stoppage of Nitrogen purge compressor.
- All the above energy conservation measures has resulted savings of Rs. 0.85 lacs per year.

#### Dahej Manufacturing Division

- Total annual savings worth Rs. 2.89 crore has been achieved on implementation of energy saving schemes as indicated in Section (a).
- Estimated savings worth Rs. 92 lacs per year can be achieved by increase in residue gas exchanger area for better heat recovery at Gas cracker plant.
- Estimated savings worth Rs. 46 lacs per year can be achieved by installation of new E 521 exchanger for better heat recovery at MEG plant.
- Estimated savings worth Rs. 78 lacs per year can be achieved by installation of hydraulic Turbine at EPRU.

- Recovery of heat energy, worth Rs. 87 lacs per year, can be achieved by replacing exchanger E 624 which a shell and tube type exchanger with a plate type heat exchanger and rerouting of recycle water through it.
- Energy savings worth Rs. 119 lacs per year can be achieved by supplying LP ethylene to VCM from GCU. This will reduce the refrigeration load on compressors C2R and C3R at Gas cracker plant.
- Estimated saving worth Rs. 53 lacs can be achieved by savings steam by centrate water heat recovery at Poly Vinyl Chloride (PVC) plant.

#### Hazira Manufacturing Division

- Upgrading Gas turbine capability of GT-3 and GT-5 at CPP&U. (Savings: Rs. 14.19 crore approx.)
- Installation of additional motor driven Boiler Feed Water (BFW) Pump (B-900) and stoppage of BFPT at Cracker plant to achieve energy savings. (Savings: Rs. 8.21 crore approx.)
- Replacing Existing bowed SH modules of HRSG#1 and 2 with drainable and finned super heaters. (Savings: Rs. 7.05 crore approx.)
- Reduction in steam and power consumption by reducing the water/Aqueous EO ratio in glycol reactors at MEG plant. (Savings: Rs. 3.54 crore approx.)
- Piping / Process modification in Condensate Trim Cooler (EA 1553) heat exchanger scheme to improve energy performance and reliability at CPP&U. (Savings: Rs. 3.77 crore approx.)
- Improvement in Waste heat recovery performance of (Make up water heater) MUWH# 3 and MUWH#5 at CPP&U plant. (Savings: Rs. 2.45 crore approx.)
- Hiboil reflux ratio optimization at VCM plant. (Savings: Rs. 1.30 crore approx.)
- Maximizing loading on REDC column and minimizing on HB column to reduce SIP consumption by 1.0 TPH and Reflux flow optimization in REDC column. (Savings: Rs. 1.13 crore approx.)
- Increase in PTA-3 PAC power export. (Savings: Rs. 0.91 crore approx.)
- Provision of Glycol ejector in place of steam ejectors in CP-2/3 at POY plant. (Anticipated Savings: Rs. 2.50 crore approx.)
- Improvement in run length of GHU 1<sup>st</sup> stage reactor with replacement of catalyst with Ni catalyst at cracker

plant and reducing no. of regenerations of GHU 1<sup>st</sup> stage reactor from 4 to 2 regenerations. (Anticipated Savings: Rs. 0.42 crore approx.)

#### **Hoshiarpur Manufacturing Division**

- Savings of Rs. 2.47 crore made by optimizing steam consumption.
- Savings of Rs. 57 lacs were made by taking various energy conservation measures such as Installed inverter for chilled water pump, Stopped one no. exhaust blower of Draw Machine # 3, Reduction in specific power consumption in Draw Machine # 2 & 5.
- Estimated savings of Rs. 4.9 lacs per year can be achieved by installing UPS for plant lighting system.
- Estimated savings of Rs. 9.7 lacs per year can be achieved by stopping return blower of POY quench AHU.
- Estimated savings of Rs. 2.2 lacs per year can be achieved by installing inverter on Raw water/ Cooling water pump.

#### **Jamnagar (DTA) Manufacturing Division**

- Improvement in heat recovery in Amine Treating Unit-4 by replacing shell and tube heat exchanger with new plate- frame type rich/lean amine heat exchanger, saving 7 TPH LP Steam (saving Rs. 4.7 crore / annum).
- Reduction of LP steam consumption by 10 TPH in Amine treating Units by the reduction of lean amine circulation rate (Saving Rs. 6.95 crore / annum).
- Optimization of Coker FGRS system to reduce MP steam consumption by 1.25 TPH and Flare loss reduction by 6 Month Till Date (MTD) (saving Rs. 6.02 crore / annum).
- Improvement of centrifugal air compressor's 6, 7, 8 and 9 efficiency in DTA Utilities by the replacement of inter-stage coolers with phenolic coated tube bundles in all the compressors one by one, reduction of power consumption by 1245 KWhr. (saving Rs. 5.35 crore / annum).
- Installation of S03 stripper feed Heat exchanger in CNHT to recover naphtha splitter OVHD stream heat which is going to fin fan cooler A01, saving 6 MTD of Fuel gas (saving Rs. 4.91 crore / annum).
- Improvement of OX and HA column reboiler heater efficiencies by radiant section online cleaning, saving 3.47 MTD of Fuel Gas (saving Rs. 2.84 crore / annum).

- Steam Leak reduction by survey across the complex conducted by energy cell, saved 4 TPH LP steam (saving Rs. 2.67 crore / annum).
- Fuel saving by load improvement in HRSG 1 and 5, saving 1 MTD fuel (saving Rs. 0.82 crore / annum).
- Propylene Treater Regeneration Sequence Modification in PRU to avoid Propylene loss in Flare at the beginning of regeneration, reduction of flare loss by 1 MTD (saving Rs. 0.23 crore / annum).
- Power saving in LNUU Recycle gas compressor by optimizing Gas to Oil Ratio, saving power of 150 KWhr (saving Rs. 0.64 crore / annum).
- Power saving by stopping of one out of two in Tatoray stripper bottom pumps, saving power of 50 KWhr (saving Rs. 0.215 crore / annum).
- Power saving in HMU-1 due to increase in efficiency of RFG compressor by providing new tube bundle with additional baffles in Inter stage cooler, saving 14 KWhr power (savings Rs. 0.06 crore / annum).

#### **Jamnagar Manufacturing Division (SEZ)**

- Energy savings worth Rs. 1714.3 lacs per year has been achieved by reducing LP steam dumping from 84 to 50 TPH.
- Achieved hydrocarbon saving of 31 TPD by recovering all hydrocarbons released to flare header. There is zero flaring from Main flare now (savings Rs. 1150.7 lacs per annum).
- Achieved 18.9 TPD saving of fuel by reducing H2 getting lost in fuel gas (savings Rs. 701.5 lacs per annum).
- Achieved 12.2 TPD of fuel savings by running only 3 compressors in utility (savings Rs. 450.9 lacs per annum).
- Achieved 2.1 TPD savings of fuel by recovery of regeneration gases by routing them to LLP flare (savings Rs. 77.9 lacs per annum).
- An estimated energy saving quantity of 26.4 TPD (Rs. 970.6 lacs per year) of fuel by providing a bypass to LP steam generator can be achieved.
- Energy savings worth Rs. 534.5 lacs per year can be achieved by re-routing LCGO pump around to stripper re-boiler in Coker-2.
- Energy savings worth Rs 979.9 lacs per year can be achieved by replacement of MP steam by LP steam in FCC reactor stripper using thermo-compressor.



- Energy savings worth Rs. 81.3 lacs per year can be achieved by routing vent gases from degassing column to FG header.

#### **Nagpur Manufacturing Division**

- Savings of Rs. 4.5 lacs per year achieved due to reduced energy consumption by replacement of old Beacon make Chilled Water Pumps with Grundfos make new energy efficient pumps –Two Nos.
- Savings of Rs. 1.0 lacs per year achieved due to reduced energy consumption by replacement of Vertical Turbine pump with Submersible pump at River Intake Well resulting in stoppage of water lubrication pump.
- Estimated saving worth Rs. 12 lacs per year can be achieved by replacement of 12 nos. centrifugal pumps with high efficiency pumps.

#### **Nagothane Manufacturing Division**

- Energy savings worth Rs. 7.10 lacs per year has been achieved by stopping the DM water pump supplying water to process plants. (Power Savings is 30 KW per Hour @ Rs. 2.7 per KWH)
- Stopping of both vent absorber (C-05 and C-20) tails pump (P-95 and P-56) by rerouting of tails to stripper through different nozzle and utilize stripper vacuum has resulted energy saving worth Rs. 0.61 lacs per annum. (Power savings is 2.6 KW per hour @ Rs.2.7 per KWH)
- Reduced steam consumption by Installation of New Plug flow Steamer (FB501) for hydrocarbon stripping from PP powder. This has achieved energy savings worth Rs. 10.51 lacs per year. (Steam savings is 300 Kgs per Hour. Considering a cost of Rs.400 per MT the annual savings is Rs.10.51 lacs)

#### **Naroda Manufacturing Division**

- Energy savings worth Rs. 16.60 lacs per year has been achieved by replacement of 2 nos. Bore-well Pumps with Energy Efficient Pumps.
- Estimated Energy Saving worth Rs. 83.67 lacs per year can be achieved by replacing Old Inefficient Electrical Motors by Energy Efficient Motors.
- Energy Saving worth Rs. 47.33 lacs per year can be achieved by Gas Conversion of Stenters in Menswear Process House from Gas Fired Thermic Fluid Heating.

- Estimated Energy Saving worth Rs. 62.34 lacs per year can be achieved by augmentation of Humidification Systems in Worsted Spinning.

#### **Patalganga Manufacturing Division**

- Energy savings worth Rs.19 lacs per year has been achieved by efficiency improvement on Corrocoating of Cooling water pumps in LAB and PTA plants.
- Energy savings worth Rs.16 lacs per year achieved by chemical cleaning of Convection Bank Tubes in Paraxylene Heater (D5001).
- Energy savings worth Rs.30 lacs per year can be achieved by providing efficient Intermingling Jets in TORAYFDY plant.
- Energy Saving worth Rs. 30 lacs per year can be achieved by installation of HPHE exchanger in Bertram and CP 6 Dow heaters.

#### **Vadodara Manufacturing Division**

- Savings realized due to blocking of muffle burner block in Hot Oil heater of LAB plant, savings to the tune of Rs. 45 lacs/annum have been realized. In addition to that stack damper adjustment of EDC cracker furnace has lead to Rs. 40 lacs saving. Likewise, blocking of 4 burner blocks in H-106 helped in reducing the excess O2 in flue gas from 4 to 2.4% and a saving of Rs. 33 lacs/annum. Thus, total Energy savings worth Rs. 161 lacs have been realized.
- (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)**

- Specific areas in which the research and development (R&D) is being carried out by the Company**
  - Development of in-house additives for increase in propylene yield in fluidized catalytic cracker (FCC).
  - Selection of lower cost FCC catalysts and additives for improved conversion and yields.
  - Processing of cheaper and heavier varieties of crude to widen the crude blends window.
  - Propylene yield improvements and benzene reduction in refining.

- Desalter operation improvements.
- Computational fluid dynamics (CFD) studies for plant trouble shooting.
- Molecular compositional blending models.
- Polypropylene quality control.
- Coker streams processing in FCC.
- Studies to produce good quality feedstock for carbon black industry.
- Heterogeneous catalysis for hydrocarbon transformations.
- Homogeneous catalysis for specific organic synthesis.
- Development of adsorbents and adsorption processes.
- Development of catalysts for polymerization of ethylene and butadiene.
- Polymer based specialty products development.
- Chemical and microbial treatment of effluent water.
- Development of model for simulated moving bed processes.
- Development of dehydrogenation catalyst for linear alkyl benzene (LAB).
- Polyolefin inorganic precursor technology development.
- High performance polypropylene (PP) homo and impact copolymers (ICP) grades catalyst technology.
- Development of high performance additives for polyolefins.
- Development of catalytic process for on purpose 1-hexene.
- Development of morphologically controlled catalyst for producing HDPE grades.
- Development of clarifiers for PP grades.
- Development of reactor grade thermo plastic olefins (TPO).
- Development of high flow high stiffness PP grades.
- New co-catalyst systems for enhancing bottle-grade resin productivity.

- Barrier property enhancement for polyethylene terephthalate (PET) resin.
- Development of PET with new additive for cost reduction and color improvement.
- Development of yarn from alternate polyester (Polytrimethylene terephthalate, Polybutylene terephthalate).
- Productivity enhancement through polymer modification.
- Asbestos replacement in cement sheets.
- Indigenous spin finish development for various products.
- Development of anti-pill polyester, elastic polyester, low melt polyester, low cost flame retardant polyester, low antimony/antimony free polyester, full dull/cotton look polyester fiber, hollow and bulky fibers, and super micro denier polyester staple fiber.
- Development of PolyVinyl Chloride (PVC) separation techniques in PET recycling.

## 2. Benefits derived as a result of the above R&D

- Potential benefit of Rs. 50 crore/annum for additional extraction of benzene from light reformate, which also helped in reducing the benzene content of gasoline in refinery.
- Rs. 20 crore/annum from additional propylene recovery in the FCC unit in refinery.
- Rs.12 crore/annum saved on design and downtime costs in refinery coker heater through CFD modeling.
- Rs. 35 crore/annum by demonstrating capability to process additional coker LPG in the refinery propylene recovery unit.
- Potential benefits of ~ Rs. 58 crore/annum from polyester R&D projects.

## 3. Future plan of action

- Hydro-processing catalyst development and evaluation.
- Creation of coker pilot plant / related facilities.
- Catalyst development for improving FCC profitability.
- Development of process for widening of crude window.

- High throughput facilities for catalyst development and evaluation.
- CFD studies for reliability improvement.
- Molecular characterization of crude and refinery streams.
- Reduction of impurities in propylene stream.
- Advanced catalyst characterization facilities.
- Process for chlorination of polyvinyl chloride (PVC) to produce chlorinated polyvinyl chloride (CPVC).
- Process for purified terephthalic acid (PTA) from inexpensive raw material.
- Development of reforming catalyst for xylenes production.
- Development of ethyl benzene dealkylation catalyst for aromatics plant.
- Specialty chemicals from C8 olefin mixture streams.
- Development of transalkylation catalyst for production of C8 aromatics.
- Adsorbent for separation of xylene isomers from C8 aromatics.
- Microbial and photocatalytic processes for effluent treatment.
- Anticoking additives for thermal cracking of hydrocarbons.
- Oxidation catalysis.
- Micro-meso porous and nano-materials for catalysis applications.
- Development of super absorbent polymers.
- Functionalized polybutadiene rubber (PBR) based rubber products.
- Development of PP grades for foamed products.
- Inorganic materials from spent catalysts.
- Implementation of newly developed polyester bottle grade co-catalyst for fiber and filament application.
- Development of extrusion blow moulding grade PET.
- Improvement of productivity/tenacity in super high tenacity polyester.
- Development of 'New generation spinnerets' for

productivity increase and functional enhancements.

- Development of eco-friendly/green partially oriented yarn (POY).
- Up-scaling of moisture management yarns.
- Exploring the application of polyester in various segments/products.

#### 4. Expenditure on R & D

	<b>Rs. crore</b>
a) Capital	202.88
b) Revenue	314.33
c) Total	517.21
d) Total R & D expenditure is 0.2% of total turnover.	

#### Technology absorption, adoption and innovation

##### 1. Efforts, in brief, made towards technology absorption, adoption and innovation:

- Selection of better catalysts and additives for FCC using pilot plant facilities.
- Technology development for processing cheaper and heavier crudes to widen the crude blends window.
- Enhancing propylene recovery in refinery.
- Technical support for marketing of FCC spent catalysts.
- High capacity revamps in paraxylene plants.
- Adsorbent change in paraxylene plants.
- Innovative method for increasing benzene /olefin ratio in alkylation at linear alkyl benzene (LAB) plant.
- Enhancing low density polyethylene (LDPE) plant capacity.
- Development of alternate co-catalyst for producing high density polyethylene (HDPE).
- Enhancing butene recovery in solution polymerization PE plant.
- Linear low density polyethylene (LLDPE) plant capacity enhancement by innovative methods.
- Improve quality of polymer grade butene.
- Development of specialty PP grades for foamed products.
- Food grade hexane (FGH) and polymer grade hexane (PGH).

- Startup of bottle to bottle (B2B), PET recycling project.
- Polyester staple fiber (PSF) based product to improve the shelf life of fruits and vegetables in ambient storage conditions.
- Increased productivity and color enhancement through commercialization of new co-catalyst on continuous bottle-grade resin plants.
- Spinning productivity enhancement through application of in-house developed technology.
- Low shrinkage industrial yarn through in-house hardware modification.
- Development of environment friendly 'silicone spray system' for wiping of spinnerets.
- Improved and low cost spin finish development for polyester products.
- Debottlenecking of polyester filament yarn (PFY) machines for super coarse deniers.
- In-house technology development for anti pill polyester.
- Development of super micro denier polyester staple fibre.
- Production of dope dyed PSF through recycle route.
- Development of high shrink PSF.

## 2. Benefits derived as a result of the above efforts

- Increase in propylene yield with new catalyst based on pilot plant studies.
- Reduction in import of low sulphur residue feedstock in refinery.
- Rs. 3 crore on additional sales of FCC spent catalyst.
- Potential benefit of ~ Rs. 167 crore/annum by high capacity revamps and adsorbent change in paraxylene plants.
- Benefits of ~ Rs. 32 crore/annum from polyester R&D projects.

## 3. Information regarding Imported Technology

Product	Technology import from	Year of import	Status implementation / absorption
Recycled PET	OHL Engineering GMBH PET Recycling Technologies, Germany	2010-11	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. 1,46,667 crore (US\$ 32,889 million).

### (g) Total Foreign exchange earned and used

Rs. crore

a	Total Foreign Exchange Earned	1,40,557.55
b	Total savings in Foreign Exchange through products manufactured by the Company and deemed Exports (US\$ 12,375.66 Million)	55,189.28
	sub total (a+b)	1,95,746.83
c	Total Foreign Exchange used	1,86,365.41

**Form 'A'**
**Form for disclosure of particulars with respect to conservation of energy**
**Part 'A'**

Power & Fuel Consumption	<b>Current Year</b>	<b>Previous Year</b>
<b>1. Electricity</b>		
a) Purchased Units ( Lacs )	3,887.53	3,337.19
Total Cost ( Rs. In Crores ) #	149.63	134.89
<b>Rate/Unit (Rs.) #</b>	<b>3.85</b>	<b>4.04</b>
b) Generation through captive power facilities		
1) Through Steam Turbine/Generator		
Units ( Lacs )	52,193.98	47,052.53
KWH per unit of fuel	5.45	4.93
Total Cost ( Rs. In Crores )	2,140.50	** 1,997.54
<b>Cost/Unit (Rs.)</b>	<b>4.10</b>	<b>** 4.25</b>
c) Own Generation		
1) Through Diesel Generator		
Units ( Lacs )	776.06	949.72
KWH per unit of fuel	4.17	4.16
<b>Fuel Cost/Unit (Rs.)</b>	<b>6.88</b>	<b>5.83</b>
2) Through Steam Turbine/Generator		
Units ( Lacs )	54,475.91	55,353.33
KWH per unit of fuel	4.43	4.39
<b>Fuel Cost/Unit (Rs.)</b>	<b>3.04</b>	<b>2.81</b>
3) Through Wind Mill Turbine		
<b>Units ( Lacs )</b>	<b>22.38</b>	<b>24.24</b>
<b>Purchased Fuels consumed</b>		
<b>2. Furnace Oil</b>		
Quantity ( K.Ltrs )	55,273.35	92,781.54
Total Cost ( Rs. In crores )	144.95	186.28
<b>Average rate per Ltr.( Rs )</b>	<b>26.22</b>	<b>20.08</b>
<b>3. Diesel Oil</b>		
Quantity ( K.Ltrs )	2,256.30	2,860.00
Total Cost ( Rs. In crores )	8.56	9.33
<b>Average rate per Ltr.( Rs )</b>	<b>37.92</b>	<b>32.62</b>
<b>4. Others</b>		
(a) Gas		
Quantity ( 1000 M3 )	4,692,326.01	3,800,717.26
Total Cost ( Rs. In crores )	5,574.51	4,033.09
<b>Average rate per 1000M3 ( Rs )</b>	<b>11,880.06</b>	<b>10,611.39</b>
(b) Coal / Husk / Wood Fire		
Quantity	32,882.75	27,896.98
Total Cost ( Rs. In crores )	8.62	5.71
<b>Average rate per MT (Rs.)</b>	<b>2,621.70</b>	<b>2,047.90</b>
<b>Internal Fuels consumed</b>		
<b>5. Gas</b>		
Quantity ( 1000 M3 )	3,484,015.37	3,361,717.54
<b>6. GT fuels</b>		
Quantity ( K.Ltrs )	199,413.97	831,596.35

# Excluding Demand Charges

\*\* Restated to reflect current year method



**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)	4,704	4,969	1	2	-	-	473	475
PFY (per MT)	708	700	2	12	-	8	88	75
PSF (per MT)	357	357	13	21	-	-	92	81
PTA (per MT)	307	305	-	2	-	-	12	9
LAB (per MT)	600	610	8	27	1	1	306	263
MEG (per MT)	454	458	-	-	5	3	66	52
PVC (per MT)	438	429	-	-	2	1	31	34
HDPE (per MT)	563	567	-	-	2	1	17	19
PP (per MT)	302	309	1	-	-	-	61	55
FF (per MT)	587	666	81	42	-	-	48	109
PET (per MT)	251	270	-	-	-	-	74	75
PX (per MT)	209	208	5	40	-	-	366	315
Petro-products (per MT)	75	73	1	9	-	-	78	73
PBR (per MT)	612	646	-	-	16	13	506	512
Caustic Soda (per MT)	2,613	2,574	-	-	11	5	79	89
Acrylonitrile (per MT)	484	479	-	-	(7)	-	(64)	(54)

For and on behalf of the Board of Directors

**Mukesh D. Ambani**

Chairman and Managing Director

April 21, 2011

## 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 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For <b>Chaturvedi &amp; Shah</b> Chartered Accountants (Registration No. 101720W)	For <b>Deloitte Haskins &amp; Sells</b> Chartered Accountants (Registration No. 117366W)	For <b>Rajendra &amp; Co.</b> Chartered Accountants (Registration No. 108355W)
---	--	--

<b>D. Chaturvedi</b> Partner Membership No.: 5611	<b>A. Siddharth</b> Partner Membership No.: 31467	<b>A. R. Shah</b> Partner Membership No.:47166
---	---	--

Mumbai  
April 21, 2011

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

<b>S. No.</b>	<b>Name of the Entity</b>	<b>S. No.</b>	<b>Name of the Entity</b>
1	Aavaran Textiles Private Limited	34	Reliance Welfare Association
2	Anuprabha Commercials Private Limited	35	Sanatan Textrade Private Limited
3	Deccan Finvest Private Limited	36	Saumya Finance And Leasing Company Private Limited
4	Ekansha Enterprise Private Limited	37	Silvassa Hydrocarbons And Investments Private Limited
5	Farm Enterprises Limited	38	Sudarshan Enterprises
6	Futura Commercials Private Limited	39	Synergy Synthetics Private Limited
7	Jagadanand Investments And Trading Company Private Limited	40	Terene Industries Private Limited
8	Jagdishvar Investments And Trading Company Private Limited	41	Vita Investments and Trading Company Private Limited
9	Kankhal Investments And Trading Company Private Limited	42	Abhayapada Enterprises LLP
10	Kardam Commercials Private Limited	43	Adishes Enterprises LLP
11	Kedareshwar Investments And Trading Company Private Limited	44	Ajitesh Enterprises LLP
12	Krish Commercials Private Limited	45	Badri Commercials LLP
13	Kshitij Commercials Private Limited	46	Bhuvanesh Enterprises LLP
14	Madhuban Merchandise Private Limited	47	Chakradev Enterprises LLP
15	Neutron Enterprises Private Limited	48	Chakradhar Commercials LLP
16	Nitya Priya Commercials Private Limited	49	Chakresh Enterprises LLP
17	Pams Investments And Trading Company Private Limited	50	Chhatrabhuj Enterprises LLP
18	Petroleum Trust	51	Devarshi Commercials LLP
19	Priyash Commercials Private Limited	52	Harinarayan Enterprises LLP
20	Reliance Aromatics and Petrochemicals Limited	53	Janardan Commercials LLP
21	Reliance Chemicals Limited	54	Kamalakar Enterprises LLP
22	Reliance Consolidated Enterprises Private Limited	55	Karuna Commercials LLP
23	Reliance Consultancy Services Private Limited	56	Narahari Enterprises LLP
24	Reliance Energy and Project Development Limited	57	Pavana Enterprises LLP
25	Reliance Global Commercial Limited	58	Pitambar Enterprises LLP
26	Reliance Industrial Infrastructure Limited	59	Rishikesh Enterprises LLP
27	Reliance Petroinvestments Limited	60	Samarjit Enterprises LLP
28	Reliance Polyolefins Limited	61	Shripal Enterprises LLP
29	Reliance Ports and Terminals Limited	62	Srichakra Commercials LLP
30	Reliance Universal Commercial Limited	63	Svar Enterprises LLP
31	Reliance Universal Enterprises Limited	64	Taran Enterprises LLP
32	Reliance Utilities and Power Private Limited	65	Tattvam Enterprises LLP
33	Reliance Utilities Private Limited	66	Trilokesh Commercials LLP
		67	Vasuprada Enterprises LLP
		68	Vishatan Enterprises LLP

## **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, 2011, 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 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, 2011;
  - (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 <b>Chaturvedi &amp; Shah</b> Chartered Accountants (Registration No. 101720W)	For <b>Deloitte Haskins &amp; Sells</b> Chartered Accountants (Registration No. 117366W)	For <b>Rajendra &amp; Co.</b> Chartered Accountants (Registration No. 108355W)
---	--	--

<b>D. Chaturvedi</b> Partner Membership No.: 5611	<b>A. Siddharth</b> Partner Membership No.: 31467	<b>A. R. Shah</b> Partner Membership No.: 47166
---	---	---

Mumbai  
April 21, 2011

## 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 two subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year was Rs. 7,196.72 crore and the year-end balance is Rs. 6,997.07 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 deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. 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, 2011 for a period of more than six months from the date of becoming payable. Amounts due and outstanding for



## Annexure to Auditors' Report

Referred to in Paragraph 3 of our report of even date

a period exceeding 6 months as at March 31, 2011 to be credited to Investor Education and Protection Fund of Rs. 7.81 crore, which are held in abeyance due to pending legal cases, have not been considered.

- b) The disputed statutory dues aggregating Rs. 1,201.74 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 (TDS) / Penalties	605.41	Various years from 2007-08 to 2009-10	Commissioner of Income-Tax (Appeals)
2.	Central Excise Act, 1944	Excise Duty and Service Tax	16.91	Various years from 1995-96 to 2010-11	Commissioner of Central Excise (Appeals)
			85.50	Various years from 1991-92 to 2009-10	Central Excise & Service Tax Appellate Tribunal
			34.41	Various years from 1991-92 to 2009-10	Joint/Deputy Commissioner/ Commissioner (Appeals)
3.	Central Sales Tax Act, 1956 and Sales Tax Acts of various states	Sales Tax/ VAT and Entry Tax	29.61	Various years from 1993-94 to 2009-10	Sales Tax Appellate Tribunal
			394.11	Various years from 1997-98 to 2009-10	High Court
			0.90	2007-08	Supreme Court
4.	Customs Act, 1962	Custom Duty	34.89	2005-06 and 2007-08	Central Excise & Service Tax Appellate Tribunal
<b>TOTAL</b>			<b>1201.74</b>		

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** 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 21, 2011

# Reliance Industries Limited

## Balance Sheet as at 31st March, 2011

	Schedule	As at 31st March, 2011	(Rs. in crore) As at 31st March, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	'A'	3,273.37	3,270.37
Reserves and Surplus	'B'	1,48,266.95	1,33,900.24
		<b>1,51,540.32</b>	1,37,170.61
<b>Loan Funds</b>			
Secured Loans	'C'	10,571.21	11,670.50
Unsecured Loans	'D'	56,825.47	50,824.19
		<b>67,396.68</b>	62,494.69
<b>Deferred Tax Liability</b>		<b>11,561.80</b>	10,926.30
<b>TOTAL</b>		<b>2,30,498.80</b>	<b>2,10,591.60</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	'E'	2,21,251.97	2,15,864.71
Less: Depreciation		78,545.50	62,604.82
Net Block		1,42,706.47	1,53,259.89
Capital Work-in-Progress		12,819.56	12,138.82
		<b>1,55,526.03</b>	1,65,398.71
<b>Investments</b>	'F'	<b>37,651.54</b>	23,228.62
<b>Current Assets, Loans and Advances</b>			
<b>Current Assets</b>			
Inventories	'G'	29,825.38	26,981.62
Sundry Debtors		17,441.94	11,660.21
Cash and Bank Balances		27,134.86	13,462.65
Other Current Assets		199.32	91.40
		<b>74,601.50</b>	52,195.88
<b>Loans and Advances</b>	'H'	<b>16,940.33</b>	10,183.22
		<b>91,541.83</b>	62,379.10
<b>Less: Current Liabilities and Provisions</b>			
Current Liabilities	'I'	49,657.12	36,849.40
Provisions		4,563.48	3,565.43
		<b>54,220.60</b>	40,414.83
<b>Net Current Assets</b>		<b>37,321.23</b>	21,964.27
<b>TOTAL</b>		<b>2,30,498.80</b>	<b>2,10,591.60</b>
<b>Significant Accounting Policies</b>	'N'		
<b>Notes on Accounts</b>	'O'		

As per our Report of even date

For **Chaturvedi & Shah**  
Chartered AccountantsFor **Deloitte Haskins & Sells**  
Chartered AccountantsFor **Rajendra & Co.**  
Chartered Accountants**D. Chaturvedi**  
Partner**A. Siddharth**  
Partner**A.R. Shah**  
PartnerMumbai  
April 21, 2011**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****R.H. Ambani****M.L. Bhakta****Y.P. Trivedi****Dr. D.V. Kapur****M.P. Modi****Prof. Ashok Misra****Prof. Dipak C. Jain** } Directors

# Reliance Industries Limited

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

	Schedule	2010-11	(Rs. in crore) 2009-10
<b>INCOME</b>			
Turnover		<b>2,58,651.15</b>	2,00,399.79
Less: Excise Duty / Service Tax Recovered		<b>10,481.15</b>	7,938.77
Net Turnover		<b>2,48,170.00</b>	1,92,461.02
Other Income	<b>‘J’</b>	<b>3,051.71</b>	2,460.32
Variation in Stocks	<b>‘K’</b>	<b>3,243.05</b>	3,947.89
		<b>2,54,464.76</b>	1,98,869.23
<b>EXPENDITURE</b>			
Purchases		<b>1,464.31</b>	2,995.82
Manufacturing and Other Expenses	<b>‘L’</b>	<b>2,11,823.01</b>	1,62,832.23
Interest and Finance Charges	<b>‘M’</b>	<b>2,327.62</b>	1,997.21
Depreciation		<b>16,241.33</b>	13,477.01
Less: Transferred from Revaluation Reserve [Refer Note 4, Schedule ‘O’]		<b>2,633.75</b>	2,980.48
		<b>13,607.58</b>	10,496.53
		<b>2,29,222.52</b>	1,78,321.79
<b>Profit before Tax</b>		<b>25,242.24</b>	20,547.44
Provision for Current Tax		<b>4,320.44</b>	3,111.77
Provision for Deferred Tax		<b>635.50</b>	1,200.00
<b>Profit after Tax</b>		<b>20,286.30</b>	16,235.67
Add: Balance brought forward from Previous Year		<b>4,999.45</b>	5,384.19
<b>Amount Available for Appropriations</b>		<b>25,285.75</b>	21,619.86
<b>APPROPRIATIONS</b>			
General Reserve		<b>16,000.00</b>	14,000.00
Debenture Redemption Reserve		-	189.50
Proposed Dividend on Equity Shares		<b>2,384.99</b>	2,084.67
Tax on Dividend		<b>386.90</b>	346.24
		<b>18,771.89</b>	16,620.41
<b>Balance Carried to Balance Sheet</b>		<b>6,513.86</b>	4,999.45
<b>Basic and Diluted Earnings per Share of face value of Rs. 10 each (in Rupees)</b>		<b>62.00</b>	<b>49.65</b>

[Refer Note 14, 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 21, 2011

**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

**R.H. Ambani**  
**M.L. Bhakta**  
**Y.P. Trivedi** } Directors

**Dr. D.V. Kapur**  
**M.P. Modi**  
**Prof. Ashok Misra**  
**Prof. Dipak C. Jain**

## Reliance Industries Limited

### Cash Flow Statement for the year 2010-11

	2010-11	(Rs. in crore) 2009-10
<b>A: CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit before tax as per Profit and Loss Account</b>	<b>25,242.24</b>	20,547.44
Adjusted for:		
Net Prior Year Adjustments	2.83	1.35
Investment written off (net)	-	18.38
Loss on Sale / Discarding of Fixed Assets (net)	33.66	0.60
Depreciation	16,241.33	13,477.01
Transferred from Revaluation Reserve	(2,633.75)	(2,980.48)
Effect of Exchange Rate Change	(833.37)	(1,837.42)
Profit on Sale of Current Investments (net)	(339.47)	(238.28)
Dividend Income	(2.40)	(2.41)
Interest / Other Income	(2,620.79)	(2,108.41)
Interest and Finance Charges	2,327.62	1,997.21
	<u>12,175.66</u>	<u>8,327.55</u>
<b>Operating Profit before Working Capital Changes</b>	<b>37,417.90</b>	28,874.99
Adjusted for:		
Trade and Other Receivables	(6,948.32)	(7,379.98)
Inventories	(2,843.76)	(12,144.90)
Trade Payables	9,861.53	14,223.40
	<u>69.45</u>	<u>(5,301.48)</u>
<b>Cash Generated from Operations</b>	<b>37,487.35</b>	23,573.51
Net Prior Year Adjustments	(2.83)	(1.35)
Taxes Paid	(4,204.00)	(3,081.94)
<b>Net Cash from Operating Activities</b>	<b>33,280.52</b>	20,490.22
<b>B: CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(12,366.12)	(21,942.67)
Sale of Fixed Assets	241.57	113.19
Deposit Received	9,004.00	-
Purchase of Investments	(2,57,540.89)	(1,98,866.11)
Sale of Investments	2,43,474.45	1,97,660.74
Movement in Loans and Advances	(5,477.46)	2,626.01
Interest Income	2,329.17	2,201.93
Dividend Income	2.40	2.41
<b>Net Cash used in Investing Activities</b>	<b>(20,332.88)</b>	(18,204.50)

## Cash Flow Statement for the year 2010-11 (Contd.)

	2010-11	(Rs. in crore) 2009-10
<b>C: CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Issue of Share Capital	192.57	53.54
Proceeds from Long Term Borrowings	4,920.48	6,530.64
Repayment of Long Term Borrowings	(5,588.64)	(11,598.22)
Short Term Loans	6,411.15	(234.86)
Dividends Paid (including dividend distribution tax)	(2,430.91)	(2,219.45)
Interest Paid	(2,780.08)	(3,531.25)
Net Cash from / (used in) Financing Activities	<u>724.57</u>	<u>(10,999.60)</u>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>13,672.21</b>	<b>(8,713.88)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>13,462.65</b>	<b>22,176.53</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<u><u>27,134.86</u></u>	<u><u>13,462.65</u></u>

### Note :

Share application money given to Subsidiary / Associate aggregating to Rs. 17.00 crore (Previous Year Rs. 196.86 crore) have been converted into investments in Equity / Preference Shares.

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 21, 2011

**V.M. Ambani**  
Company Secretary

For and on behalf of the Board

<b>M.D. Ambani</b>	-	Chairman & Managing Director
<b>N.R. Meswani</b>	}	Executive Directors
<b>H.R. Meswani</b>		
<b>P.M.S. Prasad</b>		
<b>R.H. Ambani</b>	}	Directors
<b>M.L. Bhakta</b>		
<b>Y.P. Trivedi</b>		
<b>Dr. D.V. Kapur</b>		
<b>M.P. Modi</b>		
<b>Prof. Ashok Misra</b>		
<b>Prof. Dipak C. Jain</b>		



## Schedules forming part of the Balance Sheet

### SCHEDULE 'A'

#### SHARE CAPITAL

	As at 31st March, 2011	(Rs. in crore) As at 31st March, 2010
<b>Authorised:</b>		
500,00,00,000 Equity Shares of Rs. 10 each (500,00,00,000)	<b>5,000.00</b>	5,000.00
100,00,00,000 Preference Shares of Rs. 10 each (100,00,00,000)	<b>1,000.00</b>	1,000.00
	<u><b>6,000.00</b></u>	<u>6,000.00</u>
<b>Issued, Subscribed and Paid up:</b>		
327,33,74,008 Equity Shares of Rs. 10 each fully (327,03,74,360) paid up	<b>3,273.37</b>	3,270.37
Less: Calls in arrears - by others [Rs. 3,652.50 (Previous Year Rs. 3,922.50)]	-	-
	<u><b>3,273.37</b></u>	<u>3,270.37</u>
<b>TOTAL</b>	<u><b>3,273.37</b></u>	<u>3,270.37</u>

#### Notes:

- 210,85,63,630  
(210,85,63,630) Shares out of the issued and subscribed share capital were allotted as Bonus Shares by capitalisation of Securities Premium and Reserves.
- 65,25,91,982  
(65,25,91,982) 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.
- 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.
- The Company has reserved issuance of 13,52,79,244 (Previous year 13,82,78,892) 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 granted 35,200 [Previous year NIL] Options to the eligible employees which includes 16,000 options at a price of Rs. 995/- per option and 19,200 options at a price of Rs. 929/- per option 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 29,99,648 (Previous Year 5,30,426) equity shares to the eligible employees of the Company and its Subsidiaries under ESOS.

## Schedules forming part of the Balance Sheet

### SCHEDULE 'B'

#### RESERVES AND SURPLUS

(Rs. in crore)

	As at 31st March, 2011	As at 31st March, 2010
<b>Revaluation Reserve</b>		
As per last Balance Sheet	8,804.27	11,784.75
Less: Transferred to Profit and Loss Account [Refer Note 4, Schedule 'O']	2,633.75	2,980.48
Less: Utilised on Demerger Adjustments [Refer Note 9, Schedule 'O']	<u>703.52</u>	<u>-</u>
	<b>5,467.00</b>	8,804.27
<b>Capital Reserve</b>		
As per last Balance Sheet	291.28	291.28
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	-	887.94
Less: Capitalised on Issue of Bonus Shares	<u>-</u>	<u>887.94</u>
	-	-
<b>Securities Premium Account</b>		
As per last Balance Sheet	50,688.69	51,456.76
Add: Premium on issue of shares	<u>189.57</u>	<u>50.97</u>
	<b>50,878.26</b>	51,507.73
Less: Premium on redemption / buy back of debentures / Bonds	-	80.19
Less: Capitalised on Issue of Bonus Shares	<u>-</u>	<u>738.85</u>
	<b>50,878.26</b>	50,688.69
Less: Calls in arrears - by others	<u>0.02</u>	<u>0.02</u>
	<b>50,878.24</b>	50,688.67
<b>Debenture Redemption Reserve</b>		
As per last Balance Sheet	1,116.57	927.07
Add: Transferred from Profit and Loss Account	<u>-</u>	<u>189.50</u>
	<b>1,116.57</b>	1,116.57
<b>General Reserve*</b>		
As per last Balance Sheet	68,000.00	54,000.00
Add: Transferred from Profit and Loss Account	<u>16,000.00</u>	<u>14,000.00</u>
	<b>84,000.00</b>	68,000.00
<b>Profit and Loss Account</b>	<b>6,513.86</b>	4,999.45
<b>TOTAL</b>	<b><u>1,48,266.95</u></b>	<b><u>1,33,900.24</u></b>

\* 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

	As at 31st March, 2011	As at 31st March, 2010
(Rs. in crore)		
<b>A. DEBENTURES</b>		
Non Convertible Debentures	<b>10,007.82</b>	9,682.82
<b>B. TERM LOANS</b>		
<b>From Banks</b>		
Rupee Loans	-	570.00
<b>C. WORKING CAPITAL LOANS</b>		
<b>From Banks</b>		
Foreign Currency Loans	<b>312.17</b>	1,234.67
Rupee Loans	<b>251.22</b>	183.01
	<b>563.39</b>	1,417.68
<b>TOTAL</b>	<b>10,571.21</b>	11,670.50

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.110.34 crore are secured by way of first mortgage / charge on certain properties situated at village Mouje Dhanot, District Kalol in the State of Gujarat and on fixed assets situated at Hoshiarpur Complex of the Company.
- e) 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.
- f) 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.
- g) 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.
- h) Rs. 500.00 crore are secured by way of first mortgage / charge on the immovable properties situated at Jamnagar Complex (SEZ unit) 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 17th June, 2011 and the last being on 7th May, 2020. The debentures are redeemable as follows: 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, Rs. 503.34 crore in financial year 2018-19 and Rs. 500.00 crore in financial year 2020-21.
3. Working capital loans are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares (not relating to plant and machinery), book debts, outstanding monies, receivables, claims, bills, materials in transit, etc. save and except receivables of Oil and Gas Division.

### SCHEDULE 'D'

#### UNSECURED LOANS

	As at 31st March, 2011	As at 31st March, 2010
(Rs. in crore)		
<b>A. Long Term</b>		
i) From Banks	41,093.06	42,373.97
ii) From Others	3,976.24	3,899.30
	45,069.30	46,273.27
<b>B. Short Term</b>		
From Banks	11,740.95	4,532.61
<b>C. Deferred Sales Tax Liability</b>	15.22	18.31
<b>TOTAL</b>	56,825.47	50,824.19

#### Note:

Short term loan from banks include commercial paper of Rs. NIL (Previous Year Rs. 500.00 crore). Maximum balance outstanding at any time during the year being Rs. 4,825.00 crore (Previous Year Rs. 8,500.00 crore).

## Schedules forming part of the Balance Sheet

### SCHEDULE 'E'

#### FIXED ASSETS

(Rs. in crore)

Description	Gross Block				Depreciation		Net Block	
	As at 01-04-2010	Additions	Deductions/ Adjustments	As at 31-03-2011	For the Year	Upto 31-03-2011	As at 31-03-2011	As at 31-03-2010
<b>OWN ASSETS :</b>								
Leasehold Land	1,556.01	0.66	0.01	<b>1,556.66</b>	53.64	<b>186.67</b>	<b>1,369.99</b>	1,422.98
Freehold Land	1,136.29	30.67	4.93	<b>1,162.03</b>	-	-	<b>1,162.03</b>	1,136.29
Buildings	7,366.66	273.88	47.40	<b>7,593.14</b>	286.83	<b>2,298.12</b>	<b>5,295.02</b>	5,350.63
Plant & Machinery	1,30,478.49	2,195.06	306.16	<b>1,32,367.39</b>	7,762.86	<b>54,965.23</b>	<b>77,402.16</b>	83,027.47
Electrical Installations	3,480.33	35.11	2.91	<b>3,512.53</b>	176.53	<b>1,392.90</b>	<b>2,119.63</b>	2,263.27
Equipments	5,804.77	540.32	58.89	<b>6,286.20</b>	302.86	<b>1,247.01</b>	<b>5,039.19</b>	4,839.79
Furniture & Fixtures	477.32	44.72	3.54	<b>518.50</b>	30.70	<b>303.97</b>	<b>214.53</b>	201.55
Vehicles	277.80	43.48	37.25	<b>284.03</b>	36.54	<b>155.64</b>	<b>128.39</b>	139.52
Ships	385.76	0.10	-	<b>385.86</b>	14.28	<b>239.79</b>	<b>146.07</b>	160.25
Aircrafts & Helicopters	68.42	114.79	114.79	<b>68.42</b>	11.85	<b>28.16</b>	<b>40.26</b>	48.05
<b>Sub-Total</b>	<b>1,51,031.85</b>	<b>3,278.79</b>	<b>575.88</b>	<b>1,53,734.76</b>	<b>8,676.09</b>	<b>60,817.49</b>	<b>92,917.27</b>	<b>98,589.80</b>
<b>LEASED ASSETS :</b>								
Plant & Machinery	317.80	-	-	<b>317.80</b>	39.72	<b>151.30</b>	<b>166.50</b>	206.22
Ships	9.98	-	-	<b>9.98</b>	-	<b>9.98</b>	-	-
<b>Sub-Total</b>	<b>327.78</b>	-	-	<b>327.78</b>	<b>39.72</b>	<b>161.28</b>	<b>166.50</b>	<b>206.22</b>
<b>INTANGIBLE ASSETS**:</b>								
Technical Knowhow fees	3,021.93	188.78	-	<b>3,210.71</b>	153.27	<b>1,565.17</b>	<b>1,645.54</b>	1,610.03
Software	467.31	18.74	-	<b>486.05</b>	42.54	<b>411.53</b>	<b>74.52</b>	98.32
Development Rights <sup>#</sup>	52,374.38	2,084.37	-	<b>54,458.75</b>	7,251.45	<b>14,827.54</b>	<b>39,631.21</b>	44,798.29
Others	8,641.46	392.46	-	<b>9,033.92</b>	78.26	<b>762.49</b>	<b>8,271.43</b>	7,957.23
<b>Sub-Total</b>	<b>64,505.08</b>	<b>2,684.35</b>	-	<b>67,189.43</b>	<b>7,525.52</b>	<b>17,566.73</b>	<b>49,622.70</b>	<b>54,463.87</b>
<b>Total</b>	<b>2,15,864.71</b>	<b>5,963.14</b>	<b>575.88</b>	<b>2,21,251.97</b>	<b>16,241.33*</b>	<b>78,545.50</b>	<b>1,42,706.47</b>	<b>1,53,259.89</b>
Previous Year	1,49,628.70	66,507.61	271.60	<b>2,15,864.71</b>	<b>13,477.01</b>	<b>62,604.82</b>	<b>1,53,259.89</b>	
Capital Work-in-Progress							<b>12,819.56</b>	<b>12,138.82</b>

#### NOTES :

- Leasehold Land includes Rs. 203.19 crore (Previous Year Rs. 203.19 crore) in respect of which lease-deeds are pending execution.
- Buildings include :
  - Cost of shares in Co-operative Housing Societies Rs. 1.00 crore (Previous Year Rs. 1.00 crore).
  - Rs. 4.88 crore (Previous Year Rs. 4.88 crore) in respect of which conveyance is pending.
  - 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.
- Intangible assets - Others include :
  - 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.
  - Rs. 8,386.95 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.
- Capital Work-in-Progress includes :
  - Rs. 1,886.03 crore (Previous Year Rs. 1,453.20 crore) on account of project development expenditure.
  - Rs. 665.84 crore (Previous Year Rs. 810.44 crore) on account of cost of construction materials at site.
  - Rs. 591.30 crore (Previous Year Rs. 453.07 crore) on account of advance against capital expenditure.
- 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.
- Additions and Capital Work-in-Progress include Rs. 121.03 crore (net loss) [Previous Year Rs. 5,313.81 crore (net gain)] on account of exchange difference during the year.

\* Refer Note 4, Schedule 'O'

\*\* Other than internally generated

# Regrouped from Plant &amp; Machinery.



## Schedules forming part of the Balance Sheet

### SCHEDULE 'F'

#### INVESTMENTS

(Rs. in crore)

As at  
31st March, 2011

As at  
31st March, 2010

#### 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

64,29,20,000 (12,04,20,000)	Gujarat Chemicals Port Terminal Company Limited of Re. 1 each	64.29	12.04
62,63,125 (62,63,125)	Indian Vaccines Corporation Limited of Rs.10 each	0.61	0.61
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
19,90,000 (19,90,000)	Reliance Utilities and Power Private Limited Class 'A' shares of Re. 1 each	0.20	0.20
20,50,000 (20,50,000)	Reliance Utilities Private Limited Class 'A' shares of Re. 1 each	0.21	0.21
		<u>79.24</u>	<u>26.99</u>

##### 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
		<u>2,000.00</u>	<u>2,000.00</u>

2,079.24

2,026.99

##### 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
		<u>16.30</u>	<u>16.30</u>

##### In Equity Shares - Unquoted, fully paid up

22,500 (22,500)	Reliance LNG Limited of Rs. 10 each	0.02	0.02
		<u>0.02</u>	<u>0.02</u>

16.32

16.32

##### In Equity Shares of Subsidiary Companies - Unquoted, fully paid up

51,96,90,000 ( - )	Infotel Broadband Services Limited of Rs. 10 each	519.69	-
1,76,200 (1,76,200)	Reliance Exploration & Production DMCC of AED 1000 each	210.84	210.84
33,65,75,000 ( - )	Reliance Exploration & Production Mauritius Limited of USD 1 each	1,554.38	-
2,00,000 (2,00,000)	Reliance Global Business B.V. of Euro 0.01 each	0.01	0.01
- (250,000)	Reliance Global Management Services Limited of Rs. 10 each	-	0.25

## Schedules forming part of the Balance Sheet

### SCHEDULE 'F' (Contd.)

		As at 31st March, 2011	(Rs. in crore) As at 31st March, 2010
14,75,04,400 (14,75,04,400)	Reliance Industrial Investments and Holdings Limited of Rs.10 each	<b>147.50</b>	147.50
42,450 (42,450)	Reliance Industries (Middle East) DMCC of AED 1000 each	<b>46.19</b>	46.19
10,00,00,000 (10,00,00,000)	Reliance Jamnagar Infrastructure Limited of Rs. 10 each	<b>100.00</b>	100.00
50,000 (-)	Reliance Oil & Gas Mauritius Limited of USD 1 each	<b>0.23</b>	-
339,00,00,000 (339,00,00,000)	Reliance Retail Limited of Rs. 10 each	<b>3,390.00</b>	3,390.00
20,20,200 (20,20,200)	Reliance Strategic Investments Limited of Rs. 10 each	<b>2.02</b>	2.02
26,91,150 (26,91,150)	Reliance Ventures Limited of Rs. 10 each	<b>2,351.05</b>	2,351.05
55,00,001 (50,00,001)	RIL (Australia) Pty Limited of Aus \$ 1 each	<b>19.74</b>	17.46
		<b>8,341.65</b>	<b>6,265.32</b>
<b>In Equity Shares of Subsidiary Companies - Unquoted, partly paid up</b>			
427,80,00,000 (-)	Infotel Broadband Services Limited of Rs. 10 each (Rs. 8.50 each paid up)	<b>3,636.30</b>	-
610,00,00,000 (610,00,00,000)	Reliance Retail Limited of Rs. 10 each (Rs. 3 each paid up)	<b>1,830.00</b>	1,830.00
		<b>5,466.30</b>	<b>1,830.00</b>
<b>In Preference Shares of Subsidiary Companies - Unquoted, fully paid up</b>			
20,62,316 (17,00,316)	5% Non-Cumulative Compulsorily Convertible Preference Shares of Reliance Exploration & Production DMCC of AED 1000 each	<b>2,562.89</b>	2,123.23
1,46,500 (-)	5% Non-Cumulative Compulsorily Convertible Preference Shares of Reliance Exploration & Production Mauritius Limited of USD 1000 each	<b>653.32</b>	-
660,77,27,511 (499,57,55,311)	Reliance Global Business B.V. 'A' Class Shares of Euro 0.01 each	<b>425.80</b>	324.40
3,54,156 (3,37,824)	5% Non-Cumulative Compulsorily Convertible Preference Shares of Reliance Industries (Middle East) DMCC of AED 1000 each	<b>474.15</b>	454.36
18,50,000 (18,50,000)	10% Non-Cumulative Optionally Convertible Preference Shares of Reliance Jamnagar Infrastructure Limited of Rs. 10 each	<b>925.00</b>	925.00
62,000 (62,000)	Reliance Netherlands B.V. Class 'A' Shares of Euro 1 each	<b>0.38</b>	0.38
1,37,622 (-)	5% Non-Cumulative Compulsorily Convertible Preference Shares of Reliance Oil & Gas Mauritius Limited of USD 1000 each	<b>613.73</b>	-
4,02,800 (4,02,800)	9% Non-Cumulative Compulsorily Convertible Preference Shares of Reliance Strategic Investments Limited of Re. 1 each	<b>112.78</b>	112.78
		<b>5,768.05</b>	<b>3,940.15</b>

## Schedules forming part of the Balance Sheet

### SCCHEDULE 'F' (Contd.)

		As at 31st March, 2011	(Rs. in crore) As at 31st March, 2010
<b>In Preference Shares of Subsidiary Company - Unquoted, partly paid up</b>			
1,37,000	Reliance Netherlands B.V. Class 'A' Shares of	0.50	0.45
(1,37,000)	Euro 1 each [Euro 0.60 each paid up (Euro 0.54 each paid up)]		
		<u>0.50</u>	<u>0.45</u>
<b>In Debentures of Subsidiary Companies - Unquoted, fully paid up</b>			
2,79,90,000	0% Unsecured Convertible Debentures of	279.90	279.90
(2,79,90,000)	Reliance Industrial Investments and Holdings Limited of Rs 100 each		
8,83,143	0% Unsecured Convertible Debentures	441.58	441.58
(8,83,143)	of Reliance Industrial Investments and Holdings Limited of Rs 5,000 each		
		<u>721.48</u>	<u>721.48</u>
<b>In Others</b>			
	- Pass Through Certificates (PTC) issued by	-	0.33
(88)	Indian Residential MBS Trust		
		<u>-</u>	<u>0.33</u>
<b>In Units of Fixed Maturity Plan - Quoted, fully paid up (Face Value of Rs. 10 each)</b>			
6,00,00,000	Axis Fixed Term Plan	60.00	-
(-)	Series 13 - Growth		
1,50,00,000	Baroda Pioneer Series 1 - Growth Plan	15.00	-
(-)			
19,00,00,000	Birla Sun Life Fixed Term Plan	190.00	-
(-)	Series CM - Growth		
31,50,00,000	Birla Sun Life Fixed Term Plan	315.00	-
(-)	Series CO Growth		
12,00,00,000	Birla Sun Life Fixed Term Plan	120.00	-
(-)	Series CP Growth		
5,00,00,000	Birla Sun Life Fixed Term Plan	50.00	-
(-)	Series CQ Growth		
13,50,00,000	Birla Sun Life Fixed Term Plan	135.00	-
(-)	Series CR Growth		
5,00,00,000	Birla Sun Life Fixed Term Plan	50.00	-
(-)	Series CS Growth		
24,00,00,000	Birla Sun Life Fixed Term Plan	240.00	-
(-)	Series CT Growth		
10,50,00,000	Birla Sun Life Fixed Term Plan	105.00	-
(-)	Series CU Growth		
3,00,00,000	Birla Sun Life Fixed Term Plan	30.00	-
(-)	Series CV Growth		
14,50,00,000	Birla Sun Life Fixed Term Plan	145.00	-
(-)	Series CW Growth		

## Schedules forming part of the Balance Sheet

### SCHEDULE 'F' (Contd.)

	As at 31st March, 2011	(Rs. in crore) As at 31st March, 2010
5,00,00,000 Canara Robeco Series 6-13 Months (-) (Plan A) - Growth	50.00	-
6,00,00,000 Canara Robeco Series 6 - 13 Months (-) (Plan B) - Growth	60.00	-
30,00,00,000 DSP Blackrock Series 13 - Growth (-)	300.00	-
15,00,00,000 DSP Blackrock - 12 M Series 14 - Growth (-)	150.00	-
10,00,00,000 DSP Blackrock - 12 M Series 15 - Growth (-)	100.00	-
6,00,00,000 DSP Blackrock Series 16 - Growth (-)	60.00	-
14,00,00,000 DSP Blackrock - 12 M Series 17 - Growth (-)	140.00	-
15,00,00,000 DSP Blackrock - 12 M Series 18 - Growth (-)	150.00	-
3,50,00,000 Fidelity Series 5 - Plan F - Growth (-)	35.00	-
3,00,00,000 HDFC 370 D (1) - Growth (-) Series XVI	30.00	-
4,80,00,000 HDFC 370 D (2) - Growth (-) Series XVI	48.00	-
6,00,00,000 HDFC 370 D (3) Growth (-) Series XVI	60.00	-
7,50,00,000 HDFC 370 D (4) - Growth (-) Series XVI	75.00	-
10,00,00,000 HDFC 370 D (5) - Growth (-) Series - XVI	100.00	-
10,00,00,000 HSBC Fixed Term Series 79 (-) Growth UCC	100.00	-
13,50,00,000 ICICI Prudential Series 51 - 1 Year (-) Plan F Cumulative	135.00	-
3,00,00,000 ICICI Prudential Series 54 - 1 Year (-) Plan A Cumulative	30.00	-
25,00,00,000 ICICI Prudential Series 55 - 1 Year (-) Plan A Cumulative	250.00	-
22,50,00,000 ICICI Prudential Series 55-1 Year (-) Plan B Cumulative	225.00	-
9,00,00,000 ICICI Prudential Series 55 - 1 Year (-) Plan - C Cumulative	90.00	-
7,00,00,000 ICICI Prudential Series 55 - 1 Year (-) Plan D Cumulative	70.00	-
5,00,00,000 ICICI Prudential Series 55 - 1 Year (-) Plan E Cumulative	50.00	-

**SCHEDULE 'F' (Contd.)**

		(Rs. in crore)	
		As at 31st March, 2011	As at 31st March, 2010
20,00,00,000	ICICI Prudential Series 56 - 1 Year	200.00	-
(-)	Plan A Cumulative		
16,50,00,000	ICICI Prudential Series 56 - 1 Year	165.00	-
(-)	Plan B Cumulative		
8,00,00,000	ICICI Prudential Series 56 - 1 Year	80.00	-
(-)	Plan D Cumulative		
2,50,00,000	IDBI - 367 days Series - 1	25.00	-
(-)	A Growth		
2,50,00,000	IDBI Series - 1 - C - Growth	25.00	-
(-)			
2,50,00,000	IDBI 367 D Series - 1 - D Growth	25.00	-
(-)			
15,00,00,000	IDFC Yearly Series 37 - Growth	150.00	-
(-)			
5,00,00,000	IDFC Fixed Maturity Yearly Series 38 Growth	50.00	-
(-)			
7,50,00,000	IDFC Fixed Maturity Yearly	75.00	-
(-)	Series 40 Growth		
5,50,00,000	IDFC Yearly Series 41 - Growth	55.00	-
(-)			
14,00,00,000	IDFC - Yearly Series 42 - Growth	140.00	-
(-)			
3,00,00,000	JPMorgan India 367 D	30.00	-
(-)	Series 1-Growth Plan		
15,00,00,000	JPMorgan India 400 D Series - 1 Growth	150.00	-
(-)			
20,00,00,000	SBI Debt Fund Series 370 days - 10 Growth	200.00	-
(-)			
25,00,00,000	SBI Debt Fund	250.00	-
(-)	Series 370 days - 11 - Growth		
15,00,00,000	SBI Debt Fund	150.00	-
(-)	Series - 370 days - 12 - Growth		
12,50,00,000	SBI Debt Fund Series 9 - Growth	125.00	-
(-)			
2,50,00,000	Sundaram Fixed Term Plan	25.00	-
(-)	BA 366 days Growth		
4,00,00,000	Tata Series 31 Scheme B - Growth	40.00	-
(-)			
2,40,00,000	Tata Series 31 Scheme C - Growth	24.00	-
(-)			
15,00,00,000	UTI Fixed Term Income Fund	150.00	-
(-)	Series IX - 1 Growth Plan		
		5,897.00	-
		26,194.98	12,757.73
<b>Total (A)</b>		<b>28,290.56</b>	<b>14,801.06</b>



## SCHEDULE 'F' (Contd.)

	As at 31st March, 2011	(Rs. in crore) As at 31st March, 2010
<b>B. CURRENT INVESTMENTS</b>		
<b>Other Investments</b>		
<b>In Government Securities - Quoted</b>		
7.59% GOI 2016	4.92	5.04
	<u>4.92</u>	<u>5.04</u>
<b>In Certificate of Deposit with Scheduled Banks -Quoted</b>		
	4,632.27	3,973.27
<b>In Public Sector Undertakings / Public Financial Institutions &amp; Corporate Bonds - Quoted</b>		
1,000 CitiFinancial Consumer Finance India Limited (-)	98.31	-
2,250 EXIM Bank of India (1,250)	219.48	125.00
15,187 Housing Development Finance (7,537) Corporation Limited	1,531.17	774.43
5,000 Infrastructure Development (3,600) Finance Company Limited	483.32	346.52
1,450 Indian Railway Finance Corporation Limited (2,050)	138.49	206.16
12,500 LIC Housing Finance Limited (8,500)	1,217.86	850.03
- National Housing Bank (1,250)	-	124.48
5,500 Power Finance Corporation Limited (3,400)	551.45	348.11
920 Power Grid Corporation of India Limited (-)	112.34	-
1,350 Rural Electrification Corporation Limited (8,950)	131.43	895.45
1,500 Steel Authority of India Limited (-)	146.45	-
	<u>4,630.30</u>	<u>3,670.18</u>
<b>In Commercial Paper - Quoted</b>		
Housing Development Finance Corporation Limited	93.49	-
	<u>93.49</u>	<u>-</u>
	<u>9,360.98</u>	<u>7,648.49</u>

**SCHEDULE 'F' (Contd.)**

	(Rs. in crore)	
	As at 31st March, 2011	As at 31st March, 2010
<b>In Units - Unquoted</b>		
(4,95,83,326) - HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth of Rs. 10 each	-	100.07
(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
(1,75,66,322) - ICICI Prudential Institutional Liquid Plan - Super Institutional Growth of Rs. 100 each	-	239.00
(6,61,43,253) - LIC Mutual Fund Floating Rate Fund - Short Term Plan - Growth Plan of Rs. 10 each	-	100.00
	-	779.07
<b>Total (B)</b>	<b>9,360.98</b>	8,427.56
<b>Total (A+B)</b>	<b>37,651.54</b>	23,228.62

	(Rs. in crore)			
	As at 31st March, 2011		As at 31st March, 2010	
<b>AGGREGATE VALUE OF</b>	<b>Book Value</b>	<b>Market Value</b>	Book Value	Market Value
Quoted Investments	15,274.28	15,839.31	7,664.79	8,248.22
Unquoted Investments	22,377.26	-	15,563.83	-

## 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)
<b>Mutual Fund Units</b>			
Axis Liquid Fund - Institutional Growth	1,000	184.15	1,950.06
Axis Treasury Advantage Fund - Institutional Growth	1,000	29.14	300.09
Birla Sunlife Cash Plus - Institutional Prem. - Growth	10	82,173.79	12,594.00
Birla Sun Life Savings Fund - Institutional Growth	10	1,131.84	200.03
Baroda Pioneer Liquid Fund - Institutional Growth Plan	1,000	13.44	150.00
Canara Robeco Liquid Super - Institutional Growth Fund	10	5,766.29	680.00
DSP BlackRock Floating Rate Fund - Institutional Plan - Growth	1,000	13.06	175.03
DSP BlackRock Liquidity Fund - Institutional Plan - Growth	1,000	291.12	4,017.01
DWS Insta Cash Plus Fund - Super Institutional Plan Growth	10	33,021.46	4,958.50
HDFC Liquid Fund - Premium Plan - Growth	10	214,963.18	40,585.00
HDFC Cash Management Fund -Treasury Advantage Plan - Wholesale - Growth	10	65,130.57	13,251.93
HDFC High Interest Fund -Short Term Plan - Growth	10	1,074.79	200.00
ICICI Prudential Flexible Income Plan Premium - Growth	100	7,184.28	12,403.62
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	100	35,895.84	50,059.28
ICICI Prudential Ultra Short Term Plan Super Premium Growth	10	1,924.28	200.02
IDBI Liquid Fund - Growth	10	2,903.14	425.04
IDFC Cash Fund - Super Institutional Plan C - Growth	10	38,621.91	4,535.00
IDFC Money Manager Fund - Treasury Plan - Super Inst Plan C - Growth	10	906.25	100.01
JPMorgan India Liquid Fund - Super Institutional - Growth Plan	10	29,623.73	3,667.00
JPMorgan India Treasury Fund - Super Institutional - Growth Plan	10	411.49	50.00
LIC Mutual Fund Liquid Fund - Growth Plan	10	45,072.23	7,783.28
LIC Mutual Fund Floating Rate Fund - Short Term Plan - Growth Plan	10	10,245.74	1,566.84
SBI - Magnum Insta Cash Fund - Cash Option	10	31,820.36	6,669.40
SBI Premier Liquid Fund - Institutional - Growth	10	7,494.13	1,125.00
SBI Premier Liquid Fund - Super Institutional - Growth	10	52,420.87	7,949.00
SBI - SHF - Ultra Short Term Fund - Institutional Plan - Growth	10	7,759.72	940.10
Tata Floater Fund - Growth	10	726.47	100.02
Tata Liquid Super High Investment Fund - Appreciation	1,000	248.70	4,428.34
Templeton India Treasury Management Account Super Institutional Plan - Growth	1,000	551.62	7,895.00
UTI Liquid Cash Plan Institutional - Growth Option	1,000	270.10	4,238.01
UTI Treasury Advantage Fund - Institutional Plan - Growth Option	1,000	57.96	722.11
UTI Money Market Mutual Fund - Institutional Growth Plan	1,000	733.60	7,929.00
UTI - Floating Rate Fund - Short Term Plan - Institutional Growth Option	1,000	48.05	500.06
	<b>Face Value (Rs.)</b>	<b>Nos. (in lakhs)</b>	<b>Cost (Rs. in crore)</b>
<b>Government Securities</b>			
7.27% GOI 2013	100	275	280.79
7.32% GOI 2014	100	280	282.56
7.17% GOI 2015	100	2,220	2,176.28
7.38% GOI 2015	100	220	217.06
7.02% GOI 2016	100	420	408.53
7.99% GOI 2017	100	1,560	1,562.76
7.80% GOI 2020	100	3,685	3,704.31
8.08% GOI 2022	100	400	400.56
8.13% GOI 2022	100	950	954.58

## Schedules forming part of the Balance Sheet

### SCCHEDULE 'F' (Contd.)

#### Investments purchased and sold during the year

	Face Value (Rs.)	Nos.	Cost (Rs. in crore)
<b>Corporate Bonds</b>			
5.90% EXIM Bank of India 2013	1000000	2500	250.00
6.23% Housing Development Finance Corporation Limited 2011	1000000	2000	199.24
6.84% Housing Development Finance Corporation Limited 2011	1000000	250	24.85
0.00% Housing Development Finance Corporation Limited 2012	1000000	750	76.40
0.00% Housing Development Finance Corporation Limited 2012	1000000	750	75.92
9.50% Housing Development Finance Corporation Limited 2012	1000000	1000	99.49
9.80% Housing Development Finance Corporation Limited 2012	1000000	250	24.99
7.95% Housing Development Finance Corporation Limited 2014	1000000	250	25.00
9.20% Housing Development Finance Corporation Limited 2016	1000000	50	5.16
9.90% Housing Development Finance Corporation Limited 2018	1000000	50	5.33
8.45% Indian Railway Finance Corporation Limited 2018	1000000	250	24.77
8.60% Indian Railway Finance Corporation Limited 2019	1000000	500	50.09
0.00% Infrastructure Development Finance Company Limited 2011	1000000	450	42.00
0.00% Infrastructure Development Finance Company Limited 2011	1000000	1150	110.57
8.35% Infrastructure Development Finance Company Limited 2011	1000000	1300	129.33
8.88% Infrastructure Development Finance Company Limited 2011	1000000	300	30.28
0.00% National Bank for Agricultural and Rural Development 2019	1000000	200	10.33
6.21% National Housing Bank 2013	1000000	1250	124.71
0.00% National Housing Bank 2019	1000000	250	12.65
8.40% ONGC Videsh Limited 2014	1000000	1450	145.80
8.70% Power Finance Corporation Limited 2015	1000000	2950	300.20
8.95% Power Finance Corporation Limited 2015	1000000	100	10.10
8.70% Power Finance Corporation Limited 2020	1000000	2750	273.84
8.90% Power Finance Corporation Limited 2020	1000000	50	5.01
8.95% Power Finance Corporation Limited 2020	1000000	750	75.39
8.84% Power Grid Corporation of India Limited 2016	1250000	280	35.44
8.64% Power Grid Corporation of India Limited 2017	1250000	220	27.57
8.80% Power Grid Corporation of India Limited 2017	1250000	120	15.06
8.84% Power Grid Corporation of India Limited 2017	1250000	80	10.09
8.64% Power Grid Corporation of India Limited 2018	1250000	220	27.58
8.84% Power Grid Corporation of India Limited 2018	1250000	80	10.07
8.64% Power Grid Corporation of India Limited 2019	1250000	220	27.59
8.64% Power Grid Corporation of India Limited 2020	1250000	220	27.59
8.64% Power Grid Corporation of India Limited 2021	1250000	140	17.50
8.64% Power Grid Corporation of India Limited 2022	1250000	140	17.50
8.64% Power Grid Corporation of India Limited 2023	1250000	140	17.50
8.64% Power Grid Corporation of India Limited 2024	1250000	140	17.50
8.64% Power Grid Corporation of India Limited 2025	1250000	140	17.50
11.75% Rural Electrification Corporation Limited 2011	1000000	250	25.27
7.90% Rural Electrification Corporation Limited 2012	1000000	200	20.41
7.60% Rural Electrification Corporation Limited 2013	1000000	750	75.45
8.80% Rural Electrification Corporation Limited 2019	1000000	350	34.97
8.80% Rural Electrification Corporation Limited 2020	1000000	500	50.00
9.50% State Bank of India 2025	1000000	105	10.50
8.72% Steel Authority of India Limited 2020	1000000	1450	145.00
8.75% Steel Authority of India Limited 2020	1000000	50	5.00

## Schedules forming part of the Balance Sheet

### SCHEDULE 'G'

CURRENT ASSETS	(Rs. in crore)	
	As at 31st March, 2011	As at 31st March, 2010
<b>INVENTORIES</b>		
Stores, Chemicals and Packing Materials	2,848.92	2,801.31
Raw Materials	14,576.50	15,023.40
Stock-in-Process	4,909.10	2,878.85
Finished Goods / Traded Goods	7,490.86	6,278.06
	<b>29,825.38</b>	26,981.62
<b>SUNDRY DEBTORS (Unsecured and Considered Good)</b>		
Over six months	14.36	12.91
Others #	17,427.58	11,647.30
	<b>17,441.94</b>	11,660.21
<b>CASH AND BANK BALANCES</b>		
Cash on hand	14.36	11.84
<b>Balance with Banks</b>		
In Current Accounts :		
with Scheduled Banks	586.68	349.16
with Others*	3.53	1.36
In Fixed Deposit Accounts :		
with Scheduled Banks	26,530.29	13,100.29
	<b>27,134.86</b>	13,462.65
<b>OTHER CURRENT ASSETS</b>		
Interest Accrued on Investments	199.32	91.40
<b>TOTAL</b>	<b>74,601.50</b>	<b>52,195.88</b>

# Includes Rs. 3,423.35 crore (Previous Year Rs. 2,978.18 crore) receivable from Subsidiaries.

\* Includes balances with non scheduled banks as follows:

	(Rs. in crore)			
	As at 31st March, 2011	As at 31st March, 2010	Maximum Balance at any time during the year	
			2010-11	2009-10
Bank of China	0.07	-	0.09	0.07
Citi, China, Guangzhou	-	0.05	0.05	0.07
Citi, London	-	0.05	0.05	0.64
Hongkong and Shanghai Banking Corporation, New York	2.98	0.76	14.76	3.59
Hongkong and Shanghai Banking Corporation, Turkey	0.07	0.05	0.24	0.20
Hongkong and Shanghai Banking Corporation, Vietnam	0.04	0.03	0.16	0.09
Royal Bank of Scotland, Jakarta	0.24	0.27	0.53	0.27
Royal Bank of Scotland, Jebel Ali	0.05	0.04	0.40	0.22
Royal Bank of Scotland, Shanghai	-	-	0.09	0.35
Stadtsparkasse Koln, Frankfurt	0.08	0.11	0.31	0.19



## Schedules forming part of the Balance Sheet

### SCHEDULE 'H'

	As at 31st March, 2011	(Rs. in crore) As at 31st March, 2010
<b>LOANS AND ADVANCES</b>		
<b>UNSECURED - (Considered Good Unless Otherwise Stated)</b>		
Loans to subsidiary companies	7,088.73	2,936.02
Advance Income Tax (Net of Provision)	1,228.56	1,267.49
Advances recoverable in cash or in kind or for value to be received*	5,376.88	2,576.21
Less: Considered Doubtful	<u>69.88</u>	<u>69.88</u>
	5,307.00	2,506.33
Deposits*	2,092.74	2,240.53
Balance with Customs, Central Excise Authorities, etc.	<u>1,223.30</u>	<u>1,232.85</u>
<b>TOTAL</b>	<b><u>16,940.33</u></b>	<b><u>10,183.22</u></b>

\* Advances recoverable includes Rs. 2,389.49 crore (Previous Year Rs. 602.32 crore) and Deposits include Rs. 299.00 crore (Previous Year Rs. 351.97 crore) recoverable from Subsidiaries.

### SCHEDULE 'I'

	As at 31st March, 2011	(Rs. in crore) As at 31st March, 2010
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors - Micro, Small and Medium Enterprises @	8.17	8.25
- Others * ^	48,837.95	36,047.35
Liability for Leased Assets *	206.49	223.03
Unpaid Dividend #	110.87	98.61
Unpaid Matured debentures #	1.38	1.39
Interest accrued on above #	0.08	0.19
Unpaid Share Application Money #	1.36	1.36
Interest accrued but not due on Loans	<u>490.82</u>	<u>469.22</u>
	49,657.12	36,849.40
<b>PROVISIONS</b>		
Provision for Wealth Tax	64.08	50.88
Provision for Leave encashment/ Superannuation / Gratuity	245.55	329.21
Other Provisions \$	1,481.96	754.43
Proposed Dividend	2,384.99	2,084.67
Tax on Dividend	<u>386.90</u>	<u>346.24</u>
	4,563.48	3,565.43
<b>TOTAL</b>	<b><u>54,220.60</u></b>	<b><u>40,414.83</u></b>

## Schedules forming part of the Balance Sheet

### SCHEDULE 'I' (Contd.)

@ 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:

Sr. No.	Particulars	(Rs. in crore)	
		As at 31st March, 2011	As at 31st March, 2010
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. 339.01 crore (Previous Year Rs. 170.08 crore) payable to Subsidiaries and Rs. 2,983.89 crore (Previous Year Rs. 8,817.49 crore) for capital expenditure.

^ Includes advance application money received against Employees Stock Options Scheme (ESOS) pending allotment Rs. 8.53 crore (Previous Year Rs. NIL).

# These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except Rs. 7.81 crore (Previous Year Rs 7.02 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, 2010 of Rs. 323.88 crore as per the estimated pattern of despatches. During the year, Rs. 323.88 crore was utilised for clearance of goods. Provision recognised under this class for the year is Rs. 345.28 crore which is outstanding as on 31st March, 2011. Actual outflow is expected in the next financial year. The Company had recognised customs duty liability on goods imported under advance license of Rs. 429.55 crore as at 31st March, 2010. During the year, further provision of Rs. 3,148.54 crore was made and sum of Rs. 2,443.09 crore was reversed on fulfillment of export obligation. Closing balance on this account as at 31st March, 2011 is Rs. 1,135.00 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)	
	2010-11	2009-10
<b>OTHER INCOME</b>		
Dividend:		
From Long Term Investments	2.40	2.41
Interest:		
From Current Investments	481.91	169.92
From Others	2,138.88	1,938.26
[Tax Deducted at Source Rs. 215.35 crore (Previous Year Rs. 222.14 crore)]	2,620.79	2,108.18
Premium on Investments in Preference Shares	-	0.23
Profit on Sale of Current Investments (net)*	339.47	238.28
Profit on Sale of Fixed Assets	24.26	28.68
Miscellaneous Income	64.79	82.54
<b>TOTAL</b>	<b>3,051.71</b>	<b>2,460.32</b>

\* Net of diminution in value of investments Rs. 90.48 crore (Previous Year Rs. 0.15 crore).

## Schedules forming part of the Profit and Loss Account

### SCHEDULE 'K'

	(Rs. in crore)	
	2010-11	2009-10
<b>VARIATION IN STOCKS</b>		
<b>STOCK-IN-TRADE (at close)</b>		
Finished Goods / Traded Goods	7,490.86	6,278.06
Stock-in-Process	4,909.10	2,878.85
	<u>12,399.96</u>	<u>9,156.91</u>
<b>STOCK-IN-TRADE (at commencement)</b>		
Finished Goods / Traded Goods	6,278.06	3,015.13
Stock-in-Process	2,878.85	2,193.89
	<u>9,156.91</u>	<u>5,209.02</u>
<b>TOTAL</b>	<u><u>3,243.05</u></u>	<u><u>3,947.89</u></u>

### SCHEDULE 'L'

	(Rs. in crore)	
	2010-11	2009-10
<b>MANUFACTURING AND OTHER EXPENSES</b>		
<b>RAW MATERIAL CONSUMED</b>	1,93,233.88	1,47,919.21
<b>MANUFACTURING EXPENSES</b>		
Stores, Chemicals and Packing Materials	3,378.02	2,773.98
Electric Power, Fuel and Water	2,255.07	2,706.71
Machinery Repairs	631.72	378.74
Building Repairs	29.17	25.22
Labour, Processing, Production Royalty and Machinery Hire Charges	2,283.72	1,774.93
Excise Duty #	33.94	369.15
Lease Rent	0.68	2.74
Exchange Differences (Net)	(367.40)	(676.42)
	<u>8,244.92</u>	<u>7,355.05</u>
<b>PAYMENTS TO AND PROVISIONS</b>		
<b>FOR EMPLOYEES (including Managerial Remuneration)</b>		
Salaries, Wages and Bonus	2,179.21	1,978.15
Contribution to Provident Fund, Gratuity Fund, Superannuation Fund, Employee's State Insurance Scheme, Pension Scheme, Labour Welfare Fund etc.	243.31	148.01
Employee Welfare and other amenities	201.65	224.22
	<u>2,624.17</u>	<u>2,350.38</u>

## Schedules forming part of the Profit and Loss Account

### SCHEDULE 'L' (Contd.)

		(Rs. in crore)
	2010-11	2009-10
<b>SALES AND DISTRIBUTION EXPENSES</b>		
Samples, Sales Promotion and Advertisement Expenses	118.02	50.49
Brokerage, Discount and Commission	283.71	228.02
Warehousing and Distribution Expenses	4,195.35	3,280.49
Sales Tax / VAT / Service Tax	756.02	564.77
	<u>5,353.10</u>	<u>4,123.77</u>
<b>ESTABLISHMENT EXPENSES</b>		
Insurance	528.57	486.58
Rent	102.79	105.15
Rates & Taxes	54.27	40.39
Other Repairs	243.16	256.22
Travelling Expenses	74.13	59.72
Payment to Auditors	14.12	12.82
Professional Fees	665.53	524.82
Loss on Sale / Discarding of Fixed Assets	57.92	29.28
General Expenses	500.52	651.81
Investments Written Off	-	108.38
Less: Provision Written Back	-	(90.00)
Wealth Tax	13.20	13.20
Charity and Donations	142.99	103.37
	<u>2,397.20</u>	<u>2,301.74</u>
	<u>2,11,853.27</u>	<u>1,64,050.15</u>
Less : Transferred to Projects Development Expenditure (Net)	30.26	1,217.92
<b>TOTAL</b>	<u><u>2,11,823.01</u></u>	<u><u>1,62,832.23</u></u>

# 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.

### SCHEDULE 'M'

		(Rs. in crore)
	2010-11	2009-10
<b>INTEREST AND FINANCE CHARGES</b>		
Debentures	1,082.27	946.36
Fixed Loans	541.46	543.38
Finance charges on Leased Assets	19.53	21.53
Others	684.36	485.94
<b>TOTAL</b>	<u><u>2,327.62</u></u>	<u><u>1,997.21</u></u>

## 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 recoverable taxes 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 net of recoverable taxes less accumulated amortisation / depletion. 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 intangible assets are capitalised.

##### 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; premium on leasehold land is amortised over

**SCHEDULE 'N' (Contd.)**

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; on intangible assets - development rights, depletion 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 of India's share in the reserves) considering the estimated future expenditure on developing the reserves as per technical evaluation; 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 including manufacturing overheads 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.

**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 / Service Tax and Sales Tax / Value Added Tax**

Excise duty / Service tax is accounted on the basis of both, payments made in respect of goods cleared / services provided 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 and gains / losses on settlement 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 recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**Notes on Accounts****SCHEDULE 'O'**

- 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.
- 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 :

	<b>2010-11</b>	2009-10
Employer's Contribution to Provident Fund	<b>63.89</b>	53.06
Employer's Contribution to Superannuation Fund	<b>12.98</b>	11.70
Employer's Contribution to Pension Scheme	<b>14.80</b>	15.00

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)

	<b>Gratuity (Funded)</b>		<b>Leave Encashment (Unfunded)</b>	
	<b>2010-11</b>	2009-10	<b>2010-11</b>	2009-10
Defined Benefit obligation at beginning of year	<b>300.56</b>	246.98	<b>297.41</b>	476.77
Current Service Cost	<b>36.04</b>	22.15	<b>16.14</b>	5.27
Interest Cost	<b>24.08</b>	17.97	<b>16.57</b>	28.13
Actuarial (gain) / loss	<b>39.64</b>	28.19	<b>41.56</b>	(9.35)
Benefits paid	<b>(17.34)</b>	(14.73)	<b>(193.01)</b>	(203.41)
Defined Benefit obligation at year end	<b>382.98</b>	300.56	<b>178.67</b>	297.41

**SCHEDULE 'O' (Contd.)**
**II) Reconciliation of opening and closing balances of fair value of Plan Assets**

	(Rs. in crore)	
	<b>Gratuity (Funded)</b>	
	<b>2010-11</b>	2009-10
Fair value of Plan assets at beginning of year	<b>268.88</b>	256.14
Expected return on plan assets	<b>23.52</b>	18.77
Actuarial gain / (loss)	<b>2.18</b>	5.72
Employer contribution	<b>49.89</b>	2.98
Benefits paid	<b>(17.34)</b>	(14.73)
Fair value of Plan assets at year end	<b>327.13</b>	268.88
Actual return on plan assets	<b>25.70</b>	24.49

**III) Reconciliation of fair value of assets and obligations**

	(Rs. in crore)			
	<b>Gratuity (Funded)</b>		<b>Leave Encashment (Unfunded)</b>	
	<b>As at 31st March</b>		<b>As at 31st March</b>	
	<b>2011</b>	2010	<b>2011</b>	2010
Fair value of Plan assets	<b>327.13</b>	268.88	-	-
Present value of obligation	<b>382.98</b>	300.56	<b>178.67</b>	297.41
Amount recognised in Balance Sheet	<b>55.85</b>	31.68	<b>178.67</b>	297.41

**IV) Expenses recognised during the year** (Under the head "Payments to and Provisions for Employees"- Refer Schedule 'L')

	(Rs. in crore)			
	<b>Gratuity (Funded)</b>		<b>Leave Encashment (Unfunded)</b>	
	<b>2010-11</b>	2009-10	<b>2010-11</b>	2009-10
Current Service Cost	<b>36.04</b>	22.15	<b>16.14</b>	5.27
Interest Cost	<b>24.08</b>	17.97	<b>16.57</b>	28.13
Expected return on Plan assets	<b>(23.52)</b>	(18.77)	-	-
Actuarial (gain) / loss	<b>37.46</b>	22.47	<b>41.56</b>	(9.35)
<b>Net Cost</b>	<b>74.06</b>	43.82	<b>74.27</b>	24.05

**V) Investment Details :**

	<b>% Invested</b>	
	<b>As at 31st March, 2011</b>	As at 31st March, 2010
GOI Securities	<b>9.15</b>	11.03
Public Securities	<b>9.51</b>	12.76
State Government Securities	<b>4.04</b>	6.38
Private Sector Securities [includes Equity Shares of Reliance Industries Limited, of Rs. NIL (Previous Year Rs. 0.15 crore)]	-	0.05
Insurance Policies	<b>77.12</b>	69.45
Others (including bank balances)	<b>0.18</b>	0.33
	<b>100.00</b>	100.00

**SCHEDULE 'O' (Contd.)****VI) Actuarial assumptions**

	<b>Gratuity (Funded)</b>		<b>Leave Encashment (Unfunded)</b>	
	<b>2010-11</b>	2009-10	<b>2010-11</b>	2009-10
Mortality Table (LIC)	1994-96 <b>(Ultimate)</b>	1994-96 (Ultimate)	1994-96 <b>(Ultimate)</b>	1994-96 (Ultimate)
Discount rate (per annum)	<b>8.25%</b>	7.5%	<b>8.25%</b>	7.5%
Expected rate of return on plan assets (per annum)	<b>8.25%</b>	7.5%	-	-
Rate of escalation in salary (per annum)	<b>6%</b>	6%	<b>6%</b>	6%

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

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

3. Turnover includes Income from Services of Rs. 79.95 crore (Previous Year Rs. 70.98 crore) and sales during trial run period of Rs. NIL (Previous Year Rs. 143.26 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. 2,633.75 crore (Previous Year Rs. 2,980.48 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 one of the units during the year. A sum of Rs. 2.58 crore (Previous Year Rs. 19.56 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:

	<b>2010-11</b>	2009-10
(i) Audit Fees	<b>6.45</b>	5.70
(ii) Tax Audit Fees	<b>0.50</b>	0.50
(iii) For Certification and Consultation in finance and tax matters	<b>6.95</b>	6.38
(iv) Expenses Reimbursed	-	0.02
	<b>13.90</b>	12.60
(b) Cost Audit Fees	<b>0.22</b>	0.22

7. Managerial Remuneration:  
(Included under the head "Payments to and Provisions for Employees")

	<b>2010-11</b>	2009-10
(a) Remuneration to Managing Director / Executive Directors		
(i) Salaries	<b>7.54</b>	7.42
(ii) Perquisites and allowances	<b>5.52</b>	5.57
(iii) Commission	<b>25.88</b>	19.94
(iv) Leave salary / Encashment	<b>0.55</b>	0.55
(v) Contribution to Provident fund and Superannuation fund	<b>0.95</b>	1.06
(vi) Provision for Gratuity	<b>0.23</b>	6.36
	<b>40.67</b>	40.90
(b) Commission to Non-Executive Directors	<b>1.68</b>	1.75

**SCHEDULE 'O' (Contd.)**

Computation of net profit in accordance with Section 349 of the Companies Act, 1956:

	<b>2010-11</b>	(Rs. in crore) 2009-10
Profit before Taxation	<b>25,242.24</b>	20,547.44
Add: Depreciation as per accounts	<b>13,607.58</b>	10,496.53
Loss on sale / discarding of Fixed Assets	<b>57.92</b>	29.28
Investment written off (net)	-	18.38
Managerial Remuneration	<b>35.81</b>	36.03
	<b>38,943.55</b>	31,127.66
Less: Depreciation as per Section 350 of Companies Act, 1956	<b>16,241.33</b>	13,477.01
Premium on Investment in Preference Shares	-	0.23
Profit on sale of Fixed Assets	<b>24.26</b>	28.68
Profit on Sale of Current Investments (net)	<b>339.47</b>	238.28
<b>Net Profit for the year</b>	<b>22,338.49</b>	17,383.46
Salaries, Perquisites and Commission to Managing Director / Executive Directors calculated @ 0.40% of the Net profit. (Previous Year @ 0.40%)	<b>89.35</b>	69.53
Less: Salaries & Perquisites of the Managing Director / Executive Directors eligible for commission	<b>9.92</b>	16.09
<b>Commission eligible</b>	<b>79.43</b>	53.44
<b>Commission Restricted to</b>	<b>25.88</b>	19.94

(c) General Expenses include Rs. 0.21 crore (Previous Year Rs. 0.19 crore) towards sitting fees paid to non-executive directors.

8. A sum of Rs. 2.83 crore (net debit) [Previous Year Rs. 1.35 crore (net debit)] is included under establishment expenses representing Net Prior Period Items.
9. Pursuant to the scheme of arrangement to demerge certain undertakings which was approved by the Hon'ble High Court of Bombay on 9th December, 2005, the Company had demerged assets and liabilities relating to those demerged undertakings on the close of business on 31st August 2005. There have been certain claims relating to the above demerger / demerged undertakings which have been settled by the Company during the year and an additional amount of Rs. 703.52 crore has been appropriated against Revaluation Reserve.
10. Expenditure on account of Premium on forward exchange contracts to be recognised in the Profit and Loss account of subsequent accounting period aggregates Rs. 55.37 crore (Previous Year Rs. 81.66 crore).

**SCHEDULE 'O' (Contd.)**

11. (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, 2011 amount to Rs. 4.27 crore (Previous Year Rs. 4.87 crore).

	(Rs. in crore)	
	2010-11	2009-10
Within one year	<b>0.58</b>	0.58
Later than one year and not later than five years	<b>2.34</b>	2.34
Later than five years	<b>1.35</b>	1.95
<b>Total</b>	<b>4.27</b>	4.87

- (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, 2011 are as follows:

	(Rs. in crore)					
	Total Minimum Lease Payments outstanding As at 31 <sup>st</sup> March		Future interest on Outstanding Lease Payments		Present value of Minimum Lease Payments As at 31 <sup>st</sup> March	
	2011	2010	2010-11	2009-10	2011	2010
Within one year	<b>36.51</b>	37.30	<b>17.95</b>	20.06	<b>18.56</b>	17.24
Later than one year and not later than five years	<b>145.71</b>	148.73	<b>52.94</b>	63.36	<b>92.77</b>	85.37
Later than five years	<b>109.77</b>	148.71	<b>14.61</b>	28.28	<b>95.16</b>	120.43
<b>Total</b>	<b>291.99</b>	334.74	<b>85.50</b>	111.70	<b>206.49</b>	223.04

- (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.

12. (a) (i) Assets given on finance lease on or after 1st April, 2001

Particulars	(Rs. in crore)							
	Total		Not later than one year		Later than one year and not later than five years		Later than five years	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Gross Investment	<b>48.47</b>	79.22	<b>27.72</b>	30.75	<b>20.75</b>	48.47	-	-
Less: Unearned Finance Income	<b>4.42</b>	10.20	<b>3.22</b>	5.78	<b>1.20</b>	4.42	-	-
Present Value of Minimum Lease Rental	<b>44.05</b>	69.02	<b>24.50</b>	24.97	<b>19.55</b>	44.05	-	-

- (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. 5.78 crore (Previous Year Rs. 8.14 crore).



**SCHEDULE 'O' (Contd.)**
**13. The deferred tax liability comprise of the following:**

	<b>As at 31st March, 2011</b>	(Rs. in crore) As at 31st March, 2010
a. <b>Deferred Tax Liability</b>		
Related to fixed assets	<b>11,742.75</b>	11,169.25
b. <b>Deferred Tax Assets</b>		
Disallowance under the Income Tax Act, 1961	<b>180.95</b>	242.95
	<b><u>11,561.80</u></b>	<u>10,926.30</u>

**14. EARNINGS PER SHARE (EPS)**

	<b>2010-11</b>	2009-10
i) Net Profit after tax as per Profit and Loss Account attributable to Equity Shareholders (Rs. in crore)	<b>20,286.30</b>	16,235.67
ii) Weighted Average number of equity shares used as denominator for calculating EPS	<b>3,27,18,51,032</b>	3,26,98,62,848*
iii) Basic and Diluted Earnings per share (Rs.)	<b>62.00</b>	49.65
iv) Face Value per equity share (Rs.)	<b>10.00</b>	10.00

\* Adjusted for issue of bonus shares in 2009-10 in the ratio of 1:1.

**15. PROJECT DEVELOPMENT EXPENDITURE**

(in respect of Projects up to 31st March, 2011, included under Capital work-in-progress)

	<b>2010-11</b>	(Rs. in crore) 2009-10
Opening Balance	<b>1,453.20</b>	17,095.19
Add: Transferred from Profit and Loss Account		
Schedule – L	<b>30.26</b>	1,217.92
Interest Capitalised	<b>474.07</b>	983.81
	<b><u>504.33</u></b>	<u>2,201.73</u>
	<b>1,957.53</b>	19,296.92
Less: Project Development Expenses Capitalised during the year	<b>71.50</b>	17,843.72
<b>Closing Balance</b>	<b><u>1,886.03</u></b>	<u>1,453.20</u>

**SCHEDULE 'O' (Contd.)****16. 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:**

<b>Sr. No.</b>	<b>Name of the Related Party</b>	<b>Relationship</b>
1	Reliance Industrial Investments and Holdings Limited	Subsidiary Companies
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 (amalgamated with Reliance Corporate IT Park Limited w.e.f. 01.04.2010)	
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 (amalgamated with Gapco Tanzania Limited w.e.f.01.08.2010)	
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	
36	Reliance Lifestyle Holdings Limited	
37	Reliance Universal Ventures Limited	

**SCHEDULE 'O' (Contd.)**

Sr. No.	Name of the Related Party	Relationship
38	Delight Proteins Limited	Subsidiary Companies
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	Wave Land Developers Limited	
55	Reliance-Grand Optical Private Limited	
56	Reliance Universal Commercial Limited	
57	Reliance Petroinvestments Limited	
58	Reliance Global Commercial Limited	
59	Reliance People Serve Limited	
60	Reliance Infrastructure Management Services Limited	
61	Reliance Global Business, B.V.	
62	Reliance Gas Corporation Limited	
63	Reliance Global Energy Services Limited	
64	Reliance One Enterprises Limited	
65	Reliance Global Energy Services (Singapore) Pte. Ltd.	
66	Reliance Personal Electronics Limited	
67	Reliance Polymers (India) Limited	
68	Reliance Polyolefins Limited	
69	Reliance Aromatics and Petrochemicals Limited	
70	Reliance Energy and Project Development Limited	
71	Reliance Chemicals Limited	
72	Reliance Universal Enterprises Limited	
73	International Oil Trading Limited	
74	Reliance Review Cinema Limited	
75	Reliance Replay Gaming Limited	
76	Reliance Nutritional Food Processors Limited	
77	RIL USA Inc.	
78	Reliance Commercial Land & Infrastructure Limited	
79	Reliance Corporate IT Park Limited	
80	Reliance Eminent Trading & Commercial Private Limited	
81	Reliance Progressive Traders Private Limited	

**SCHEDULE 'O' (Contd.)**

<b>Sr. No.</b>	<b>Name of the Related Party</b>	<b>Relationship</b>
82	Reliance Prolific Traders Private Limited	Subsidiary Companies
83	Reliance Universal Traders Private Limited	
84	Reliance Prolific Commercial Private Limited	
85	Reliance Comtrade Private Limited	
86	Reliance Ambit Trade Private Limited	
87	Reliance Petro Marketing Limited	
88	LPG Infrastructure (India) Limited	
89	Reliance Infosolutions Private Limited (amalgamated with Reliance Corporate IT Park Limited w.e.f. 01.04.2010)	
90	Reliance Corporate Center Limited	
91	Reliance Convention and Exhibition Center Limited	
92	Central Park Enterprises DMCC	
93	Reliance International B. V.	
94	Reliance Corporate Services Limited	
95	Reliance Oil and Gas Mauritius Limited	
96	Reliance Exploration and Production Mauritius Limited	
97	Reliance Holding Cooperatief U.A.	
98	Indiawin Sports Private Limited	
99	Reliance Holding Netherlands B. V.	
100	Reliance International Gas B. V.	
101	Reliance Exploration and Production B. V.	
102	Reliance Exploration and Production Limited	
103	Reliance Holding USA Inc.	
104	Reliance Marcellus LLC	
105	Infotel Broadband Services Limited	
106	Reliance Strategic (Mauritius) Limited	
107	Reliance Eagleford Midstream LLC	
108	Reliance Eagleford Upstream LLC	
109	Reliance Eagleford Upstream GP LLC	
110	Reliance Eagleford Upstream Holding LP	
111	Mark Project Services Private Limited	
112	Reliance Energy Generation and Distribution Limited	
113	Reliance Marcellus II LLC	
114	Reliance Security Solutions Limited	
115	Reliance Industries Investment and Holding Limited	
116	Reliance Office Solutions Private Limited	
117	Reliance Style Fashion India Limited	
118	GenNext Innovation Ventures Private Limited	
119	GenNext Ventures Private Limited	
120	Reliance Home Products Limited	
121	Infotel Telecom Limited	
122	Reliance Styles India Private Limited	
123	Rancore Technologies Private Limited	

**SCHEDULE 'O' (Contd.)**

Sr. No.	Name of the Related Party	Relationship
124	Reliance Industrial Infrastructure Limited	Associates
125	Reliance Europe Limited	
126	Reliance LNG Limited	
127	Indian Vaccines Corporation Limited	
128	Gujarat Chemicals Port Terminal Company Limited	
129	Reliance Utilities and Power Private Limited	
130	Reliance Utilities Private Limited	
131	Reliance Ports and Terminals Limited	
132	Reliance Gas Transportation Infrastructure Limited	
133	Shri Mukesh D. Ambani	Key Managerial Personnel
134	Shri Nikhil R. Meswani	
135	Shri Hital R. Meswani	
136	Shri P.M.S. Prasad	
137	Shri P.K.Kapil (w.e.f. 16th May 2010)	
138	Dhirubhai Ambani Foundation	Enterprises over which Key Managerial Personnel are able to exercise significant influence
139	Jamnaben Hirachand Ambani Foundation	
140	Hirachand Govardhandas Ambani Public Charitable Trust	
141	HNH Trust and HNH Research Society	
142	Reliance Foundation	

**(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
2.	Purchase / Subscription of Investments	<b>7,540.83</b> 2,415.80	<b>52.25</b> 24.51	- -	- -	<b>7,593.08</b> 2,440.31
3.	Sale / Redemption of Investments	<b>0.25</b> 6,326.92	- 155.63	- -	- -	<b>0.25</b> 6,482.55
4.	Net Loans and advances given / (returned)	<b>5,399.56</b> (2,812.43)	<b>18.90</b> (8.00)	- -	- -	<b>5,418.46</b> (2,820.43)
5.	Turnover	<b>16,993.80</b> 9,124.51	<b>218.77</b> 212.72	- -	- -	<b>17,152.57</b> 9,337.23
6.	Other Income	<b>1,037.38</b> 450.45	<b>5.84</b> 6.45	- -	- -	<b>1,043.22</b> 456.90
7.	Purchases / Material Consumed	<b>505.42</b> 429.63	<b>1.24</b> 45.00	- -	- -	<b>506.66</b> 474.63
8.	Electric Power, Fuel and Water	- -	<b>917.26</b> 960.30	- -	- -	<b>917.26</b> 960.30

**SCHEDULE 'O' (Contd.)**

(Rs. in crore)

<b>Sr. No.</b>	<b>Nature of Transactions (Excluding reimbursements)</b>	<b>Subsidiaries</b>	<b>Associates</b>	<b>Key Managerial Personnel</b>	<b>Others</b>	<b>Total</b>
9.	Hire Charges	- <i>-</i>	<b>789.62</b> <i>559.00</i>	- <i>-</i>	- <i>-</i>	<b>789.62</b> <i>559.00</i>
10.	Manpower Deputation Charges	<b>40.79</b> <i>40.69</i>	<b>21.48</b> <i>85.93</i>	- <i>-</i>	- <i>-</i>	<b>62.27</b> <i>126.62</i>
11.	Payment to Key Managerial Personnel	- <i>-</i>	- <i>-</i>	<b>40.67</b> <i>40.90</i>	- <i>-</i>	<b>40.67</b> <i>40.90</i>
12.	Sales and Distribution Expenses	<b>50.42</b> <i>72.13</i>	<b>2,571.61</b> <i>2,532.84</i>	- <i>-</i>	- <i>-</i>	<b>2,622.03</b> <i>2,604.97</i>
13.	Rent	- <i>0.13</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>0.13</i>
14.	Professional Fees	<b>111.50</b> <i>91.75</i>	<b>17.18</b> <i>21.32</i>	- <i>-</i>	- <i>-</i>	<b>128.68</b> <i>113.07</i>
15.	General Expenses	<b>42.82</b> <i>19.04</i>	<b>9.00</b> <i>9.87</i>	- <i>-</i>	- <i>-</i>	<b>51.82</b> <i>28.91</i>
16.	Donations	- <i>-</i>	- <i>-</i>	- <i>-</i>	<b>26.26</b> <i>18.97</i>	<b>26.26</b> <i>18.97</i>
17.	Interest Expenses	<b>19.48</b> <i>21.45</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	<b>19.48</b> <i>21.45</i>
18.	Investment written off (net)	- <i>-</i>	- <i>18.38</i>	- <i>-</i>	- <i>-</i>	- <i>18.38</i>
<b>Balance as at 31st March, 2011</b>						
19.	<b>Investments</b>	<b>20,297.98</b> <i>12,757.40</i>	<b>2,085.56</b> <i>2,033.31</i>	- <i>-</i>	- <i>-</i>	<b>22,383.54</b> <i>14,790.71</i>
20.	<b>Sundry Debtors</b>	<b>3,423.35</b> <i>2,978.18</i>	<b>13.67</b> <i>20.01</i>	- <i>-</i>	- <i>-</i>	<b>3,437.02</b> <i>2,998.19</i>
21.	<b>Loans &amp; Advances</b>	<b>9,777.22</b> <i>3,890.31</i>	<b>1,431.83</b> <i>1,427.19</i>	- <i>-</i>	- <i>-</i>	<b>11,209.05</b> <i>5,317.50</i>
22.	<b>Sundry Creditors</b>	<b>339.01</b> <i>170.08</i>	<b>331.17</b> <i>414.80</i>	- <i>-</i>	- <i>-</i>	<b>670.18</b> <i>584.88</i>
23.	<b>Financial Guarantees</b>	<b>20,921.87</b> <i>1,588.85</i>	<b>715.72</b> <i>563.47</i>	- <i>-</i>	- <i>-</i>	<b>21,637.59</b> <i>2,152.32</i>
24.	<b>Performance Guarantees</b>	<b>120.50</b> <i>-</i>	<b>7.03</b> <i>7.03</i>	- <i>-</i>	- <i>-</i>	<b>127.53</b> <i>7.03</i>

**Note :**

- Figures in italics represent Previous Year's amounts.
- The Company has issued guarantees against future cash calls to be made by JV Partners of its wholly owned subsidiary Reliance Holding USA, Inc amounting to Rs. 9,409.55 crore. During the year, cash calls to the extent of Rs. 1,356.69 crore have been made by the JV Partners and settled by the subsidiary.



## SCHEDULE 'O' (Contd.)

### Disclosure in Respect of Material Related Party Transactions during the year :

1. Purchase of Fixed Assets include Reliance Home Store Limited Rs. NIL (Previous Year Rs. 0.05 crore), Reliance Corporate IT Park Limited Rs. NIL (Previous Year Rs. 238.38 crore).
2. Purchase / Subscription of Investments include Reliance Strategic Investments Limited Rs. NIL (Previous Year Rs. 112.78 crore), Reliance Industries (Middle East) DMCC Rs. 19.79 crore (Previous Year Rs. 99.32 crore), Reliance Exploration & Production DMCC Rs. 439.66 crore (Previous Year Rs. 658.47 crore), Reliance Retail Limited Rs. NIL (Previous Year Rs. 1,220.00 crore), Reliance Global Business B.V. Rs. 101.40 crore (Previous Year Rs. 324.40 crore), Reliance Exploration & Production Mauritius Limited Rs. 2,207.70 crore (Previous Year Rs. NIL), Reliance Oil & Gas Mauritius Limited Rs. 613.96 crore (Previous Year Rs. NIL), Infotel Broadband Services Limited Rs. 4,155.99 crore (Previous Year Rs. NIL), RIL (Australia) Pty Limited Rs. 2.28 crore (Previous Year Rs. NIL), Reliance Gas Transportation Infrastructure Limited Rs. NIL (Previous Year Rs. 24.51 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 52.25 crore (Previous Year Rs. NIL) (Including conversion of share application money of Rs. 17.00 crore of Previous Year into Equity Shares).
3. Sale / redemption of Investments include Reliance Strategic Investments Limited Rs. NIL (Previous Year Rs. 4,216.92 crore), Reliance Ventures Limited Rs. NIL (Previous Year Rs. 10.00 crore), Reliance Industrial Investments and Holdings Limited Rs. NIL (Previous Year Rs. 1,750.00 crore), Reliance Jamnagar Infrastructure Limited Rs. NIL (Previous Year Rs. 350.00 crore), Reliance Gas Transportation Infrastructure Limited Rs. NIL (Previous Year Rs. 65.68 crore), Reliance Ports and Terminals Limited Rs. NIL (Previous Year Rs. 89.95 crore).
4. Loans given during the year include Reliance Industrial Investments and Holdings Limited Rs. 4,347.53 crore (Previous Year Rs. NIL), Reliance Exploration & Production DMCC Rs. NIL (Previous Year Rs. 22.45 crore), Reliance Infosolutions Private Limited Rs. NIL (Previous Year Rs. 4.70 crore), Reliance Corporate IT Park Limited Rs. NIL (Previous Year Rs. 6.00 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 18.90 crore (Previous Year Rs. 17.00 crore). Loans returned during the year include Reliance Industries (Middle East) DMCC Rs. NIL (Previous Year Rs. 87.31 crore), Reliance Industrial Investments and Holdings Limited Rs. NIL (Previous Year Rs. 1,454.51 crore), Gapco Kenya Limited Rs. NIL (Previous Year Rs. 19.78 crore), Gapco Tanzania Limited Rs. 180.17 crore (Previous Year Rs. 40.19 crore), Gapoil Tanzania Limited Rs. NIL (Previous Year Rs. 19.39 crore), Reliance Retail Limited Rs. NIL (Previous Year Rs. 1,027.61 crore), Reliance Global Business B.V. Rs. NIL (Previous Year Rs. 196.86 crore), Reliance Exploration & Production DMCC Rs. 14.65 crore (Previous Year Rs. NIL), Reliance Gas Corporation Limited Rs. 6.03 crore (Previous Year Rs. NIL), Reliance Corporate IT Park Limited Rs. 52.97 (Previous Year Rs. NIL), Reliance Industrial Infrastructure Limited Rs. NIL (Previous Year Rs. 25.00 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 17.00 crore (Previous Year Rs. NIL) (Including conversion of share application money of Rs. 17.00 crore of Previous Year into Equity Shares).  
Advances in the nature of application / call money advances to Reliance Retail Limited Rs. 726.00 crore (Previous Year Rs. NIL), Infotel Broadband Services Limited Rs. 45.65 crore (Previous Year Rs. NIL), Reliance Exploration & Production DMCC Rs. 11.15 crore (Previous Year Rs. NIL), Reliance Prolific Traders Private Limited Rs. 523.05 crore (Previous Year Rs. NIL).
5. Turnover include to Reliance Jamnagar Infrastructure Limited Rs. 0.35 crore (Previous Year Rs. 0.03 crore), Reliance Retail Limited Rs. 135.40 crore (Previous Year Rs. 39.46 crore), Gapco Kenya Limited Rs. 3,749.84 crore (Previous Year Rs. 2,492.30 crore), Gapco Tanzania Limited Rs. 749.88 crore (Previous Year Rs. 262.92 crore), Gapoil Tanzania Limited Rs. NIL (Previous Year Rs. 230.01 crore), Recron (Malaysia) Sdn Bhd Rs. 41.19 crore (Previous Year Rs. 71.87 crore), Reliance Trends Limited Rs. 3.09 crore (Previous Year Rs. 2.37 crore), LPG Infrastructure (India) Limited Rs. 226.22 crore (Previous Year Rs. 191.55 crore), Reliance Petro Marketing Limited Rs. 808.47 crore (Previous Year Rs. 364.19 crore), Reliance Food Processing Solutions Limited Rs. NIL (Previous Year Rs. 1.28 crore), RIL USA Inc. Rs. 10,209.59 crore (Previous Year Rs. 4,875.63 crore), Reliance Industrial Investments and Holdings Limited Rs. 948.19 crore (Previous Year Rs. 592.31 crore), Reliance Fresh Limited Rs. 2.15 crore (Previous Year Rs. 0.07 crore), Reliance Gems and Jewels Limited Rs. 58.45 crore (Previous Year Rs. NIL), Reliance Utilities Private Limited Rs. 0.13 crore (Previous Year Rs. 0.03 crore), Reliance Ports and Terminals Limited Rs. 4.72 crore (Previous Year Rs. 3.31 crore), Reliance Gas Transportation Infrastructure Limited Rs. 213.05 crore (Previous Year Rs. 209.37 crore).
6. Other Income from Reliance Industrial Investments and Holdings Limited Rs. 883.58 crore (Previous Year Rs. 373.62 crore), Reliance Ventures Limited Rs. 19.02 crore (Previous Year Rs. 2.10 crore), Reliance Strategic Investments Limited Rs. 10.39 crore (Previous Year Rs. 33.07 crore), Reliance Industries (Middle East) DMCC Rs. 0.16 crore (Previous Year Rs. 0.81 crore), Reliance Jamnagar Infrastructure Limited Rs. 2.16 crore (Previous Year Rs. NIL), Reliance Exploration & Production DMCC Rs. 0.63 crore (Previous Year Rs. 12.25 crore), Gapco Kenya Limited Rs. 1.66 crore (Previous Year Rs. 1.70 crore), Gapco Tanzania Limited Rs. 7.83 crore (Previous Year Rs. 6.07 crore), Gapoil

**SCHEDULE 'O' (Contd.)**

- Tanzania Limited Rs. NIL (Previous Year Rs. 6.61 crore), Recron (Malaysia) Sdn Bhd Rs. 4.90 crore (Previous Year Rs. 4.62 crore), Reliance Infosolutions Private Limited Rs. NIL (Previous Year Rs. 8.14 crore), Infotel Broadband Services Limited Rs. 13.33 crore (Previous Year Rs. NIL), Reliance Retail Limited Rs. 2.69 crore (Previous Year Rs. NIL), RIL USA Inc. Rs. 13.26 crore (Previous Year Rs. NIL), Reliance Holdings USA Inc. Rs. 60.30 crore (Previous Year Rs. NIL), Reliance Eagleford Upstream Holding LP Rs. 1.51 crore (Previous Year Rs. NIL), Reliance Marcellus LLC Rs. 9.14 crore (Previous Year Rs. NIL), Reliance Corporate IT Park Limited Rs. 5.78 crore (Previous Year Rs. NIL), Reliance Industrial Infrastructure Limited Rs. 2.40 crore (Previous Year Rs. 3.88 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 0.45 crore (Previous Year Rs. 0.83 crore), Reliance Europe Limited Rs. 2.99 crore (Previous Year Rs. 1.74 crore).
7. Purchases / material consumed from Recron (Malaysia) Sdn Bhd Rs. 5.60 crore (Previous Year Rs. 2.25 crore), Reliance Petro Marketing Limited Rs. 107.43 crore (Previous Year Rs. 54.21 crore), Reliance Jamnagar Infrastructure Limited Rs. 392.39 crore (Previous Year Rs. 373.17 crore), Reliance Gas Transportation Infrastructure Limited Rs. NIL (Previous Year Rs. 34.43 crore), Reliance Ports and Terminals Limited Rs. 1.24 crore (Previous Year Rs. 10.57 crore).
  8. Electric Power, Fuel and Water charges paid to Reliance Utilities and Power Private Limited Rs. 291.96 crore (Previous Year Rs. 285.83 crore), Reliance Utilities Private Limited Rs. 625.30 crore (Previous Year Rs. 674.47 crore).
  9. Hire Charges paid to Reliance Industrial Infrastructure Limited Rs. 21.31 crore (Previous Year Rs. 32.01 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 43.97 crore (Previous Year Rs. 48.86 crore), Reliance Gas Transportation Infrastructure Limited Rs. 652.25 crore (Previous Year Rs. 314.56 crore), Reliance Ports and Terminals Limited Rs. 72.09 crore (Previous Year Rs. 163.57 crore).
  10. Manpower Deputation Charges to Reliance Retail Limited Rs. 33.42 crore (Previous Year Rs. 33.72 crore), Reliance People Serve Limited Rs. 2.40 crore (Previous Year Rs. 3.00 crore), Strategic Manpower Solutions Limited Rs. 3.47 crore (Previous Year Rs. 3.97 crore), Reliance Fresh Limited Rs. 1.50 crore (Previous Year Rs. NIL), Reliance Industrial Infrastructure Limited Rs. 21.48 crore (Previous Year Rs. 11.81 crore), Reliance Ports and Terminals Limited Rs. NIL (Previous Year Rs. 74.12 crore).
  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. 11.05 crore (Previous Year Rs. 11.14 crore), Shri Hital R. Meswani Rs. 11.03 crore (Previous Year Rs. 11.14 crore), Shri H. S. Kohli Rs. NIL (Previous Year Rs. 1.32 crore), Shri P.M.S. Prasad Rs. 2.37 crore (Previous Year Rs. 1.53 crore), Shri R. Ravimohan Rs. NIL (Previous Year Rs. 0.77 crore), Shri P.K. Kapil Rs. 1.22 crore (Previous Year Rs. NIL).
  12. Sales and Distribution Expenses include to Reliance Retail Limited Rs. NIL (Previous Year Rs. 72.13 crore), Reliance Fresh Limited Rs. 48.63 crore (Previous Year Rs. NIL), Reliance Netherlands B.V. Rs. 1.04 crore (Previous Year Rs. NIL), Reliance Ports and Terminals Limited Rs. 2,561.86 crore (Previous Year Rs. 2,524.35 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 9.75 crore (Previous Year Rs. 8.49 crore).
  13. Rent paid to Reliance Supply Chain Solutions Limited Rs. NIL (Previous Year Rs. 0.13 crore).
  14. Professional Fees paid to Reliance Financial Distribution and Advisory Services Limited Rs. NIL (Previous Year Rs. 5.00 crore), Reliance Universal Ventures Limited Rs. NIL (Previous Year Rs. 2.30 crore), Reliance Supply Chain Solutions Limited Rs. 9.00 crore (Previous Year Rs. 36.00 crore), Reliance Infosolutions Private Limited Rs. NIL (Previous Year Rs. 48.00 crore), Reliance Corporate IT Park Limited Rs. 102.00 crore (Previous Year Rs. NIL), Reliance Europe Limited Rs. 17.18 crore (Previous Year Rs. 20.20 crore), Reliance Ports and Terminals Limited Rs. NIL (Previous Year Rs. 1.12 crore).
  15. General Expenses include to Reliance Hypermart Limited Rs. 1.84 crore (Previous Year Rs. 0.03 crore), Reliance Retail Travel & Forex Services Limited Rs. NIL (Previous Year Rs. 0.05 crore), Reliance Retail Limited Rs. 7.66 crore (Previous Year Rs. 4.60 crore), Reliance Footprint Limited Rs. 1.85 crore (Previous Year Rs. 1.47 crore), Reliance Fresh Limited Rs. 20.05 crore (Previous Year Rs. 2.51 crore), Reliance Polyolefins Limited Rs. 4.48 crore (Previous Year Rs. 9.00 crore), Reliance Trends Limited Rs. 3.01 crore (Previous Year Rs. NIL), Reliance Gems and Jewels Limited Rs. 1.74 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. 18.10 crore (Previous Year Rs. 16.25 crore), Jamnaben Hirachand Ambani Foundation Rs. 5.73 crore (Previous Year Rs. 1.30 crore), HNH Trust and HNH Research Society Rs. 1.58 crore (Previous Year Rs. 0.83 crore).
  17. Interest Expenses include to Reliance Corporate IT Park Limited Rs. 19.48 crore (Previous Year Rs. 21.45 crore).
  18. Investment written off (net) includes Gujarat Chemicals Port Terminal Company Limited Rs. NIL (Previous Year Rs. 18.38 crore).

**SCHEDULE 'O' (Contd.)**
**17. 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, 2011	As at 31st March, 2010	Maximum Balance during the year
1.	Reliance Industrial Investments and Holding Limited*	Subsidiary	6,997.07	2,649.54	6,997.07
2.	Reliance Ventures Limited	Subsidiary	-	-	514.73
3.	Reliance Strategic Investments Limited	Subsidiary	-	-	576.34
4.	Reliance Retail Limited	Subsidiary	-	-	199.65
5.	Gapoil Tanzania Limited	Subsidiary	-	149.61	154.76
6.	Gapco Tanzania Limited	Subsidiary	83.86	114.42	150.17
7.	Reliance Exploration & Production DMCC	Subsidiary	7.80	22.45	30.55
8.	Reliance Jamnagar Infrastructure Limited	Subsidiary	-	-	136.96
9.	Gujarat Chemicals Port Terminal Company Limited	Associate	24.50	5.60	24.50

\* Excluding Debentures of Rs. 721.48 crore (Previous Year Rs. 721.48 crore)

**Notes:**

- 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.
- All the above loans and advances are interest bearing except for an amount of Rs. 18.90 crore paid to Gujarat Chemicals Port Terminal Company Limited for setting up of facility for storage.
- 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 and Petrochemicals Limited		2,98,89,898	273.82
2.	*Reliance Energy and Project Development Limited		20,58,000	303.34

**(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
5.	Indiawin Sports Private Limited	26,05,000
6.	Reliance Corporate Services Limited	10,000
7.	Reliance Industries Investment and Holding Limited	50,000

**SCHEDULE 'O' (Contd.)**

<b>Sr No.</b>	<b>Name of the Company</b>	<b>No. of Shares</b>
8.	Reliance Security Solutions Limited	50,000
9.	Mark Project Services Private Limited	5,000
10.	GenNext Ventures Private Limited	5,000
11.	GenNext Innovation Ventures Private Limited	10,000
12.	Reliance Commercial Associates Limited	50,000

**In Preference Shares :**

<b>Sr No.</b>	<b>Name of the Company</b>	<b>No. of Shares</b>
1.	Reliance Industries Investment and Holding Limited	24,82,300
2.	Infotel Broadband Services Limited	12,50,00,000

**(iii) Investment by Reliance Exploration & Production DMCC in subsidiaries****In Equity Shares :**

<b>Sr No.</b>	<b>Name of the Company</b>	<b>No. of Shares</b>
1.	Reliance International B. V.	20,000
2.	Central Park Enterprises DMCC	367

**18. (a) Disclosure of the Company's Interest in Oil and Gas Joint Ventures:**

<b>Sr. No.</b>	<b>Name of the Fields in the Joint Ventures</b>	<b>% Interest</b>	<b>Sr. No.</b>	<b>Name of the Fields in the Joint Ventures</b>	<b>% Interest</b>
1.	Panna Mukta	30% (30%)	7.	CB - ON/1	NIL (40%)
2.	Tapti	30% (30%)	8.	AS - ONN - 2000/1	90% (90%)
3.	NEC - OSN - 97/2	90% (90%)	9.	KG - DWN - 2001/1	90% (90%)
4.	KG - DWN - 98/3	90% (90%)	10.	KG - DWN - 2003/1	90% (90%)
5.	GS - OSN - 2000/1	90% (90%)	11.	MN - DWN - 2003/1	85% (85%)
6.	GK - OSJ - 3	60% (60%)	12.	KG-DWN-2005/2	50% (70%)

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 :**

	<b>Proved Reserves (Million MT)</b>		<b>Proved Developed Reserves (Million MT)</b>	
	<b>2010-11</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2009-10</b>
<b>Oil:</b>				
Beginning of the year	<b>11.11</b>	11.02	<b>8.62</b>	4.97
Additions	-	1.13	<b>0.42</b>	4.69
Deletion	<b>1.44</b>	-	-	-
Production	<b>1.38</b>	1.04	<b>1.38</b>	1.04
Closing balance	<b>8.29</b>	11.11	<b>7.66</b>	8.62
	<b>Proved Reserves (Million M<sup>3</sup>*)</b>		<b>Proved Developed Reserves (Million M<sup>3</sup>*)</b>	
	<b>2010-11</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2009-10</b>
<b>Gas:</b>				
Beginning of the year	<b>2,11,214</b>	2,20,468	<b>1,30,823</b>	1,33,894
Additions	-	5,353	-	11,536
Deletion	<b>5,771</b>	-	<b>3,839</b>	-
Production	<b>19,622</b>	14,607	<b>19,622</b>	14,607
Closing balance	<b>185,821</b>	2,11,214	<b>107,362</b>	1,30,823

\* 1 cubic meter (M3) = 35.315 cubic feet and 1 cubic feet = 1000 BTU

**SCHEDULE 'O' (Contd.)**

- (c) The Company has entered into an arrangement with M/s BP Exploration (Alpha) Limited (BP), which is a wholly owned subsidiary of BP Exploration Operating Company Limited, where BP has agreed to take 30% stake in 23 Oil & Gas production sharing contracts, that the Company operates in India, including KG D6 block subject to obtaining regulatory approvals.

Pursuant to the arrangement, BP Exploration (Alpha) Limited will pay to the Company an aggregate consideration of US\$ 7.20 billion (inclusive of any adjustments for revenue and costs from 1st January, 2011 to the closing date). Further, future performance payments of up to US\$ 1.8 billion could be paid based on exploration success that results in development of commercial discoveries.

The Company has received US\$ 2.0 billion (Rs. 9,004.00 crore) as a deposit, under current liabilities, against the above transaction. The accounting entries of the above transaction will be made in the books of account of the Company on the receipt of final regulatory approvals.

19. As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

**20. ADDITIONAL INFORMATION**

	As at 31st March, 2011	(Rs. in crore) As at 31st March, 2010
(A) Estimated amount of contracts remaining to be executed on Capital account and not provided for:		
(i) In respect of joint Ventures	9.71	12.71
(ii) In respect of others	9,578.28	15,220.45
(B) Uncalled liability on partly paid Shares	4,912.05	4,270.38
(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	23.53	243.50
(b) In respect of others	3,473.34	2,136.74
(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	21,637.60	2,152.97
(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	2,295.80	1,834.44
(iv) Claims against the Company / disputed liabilities not acknowledged as debts		
(a) In respect of joint Ventures	-	-
(b) In respect of others	1,616.93	822.35
(v) Performance Guarantees		
(a) In respect of joint Ventures	-	-
(b) In respect of others	235.56	108.04
(vi) Sales tax deferral liability assigned	4,467.57	5,380.25

Note : The Company has issued guarantees against future cash calls to be made by JV Partners of its wholly owned subsidiary Reliance Holding USA Inc. amounting to Rs. 9,409.55 crore. During the year, cash calls to the extent of Rs. 1,356.69 crore have been made by the JV Partners and settled by the subsidiary.

**SCHEDULE 'O' (Contd.)**

(D) The Income-Tax assessments of the Company have been completed up to Assessment Year 2008-09. The disputed demand outstanding up to the said Assessment Year is Rs. 1,983.68 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.

**21. LICENSED AND INSTALLED CAPACITY**

(As certified by the Management)

	UNIT	Licensed Capacity		Installed Capacity		
		As at 31st March, 2011	2010	As at 31st March, 2011	2010	
A	Refining of Crude Oil	Mill. MT	N.A.	N.A.	60	60
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.	168,150	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	1,856,000
	ii Orthoxylene	MT	N.A.	N.A.	420,000	420,000
	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.	1,117,500	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	2,685,200
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	Ethyl Vinyl Acetate	MT	N.A.	N.A.	15,000	-
K	Purified Terephthalic Acid	MT	N.A.	N.A.	2,050,000	2,050,000
L	Polyester Filament Yarn/Polyester Chips	MT	N.A.	N.A.	822,725+	822,725+
M	Polyester Staple Fibre/ Acrylic Fibre / Chips	MT	N.A.	N.A.	741,612	741,612
N	Poly Ethylene Terephthalate	MT	N.A.	N.A.	290,000	290,000
O	Polyester Staple Fibre Fill	MT	N.A.	N.A.	42,000	42,000
P	Man-made Fibre Spun Yarn on worsted system	Nos	N.A.	N.A.	24,094	24,094
Q	Man-made fibre on cotton system (Spindles)	Nos	N.A.	N.A.	23,040	23,040
R	i Man-made Fabrics (Looms)	Nos	N.A.	N.A.	263	335
	ii Knitting M/C	Nos	22	22	20	20
S	Solar Photovoltaic Modules	M.W.	N.A.	N.A.	30	30

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



**SCHEDULE 'O' (Contd.)**

22. (a) The Ministry of Corporate Affairs, Government of India vide its General Notification No. S.O.301(E) dated 8th February 2011 issued under Section 211(3) of the Companies Act, 1956 has exempted certain classes of companies from disclosing certain information in their profit and loss account. The Company being an 'export oriented company' is entitled to the exemption. Accordingly, disclosures mandated by paragraphs 3(i)(a), 3(ii)(a), 3(ii)(b) and 3(ii)(d) of Part II, Schedule VI to the Companies Act, 1956 have not been provided.
- (b) The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

**23. PRODUCTION MEANT FOR SALE :**

<b>Products</b>	<b>Unit</b>	<b>2010-11</b>	<b>2009-10</b>
Crude Oil	MT	<b>1,306,057</b>	1,021,797
Gas	BBTU	<b>564,312</b>	435,157
Petroleum Products	'000 MT	<b>51,525</b>	46,076
Ethylene	MT	<b>27</b>	357
Propylene	MT	<b>6,895</b>	28,095
Benzene	MT	<b>605,200</b>	662,254
Toluene	MT	<b>102,036</b>	108,963
Caustic Soda lye / Flakes	MT	<b>128,631</b>	124,138
Acrylonitrile	MT	<b>37,608</b>	39,462
Linear Alkyl Benzene	MT	<b>162,667</b>	162,813
Butadiene	MT	<b>96,158</b>	102,934
Cyclohexane	MT	<b>46,195</b>	29,269
Paraxylene	MT	<b>486,896</b>	514,938
Orthoxylene	MT	<b>399,831</b>	357,983
Poly Vinyl Chloride	MT	<b>630,780</b>	624,018
Polyethylene	MT	<b>970,017</b>	1,057,906
High Density Polyethylene Pipes	Mtrs. In lacs	<b>93</b>	96
Poly Butadiene Rubber	MT	<b>76,261</b>	72,894
Polypropylene	MT	<b>2,496,099</b>	2,398,598
Ethylene Glycol	MT	<b>265,244</b>	301,509
Purified Terephthalic Acid	MT	<b>622,097</b>	610,787
Polyester Filament Yarn	MT	<b>810,433</b>	796,033
Polyester Staple Fibre	MT	<b>631,023</b>	627,857
Poly Ethylene Terephthalate	MT	<b>352,668</b>	314,191
Polyester Staple Fibre Fill	MT	<b>69,614</b>	59,601
Fabrics	Mtrs. in Lacs	<b>180</b>	163

**SCHEDULE 'O' (Contd.)****24. Financial and Derivative Instruments****a) Derivative contracts entered into by the Company and outstanding as on 31st March, 2011****(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 98,585.59 crore (Previous Year Rs. 1,23,430.42 Crore). Category wise break up is given below:

(Rs in crore)

Sr. No.	Particulars	As at 31st March, 2011	As at 31st March, 2010
1	Interest Rate Swaps	<b>34,253.65</b>	48,361.08
2	Currency Swaps	<b>4,567.03</b>	4,199.76
3	Options	<b>28,180.96</b>	44,853.83
4	Forward Contracts	<b>31,583.95</b>	26,015.75

**(ii) For hedging commodity related risks :**

Category wise break up is given below :

(in Kbbbl)

Sr. No.	Particulars	As at 31st March, 2011		As at 31st March, 2010	
		Petroleum product sales	Crude Oil purchases	Petroleum product sales	Crude oil purchases
1	Forward swaps	<b>14,757</b>	<b>21,420</b>	1,900	8,185
2	Futures	<b>2,194</b>	<b>9,453</b>	4,070	4,967
3	Spreads	<b>33,768</b>	<b>51,227</b>	9,545	32,141
4	Options	-	-	1,800	12,175

In addition the Company has net margin hedges outstanding for contracts relating to petroleum product sales of 79,308 kbbbl (Previous Year 72,700 kbbbl).

- 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. NIL (Previous Year Rs. 94.09 crore) to the Profit and Loss Account in respect of derivative contracts.
- c)** Foreign currency exposures that are not hedged by derivative instruments as on 31st March, 2011 amount to Rs. 65,893.02 crore. (Previous Year Rs. 50,442.30 crore)

**25. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF**

(Rs. in crore)

	2010-11	2009-10
Raw Materials and Traded Goods	<b>1,74,914.39</b>	1,52,083.05
Stores, Chemicals and Packing Materials	<b>2,050.50</b>	1,430.63
Capital goods	<b>501.83</b>	1,190.22

**SCHEDULE 'O' (Contd.)**
**26. EXPENDITURE IN FOREIGN CURRENCY :**

	(Rs. in crore)	
	<b>2010-11</b>	2009-10
Capital Contracts	<b>165.59</b>	37.70
Oil and Gas Activity	<b>3,803.97</b>	7,106.51
Technical and Engineering Fees (Includes Rs.154.28 crore for SEZ unit)	<b>192.02</b>	1,011.51
Machinery Repairs (Includes Rs. 2.36 crore for SEZ unit)	<b>92.31</b>	30.10
Building Repairs	<b>3.66</b>	0.12
Lease Rent	-	2.14
Payments To and Provisions For Employees (Includes Rs. 0.02 crore for SEZ unit)	<b>19.78</b>	17.50
Sales Promotion Expenses (Includes Rs. 20.90 crore for SEZ unit)	<b>30.52</b>	21.86
Brokerage and Commission (Includes Rs. 14.04 crore for SEZ unit)	<b>54.58</b>	37.94
Ocean Freight (Includes Rs. 932.18 crore for SEZ unit)	<b>1,487.99</b>	1,307.02
Warehousing and Distribution Expenses (Includes Rs. 924.81 crore for SEZ unit)	<b>1,035.76</b>	896.70
Insurance (Includes Rs. 0.16 crore for SEZ unit)	<b>2.30</b>	2.69
Rent	<b>5.34</b>	3.43
Rates & Taxes	<b>0.88</b>	0.31
Other Repairs (Includes Rs. 1.55 crore for SEZ unit)	<b>8.49</b>	9.68
Travelling Expenses	<b>7.09</b>	7.28
Professional Fees (Includes Rs. 4.63 crore for SEZ unit)	<b>113.47</b>	263.30
Charity & Donations	<b>15.87</b>	7.09
Hire Charges	<b>0.32</b>	0.26
Bank Charges (Includes Rs. 8.05 crore for SEZ unit)	<b>19.92</b>	50.93
Establishment Expenses (Includes Rs. 0.04 crore for SEZ unit)	<b>35.72</b>	56.09
Interest Charges (Includes Rs. 387.59 crore for SEZ unit)	<b>1,224.81</b>	1,175.29
Other Finance Charges (Includes Rs. 80.23 crore for SEZ unit)	<b>161.08</b>	296.41
Premium on Redemption of Bonds	-	11.62

**27. VALUE OF RAW MATERIALS CONSUMED :**

	2010-11		2009-10	
	Rs. in crore	% of Consumption	Rs. in crore	% of Consumption
Imported	<b>1,77,225.47</b>	<b>91.72</b>	1,41,108.21	95.40
Indigenous	<b>16,008.41</b>	<b>8.28</b>	6,811.00	4.60
	<b><u>1,93,233.88</u></b>	<b><u>100.00</u></b>	<b><u>1,47,919.21</u></b>	<b><u>100.00</u></b>

**SCHEDULE 'O' (Contd.)****28. VALUE OF STORES, CHEMICALS AND PACKING MATERIALS CONSUMED**

	2010-11		2009-10	
	Rs. in crore	% of Consumption	Rs. in crore	% of Consumption
Imported	1,724.28	51.04	1,412.28	50.91
Indigenous	1,653.74	48.96	1,361.70	49.09
	<u>3,378.02</u>	<u>100.00</u>	<u>2,773.98</u>	<u>100.00</u>

**29. EARNINGS IN FOREIGN EXCHANGE**

	(Rs. in crore)	
	2010-11	2009-10
FOB value of exports [Excluding captive transfers to Special Economic Zone of Rs. 13,178.23 crore (Previous Year Rs. 6,363.27 crore)]	1,40,546.15	1,02,655.60
Interest	6.98	25.08
Others	4.48	20.32

**30. 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:

	2010-11 (Final Dividend)	2009-10 (Interim Dividend)
a) Number of Non Resident Shareholders	40,299	38,072
b) Number of Equity Shares held by them	59,60,33,421*	28,99,24,139
c) (i) Amount of Dividend Paid ( Gross) ( Rs. in Crore)	417.22	376.90
(ii) Tax Deducted at Source	-	-
(iii) Year to which dividend relates	2009-10	2008-09

\* Includes issue of bonus shares in Financial Year 2009-10.

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 21, 2011

**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

**R.H. Ambani**  
**M.L. Bhakta**  
**Y.P. Trivedi**  
**Dr. D.V. Kapur**  
**M.P. Modi**  
**Prof. Ashok Misra**  
**Prof. Dipak C. Jain** } Directors

## Balance Sheet Abstract and Company's General Business Profile

### I. Registration Details:

Registration No: L 1 7 1 1 0 M H 1 9 7 3 P L C 0 1 9 7 8 6

Balance Sheet Date: 3 1 . 0 3 . 2 0 1 1 State Code:

### II. Capital raised during the year (Amount in Rs. Crore):

Public Issue:  N I L Rights Issue:  N I L

Bonus Issue:  N I L Private Placement:  N I L

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. crore):

Total Liabilities: 2 8 4 7 1 9 . 4 0 Total Assets: 2 8 4 7 1 9 . 4 0

Sources of Funds:

Paid up Capital:  3 2 7 3 . 3 7 Reserves & Surplus: 1 4 8 2 6 6 . 9 5

Secured Loans:  1 0 5 7 1 . 2 1 Unsecured Loans:  5 6 8 2 5 . 4 7

Deferred Tax Liabilities:  1 1 5 6 1 . 8 0 Current Liabilities:  5 4 2 2 0 . 6 0

Application of Funds:

Net Fixed Assets: 1 5 5 5 2 6 . 0 3 Investments:  3 7 6 5 1 . 5 4

Current Assets:  9 1 5 4 1 . 8 3

### IV. Performance of the Company (Amount in Rs. crore):

Turnover: 2 5 8 6 5 1 . 1 5 Total Expenditure: 2 2 9 2 2 2 . 5 2

Net Turnover: 2 4 8 1 7 0 . 0 0 Profit After tax: 2 0 2 8 6 . 3 0

Profit Before Tax:  2 5 2 4 2 . 2 4 Dividend: Rs. per share  8 . 0 0

Earning per share in Rs.

### V. Generic Names of principal products / services of the Company:

Item Code No. (ITC Code):

2 7 . 1 0

Product Description:

B U L K P E T R O L E U M P R O D U C T S

Item Code No. (ITC Code):

3 9 0 2 1 0 . 0 0

Product Description:

P O L Y P R O P Y L E N E ( P P )

Item Code No. (ITC Code):

3 9 0 1 2 0 . 0 0

Product Description:

P O L Y E T H Y L E N E ( P E )

## **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 31<sup>st</sup> March, 2011, 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. 63,989.53 crore as at 31<sup>st</sup> March, 2011, total revenue of Rs. 20,939.69 crore and net cash flows amounting to Rs. 431.55 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. 7.38 crore have been audited by one of us.
2. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 10.00 crore as at 31<sup>st</sup> March, 2011, total revenue of Rs. 0.01 crore and cash flows amounting to Rs. 0.42 crore for the year then ended and financial statements of certain associates in which the share of profit (net) of the Group is Rs. 0.33 crore. 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 and joint ventures whose consolidated financial statements reflect total assets of Rs. 22,027.11 crore as at 31<sup>st</sup> December, 2010 / 31<sup>st</sup> March 2011, total revenue of Rs. 12,046.19 crore, cash flows amounting to Rs. 2,144.02 crore for the year then ended

and on the unaudited financial statements of certain associates wherein the Group's share of loss (net) aggregates Rs. 67.25 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 31<sup>st</sup> March 2011;
  - (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 21, 2011

## Reliance Industries Limited

### Consolidated Balance Sheet as at 31st March, 2011

	Schedule	As at 31st March, 2011	(Rs. in crore) As at 31st March, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	'A'	2,981.02	2,978.02
Reserves and Surplus	'B'	<u>1,51,111.73</u>	<u>1,38,024.96</u>
		<b>1,54,092.75</b>	<b>1,41,002.98</b>
<b>Minority Interest</b>		<b>802.21</b>	<b>573.53</b>
<b>Loan Funds</b>			
Secured Loans	'C'	10,578.47	11,694.40
Unsecured Loans	'D'	<u>73,527.72</u>	<u>52,911.12</u>
		<b>84,106.19</b>	<b>64,605.52</b>
<b>Deferred Tax Liability</b>		<b>11,070.91</b>	<b>10,677.57</b>
<b>TOTAL</b>		<b><u>2,50,072.06</u></b>	<b><u>2,16,859.60</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	'E'	2,38,292.50	2,24,125.28
Less: Depreciation		<u>80,193.06</u>	<u>63,934.03</u>
Net Block		<u>1,58,099.44</u>	<u>1,60,191.25</u>
Capital Work-in-Progress		<u>29,742.25</u>	<u>17,033.68</u>
		<b>1,87,841.69</b>	<b>1,77,224.93</b>
<b>Investments</b>			
In Associates		2,915.65	2,404.32
In Others		<u>18,680.52</u>	<u>10,707.93</u>
		<b>21,596.17</b>	<b>13,112.25</b>
<b>Current Assets, Loans and Advances</b>			
<b>Current Assets</b>			
Inventories	'F'	38,519.43	34,393.32
Sundry Debtors		15,695.19	10,082.92
Cash and Bank Balances		30,139.03	13,890.83
Other Current Assets		<u>261.68</u>	<u>91.40</u>
		<b>84,615.33</b>	<b>58,458.47</b>
<b>Loans and Advances</b>			
	'G'	<u>13,464.25</u>	<u>10,647.21</u>
		<b>98,079.58</b>	<b>69,105.68</b>
<b>Less: Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Current Liabilities	'H'	52,716.47	38,890.57
Provisions		<u>4,730.26</u>	<u>3,695.02</u>
		<b>57,446.73</b>	<b>42,585.59</b>
<b>Net Current Assets</b>		<b>40,632.85</b>	<b>26,520.09</b>
<b>Miscellaneous Expenditure</b>		<b>1.35</b>	<b>2.33</b>
[to the extent not written off or adjusted]			
<b>TOTAL</b>		<b><u>2,50,072.06</u></b>	<b><u>2,16,859.60</u></b>
<b>Significant Accounting Policies</b>			
<b>Notes on Accounts</b>			
	'M'		
	'N'		

As per our Report of even date

For **Chaturvedi & Shah**  
Chartered AccountantsFor **Deloitte Haskins & Sells**  
Chartered AccountantsFor **Rajendra & Co.**  
Chartered Accountants**D. Chaturvedi**  
Partner**A. Siddharth**  
Partner**A.R. Shah**  
PartnerMumbai  
April 21, 2011**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**R.H. Ambani**  
**M.L. Bhakta**  
**Y.P. Trivedi**  
**Dr. D.V. Kapur**  
**M.P. Modi**  
**Prof. Ashok Misra**  
**Prof. Dipak C. Jain** } Directors

# Reliance Industries Limited

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

	Schedule	2010-11	(Rs. in crore) 2009-10
<b>INCOME</b>			
Turnover		2,76,371.78	2,11,727.07
Less: Excise Duty / Service Tax Recovered		10,561.18	7,987.35
Net Turnover		<u>2,65,810.60</u>	<u>2,03,739.72</u>
Other Income (including share in associates)	'I'	2,542.82	10,783.03
Variation in Stocks	'J'	4,458.04	6,034.99
		<u>2,72,811.46</u>	<u>2,20,557.74</u>
<b>EXPENDITURE</b>			
Purchases		7,032.23	7,537.51
Manufacturing and Other Expenses	'K'	2,25,192.83	1,71,334.99
Interest and Finance Charges	'L'	2,410.68	2,059.58
Depreciation		16,819.84	14,000.62
Less: Transferred from Revaluation Reserve [Refer Note 6, Schedule 'N']		2,633.75	2,991.80
Less: Transferred from Capital Reserve		65.33	63.02
		<u>14,120.76</u>	<u>10,945.80</u>
		<u>2,48,756.50</u>	<u>1,91,877.88</u>
<b>Profit before Tax</b>		24,054.96	28,679.86
Provision for Current Tax		4,412.43	3,124.91
Provision for Deferred Tax		371.01	1,131.37
<b>Profit after Tax (before adjustment for Minority Interest)</b>		<u>19,271.52</u>	<u>24,423.58</u>
Add: Share of (Profit)/ Loss transferred to Minority Interest		22.16	79.56
<b>Profit after Tax (after adjustment for Minority Interest)</b>		<u>19,293.68</u>	<u>24,503.14</u>
Add: Balance brought forward from Previous Year		13,296.84	5,391.95
(Short) Provision for Tax for earlier years		(0.37)	(0.23)
Excess Provision for Tax for earlier years - Minority Interest		0.04	-
Transfer from Statutory Reserve		-	33.94
<b>Amount Available for Appropriations</b>		<u>32,590.19</u>	<u>29,928.80</u>
<b>APPROPRIATIONS</b>			
Statutory Reserve		17.16	2.90
General Reserve		16,000.00	14,000.00
Debenture Redemption Reserve		-	189.50
Capital Redemption Reserve		-	8.65
Proposed Dividend on Equity Shares		2,384.99	2,084.67
Tax on Dividend on Equity Shares		386.90	346.24
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. 3,225.00, Previous Year Rs. 3,302.00)		-	-
		<u>18,789.05</u>	<u>16,631.96</u>
<b>Balance Carried to Balance Sheet</b>		<u>13,801.14</u>	<u>13,296.84</u>
<b>Basic and Diluted Earnings per Share of face value of Rs. 10 each (in Rupees)</b>		64.75	82.29
<b>Basic and Diluted Earnings per Share of face value of Rs. 10 each (in Rupees) (Before exceptional items)</b>		67.83	53.39
[Refer Note 13, Schedule 'N']			
<b>Significant Accounting Policies</b>	'M'		
<b>Notes on Accounts</b>	'N'		

As per our Report of even date

For **Chaturvedi & Shah**  
Chartered AccountantsFor **Deloitte Haskins & Sells**  
Chartered AccountantsFor **Rajendra & Co.**  
Chartered Accountants**D. Chaturvedi**  
Partner**A. Siddharth**  
Partner**A.R. Shah**  
PartnerMumbai  
April 21, 2011**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**R.H. Ambani****M.L. Bhakta****Y.P. Trivedi****Dr. D.V. Kapur** } Directors**M.P. Modi****Prof. Ashok Misra****Prof. Dipak C. Jain**

## Reliance Industries Limited

### Consolidated Cash Flow Statement for the year 2010-11

	(Rs. in crore)	
	2010-11	2009-10
<b>A: CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit before tax as per Profit and Loss Account</b>	<b>24,054.96</b>	28,679.86
Adjusted for:		
Miscellaneous Expenditure written off	3.34	2.09
Share in Income of Associates	59.54	(10.77)
Net Prior Year Adjustments	2.83	1.35
Investment written off (net)	-	245.33
Impairment of Assets	0.51	17.70
Loss on Sale / Discarding of Assets (net)	167.84	33.34
Depreciation	16,819.84	14,000.62
Transferred from Revaluation Reserve	(2,633.75)	(2,991.80)
Transferred from Capital Reserve	(65.33)	(63.02)
Effect of Exchange Rate Change	(848.01)	(1,799.43)
Effect of De-subsidiarisation	-	16.53
Profit on Sale of Investments (net)	(530.33)	(287.88)
Exceptional Item	917.21	(8,605.57)
Dividend Income	(5.38)	(8.30)
Interest / Other Income	(1,741.58)	(1,716.18)
Interest and Finance Charges	2,410.68	2,059.58
	<u>14,557.41</u>	<u>893.59</u>
<b>Operating Profit before Working Capital Changes</b>	<b>38,612.37</b>	29,573.45
Adjusted for:		
Trade and Other Receivables	(7,103.63)	(5,790.65)
Inventories	(4,091.82)	(14,396.67)
Trade Payables	10,155.91	14,249.20
	<u>(1,039.54)</u>	<u>(5,938.12)</u>
<b>Cash Generated from Operations</b>	<b>37,572.83</b>	23,635.33
Net Prior Year Adjustments	(2.83)	(1.35)
Taxes Paid	(4,242.81)	(3,140.40)
Net Prior Year Adjustments on Account of Subsidiaries	10.85	0.69
<b>Net Cash from Operating Activities</b>	<b>33,338.04</b>	20,494.27
<b>B: CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(33,864.64)	(23,278.10)
Sale of Fixed Assets	260.72	261.34
Deposit Received	9,004.00	-
Purchase of Investments	(2,56,161.89)	(2,01,137.94)
Sale of Investments	2,48,059.77	2,03,782.64
Movement in Loans and Advances	(1,345.25)	(19.06)
Interest Income	2,000.35	2,153.17
Dividend Income	3.25	7.12
<b>Net Cash (Used in) Investing Activities</b>	<b>(32,043.69)</b>	(18,230.83)

## Consolidated Cash Flow Statement for the year 2010-11 (Contd.)

	2010-11	(Rs. in crore) 2009-10
<b>C: CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Issue of Share Capital	192.57	53.54
Proceeds from Issue of Share Capital to Minority	3.10	459.00
Proceeds from Long Term Borrowings	20,474.64	6,535.21
Repayment of Long Term Borrowings	(6,025.25)	(12,227.12)
Short Term Loans	6,251.98	(130.16)
Dividends Paid (including dividend distribution tax)	(2,430.91)	(2,219.46)
Interest Paid	(3,516.41)	(3,604.37)
Miscellaneous Expenditure / Issue expenses	-	(0.36)
<b>Net Cash from / (Used in) Financing Activities</b>	<u>14,949.72</u>	<u>(11,133.72)</u>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<u>16,244.07</u>	<u>(8,870.28)</u>
<b>Opening Balance of Cash and Cash Equivalents</b>	13,890.83	22,742.10
Add: Upon addition of Subsidiaries	<u>4.13</u>	<u>19.01</u>
	<b>13,894.96</b>	22,761.11
<b>Closing Balance of Cash and Cash Equivalents</b>	<u><u>30,139.03</u></u>	<u><u>13,890.83</u></u>

### Note :

Share application money given to Associate aggregating to Rs. 17.00 crore (Previous Year Rs. NIL) have been converted into investments in Equity Shares.

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 21, 2011

**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

**R.H. Ambani**  
**M.L. Bhakta**  
**Y.P. Trivedi**  
**Dr. D.V. Kapur**  
**M.P. Modi**  
**Prof. Ashok Misra**  
**Prof. Dipak C. Jain** } Directors

## Schedules forming part of the Consolidated Balance Sheet

### SCHEDULE 'A'

#### SHARE CAPITAL

	As at 31st March, 2011	(Rs. in crore) As at 31st March, 2010
<b>Authorised:</b>		
500,00,00,000 Equity Shares of Rs. 10 each (500,00,00,000)	<b>5,000.00</b>	5,000.00
100,00,00,000 Preference Shares of Rs. 10 each (100,00,00,000)	<b>1,000.00</b>	1,000.00
	<u><b>6,000.00</b></u>	<u>6,000.00</u>
<b>Issued, Subscribed and Paid up:</b>		
2,98,10,19,381 Equity Shares of Rs. 10 each fully paid up (2,97,80,19,733)	<b>2,981.02</b>	2,978.02
Less: Calls in arrears - by others (Rs. 3,652.50 : Previous Year Rs. 3,922.50)	-	-
	<u><b>2,981.02</b></u>	<u>2,978.02</u>
<b>TOTAL</b>	<u><b>2,981.02</b></u>	<u>2,978.02</u>

#### Notes:

- 1,94,12,11,766  
(1,94,12,11,766) Shares out of the issued and subscribed share capital were allotted as Bonus Shares by capitalisation of Securities Premium and Reserves.
- 52,75,89,219  
(52,75,89,219) Shares out of the issued and subscribed share capital were allotted pursuant to the various Schemes of amalgamation without payments being received in cash.
- 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.
- The Company has reserved issuance of 13,52,79,244 (Previous year 13,82,78,892) 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 granted 35,200 [Previous year Nil] Options to the eligible employees which includes 16,000 options at a price of Rs. 995/- per option and 19,200 options at a price of Rs. 929/- per option 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 29,99,648 (Previous Year 5,30,426) equity shares to the eligible employees of the Company and its Subsidiaries under ESOS.
- Issued, Subscribed and paid up capital excludes 29,23,54,627 (Previous Year 29,23,54,627) equity shares directly held by subsidiaries/trust, before their becoming subsidiaries of the Company, which have been eliminated.



## Schedules forming part of the Consolidated Balance Sheet

### SCHEDULE 'B'

#### RESERVES AND SURPLUS

(Rs. in crore)

	As at 31st March, 2011	As at 31st March, 2010	
<b>Revaluation Reserve</b>			
As per last Balance Sheet	9,413.67	12,229.78	
Add: On Revaluation	<u>12.23</u>	<u>227.59</u>	
	9,425.90	12,457.37	
Less: Transferred to Profit and Loss Account [Refer Note 6, Schedule 'N']	2,633.75	2,991.80	
Less: Transferred to Minority Interest	2.93	51.90	
Less: Utilised on Demerger Adjustments [Refer Note 11, Schedule 'N']	<u>703.52</u>	-	
	<b>6,085.70</b>	-	9,413.67
<b>Capital Reserve</b>			
As per last Balance Sheet	817.08	880.36	
Add : On Consolidation of Subsidiaries (Net)	<u>(54.71)</u>	<u>(0.26)</u>	
	762.37	880.10	
Less : Transferred to Profit and Loss Account	<u>65.33</u>	<u>63.02</u>	
	<b>697.04</b>	-	817.08
<b>Exchange Fluctuation Reserve</b>	<b>(142.30)</b>		(91.05)
<b>Capital Redemption Reserve</b>			
As per last Balance Sheet	8.65	887.94	
Add: Transferred from Profit and Loss Account	<u>-</u>	<u>8.65</u>	
	8.65	896.59	
Less: Capitalised on issue of bonus shares	<u>-</u>	<u>887.94</u>	
	<b>8.65</b>	-	8.65
<b>Securities Premium Account</b>			
As per last Balance Sheet	45,394.12	45,366.22	
Add: Premium on issue of shares	<u>189.57</u>	<u>50.97</u>	
	45,583.69	45,417.19	
Less: Premium on redemption / buy back of debentures / Bonds	-	80.19	
Less: Capitalised on issue of bonus shares	-	738.85	
Less: Elimination on Consolidation	<u>125.00</u>	<u>(795.97)</u>	
	45,458.69	45,394.12	
Less: Calls in arrears - by others	<u>0.02</u>	<u>0.02</u>	
	<b>45,458.67</b>	-	45,394.10
<b>Debenture Redemption Reserve</b>			
As per last Balance Sheet	1,116.57	927.07	
Add: Transferred from Profit and Loss Account	<u>-</u>	<u>189.50</u>	
	<b>1,116.57</b>	-	1,116.57
<b>Statutory Reserve</b>			
As per last Balance Sheet	55.44	88.03	
Add: Transferred from Profit and Loss Account	17.16	2.90	
Less: Transferred to Profit and Loss Account	-	33.94	
Less: Transferred to Minority Interest (Rs. 28,387.00)	<u>-</u>	<u>1.55</u>	
	<b>72.60</b>	-	55.44
<b>General Reserve*</b>			
As per last Balance Sheet	68,003.95	54,003.95	
Add: Transferred from Profit and Loss Account	<u>16,000.00</u>	<u>14,000.00</u>	
	<b>84,003.95</b>	-	68,003.95
<b>Share in Reserves of Associates</b>			
Revaluation Reserve			
As per Last Balance Sheet	9.71	9.71	
<b>Profit and Loss Account</b>	<b>13,801.14</b>	<b>13,296.84</b>	
<b>TOTAL</b>	<b><u>1,51,111.73</u></b>	<b><u>1,38,024.96</u></b>	

\* 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

	As at 31st March, 2011	As at 31st March, 2010
(Rs. in crore)		
<b>A. DEBENTURES</b>		
Non Convertible Debentures	10,007.82	9,682.82
<b>B. TERM LOANS</b>		
<b>From Banks</b>		
Rupee Loans	6.27	575.86
<b>C. WORKING CAPITAL LOANS</b>		
<b>From Banks</b>		
Foreign Currency Loans	312.17	1,234.67
Rupee Loans	252.21	201.05
	<b>564.38</b>	1,435.72
<b>TOTAL</b>	<b>10,578.47</b>	11,694.40

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.110.34 crore are secured by way of first mortgage / charge on certain properties situated at village Mouje Dhanot, District Kalol in the State of Gujarat and on fixed assets situated at Hoshiarpur Complex of the Company.
- e) 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.
- f) 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.
- g) 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.
- h) Rs. 500.00 crore are secured by way of first mortgage / charge on the immovable properties situated at Jamnagar Complex (SEZ unit) 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 17th June, 2011 and the last being on 7th May, 2020. The debentures are redeemable as follows: 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, Rs. 503.34 crore in financial year 2018-19 and Rs. 500.00 crore in financial year 2020-21.

## Schedules forming part of the Consolidated Balance Sheet

3. Term loans referred to in B above are secured by hypothecation of vehicles.
4. Working Capital Loans referred to in C above to the extent of :
  - a) Rs. 563.39 crore are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares (not relating to plant and machinery), book debts, outstanding monies, receivables, claims, bills, materials in transit, etc. save and except receivable of Oil and Gas Division.
  - b) Rs. 0.99 crore are secured by way of lien against term deposits with banks.

### SCHEDULE 'D'

#### UNSECURED LOANS

	As at 31st March, 2011	As at 31st March, 2010
(Rs. in crore)		
<b>A. Long Term</b>		
i) From Banks	47,782.32	42,373.97
ii) From Others	10,541.28	3,899.30
	<u>58,323.60</u>	<u>46,273.27</u>
<b>B. Short Term</b>		
i) From Banks	13,166.18	6,271.41
ii) From Others	22.42	347.83
	<u>13,188.60</u>	<u>6,619.24</u>
<b>C. Debentures</b>		
i) Unsecured Redeemable Non Convertible Debentures	2,000.00	-
ii) Zero Coupon Unsecured Optionally Fully Convertible Debentures of Rs. 100 each	0.30	0.30
	<u>2,000.30</u>	<u>0.30</u>
<b>D. Deferred Sales Tax Liability</b>	<u>15.22</u>	<u>18.31</u>
<b>TOTAL</b>	<u><u>73,527.72</u></u>	<u><u>52,911.12</u></u>

#### Note:

Short term loan from banks include commercial paper of Rs. NIL (Previous Year Rs. 500.00 crore). Maximum balance outstanding at any time during the year being Rs. 4,825.00 crore (Previous Year Rs. 8,500.00 crore).

## Schedules forming part of the Consolidated Balance Sheet

### SCHEDULE 'E'

#### FIXED ASSETS

(Rs. in crore)

Description	Gross Block				Depreciation		Net Block	
	As at 01-04-2010	Additions/ Adjustments	Deductions/ Adjustments	As at 31-03-2011	For the Year	Upto 31-03-2011	As at 31-03-2011	As at 31-03-2010
<b>OWN ASSETS :</b>								
Leasehold Land	2,021.07	407.67	32.79	<b>2,395.95</b>	81.94	<b>272.50</b>	<b>2,123.45</b>	1,831.30
Freehold Land	5,141.65	790.17	47.43	<b>5,884.39</b>	-	-	<b>5,884.39</b>	5,141.65
Buildings	10,478.42	556.96	130.08	<b>10,905.30</b>	353.26	<b>2,727.67</b>	<b>8,177.63</b>	8,040.46
Plant & Machinery	1,34,568.91	2,944.55	332.66	<b>1,37,180.80</b>	8,051.17	<b>55,753.77</b>	<b>81,427.03</b>	86,556.15
Electrical Installations	3,796.47	358.68	29.83	<b>4,125.32</b>	192.83	<b>1,431.51</b>	<b>2,693.81</b>	2,553.93
Equipments	6,640.98	1,268.22	119.41	<b>7,789.79</b>	361.35	<b>1,404.92</b>	<b>6,384.87</b>	5,567.04
Furniture & Fixtures	815.90	181.28	134.14	<b>863.04</b>	51.25	<b>364.14</b>	<b>498.90</b>	471.33
Vehicles	338.43	55.39	53.01	<b>340.81</b>	44.25	<b>172.47</b>	<b>168.34</b>	178.56
Ships	385.75	0.10	-	<b>385.85</b>	14.28	<b>239.79</b>	<b>146.06</b>	160.24
Aircrafts & Helicopters	68.42	114.79	114.79	<b>68.42</b>	11.85	<b>28.16</b>	<b>40.26</b>	48.05
<b>Sub-Total</b>	<b>1,64,256.00</b>	<b>6,677.81</b>	<b>994.14</b>	<b>1,69,939.67</b>	<b>9,162.18</b>	<b>62,394.93</b>	<b>1,07,544.74</b>	<b>1,10,548.71</b>
<b>LEASED ASSETS :</b>								
Plant & Machinery	355.34	-	85.74	<b>269.60</b>	76.47	<b>162.44</b>	<b>107.16</b>	184.12
Ships	9.98	-	-	<b>9.98</b>	-	<b>9.98</b>	-	-
<b>Sub-Total</b>	<b>365.32</b>	<b>-</b>	<b>85.74</b>	<b>279.58</b>	<b>76.47</b>	<b>172.42</b>	<b>107.16</b>	<b>184.12</b>
<b>INTANGIBLE ASSETS**:</b>								
Technical Knowhow fees	3,079.95	188.78	3.15	<b>3,265.58</b>	153.27	<b>1,565.17</b>	<b>1,700.41</b>	1,668.05
Software	480.69	135.85	0.71	<b>615.83</b>	67.54	<b>444.33</b>	<b>171.50</b>	103.95
Development Rights #	52,374.38	8,212.60	-	<b>60,586.98</b>	7,281.21	<b>14,856.70</b>	<b>45,730.28</b>	44,798.29
Others	3,568.94	35.92	-	<b>3,604.86</b>	79.17	<b>759.51</b>	<b>2,845.35</b>	2,888.13
<b>Sub-Total</b>	<b>59,503.96</b>	<b>8,573.15</b>	<b>3.86</b>	<b>68,073.25</b>	<b>7,581.19</b>	<b>17,625.71</b>	<b>50,447.54</b>	<b>49,458.42</b>
<b>Total</b>	<b>2,24,125.28</b>	<b>15,250.96</b>	<b>1,083.74</b>	<b>2,38,292.50</b>	<b>16,819.84*</b>	<b>80,193.06</b>	<b>1,58,099.44</b>	<b>1,60,191.25</b>
Previous Year	1,57,182.43	67,608.16	665.31	2,24,125.28	14,000.70	63,934.03	1,60,191.25	
Capital Work-in-Progress							<b>29,742.25</b>	17,033.68

#### NOTES :

- Leasehold Land includes Rs. 203.19 crore (Previous Year Rs. 203.19 crore) in respect of which lease-deeds are pending execution.
- Buildings include :
  - Cost of shares in Co-operative Housing Societies Rs. 1.00 crore (Previous Year Rs. 1.00 crore).
  - Rs. 4.88 crore (Previous Year Rs. 4.88 crore) in respect of which conveyance is pending.
  - 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.
- Intangible assets - Others include :
  - 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.
  - 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.
- Capital Work-in-Progress includes :
  - Rs. 2,459.47 crore (Previous Year Rs. 2,004.84 crore) on account of project development expenditure.
  - Rs. 1,593.52 crore (Previous Year Rs. 1,253.42 crore) on account of cost of construction materials at site.
  - Rs. 1,070.92 crore (Previous Year Rs. 1,645.44 crore) on account of advance against capital expenditure.
- Additions include Rs. 2.21 crore on revaluation of Buildings, Plant & Machinery and Storage Tanks as at 31.12.2010 based on report issued by international valuers.
- Gross Block includes Rs. 12,900.63 crore added on revaluation of Building, Plant & Machinery and Equipments as at 01.01.2009 Rs. 237.61 crore revaluation of Buildings, Plant & Machinery and Storage Tanks as at 31.12.2009, 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.
- Additions and Capital Work-in-Progress include Rs. 41.14 crore (net gain) [Previous Year Rs. 5,313.81 crore (net gain)] on account of exchange difference during the year.
  - \* Refer Note 6, Schedule 'N'
  - \*\* Other than internally generated
  - # Regrouped from Plant & Machinery.

## Schedules forming part of the Consolidated Balance Sheet

### SCHEDULE 'F'

	As at 31st March, 2011	(Rs. in crore) As at 31st March, 2010
<b>CURRENT ASSETS</b>		
<b>INVENTORIES</b>		
Stores, Chemicals and Packing Materials	3,030.17	2,922.74
Raw Materials	14,645.14	15,090.24
Stock-in-Process	9,878.86	6,826.85
Finished Goods / Traded Goods	10,965.26	9,553.49
	<u>38,519.43</u>	<u>34,393.32</u>
<b>SUNDRY DEBTORS (Unsecured and Considered Good)</b>		
Over six months	28.67	18.69
Others	15,666.52	10,064.23
	<u>15,695.19</u>	<u>10,082.92</u>
<b>CASH AND BANK BALANCES</b>		
Cash on hand	29.74	26.79
<b>Balance with Banks</b>		
In Current Accounts :		
with Scheduled Banks	629.33	396.19
with Others	215.81	241.41
In Fixed Deposit Accounts :		
with Scheduled Banks	29,261.15	13,170.60
with Others	3.00	55.84
	<u>30,139.03</u>	<u>13,890.83</u>
<b>OTHER CURRENT ASSETS</b>		
Interest Accrued on Investments	199.34	91.40
Other Current Assets	62.34	-
	<u>261.68</u>	<u>91.40</u>
<b>TOTAL</b>	<u><u>84,615.33</u></u>	<u><u>58,458.47</u></u>

### SCHEDULE 'G'

#### LOANS AND ADVANCES

	As at 31st March, 2011	(Rs. in crore) As at 31st March, 2010
<b>UNSECURED - (Considered Good Unless Otherwise Stated)</b>		
Advance Income Tax (Net of Provision)	1,428.16	1,424.54
Advances recoverable in cash or in kind or for value to be received	7,872.30	5,186.14
Less: Considered Doubtful	71.78	71.78
	<u>7,800.52</u>	<u>5,114.36</u>
Deposits	2,751.97	2,668.16
Balance with Customs, Central Excise Authorities, etc.	1,483.60	1,440.15
<b>TOTAL</b>	<u><u>13,464.25</u></u>	<u><u>10,647.21</u></u>

## Schedules forming part of the Consolidated Balance Sheet

### SCHEDULE 'H'

#### CURRENT LIABILITIES AND PROVISIONS

##### CURRENT LIABILITIES

	As at 31st March, 2011	As at 31st March, 2010	(Rs. in crore)
Sundry Creditors - Micro, Small and Medium Enterprises	8.30	8.31	
- Others * ^	51,933.83	38,117.31	
Liability for Leased Assets *	46.15	69.23	
Unpaid Dividend #	110.87	98.61	
Unpaid Matured debentures #	1.38	1.39	
Interest accrued on above #	0.08	0.19	
Unpaid Share Application Money #	1.36	1.36	
Interest accrued but not due on Loans	614.50	594.17	
	<u>52,716.47</u>	<u>38,890.57</u>	
<b>PROVISIONS</b>			
Provision for Income Tax	43.21	20.61	
Provision for Fringe Benefit Tax	-	0.01	
Provision for Wealth Tax	64.11	50.88	
Provision for Leave encashment/ Superannuation / Gratuity	275.94	373.17	
Other Provisions	1,575.11	819.44	
Proposed Dividend	2,384.99	2,084.67	
Tax on Dividend	386.90	346.24	
	<u>4,730.26</u>	<u>3,695.02</u>	
<b>TOTAL</b>	<u>57,446.73</u>	<u>42,585.59</u>	

\* Includes for capital expenditure Rs. 4,154.35 crore (Previous Year Rs. 8,977.73 crore).

^ Includes advance application money received against Employees Stock Options Scheme (ESOS) pending allotment Rs. 8.53 crore (Previous Year Rs. NIL).

# These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except Rs. 7.81 crore (Previous Year Rs 7.02 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

	2010-11	2009-10	(Rs. in crore)
Dividend:			
From Current Investments	2.46	1.74	
From Long Term Investments	2.92	6.56	
	<u>5.38</u>	<u>8.30</u>	
Interest:			
From Current Investments	486.05	171.54	
From Long Term Investments	2.04	-	
From Others	1,253.49	1,544.36	
[Tax deducted at Source Rs. 132.88 crore (Previous Year Rs. 182.43 crore)]	<u>1,741.58</u>	<u>1,715.90</u>	
Premium on investments in preference shares	-	0.28	
Profit on Sale of Current Investments (net)#	400.18	266.47	
Profit on Sale of Long Term Investments (net)	130.15	21.41	
Profit on Sale of Fixed Assets	24.83	33.95	
Miscellaneous Income	300.24	136.91	
Profit / (Loss) on de-subsidiarisation of Subsidiary	-	(16.53)	
Share in Associates	(59.54)	10.77	
Exceptional Items*	-	8,605.57	
<b>TOTAL</b>	<u>2,542.82</u>	<u>10,783.03</u>	

\* Income from sale of Reliance Industries Limited shares by Petroleum Trust.

# Net of diminution in value of investments Rs. 111.90 crore (Previous Year Rs. 8.30 crore).



## Schedules forming part of the Consolidated Profit and Loss Account

### SCHEDULE 'J'

#### VARIATION IN STOCKS

		(Rs. in crore)
	2010-11	2009-10
<b>STOCK-IN-TRADE (at close)</b>		
Finished Goods / Traded Goods	10,965.26	9,553.49
Stock-in-Process	<u>9,878.86</u>	<u>6,826.85</u>
	<b>20,844.12</b>	16,380.34
<b>STOCK-IN-TRADE (at commencement)</b>		
Finished Goods / Traded Goods	9,553.49	4,733.00
Stock-in-Process	<u>6,826.85</u>	<u>5,612.12</u>
	<b>16,380.34</b>	10,345.12
Capitalised During the year	<u>-</u>	<u>0.23</u>
	<b>16,380.34</b>	10,345.35
Opening Stock of Subsidiaries Acquired during the year	<u>5.74</u>	<u>-</u>
	<b>16,386.08</b>	10,345.35
<b>TOTAL</b>	<b><u>4,458.04</u></b>	<b><u>6,034.99</u></b>

### SCHEDULE 'K'

#### MANUFACTURING AND OTHER EXPENSES

		(Rs. in crore)
	2010-11	2009-10
<b>RAW MATERIAL CONSUMED</b>	<b>2,01,849.50</b>	1,53,100.20
<b>MANUFACTURING EXPENSES</b>		
Stores, Chemicals and Packing Materials	3,795.71	3,639.54
Electric Power, Fuel and Water	2,834.33	3,140.75
Machinery Repairs	751.55	463.25
Building Repairs	101.30	69.51
Labour, Processing, Production Royalty and Machinery Hire Charges	2,421.51	1,823.36
Excise Duty #	94.80	369.15
Lease Rent	3.23	3.73
Exchange Differences (Net)	<u>(248.32)</u>	<u>(725.57)</u>
	<b>9,754.11</b>	8,783.72
<b>LAND DEVELOPEMENT AND CONSTRUCTION EXPENDITURE</b>	<b>189.77</b>	180.31
<b>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES (including Managerial Remuneration)</b>		
Salaries, Wages and Bonus	2,781.07	2,312.66
Contribution to Provident Fund, Gratuity Fund, Superannuation Fund, Employee's State Insurance Scheme, Pension Scheme, Labour Welfare Fund etc.	308.05	191.76
Employee Welfare and other amenities	<u>235.14</u>	<u>286.45</u>
	<b>3,324.26</b>	2,790.87
<b>SALES AND DISTRIBUTION EXPENSES</b>		
Samples, Sales Promotion and Advertisement Expenses	183.48	33.36
Brokerage, Discount and Commission	309.77	252.47
Warehousing and Distribution Expenses	4,635.69	3,600.56
Sales Tax / Vat / Service Tax	<u>761.23</u>	<u>566.22</u>
	<b>5,890.17</b>	4,452.61

## Schedules forming part of the Consolidated Profit and Loss Account

### SCHEDULE 'K' (Contd.)

	2010-11	(Rs. in crore) 2009-10
<b>ESTABLISHMENT EXPENSES</b>		
Insurance	553.01	504.06
Rent	454.68	356.71
Rates & Taxes	84.79	72.12
Other Repairs	292.48	301.03
Travelling Expenses	123.77	81.05
Payment to Auditors	18.61	16.83
Professional Fees	557.40	544.02
Loss on Sale / Discarding of Fixed Assets	192.67	67.29
General Expenses	1,670.64*	940.14
Investment written off	110.13^	245.33
Wealth Tax	13.23	13.21
Charity and Donations	143.87	103.41
	<u>4,215.28</u>	<u>3,245.20</u>
	<u>2,25,223.09</u>	<u>1,72,552.91</u>
Less : Transferred to Project Development Expenditure (Net)	<u>30.26</u>	<u>1,217.92</u>
<b>TOTAL</b>	<u><u>2,25,192.83</u></u>	<u><u>1,71,334.99</u></u>

# 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 expenses incurred in Oman- Block 18 and East Timor-Block K amounting to Rs. 807.08 crore, an exceptional item.

^ An exceptional item.

### SCHEDULE 'L'

#### INTEREST AND FINANCE CHARGES

	2010-11	(Rs. in crore) 2009-10
Debentures	1,082.27	946.36
Fixed Loans	547.68	546.90
Finance charges on Leased Assets	11.62	7.89
Others	769.11	558.43
<b>TOTAL</b>	<u><u>2,410.68</u></u>	<u><u>2,059.58</u></u>

## 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 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:**

- 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.
- The Subsidiary companies considered in the consolidated financial statements are:

<b>Name of the Subsidiaries</b>	<b>Country of Incorporation</b>	<b>Proportion of ownership interest</b>
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	91.09%
Reliance Netherlands B.V. *	Netherlands	100.00%
Reliance Haryana SEZ Limited	India	92.50%
Reliance Fresh Limited	India	91.09%
Retail Concepts and Services (India) Limited	India	91.09%
Reliance Retail Insurance Broking Limited	India	91.09%
Reliance Dairy Foods Limited	India	91.09%
Reliance Exploration & Production DMCC *	U.A.E.	100.00%
Reliance Retail Finance Limited	India	91.09%
RESQ Limited	India	91.09%
Reliance Commercial Associates Limited	India	100.00%
Reliance digital Retail Limited	India	91.09%
Reliance Financial Distribution and Advisory Services Limited	India	91.09%
RIL (Australia) Pty Limited	Australia	100.00%
Reliance Hypermart Limited	India	91.09%
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%
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	91.09%
Reliance Brands Limited	India	91.09%
Reliance Footprint Limited	India	91.09%
Reliance Trends Limited	India	91.09%
Reliance Wellness Limited	India	91.09%
Reliance Lifestyle Holdings Limited	India	91.09%
Reliance Universal Ventures Limited	India	91.09%
Delight Proteins Limited	India	91.09%
Reliance Autozone Limited	India	91.09%
Reliance F&B Services Limited	India	91.09%
Reliance Gems and Jewels Limited	India	91.09%
Reliance Integrated Agri Solutions Limited	India	91.09%
Strategic Manpower Solutions Limited	India	91.09%
Reliance Agri Products Distribution Limited	India	91.09%

**SCHEDULE 'N' (Contd.)**

Name of the Subsidiaries	Country of Incorporation	Proportion of ownership interest
Reliance Digital Media Limited	India	91.09%
Reliance Food Processing Solutions Limited	India	91.09%
Reliance Home Store Limited	India	91.09%
Reliance Leisures Limited	India	91.09%
Reliance Loyalty & Analytics Limited	India	91.09%
Reliance Retail Securities and Broking Company Limited	India	91.09%
Reliance Supply Chain Solutions Limited	India	91.09%
Reliance Trade Services Centre Limited	India	91.09%
Reliance Vantage Retail Limited	India	91.09%
Wave Land Developers Limited	Kenya	100.00%
Reliance Grand-Optical Private Limited	India	91.09%
Reliance Universal Commercial Limited	India	100.00%
Reliance Petroinvestments Limited	India	100.00%
Reliance Global Commercial Limited	India	100.00%
Reliance People Serve Limited	India	91.09%
Reliance Infrastructure Management Services Limited	India	91.09%
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	91.09%
Reliance Global Energy Services (Singapore) Pte. Limited	Singapore	100.00%
Reliance Personal Electronics Limited	India	91.09%
Reliance Polymers (India) Limited	India	100.00%
Reliance Polyolefins Limited	India	100.00%
Reliance Aromatics and Petrochemicals Limited	India	100.00%
Reliance Energy and Project Development Limited	India	100.00%
Reliance Chemicals Limited	India	100.00%
Reliance Universal Enterprises Limited	India	100.00%
International Oil Trading Limited	British Virgin Island	100.00%
Reliance Review Cinema Limited	India	91.09%
Reliance Replay Gaming Limited	India	91.09%
Reliance Nutritional Food Processors Limited	India	91.09%
RIL USA Inc.*	U.S.A	100.00%
Reliance Commercial Land & Infrastructure Limited	India	100.00%
Reliance Corporate IT Park Limited	India	98.61%
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	91.09%
LPG Infrastructure (India) Limited	India	91.09%
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 Limited	India	100.00%

**SCHEDULE 'N' (Contd.)**

<b>Name of the Subsidiaries</b>	<b>Country of Incorporation</b>	<b>Proportion of ownership interest</b>
Reliance Oil and Gas Mauritius Limited	Mauritius	100.00%
Reliance Exploration and Production Mauritius Limited	Mauritius	100.00%
Reliance Holding Cooperatief U.A	Netherlands	100.00%
Indiawin Sports Private Limited	India	98.30%
Reliance Holding Netherlands B. V.	Netherlands	100.00%
Reliance International Gas B. V.	Netherlands	100.00%
Reliance Exploration and Production B. V.	Netherlands	100.00%
Reliance Exploration and Production Limited	British Virgin Island	100.00%
Reliance Holding USA Inc.*	U.S.A	100.00%
Reliance Marcellus LLC*	U.S.A	100.00%
Infotel Broadband Services Limited	India	95.00%
Reliance Strategic (Mauritius) Limited	Mauritius	100.00%
Reliance Eagleford Midstream LLC*	U.S.A	100.00%
Reliance Eagleford Upstream LLC*	U.S.A	100.00%
Reliance Eagleford Upstream GP LLC*	U.S.A	100.00%
Reliance Eagleford Upstream Holding LP*	U.S.A	100.00%
Mark Project Services Private Limited	India	100.00%
Reliance Energy Generation and Distribution Limited	India	100.00%
Reliance Marcellus II LLC*	U.S.A	100.00%
Reliance Security Solutions Limited	India	100.00%
Reliance Industries Investment and Holding Limited	India	100.00%
Reliance Office Solutions Private Limited	India	91.09%
Reliance Style Fashion India Limited	India	91.09%
GenNext Innovation Ventures Private Limited	India	100.00%
GenNext Ventures Private Limited	India	100.00%
Reliance Home Products Limited	India	91.09%
Infotel Telecom Limited	India	95.00%
Reliance Styles India Private Limited	India	91.09%
Rancore Technologies Private Limited	India	95.00%

\* 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%
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	44.63%
Reliance Innovative Building Solutions Private Limited	India	50.00%
Diesel Fashion India Reliance Private Limited	India	44.63%
Office Depot Reliance Supply Solutions Private Limited	India	45.55%
Zegna South Asia Private Limited	India	44.63%
IMG Reliance Private Limited	India	50.00%
Deccan Cargo and Express Logistics Private Limited	India	30.89%
EFS Midstream LLC #	U.S.A	50.00%

# 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:

Particulars	(Rs. in crore)	
	As on 31st March, 2011	As on 31st March, 2010
(i) Assets		
Long Term Assets	<b>112.43</b>	63.87
Investments	<b>52.51</b>	41.26
Current Assets	<b>118.79</b>	97.55
(ii) Liabilities		
Loans (Secured & Unsecured)	<b>7.90</b>	10.31
Current Liabilities and Provisions	<b>74.24</b>	48.39
Deferred Tax	<b>(2.20)</b>	-
(iii) Income	<b>187.78</b>	101.46
(iv) Expenses	<b>235.00</b>	136.33

5. The audited/unaudited financial statements of foreign subsidiaries / associates 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, 2011 to 31st March, 2011 in respect of subsidiaries having financial year ended 31st December, 2010.
6. The Gross Block of Fixed Assets includes Rs. 38,516.62 crore (Previous Year Rs. 38,504.39 crore) on account of revaluation of Fixed Assets. Consequent to the said revaluation, there is an additional charge of depreciation of Rs. 2,633.75 crore (Previous Year Rs. 2,991.80 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. 292.73 crore (Previous Year Rs. 210.36 crore) and sales during trial run period of Rs. NIL (Previous Year Rs. 143.26 crore).
8. In view of the loss for the year, the subsidiary Company Infotel Broadband Services Limited has not created the Debenture Redemption Reserve of Rs. 51.64 crore in terms of section 117C of the Companies Act, 1956. The Company shall create the Debenture Redemption Reserve out of profits, if any, in the future years.

9. Managerial Remuneration:

(Included under the head "Payments to and Provisions for Employees")

(a) Remuneration to Managing Director / Executive Directors	(Rs. in crore)	
	2010-11	2009-10
(i) Salaries	<b>7.54</b>	7.42
(ii) Perquisites and allowances	<b>5.52</b>	5.57
(iii) Commission	<b>25.88</b>	19.94
(iv) Leave salary / Encashment	<b>0.55</b>	0.55
(v) Contribution to Provident fund and Superannuation fund	<b>0.95</b>	1.06
(vi) Provision for Gratuity	<b>0.23</b>	6.36
	<b>40.67</b>	40.90
(b) Commission to Non-Executive Directors	<b>1.68</b>	1.75

**SCHEDULE 'N' (Contd.)**

10. A sum of Rs. 2.83 crore (net debit) [Previous Year Rs. 1.35 crore (net debit)] is included under Establishment expenses representing Net Prior Period Items.
11. Pursuant to the scheme of arrangement to demerge certain undertakings which was approved by the Hon'ble High Court of Bombay on 9th December, 2005, the Company had demerged assets and liabilities relating to those demerged undertakings on the close of business on 31st August 2005. There have been certain claims relating to the above demerger / demerged undertakings which have been settled by the Company during the year and an additional amount of Rs. 703.52 crore has been appropriated against Revaluation Reserve.
12. The deferred tax liability comprises of the following:

	(Rs. in crore)	
	As at 31st March, 2011	As at 31st March, 2010
<b>a Deferred Tax Liabilities :</b>		
Related to fixed assets	<b>12,478.49</b>	11,702.87
<b>b Deferred Tax Assets :</b>		
Related to fixed assets	<b>318.12</b>	94.08
Disallowances under the Income Tax Act, 1961	<b>188.74</b>	251.03
Carried forward loss of subsidiaries	<b>900.72</b>	680.19
	<b>1,407.58</b>	1,025.30
	<b>11,070.91</b>	10,677.57

**13. EARNINGS PER SHARE (EPS)**

	2010-11	2009-10
i) Net Profit after tax (after adjusting Minority Interest) as per Profit and Loss Account (Rs. in crore)	<b>19,293.68</b>	24,503.14
ii) (Short) provision for tax for earlier years (Rs. in crore)	<b>(0.33)</b>	(0.23)
iii) Net profit attributable to equity shareholders (Rs. in crore)	<b>19,293.35</b>	24,502.91
iv) Net Profit before Exceptional item (Rs. in crore)	<b>20,210.56</b>	15,897.34
v) Weighted Average number of equity shares used as denominator for calculating EPS	<b>2,97,94,96,405</b>	2,97,75,08,221*
vi) Basic and Diluted Earnings per share (Rs.)	<b>64.75</b>	82.29
vii) Basic and Diluted Earnings (before exceptional items) per share (Rs.)	<b>67.83</b>	53.39
viii) Face Value per equity share (Rs.)	<b>10.00</b>	10.00

\* Adjusted for issue of bonus shares in 2009-10 in the ratio of 1:1.

**SCHEDULE 'N' (Contd.)**
**14. FINANCIAL AND DERIVATIVE INSTRUMENTS**
**a) Derivative contracts entered into by the Company and outstanding as on 31st March, 2011.**
**(i) For hedging Currency and Interest Rate Related Risks:**

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31<sup>st</sup> March, 2011 amount to Rs. 1,00,714.69 crore (Previous Year Rs. 1,23,647.74 crore).

Category wise break up is given below :

Sr. No.	Particulars	(Rs. in crore)	
		As at 31st March, 2011	As at 31st March, 2010
1	Interest Rate Swaps	36,253.65	48,361.08
2	Currency Swaps	4,567.03	4,199.76
3	Options	28,180.96	44,853.83
4	Forward Contracts	31,713.05	26,233.07

**(ii) For hedging commodity related risks :**

Category wise break up is given below :

Sr. No	Particulars	As at 31st March, 2011			As at 31st March, 2010		
		Petroleum products sales	Crude Oil purchases	Other products	Petroleum products sales	Crude oil purchases	Other products
		(in Kbbbl)	(in Kbbbl)	(in Kg)	(in Kbbbl)	(in Kbbbl)	(in Kg)
1	Forward swaps	14,757	21,420	592	1,900	8,185	572
2	Futures	2,194	9,453	-	5,772	4,967	-
3	Spreads	33,768	51,227	-	10,306	32,141	-
4	Options	-	1,800	-	1,800	12,175	-

In addition the Company has net margin hedges outstanding for contracts relating to petroleum product sales of 79,308 kbbbl (Previous Year 72,700 kbbbl).

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. NIL (Previous Year Rs. 94.09 crore) to the Profit and Loss Account in respect of derivative contracts.

c) Foreign currency exposures that are not hedged by derivative instruments as on 31st March 2011 amount to Rs. 72,649.83 crore (Previous Year Rs. 50,487.21 crore).

**15. 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	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1	<b>Segment Revenue</b>												
	External Turnover	67,648.50	59,106.84	1,86,541.68	1,36,068.25	15,705.58	11,774.04	6,476.02	4,777.94	-	-	2,76,371.78	2,11,727.07
	Inter Segment Turnover	43.62	47.18	48,632.91	39,051.42	1,619.73	875.01	214.93	12.66	-	-	-	-
	<b>Gross Turnover</b>	<b>67,692.12</b>	<b>59,154.02</b>	<b>2,35,174.59</b>	<b>1,75,119.67</b>	<b>17,325.31</b>	<b>12,649.05</b>	<b>6,690.95</b>	<b>4,790.60</b>	-	-	<b>2,76,371.78*</b>	<b>2,11,727.07*</b>
	Less: Excise duty / Service Tax recovered	4,468.09	3,132.01	6,010.03	4,805.42	3.15	-	79.91	49.92	-	-	10,561.18	7,987.35
	<b>Net Turnover</b>	<b>63,224.03</b>	<b>56,022.01</b>	<b>2,29,164.56</b>	<b>1,70,314.25</b>	<b>17,322.16</b>	<b>12,649.05</b>	<b>6,611.04</b>	<b>4,740.68</b>	-	-	<b>2,65,810.60</b>	<b>2,03,739.72</b>
2	<b>Segment Result before Interest and Taxes</b>	9,540.41	8,640.41	9,181.75	6,056.24	6,717.13	5,199.29	(460.07)	98.47	662.05	423.56	25,641.27	20,417.97
	Less: Interest Expense	-	-	-	-	-	-	-	-	2,410.68	2,059.58	2,410.68	2,059.58
	Add: Interest Income	-	-	-	-	-	-	-	-	1,741.58	1,715.90	1,741.58	1,715.90
	Add: Exceptional Item	-	-	-	(917.21)	-	-	-	-	-	8,605.57	(917.21)	8,605.57
	<b>Profit Before Tax</b>	<b>9,540.41</b>	<b>8,640.41</b>	<b>9,181.75</b>	<b>6,056.24</b>	<b>5,799.92</b>	<b>5,199.29</b>	<b>(460.07)</b>	<b>98.47</b>	<b>(7.05)</b>	<b>8,685.45</b>	<b>24,054.96</b>	<b>28,679.86</b>
	Current Tax	-	-	-	-	-	-	-	-	4,412.43	3,124.91	4,412.43	3,124.91
	Deferred Tax	-	-	-	-	-	-	-	-	371.01	1,131.37	371.01	1,131.37
	<b>Profit after Tax (before adjustment for Minority Interest)</b>	<b>9,540.41</b>	<b>8,640.41</b>	<b>9,181.75</b>	<b>6,056.24</b>	<b>5,799.92</b>	<b>5,199.29</b>	<b>(460.07)</b>	<b>98.47</b>	<b>(4,790.49)</b>	<b>4,429.17</b>	<b>19,271.52</b>	<b>24,423.58</b>
	Add: Share of (Profit) / Loss transferred to Minority	-	-	(25.03)	5.54	-	-	47.18	74.02	0.01	-	22.16	79.56
	<b>Profit after Tax (after adjustment for Minority Interest)</b>	<b>9,540.41</b>	<b>8,640.41</b>	<b>9,156.72</b>	<b>6,061.78</b>	<b>5,799.92</b>	<b>5,199.29</b>	<b>(412.89)</b>	<b>172.49</b>	<b>(4,790.48)</b>	<b>4,429.17</b>	<b>19,293.68</b>	<b>24,503.14</b>
3	<b>Other Information</b>												
	Segment Assets	45,695.18	45,796.76	1,05,470.48	1,01,591.78	64,916.75	58,858.45	26,244.56	19,898.91	65,190.47	33,296.96	3,07,517.44	2,59,442.86
	Segment Liabilities	5,932.03	4,805.02	32,145.11	24,348.58	4,119.79	8,113.03	1,318.92	1,359.73	13,930.88	3,959.23	57,446.73	42,585.59
	Capital Expenditure	548.62	513.09	1,327.69	3,439.09	10,591.83	5,439.67	13,588.79	709.39	818.86	29.32	26,875.79	10,130.56
	Depreciation	2,215.24	2,140.70	3,966.68	3,378.31	7,377.44	4,897.58	311.69	356.75	249.71	172.46	14,120.76	10,945.80
	Non Cash Expenses other than depreciation	-	-	-	-	917.72	-	-	-	111.90	271.33	1,029.62	271.33

\*Total Gross Turnover is after elimination of inter segment turnover of Rs. 50,511.19 crore (Previous Year Rs. 39,986.27 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

\* Telecom / Broadband Business

**SCHEDULE 'N' (Contd.)**
**(iv) Secondary Segment Information:**

	<b>2010-11</b>	(Rs. in crore) 2009-10
<b>1. Segment Revenue – External Turnover</b>		
- Within India	<b>1,05,347.86</b>	85,777.52
- Outside India	<b>1,71,023.92</b>	1,25,949.55
Total Revenue	<b>2,76,371.78</b>	2,11,727.07
<b>2. Segment Assets</b>		
- Within India	<b>2,88,352.54</b>	2,49,417.81
- Outside India	<b>19,164.90</b>	10,025.05
Total Assets	<b>3,07,517.44</b>	2,59,442.86
<b>3. Segment Liability</b>		
- Within India	<b>55,862.89</b>	41,572.57
- Outside India	<b>1,583.84</b>	1,013.02
Total Liability	<b>57,446.73</b>	42,585.59
<b>4. Capital Expenditure</b>		
- Within India	<b>19,974.24</b>	10,073.19
- Outside India	<b>6,901.55</b>	57.37
Total Expenditure	<b>26,875.79</b>	10,130.56

**16. PROJECT DEVELOPMENT EXPENDITURE**

(in respect of Projects upto 31st March, 2011, included under Capital work in progress)

	<b>2010-11</b>	(Rs. in crore) 2009-10
<b>Opening Balance</b>	<b>2004.84</b>	17,526.17
Add: Transferred from Profit and Loss Account		
Schedule - K	<b>30.26</b>	1,217.92
Expenses on Project under Construction	<b>7.86</b>	152.53
Interest Capitalised	<b>1,023.36</b>	983.81
In respect of Subsidiary acquired during the year	<b>16.29</b>	-
	<b>1,077.77</b>	2,354.26
Less: Project Development Expenses Capitalised during the year	<b>623.14</b>	17,875.59
<b>Closing Balance</b>	<b>2,459.47</b>	2,004.84

- 17.** The Company has entered into an arrangement with M/s. BP Exploration (Alpha) Limited (BP), which is a wholly owned subsidiary of M/s. BP Exploration Operating Company Limited, where BP has agreed to take 30% stake in 23 Oil & Gas production sharing contracts, that the Company operates in India, including KG D6 block subject to obtaining regulatory approvals.

Pursuant to the arrangement, M/s. BP Exploration (Alpha) Limited will pay to the Company an aggregate consideration of US\$ 7.20 billion (inclusive of any adjustments for revenue and costs from 1st January, 2011 to the closing date). Further, future performance payments of up to US\$ 1.8 billion could be paid based on exploration success that results in development of commercial discoveries.

The Company has received US\$ 2.0 billion (Rs. 9,004.00 crore) as a deposit, under current liabilities, against the above transaction. The accounting entries of the above transaction will be made in the books of account of the Company on the receipt of final regulatory approvals.

**SCHEDULE 'N' (Contd.)****18. ADDITIONAL INFORMATION**

	As at <b>31st March, 2011</b>	(Rs. in crore) As at 31st March, 2010
(A) Estimated amount of contracts remaining to be executed on Capital account and not provided for:		
(i) In respect of joint Ventures	<b>13.73</b>	17.76
(ii) In respect of others	<b>10,461.52</b>	15,635.05
(B) Uncalled liability on venture fund units	<b>407.57</b>	145.41
(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	<b>24.07</b>	243.54
(b) In respect of others	<b>3,657.69</b>	2,323.96
(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	<b>832.54</b>	583.72
(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	<b>2,295.80</b>	1,834.44
(iv) Claims against the Company / disputed liabilities not acknowledged as debts		
(a) In respect of joint Ventures	<b>0.63</b>	0.01
(b) In respect of others	<b>1,666.42</b>	869.75
(v) Performance Guarantees		
(a) In respect of joint Ventures	-	-
(b) In respect of others	<b>235.56</b>	108.04
(vi) Sales tax deferral liability assigned	<b>4,467.57</b>	5,380.25

Note : The Company has issued guarantees against future cash calls to be made by JV Partners of its wholly owned subsidiary Reliance Holding USA, Inc amounting to Rs. 9,409.55 crore. During the year, cash calls to the extent of Rs. 1,356.69 crore have been made by the JV Partners and settled by the subsidiary.

- (D) The Income-Tax assessments of the Company have been completed up to Assessment Year 2008-09. The disputed demand outstanding up to the said Assessment Year is Rs. 1,983.68 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.)**
**19. Related Party Disclosures :**
**(i) List of related parties and relationships:**

Sr No.	Name of the Related Party	Relationship
1.	Reliance Industrial Infrastructure Limited	Associate Companies / Joint Ventures
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.	Delta Corp East Africa Limited	
14.	Diesel Fashion India Reliance Private Limited	
15.	Atri Exports Private Limited	
16.	Shree Salasar Bricks Private Limited	
17.	N.C. Trading Company Private Limited	
18.	KCIPI Trading Company Private Limited	
19.	Prakhar Commercials Private Limited	
20.	Pepino Farms Private Limited	
21.	Marugandha Land Developers Private Limited	
22.	Jaipur Enclave Private Limited	
23.	Einsten Commercials Private Limited	
24.	Ashwani Commercials Private Limited	
25.	Vishnumaya Commercials Private Limited	
26.	Carin Commercials Private Limited	
27.	Netravati Commercials Private Limited	
28.	Rakshita Commercials Private Limited	
29.	Kaniska Commercials Private Limited	
30.	Rocky Farms Private Limited	
31.	Centura Agro Private Limited	
32.	Fame Agro Private Limited	
33.	Noveltech Agro Private Limited	
34.	Honeywell Properties Private Limited	
35.	Parinita Commercial Private Limited	

**SCHEDULE 'N' (Contd.)**

<b>Sr No.</b>	<b>Name of the Related Party</b>	<b>Relationship</b>
36.	Chander Commercial Private Limited	Associate Companies / Joint Ventures
37.	Creative Agrotech Private Limited	
38.	Reliance-Vision Express Private Limited	
39.	Marks and Spencer Reliance India Private Limited	
40.	Reliance Vornado Development Private Limited	
41.	Reliance Vornado Management Private Limited	
42.	Reliance-GrandVision India Supply Private Limited	
43.	Office Depot Reliance Supply Solutions Private Limited	
44.	Supreme Tradelink Private Limited	
45.	Reliance Paul And Shark Fashions Private Limited	
46.	Gaurav Overseas Private Limited	
47.	Reliance Innovative Building Solutions Private Limited	
48.	Reliance Investment Holdings B. V.	
49.	Reliance Investment Sarl	
50.	Paradise Global Enterprises B. V.	
51.	Deccan Cargo and Express Logistics Private Limited	
52.	IMG Reliance Private Limited	
53.	EFS Midstream LLC	
54.	Zegna South Asia Private Limited	
55.	Shri Mukesh D. Ambani	Key Managerial Personnel
56.	Shri Nikhil R. Meswani	
57.	Shri Hital R. Meswani	
58.	Shri P.M.S. Prasad	
59.	Shri P. K. Kapil (w.e.f. 16th May 2010)	
60.	Dhirubhai Ambani Foundation	Enterprises over which Key Managerial Personnel are able to exercise significant influence
61.	Jamnaben Hirachand Ambani Foundation	
62.	Hirachand Govardhandas Ambani Public Charitable Trust	
63.	HNH Trust and HNH Research Society	
64.	Reliance Foundation	

**SCHEDULE 'N' (Contd.)**
**(ii) Transactions during the year with related parties :**

(Rs. in crore)

<b>Sr. No.</b>	<b>Nature of Transactions (Excluding reimbursements)</b>	<b>Associates</b>	<b>Key Managerial Personnel</b>	<b>Others</b>	<b>Total</b>
1.	Purchase of Fixed Assets	<b>144.00</b> 87.98	-	-	<b>144.00</b> 87.98
2.	Sale of Fixed Assets	- 0.01	-	-	- 0.01
3.	Purchase / Subscription of Investments	<b>692.98</b> 98.63	-	-	<b>692.98</b> 98.63
4.	Sale / redemption of Investments	- 205.63	-	-	- 205.63
5.	Loans and advances given / (returned)	<b>(9.09)</b> (9.40)	-	-	<b>(9.09)</b> (9.40)
6.	Unsecured Loans (taken) / repaid	<b>310.12</b> 595.00	-	-	<b>310.12</b> 595.00
7.	Turnover	<b>232.50</b> 220.67	-	-	<b>232.50</b> 220.67
8.	Other Income	<b>5.84</b> 6.45	-	-	<b>5.84</b> 6.45
9.	Purchases	<b>1.24</b> 45.00	-	-	<b>1.24</b> 45.00
10.	Electric Power, Fuel and Water	<b>917.26</b> 960.30	-	-	<b>917.26</b> 960.30
11.	Hire Charges	<b>789.62</b> 559.00	-	-	<b>789.62</b> 559.00
12.	Manpower Deputation Charges	<b>21.48</b> 85.93	-	-	<b>21.48</b> 85.93
13.	Payment to Key Managerial Personnel	- -	<b>40.67</b> 40.90	-	<b>40.67</b> 40.90
14.	Sales and Distribution Expenses	<b>2,572.57</b> 2,532.95	-	-	<b>2,572.57</b> 2,532.95
15.	Professional Fees	<b>17.18</b> 21.32	-	-	<b>17.18</b> 21.32
16.	General expenses	<b>12.41</b> 9.90	-	-	<b>12.41</b> 9.90
17.	Donations	- -	-	<b>26.26</b> 18.97	<b>26.26</b> 18.97
18.	Interest	<b>24.16</b> 81.31	-	-	<b>24.16</b> 81.31

**SCHEDULE 'N' (Contd.)**

		(Rs. in crore)			
Sr. No.	Nature of Transactions (Excluding reimbursements)	Associates	Key Managerial Personnel	Others	Total
19.	Investment written off (net)	-	-	-	-
		<i>18.38</i>	-	-	<i>18.38</i>
<b>Balance as at 31st March, 2011</b>					
20.	<b>Investments</b>	<b>2,860.49</b>	-	-	<b>2,860.49</b>
		<i>2,293.93</i>	-	-	<i>2,293.93</i>
21.	<b>Sundry Debtors</b>	<b>14.30</b>	-	-	<b>14.30</b>
		<i>26.35</i>	-	-	<i>26.35</i>
22.	<b>Loans &amp; Advances</b>	<b>1,857.90</b>	-	-	<b>1,857.90</b>
		<i>1,973.11</i>	-	-	<i>1,973.11</i>
23.	<b>Unsecured Loan</b>	-	-	-	-
		<i>310.12</i>	-	-	<i>310.12</i>
24.	<b>Sundry Creditors</b>	<b>353.81</b>	-	-	<b>353.81</b>
		<i>604.97</i>	-	-	<i>604.97</i>
25.	<b>Financial Guarantees</b>	<b>715.72</b>	-	-	<b>715.72</b>
		<i>563.47</i>	-	-	<i>563.47</i>
26.	<b>Performance Guarantees</b>	<b>7.03</b>	-	-	<b>7.03</b>
		<i>7.03</i>	-	-	<i>7.03</i>

## Note :

1. Figures in Italics represent Previous Year's amounts.
2. The Company has issued guarantees against future cash calls to be made by JV Partners of its wholly owned subsidiary Reliance Holding USA, Inc amounting to Rs. 9,409.55 crore. During the year, cash calls to the extent of Rs. 1,356.69 crore have been made by the JV Partners and settled by the subsidiary.

## 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.144.00 crore (Previous Year Rs. 87.98 crore).
2. Purchase / Subscription of Investments include Reliance Gas Transportation Infrastructure Limited Rs. NIL (Previous Year Rs. 24.51 crore), Delta Hydrocarbons S.A., Luxembourg Rs. NIL (Previous Year Rs. 24.12 crore), Reliance Commercial Trading Private Limited Rs. NIL (Previous Year Rs. 50.00 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 52.25 crore, (Previous Year Rs. NIL) Deccan Cargo & Express Logistics Private Limited Rs. 113.75 crore (Previous Year Rs. NIL), EFS Midstream LLC Rs. 526.98 crore (Previous Year Rs. NIL).
3. Sale / redemption of investments include Reliance Gas Transportation Infrastructure Limited Rs. NIL crore (Previous Year Rs. 65.68 crore), Reliance Commercial Trading Private Limited Rs. NIL (Previous Year Rs. 50.00 crore), Reliance Ports and Terminals Limited Rs. NIL (Previous Year Rs. 89.95 crore).
4. Loans given during the year include Indiawin Sports Private Limited Rs. NIL (Previous Year Rs. 44.60 crore), Gujarat Chemicals Ports Terminal Company Limited Rs. NIL crore (Previous Year Rs. 17.00 crore), Jaipur Enclave Private Limited Rs. NIL (Previous Year Rs. 1.01 crore), Marugandha Land Developers Private Limited Rs. NIL (Previous Year Rs. 0.56 crore), Reliance Commercial Trading Limited Rs. 0.54 crore (Previous Year Rs. 5.18 crore), Gaurav Overseas Private Limited Rs. 0.63 crore (Previous Year Rs. 1.35 crore), Chander Commercials Private Limited Rs. NIL (Previous Year Rs. 33.15 crore), Honeywell Properties Private Limited Rs. 6.75 crore (Previous Year Rs. NIL); Loans returned during the year include Reliance Industrial Infrastructure Limited Rs. NIL (Previous Year Rs. 25.00 crore), Reliance Commercial Dealers Limited Rs. NIL (Previous Year Rs. 52.13 crore), Delta Corp East Africa Limited Rs. NIL (Previous Year Rs. 8.92 crore), Rocky Farms Private Limited Rs. NIL (Previous Year Rs. 25.90 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 17.00 crore, (Previous Year Rs. NIL)
5. Unsecured Loan repaid during the year include Reliance Ports and Terminals Limited Rs. 310.12 crore (Previous Year Rs. 595.00 crore).
6. Turnover includes Reliance Ports and Terminals Limited Rs. 9.14 crore (Previous Year Rs. 8.33 crore), Reliance Gas Transportation and Infrastructure Limited Rs. 219.57 crore (Previous Year Rs. 209.42 crore), Reliance Utilities Private Limited Rs. 2.91 crore (Previous Year Rs. 2.91 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 0.88 crore, (Previous Year Rs. NIL).
7. Other Income includes Interest from Gujarat Chemicals Port Terminal Company Limited Rs. 0.45 crore (Previous Year Rs. 0.83 crore), Reliance Industrial Infrastructure Limited Rs. 2.40 crore (Previous Year Rs. 3.88 crore), Guarantee Commission from Reliance Europe Limited Rs. 2.99 crore (Previous Year Rs. 1.74 crore).
8. Purchases includes Reliance Gas Transportation Infrastructure Limited Rs. NIL (Previous Year Rs. 34.43 crore), Reliance Ports and Terminals Limited Rs. 1.24 crore (Previous Year Rs. 10.57 crore).
9. Electric Power, Fuel and Water charges include Reliance Utilities and Power Private Limited Rs. 291.96 crore (Previous Year Rs. 285.83 crore), Reliance Utilities Private Limited Rs. 625.30 crore (Previous Year Rs. 674.47 crore).
10. Hire Charges include Reliance Industrial Infrastructure Limited Rs. 21.31 crore (Previous Year Rs. 32.01 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 43.97 crore (Previous Year Rs. 48.86 crore), Reliance Gas Transportation Infrastructure Limited Rs. 652.25 crore (Previous Year Rs. 314.56 crore), Reliance Ports and Terminals Limited Rs. 72.09 crore (Previous Year Rs. 163.57 crore).
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. 11.05 crore (Previous Year Rs. 11.14 crore), Shri Hital R. Meswani Rs. 11.03 crore

(Previous Year Rs. 11.14 crore), Shri H. S. Kohli Rs. NIL (Previous Year Rs. 1.32 crore), Shri P.M.S. Prasad Rs. 2.37 crore (Previous Year Rs. 1.53 crore), Shri R. Ravimohan Rs. NIL (Previous Year Rs. 0.77 crore), Shri P.K. Kapil Rs. 1.22 crore (Previous Year Rs. NIL).

12. Sales and Distribution Expenses include Reliance Ports and Terminals Limited Rs. 2,562.82 crore (Previous Year Rs. 2,524.46 crore), Gujarat Chemicals Port Terminal Company Limited Rs. 9.75 crore (Previous Year Rs. 8.49 crore).
13. Professional Fees include Reliance Europe Limited Rs. 17.18 crore (Previous Year Rs. 20.20 crore), Reliance Ports and Terminals Limited Rs. NIL (Previous Year Rs. 1.12 crore).
14. Manpower Deputation Charges include Reliance Industrial Infrastructure Limited Rs. 21.48 crore (Previous Year Rs. 11.81 crore), Reliance Ports and Terminals Limited Rs. NIL (Previous Year Rs. 74.12 crore).
15. General expenses include Reliance Industrial Infrastructure Limited Rs. 9.00 crore (Previous Year Rs. 9.00 crore), Reliance Gas Transportation Infrastructure Limited Rs. NIL (Previous Year Rs. 0.03 crore), Office Depot Reliance Supply Solutions Private Limited Rs. 3.41 (Previous Year Rs. NIL).
16. Donations to Dhirubhai Ambani Foundation Rs. 18.10 crore (Previous Year Rs. 16.25 crore), Jamnaben Hirachand Ambani Foundation Rs. 5.73 crore (Previous Year Rs. 1.30 crore), HNH Trust and HNH Research Society Rs. 1.58 crore (Previous Year Rs. 0.83 crore).
17. Interest include Reliance Ports and Terminals Limited Rs. 24.16 crore (Previous Year Rs. 81.31 crore).
18. Investment written off (net) includes Gujarat Chemicals Port Terminal Company Limited Rs. NIL (Previous Year Rs. 18.38 crore).



**SCHEDULE 'N' (Contd.)**

(Rs. in crore)

**As at  
31st March, 2011**
**As at  
31st March, 2010**
**20. DETAILS OF INVESTMENTS:**
**A. INVESTMENTS IN ASSOCIATES**
**LONG TERM INVESTMENTS**
**Other Investments**
**In Equity Shares - Quoted, fully paid up**

68,60,064	Reliance Industrial Infrastructure Limited	<b>113.81</b>	106.43
(68,60,064)	of Rs. 10 each		
		<b>113.81</b>	<b>106.43</b>

**In Equity Shares - Unquoted, fully paid up**

11,08,500	Reliance Europe Limited of Sterling Pound 1 each	<b>28.16</b>	28.01
(11,08,500)			
22,500	Reliance LNG Limited of Rs. 10 each	<b>0.02</b>	0.02
(22,500)			
5,000	Reliance Commercial Trading Private Limited	-	-
(5,000)	of Rs. 10 each (Rs. NIL : Previous Year Rs. 23,275)		
49,99,990	Reliance Commercial Dealers Limited of Rs. 10 each	<b>7.33</b>	7.14
(49,99,990)			
10,40,000	Delta Hydrocarbons S.A. Luxembourg	<b>22.35</b>	135.53
(10,40,000)			
-	Indiawin Sports Private Limited	-	-
(75,000)	of Rs. 10 each		
7,12,47,314	Delta Corp East Africa Limited of KES 10 each	<b>63.69</b>	69.11
(7,12,47,314)			
62,63,125	Indian Vaccines Corporation Limited of Rs. 10 each	<b>0.92</b>	0.90
(62,63,125)			
64,29,20,000	Gujarat Chemicals Port Terminal Company Limited	<b>57.76</b>	5.88
(12,04,20,000)	of Re. 1 each		
22,50,000	Reliance Utilities Private Limited Class 'A' Shares	<b>0.23</b>	0.23
(22,50,000)	of Re. 1 each		
22,70,000	Reliance Utilities and Power Private Limited	<b>0.23</b>	0.23
(22,70,000)	Class 'A' Shares of Re. 1 each		
5,000	Gaurav Overseas Private Limited	-	-
(5,000)	of Rs. 10 each (Rs. NIL : Previous Year Rs. 38,843)		
2,000	Reliance Investment Holdings B.V.	<b>0.60</b>	0.67
(2,000)	of Euro 50 each		
25,000	Paradise Global Enterprise B.V.	<b>0.15</b>	0.17
(25,000)	of Euro 1 each		
250	Reliance Investment Sarl	-	-
(250)	of Euro 25 each (Rs. 60 : Previous Year Rs. 67)		
37,24,971	Deccan Cargo & Express Logistics Private Limited	-	-
(-)	of Rs. 100 each		
	EFS Midstream LLC	<b>526.98</b>	-
		<b>708.42</b>	<b>247.89</b>

**SCHEDULE 'N' (Contd.)**

		(Rs. in crore)	
		As at 31st March, 2011	As at 31st March, 2010
<b>In Preference Shares - Unquoted, Fully paid up</b>			
50,00,00,000	9% Non Cumulative Redeemable Preference Shares of	<b>2,000.00</b>	2,000.00
(50,00,00,000)	Reliance Gas Transportation Infrastructure Limited of Rs 10 each	<u>2,000.00</u>	<u>2,000.00</u>
<b>In Debentures - Unquoted, Fully Paid Up</b>			
4,22,335	Zero Coupon Secured Optionally Fully	<b>42.23</b>	50.00
(5,00,000)	Convertible Debentures of Reliance Commercial Trading Private Limited of Rs. 1,000 each.	<b>51.19</b>	-
30,47,704	Compulsorily Convertible Debentures of	<b>51.19</b>	-
(-)	Deccan Cargo & Express Logistics Private Limited of Rs. 100 each.	<u>93.42</u>	<u>50.00</u>
<b>Total Investment in Associates (A)</b>		<u><b>2,915.65</b></u>	<u>2,404.32</u>
<b>B. INVESTMENTS IN OTHERS</b>			
<b>LONG TERM INVESTMENTS</b>			
<b>Government and other Securities - Unquoted</b>			
	6 Years National Savings Certificate	<b>0.11</b>	0.10
	(Includes deposited with Sales Tax Department and other Govt. Authorities)	<u>0.11</u>	<u>0.10</u>
		<b>0.11</b>	0.10
<b>Trade Investments</b>			
<b>In Equity Shares-Unquoted, fully paid up</b>			
1,00,00,000	Petronet India Limited of Rs. 10 each	<b>10.00</b>	10.00
(1,00,00,000)			
25	The Colaba Central Co-operative Consumer's	-	-
(25)	Wholesale and Retail Stores Limited. (Sahakari Bhandar) of Rs. 200 each (Rs. 5,000 : Previous Year Rs. 5,000)	<u>10.00</u>	<u>10.00</u>
		<b>10.00</b>	10.00
<b>Other Investments</b>			
<b>In Equity Shares-Quoted, fully paid up</b>			
19,84,860	Den Networks Limited of Rs. 10 each	<b>16.58</b>	38.00
(19,84,860)			
8,45,92,273	EIH Limited	<b>1,241.17</b>	-
(-)	of Rs. 2 each		
4,85,32,764	Himachal Futuristic Communications Limited	<b>57.00</b>	-
(-)	of Re. 1 each	<u>1,314.75</u>	<u>38.00</u>

**SCHEDULE 'N' (Contd.)**

(Rs. in crore)

	<b>As at 31st March, 2011</b>	<b>As at 31st March, 2010</b>
<b>In Equity Shares-Unquoted, fully paid up</b>		
85,000 National Stock Exchange of India Limited (85,000) of Rs. 10 each	<b>28.48</b>	28.48
1,000 Air Control and Chemical Engineering Company (1,000) Limited of Re. 1 each (Rs. 1,500 : Previous Year Rs. 1,500)	-	-
1,500 Reliance Research and Development Services (1,500) Private Limited of Rs.10 each (Rs. 15,000: Previous Year Rs. 15,000)	-	-
18 Parabool Enterprises B.V. (18) of Euro 100 each	<b>43.16</b>	0.01
1,800 Shinano Retail Private Limited of Rs.10 each (1,800) (Rs. 18,000: Previous Year Rs. 18,000)	-	-
1,800 Sharanya Trading Private Limited of Rs. 10 each (1,800) (Rs. 18,000: Previous Year Rs. 18,000)	-	-
1,800 Teesta Retail Private Limited of Rs.10 each (1,800) (Rs. 18,000: Previous Year Rs. 18,000)	-	-
	<b>71.64</b>	<b>28.49</b>
<b>In Preference Shares - Unquoted, Fully paid up</b>		
14,00,000 10% Non Cumulative Optionally Convertible (14,00,000) Preference Shares of Shinano Retail Private Limited	<b>700.00</b>	700.00
	<b>700.00</b>	<b>700.00</b>
<b>In Debentures - Quoted, fully paid up</b>		
5,000 Citi Corporation Finance (India) Limited - (-) Secured Non Convertible Redeemable Debentures of Rs. 1,00,000 each - Series 324	<b>50.00</b>	-
5,000 Citi Corporation Finance (India) Limited - (-) Secured Non Convertible Redeemable Debentures of Rs. 1,00,000 each - Series 325	<b>50.00</b>	-
5,000 Citi Corporation Finance (India) Limited - (-) Secured Non Convertible Redeemable Debentures of Rs. 1,00,000 each - Series 331	<b>50.00</b>	-
- Citi Corporation Finance (India) Limited - (2,000) Non Convertible Redeemable Debentures of Rs. 10,00,000 each	-	200.00
40,000 Citifinancial Consumer Finance India Limited - (-) Non Convertible Redeemable Debentures of Rs. 1,00,000 each - Series 428	<b>400.00</b>	-
- Citifinancial Consumer Finance India Limited - (70,000) Non Convertible Redeemable Debentures of Rs. 1,00,000 each - Series 418	-	700.00
- DSP Merrill Lynch Capital Limited - (7,500) Secured Guaranteed, Non Convertible Debentures of Rs. 1,00,000 each	-	75.00
	<b>550.00</b>	<b>975.00</b>

**SCHEDULE 'N' (Contd.)**

(Rs. in crore)

	<b>As at 31st March, 2011</b>	<b>As at 31st March, 2010</b>
<b>In Debentures - Unquoted, fully paid up</b>		
1,00,00,000 Zero Coupon Unsecured Optionally Fully (1,00,00,000) Convertible Debentures of Reliance KG Exploration & Production Private Limited of Rs. 10 each	<b>10.00</b>	10.00
	<u><b>10.00</b></u>	<u>10.00</u>
<b>In Units of Fixed Maturity Plan - Quoted, fully paid up (Face Value of Rs. 10 each)</b>		
6,00,00,000 Axis Fixed Term Plan (-) Series 13 - Growth	<b>60.00</b>	-
1,50,00,000 Baroda Pioneer Series 1 - Growth Plan (-)	<b>15.00</b>	-
19,00,00,000 Birla Sun Life Fixed Term Plan (-) Series CM - Growth	<b>190.00</b>	-
31,50,00,000 Birla Sun Life Fixed Term Plan (-) Series CO Growth	<b>315.00</b>	-
12,00,00,000 Birla Sun Life Fixed Term Plan (-) Series CP Growth	<b>120.00</b>	-
5,00,00,000 Birla Sun Life Fixed Term Plan (-) Series CQ Growth	<b>50.00</b>	-
13,50,00,000 Birla Sun Life Fixed Term Plan (-) Series CR Growth	<b>135.00</b>	-
5,00,00,000 Birla Sun Life Fixed Term Plan (-) Series CS Growth	<b>50.00</b>	-
24,00,00,000 Birla Sun Life Fixed Term Plan (-) Series CT Growth	<b>240.00</b>	-
10,50,00,000 Birla Sun Life Fixed Term Plan (-) Series CU Growth	<b>105.00</b>	-
3,00,00,000 Birla Sun Life Fixed Term Plan (-) Series CV Growth	<b>30.00</b>	-
14,50,00,000 Birla Sun Life Fixed Term Plan (-) Series CW Growth	<b>145.00</b>	-
5,00,00,000 Canara Robeco Series 6-13 Months (-) (Plan A) - Growth	<b>50.00</b>	-
6,00,00,000 Canara Robeco Series 6 - 13 Months (-) (Plan B) - Growth	<b>60.00</b>	-
30,00,00,000 DSP Blackrock Series 13 - Growth (-)	<b>300.00</b>	-
15,00,00,000 DSP Blackrock - 12 M Series 14 - Growth (-)	<b>150.00</b>	-
10,00,00,000 DSP Blackrock - 12 M Series 15 - Growth (-)	<b>100.00</b>	-

**SCHEDULE 'N' (Contd.)**

		(Rs. in crore)	
		As at 31st March, 2011	As at 31st March, 2010
6,00,00,000	DSP Blackrock Series 16 - Growth	<b>60.00</b>	-
(-)			
14,00,00,000	DSP Blackrock - 12 M Series 17 Growth	<b>140.00</b>	-
(-)			
15,00,00,000	DSP Blackrock - 12 M Series 18 - Growth	<b>150.00</b>	-
(-)			
3,50,00,000	Fidelity Series 5 - Plan F - Growth	<b>35.00</b>	-
(-)			
3,00,00,000	HDFC 370 D (1) - Growth	<b>30.00</b>	-
(-)	Series XVI		
4,80,00,000	HDFC 370 D (2) - Growth	<b>48.00</b>	-
(-)	Series XVI		
6,00,00,000	HDFC 370 D (3) - Growth	<b>60.00</b>	-
(-)	Series XVI		
7,50,00,000	HDFC 370 D (4) - Growth	<b>75.00</b>	-
(-)	Series XVI		
10,00,00,000	HDFC 370 D (5) - Growth	<b>100.00</b>	-
(-)	Series - XVI		
10,00,00,000	HSBC Fixed Term Series 79	<b>100.00</b>	-
(-)	Growth UCC		
13,50,00,000	ICICI Prudential Series 51 - 1 Year	<b>135.00</b>	-
(-)	Plan F Cumulative		
3,00,00,000	ICICI Prudential Series 54 - 1 Year	<b>30.00</b>	-
(-)	Plan A Cumulative		
25,00,00,000	ICICI Prudential Series 55 - 1 Year	<b>250.00</b>	-
(-)	Plan A Cumulative		
22,50,00,000	ICICI Prudential Series 55-1 Year	<b>225.00</b>	-
(-)	Plan B Cumulative		
9,00,00,000	ICICI Prudential Series 55 - 1 Year	<b>90.00</b>	-
(-)	Plan C Cumulative		
7,00,00,000	ICICI Prudential Series 55 - 1 Year	<b>70.00</b>	-
(-)	Plan D Cumulative		
5,00,00,000	ICICI Prudential Series 55 - 1 Year	<b>50.00</b>	-
(-)	Plan E Cumulative		
20,00,00,000	ICICI Prudential Series 56 - 1 Year	<b>200.00</b>	-
(-)	Plan A Cumulative		
16,50,00,000	ICICI Prudential Series 56 - 1 Year	<b>165.00</b>	-
(-)	Plan B Cumulative		
8,00,00,000	ICICI Prudential Series 56 - 1 Year	<b>80.00</b>	-
(-)	Plan D Cumulative		
2,50,00,000	IDBI - 367 days Series - 1	<b>25.00</b>	-
(-)	A Growth		

**SCHEDULE 'N' (Contd.)**

		(Rs. in crore)	
		As at 31st March, 2011	As at 31st March, 2010
2,50,00,000	IDBI Series - 1 - C - Growth	25.00	-
(-)			
2,50,00,000	IDBI 367 D Series - 1 - D Growth	25.00	-
(-)			
15,00,00,000	IDFC Yearly Series 37 - Growth	150.00	-
(-)			
5,00,00,000	IDFC Fixed Maturity Yearly Series 38 Growth	50.00	-
(-)			
7,50,00,000	IDFC Fixed Maturity Yearly Series 40 Growth	75.00	-
(-)			
5,50,00,000	IDFC Yearly Series 41 - Growth	55.00	-
(-)			
14,00,00,000	IDFC - Yearly Series 42 - Growth	140.00	-
(-)			
3,00,00,000	JPMorgan India 367 D	30.00	-
(-)	Series 1-Growth Plan		
15,00,00,000	JPMorgan India 400 D Series - 1 Growth	150.00	-
(-)			
20,00,00,000	SBI Debt Fund Series 370 days - 10 Growth	200.00	-
(-)			
25,00,00,000	SBI Debt Fund	250.00	-
(-)	Series 370 days - 11 - Growth		
15,00,00,000	SBI Debt Fund	150.00	-
(-)	Series - 370 days - 12 - Growth		
12,50,00,000	SBI Debt Fund Series 9 - Growth	125.00	-
(-)			
2,50,00,000	Sundaram Fixed Term Plan	25.00	-
(-)	BA 366 days Growth		
4,00,00,000	Tata Series 31 Scheme B - Growth	40.00	-
(-)			
2,40,00,000	Tata Series 31 Scheme C - Growth	24.00	-
(-)			
15,00,00,000	UTI Fixed Term Income Fund	150.00	-
(-)	Series IX - 1 Growth Plan		
		<b>5,897.00</b>	-
		<b>8,543.39</b>	1,751.49
<b>In Others</b>			
4,50,000	Faering Capital India Evolving Fund	45.00	-
(-)	of Rs. 1,000 each		
-	HDFC Warrants	-	24.33
(8,81,340)			
8,85,476	HDFC India Real Estate of Rs. 1,000 per unit	94.88	106.37
(9,92,677)			



**SCHEDULE 'N' (Contd.)**

(Rs. in crore)

	<b>As at 31st March, 2011</b>	<b>As at 31st March, 2010</b>
50,000 JM Financial Property Fund of Rs. 10,000 per unit (50,000) (Rs. 10,000 paid up : Previous Year Rs. 8,000 paid up)	<b>50.00</b>	40.00
MPM Bioventure IV - QP, LP, USA	<b>91.91</b>	79.76
5,000 Multiples Private Equity Fund Scheme 1 (-) of Rs. 1,00,000 each (Rs. 5,000 paid up)	<b>2.50</b>	-
- Pass Through Certificates (PTC) issued by (88) Indian Residential MBS Trust (Rs. 2,077)	-	0.33
2,000 Peninsula Realty Fund of Rs. 1,00,000 each. (400)	<b>20.69</b>	3.36
20,000 Urban Infrastructure Opportunities Fund (20,000) of Rs. 1,00,000 per unit	<b>200.00</b>	200.00
8,000 Urban Infrastructure Opportunities Fund (8,000) of Rs. 1,00,000 per unit ( Rs. 20,000 paid up)	<b>19.20</b>	19.20
<b>Total Long Term Investments</b>	<b><u>9,077.68</u></b>	<b><u>2,234.94</u></b>
<b>CURRENT INVESTMENTS</b>		
<b>Other Investments</b>		
<b>In Government Securities - Quoted</b>		
7.59 % GOI 2016	<b>4.92</b>	5.04
7.99 % GOI 2017	<b>0.53</b>	
6.35 % GOI 2020	<b>1.25</b>	-
8.35 % GOI 2022	<b>0.27</b>	-
9.86 % Kerala SDL 2018	<b>0.11</b>	-
8.53 % MHA SDEL 2020	<b>2.87</b>	-
8.13 % OIL MKT COS SB 2021	<b>0.15</b>	-
9.81 % Punjab SDL 2018	<b>0.07</b>	-
	<b><u>10.17</u></b>	<b><u>5.04</u></b>
<b>In Certificate of Deposits with Scheduled Banks - Quoted</b>	<b><u>4,632.27</u></b>	<b><u>3,973.27</u></b>
	<b><u>4,632.27</u></b>	<b><u>3,973.27</u></b>
<b>In Public Sector Undertakings / Public Financial Institutions &amp; Corporate Bonds - Quoted</b>		
1,000 Citi Financial Consumer Finance India Limited (-)	<b>98.31</b>	-
2,250 EXIM Bank of India (1,250)	<b>219.48</b>	125.00
15,187 Housing Development Finance Company Limited (7,537)	<b>1,531.17</b>	774.43
5,000 Infrastructure Development Finance (3,600) Company Limited	<b>483.32</b>	346.52
1,450 Indian Railway Finance Corporation Limited (2,050)	<b>138.49</b>	206.16

**SCHEDULE 'N' (Contd.)**

(Rs. in crore)

	<b>As at 31st March, 2011</b>	<b>As at 31st March, 2010</b>
12,500 LIC Housing Finance Limited (8,500)	<b>1,217.86</b>	850.03
- National Housing Bank (1,250)	-	124.48
5,500 Power Finance Corporation Limited (3,400)	<b>551.45</b>	348.11
920 Power Grid Corporation of India Limited (-)	<b>112.34</b>	-
1,350 Rural Electrification Corporation Limited (8,950)	<b>131.43</b>	895.45
1,500 Steel Authority of India Limited (-)	<b>146.45</b>	-
	<b>4,630.30</b>	<b>3,670.18</b>
<b>In Commercial Paper - Unquoted</b>		
Housing Development Finance Corporation Limited	<b>93.49</b>	-
	<b>93.49</b>	-
<b>In Units-Unquoted</b>		
10,00,000 Birla Sun Life Short Term FMP Series I (-) of Rs. 10 each	<b>1.00</b>	-
1,15,35,485 DWS Insta Cash Plus Fund - Institutional - (-) Bonus Option of Rs. 10 each	<b>11.33</b>	-
3,37,19,111 DWS Insta Cash Plus Fund - (-) Bonus of Rs. 10 each	<b>33.11</b>	-
- HDFC Liquid Fund - Premium Plan - Growth (13,00,69,316) of Rs. 10 each	-	240.00
- HDFC Cash Management Fund - Treasury (4,95,83,326) Advantage Plan - Growth of Rs. 10 each	-	100.07
- HDFC Liquid Fund Premium Plan - Dividend - Daily (1,33,25,379) Reinvest of Rs. 10 each	-	16.33
96,14,297 HDFC Cash Management Fund - Saving Plan - (7,28,672) Daily Dividend Reinvestment of Rs. 10 each	<b>10.22</b>	0.77
- HDFC Floating rate income Fund Dividend (8,81,87,236) Reinvestment Daily of Rs. 10 each	-	9.08
86,548 HDFC Mutual Fund - Cash Management Fund (-) of Rs. 10 each	<b>0.18</b>	-
17,52,359 HDFC Liquid Fund - Growth (-) of Rs. 10 each	<b>3.44</b>	-
12,26,39,186 HDFC Liquid Fund Premium - Daily Dividend (-) re-investment of Rs. 10 each	<b>150.35</b>	-
2,328 HDFC Floating Rate Income Fund-Short Term Plan- (-) Wholesale Option - Daily Dividend Reinvestment of Rs.10 each (Rs. 23,466 : Previous Year Rs. NIL)	-	-

**SCHEDULE 'N' (Contd.)**

	As at 31st March, 2011	(Rs. in crore) As at 31st March, 2010
(1,75,66,322) - ICICI Prudential Institutional Liquid Plan - Super Institutional Growth of Rs. 100 each	-	239.00
(58,39,951) - ICICI Prudential Flexible Income Plan Premium - Growth of Rs. 100 each	-	100.00
(2,79,078) - ICICI Prudential Liquid Super Institutional Plan - Dividend Daily of Rs. 100 each	-	2.79
(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 Institutional Plan - Div - Daily of Rs. 100 per unit	-	0.61
20,79,483 ICICI Prudential Institutional Liquid Plan - Super Institutional Daily Dividend of Rs. 100 each	<b>20.79</b>	-
7,50,000 Kotak FMP 6M Series 9 of Rs. 10 each	<b>0.75</b>	-
(6,61,43,253) - LICMF Floating Rate Fund - Short Term Plan - Growth of Rs. 10 each	-	100.00
1,54,91,563 Reliance Regular Saving Fund - Debt Plan Institutional Dividend of Rs.12 each	<b>1.30</b>	-
644967 SBI-Magnum Insta Cash Fund - Cash Option of Rs. 10 each	<b>1.39</b>	-
2,75,10,915 SBI MF SDFC 90D of Rs. 10 each	<b>2.75</b>	-
	<b>236.61</b>	<b>824.50</b>
<b>Total Current Investments</b>	<b>9,602.84</b>	<b>8,472.99</b>
<b>Investment in Others (B)</b>	<b>18,680.52</b>	<b>10,707.93</b>
<b>Total (A+B)</b>	<b>21,596.17</b>	<b>13,112.25</b>

**Note :**

Provision for diminution in the value of investments is Rs. 111.90 crore (Previous Year Rs. 8.30 crore).

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 21, 2011

**V.M. Ambani**  
Company Secretary

For and on behalf of the Board

<b>M.D. Ambani</b>	-	Chairman & Managing Director
<b>N.R. Meswani</b>	}	Executive Directors
<b>H.R. Meswani</b>		
<b>P.M.S. Prasad</b>		
<b>R.H. Ambani</b>		
<b>M.L. Bhakta</b>	}	Directors
<b>Y.P. Trivedi</b>		
<b>Dr. D.V. Kapur</b>		
<b>M.P. Modi</b>		
<b>Prof. Ashok Misra</b>		
<b>Prof. Dipak C. Jain</b>		

## Financial Information of Subsidiary Companies

												Rs. in crore	
Sr. No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	Country
1	Reliance Industrial Investments and Holdings Limited	INR	149.11	772.75	9975.80	9975.80	2160.30	948.67	7.72	1.55	6.17	-	India
2	Reliance Ventures Limited	INR	2.69	2355.06	2363.38	2363.38	724.14	32.71	(3.34)	0.15	(3.49)	-	India
3	Reliance Strategic Investments Limited	INR	2.34	1122.61	1163.24	1163.24	560.37	118.31	107.78	22.30	85.48	-	India
4	Reliance Industries (Middle East) DMCC*	INR	481.80	(4.48)	520.22	520.22	-	40.91	(4.23)	-	(4.23)	-	U.A.E
		USD MN	107.77	(1.00)	116.37	116.37	-	9.15	(0.95)	-	(0.95)	-	
5	Reliance Jamnagar Infrastructure Limited	INR	101.85	1868.10	2403.59	2403.59	0.01	404.71	232.35	6.22	226.13	-	India
6	Reliance Retail Limited*	INR	5,730.60	(37.82)	6,686.81	6,686.81	271.39	592.06	(5.04)	19.03	(24.07)	-	India
7	Reliance Netherland B. V.	INR	1.41	(0.53)	1.42	1.42	0.75	177.30	0.04	-	0.04	-	Netherland
		EUR MN	0.24	(0.09)	0.24	0.24	0.13	29.67	0.01	-	0.01	-	
8	Reliance Haryana SEZ Limited	INR	0.05	(6.81)	4301.22	4301.22	-	64.74	(7.06)	-	(7.06)	-	India
9	Reliance Fresh Limited*	INR	1.05	(571.88)	2,365.86	2,365.86	0.01	2,513.59	(220.04)	(60.10)	(159.94)	-	India
10	Retail Concepts & Services (India) Limited*	INR	0.05	(42.40)	58.36	58.36	0.00	150.06	(2.55)	(0.34)	(2.21)	-	India
11	Reliance Retail Insurance Broking Limited	INR	4.00	(1.58)	4.05	4.05	-	11.88	1.82	0.98	0.84	-	India
12	Reliance Dairy Foods Limited	INR	0.05	(22.84)	126.17	126.17	-	353.84	(16.16)	(5.11)	(11.05)	-	India
13	Reliance Exploration and Production DMCC	INR	2282.89	(1152.85)	1839.76	1839.76	22.35	82.00	(881.63)	-	(881.63)	-	U.A.E
		USD MN	510.66	(257.88)	411.53	411.53	5.00	18.34	(197.21)	-	(197.21)	-	
14	Reliance Retail Finance Limited	INR	2.02	99.83	101.89	101.89	101.77	-	0.02	1.91	(1.89)	-	India
15	RESQ Limited	INR	0.05	(1.98)	4.72	4.72	0.00	7.76	(1.79)	(0.57)	(1.22)	-	India
16	Reliance Commercial Associates Limited	INR	0.05	(0.02)	36.07	36.07	-	-	(0.00)	-	(0.00)	-	India
17	Reliance Digital Retail Limited	INR	1.05	(50.18)	348.00	348.00	0.01	682.39	(41.44)	(12.78)	(28.66)	-	India
18	Reliance Financial Distribution and Advisory Services Limited	INR	0.05	(21.14)	20.27	20.27	-	6.09	(1.32)	(0.27)	(1.05)	-	India
19	RIL (Australia) Pty Limited	INR	25.36	(15.74)	9.99	9.99	-	0.01	(0.32)	-	(0.32)	-	Australia
		AUD MN	5.50	(3.41)	2.17	2.17	-	0.00	(0.07)	-	(0.07)	-	
20	Reliance Hypermart Limited*	INR	0.05	(183.82)	1,445.48	1,445.48	1.15	619.07	(121.19)	(34.20)	(86.99)	-	India
21	Gapco Kenya Limited	INR	80.80	119.38	1014.31	1014.31	-	3872.02	31.87	10.73	21.14	-	Kenya
		KSH MN	1459.54	2156.37	18321.31	18321.31	-	69939.47	575.63	193.74	381.89	-	
22	Gapco Rwanda SARL	INR	3.37	0.26	12.06	12.06	-	67.01	1.97	0.78	1.19	-	Rawanda
		FRW MN	448.50	35.04	1603.30	1603.30	-	8910.88	262.00	104.11	157.89	-	
23	Gapco Tanzania Limited	INR	89.14	167.55	775.58	775.58	-	1055.43	38.04	11.92	26.12	-	Tanzania
		TZS MN	29910.00	56219.00	260234.00	260234.00	-	354132.00	12764.00	4001.00	8763.00	-	
24	Gapco Uganda Limited	INR	16.93	54.23	100.38	100.38	-	432.48	14.98	6.32	8.66	-	Uganda
		USH MN	8750.10	28021.92	51868.18	51868.18	-	223470.91	7740.65	3266.01	4474.64	-	
25	Gapoil (Zanzibar) Limited	INR	1.49	(1.04)	6.41	6.41	-	0.05	0.01	-	0.01	-	Zanzibar
		TZS MN	500.00	(350.39)	2151.86	2151.86	-	18.00	4.90	-	4.90	-	
26	Gulf Africa Petroleum Corporation	INR	98.35	(29.50)	262.42	262.42	-	-	(4.20)	-	(4.20)	-	Mauritius
		USD MN	22.00	(6.60)	58.70	58.70	-	-	(0.94)	-	(0.94)	-	
27	Transenergy Kenya Limited	INR	6.64	(7.10)	0.10	0.10	-	16.68	(0.96)	(0.00)	(0.96)	-	Kenya
		KSH MN	120.00	(128.26)	1.76	1.76	-	301.27	(17.41)	(0.06)	(17.47)	-	
28	Recron (Malaysia) Sdn Bhd	INR	3.62	1388.90	3080.39	3080.39	-	4627.63	209.66	31.62	178.04	-	Malaysia
		RM MN	2.50	958.03	2124.77	2124.77	-	3192.02	144.62	21.81	122.81	-	
29	Reliance Retail Travel & Forex Services Limited	INR	1.00	(1.31)	0.06	0.06	-	0.05	(0.03)	-	(0.03)	-	India
30	Reliance Brands Limited	INR	80.86	(6.23)	78.75	78.75	29.01	2.41	(9.22)	(2.99)	(6.23)	-	India
31	Reliance Footprint Limited	INR	1.05	(15.36)	110.31	110.31	-	94.38	(2.87)	(0.77)	(2.10)	-	India
32	Reliance Trends Limited	INR	1.05	(16.01)	320.34	320.34	0.01	330.05	(16.98)	(5.46)	(11.52)	-	India
33	Reliance Wellness Limited*	INR	0.05	(23.10)	65.19	65.19	1.15	12.93	(7.04)	(2.06)	(4.98)	-	India
34	Reliance Lifestyle Holdings Limited*	INR	0.05	(28.01)	411.95	411.95	-	19.57	(11.15)	(3.60)	(7.55)	-	India
35	Reliance Universal Ventures Limited	INR	0.05	(8.31)	38.97	38.97	-	0.05	(0.05)	2.71	(2.76)	-	India
36	Delight Proteins Limited	INR	0.05	(8.03)	21.61	21.61	-	39.22	(4.85)	(1.52)	(3.33)	-	India
37	Reliance Autozone Limited	INR	0.05	(4.53)	26.30	26.30	0.03	23.26	(4.19)	(1.34)	(2.85)	-	India
38	Reliance F&B Services Limited	INR	0.05	(2.31)	1.03	1.03	0.03	0.57	(0.16)	-	(0.16)	-	India
39	Reliance Gems and Jewels Limited	INR	1.01	(17.65)	353.45	353.45	-	108.25	(12.34)	(4.57)	(7.77)	-	India
40	Reliance Integrated Agri Solutions Limited*	INR	0.05	(4.61)	24.82	24.82	-	0.13	(1.48)	-	(1.48)	-	India
41	Strategic Manpower Solutions Limited	INR	0.05	(11.69)	15.03	15.03	-	142.91	(1.03)	(0.31)	(0.72)	-	India

As on 31.12.2010: 1 Euro = Rs. 59.7500, 1 US \$ = Rs. 44.7050, 1 RM = Rs. 14.50, 1 KSH = 0.5536, 1 FRW = 0.0752, 1 TZS = 0.0298, 1 USH = 0.0194; Exchange Rate as on 31.3.2011, 1 Euro = Rs. 63.3825, 1 US \$ = Rs. 44.595, 1 Aus \$ = Rs. 46.1075, 1 KSH = Rs. 0.5360, 1 SGD = Rs 35.3850, 1 GBP = 71.7950.

## Financial Information of Subsidiary Companies

Rs. in crore

Sr. No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	Country
42	Reliance Agri Products Distribution Limited*	INR	0.05	(17.24)	17.02	17.02	-	6.24	(5.56)	(1.39)	(4.17)	-	India
43	Reliance Digital Media Limited	INR	0.05	(2.04)	12.41	12.41	-	19.32	(0.81)	(0.24)	(0.57)	-	India
44	Reliance Food Processing Solutions Limited*	INR	0.05	(112.36)	237.75	237.75	-	36.99	(57.49)	(17.72)	(39.77)	-	India
45	Reliance Home Store Limited*	INR	0.05	(26.80)	74.75	74.75	-	57.94	(19.37)	(6.07)	(13.30)	-	India
46	Reliance Leisures Limited	INR	1.05	(10.49)	101.13	101.13	-	66.62	(2.18)	(1.42)	(0.76)	-	India
47	Reliance Loyalty & Analytics Limited	INR	0.05	(10.44)	0.71	0.71	0.03	0.81	(1.70)	-	(1.70)	-	India
48	Reliance Retail Securities and Broking Company Limited	INR	0.05	(1.17)	0.07	0.07	-	0.09	(0.02)	-	(0.02)	-	India
49	Reliance Supply Chain Solutions Limited*	INR	1.01	(59.73)	280.14	280.14	-	113.83	(61.98)	(18.21)	(43.77)	-	India
50	Reliance Trade Services Centre Limited	INR	0.05	(12.99)	0.37	0.37	0.03	3.04	(3.06)	-	(3.06)	-	India
51	Reliance Vantage Retail Limited	INR	0.56	(36.03)	90.35	90.35	-	-	(3.25)	13.77	(17.02)	-	India
52	Wave Land Developers Limited	INR	125.00	(1.21)	123.92	123.92	63.81	0.08	0.06	0.02	0.04	-	Kenya
		KSH MN	2332.11	(22.54)	2311.93	2311.93	1190.54	1.42	1.19	0.42	0.77	-	
53	Reliance-GrandOptical Private Limited	INR	0.05	(0.01)	0.05	0.05	-	-	(0.00)	-	(0.00)	-	India
54	Reliance Universal Commercial Limited	INR	0.05	0.00	4.48	4.48	4.48	-	(0.00)	-	(0.00)	-	India
55	Reliance Petroinvestments Limited	INR	8.88	175.16	184.69	184.69	183.22	0.16	(0.01)	-	(0.01)	-	India
56	Reliance Global Commercial Limited	INR	0.05	0.00	4.48	4.48	-	-	(0.00)	-	(0.00)	-	India
57	Reliance People Serve Limited	INR	0.05	(1.38)	2.60	2.60	-	3.24	(0.45)	(0.13)	(0.32)	-	India
58	Reliance Infrastructure Management Services Limited	INR	0.05	(0.02)	0.04	0.04	-	-	(0.00)	-	(0.00)	-	India
59	Reliance Global Business B V	INR	418.94	15.53	434.93	434.93	43.16	0.95	0.07	-	0.07	-	Netherlands
		EURO MN	66.10	2.45	68.62	68.62	6.81	0.15	0.01	-	0.01	-	
60	Reliance Gas Corporation Limited	INR	0.05	(0.01)	6.10	6.10	-	-	(0.00)	-	(0.00)	-	India
61	Reliance Global Energy Services (Singapore) Pte. Ltd.	INR	5.31	0.64	6.05	6.05	-	8.37	1.42	0.04	1.38	1.33	Singapore
		SGD MN	1.50	0.18	1.71	1.71	-	2.37	0.40	0.01	0.39	0.38	
62	Reliance One Enterprises Limited	INR	0.05	(0.05)	0.64	0.64	-	-	(0.01)	-	(0.01)	-	India
63	Reliance Global Energy Services Limited	INR	3.59	0.53	8.36	8.36	-	13.74	1.08	0.39	0.69	-	U K
		GBP MN	0.50	0.07	1.16	1.16	-	1.91	0.15	0.05	0.10	-	
64	Reliance Personal Electronics Limited	INR	0.05	(0.84)	0.38	0.38	-	0.00	(0.02)	-	(0.02)	-	India
65	Reliance Polymers (India) Limited	INR	4.41	2180.51	2185.11	2185.11	611.09	0.14	(0.00)	-	(0.00)	-	India
66	Reliance Polyolefins Limited	INR	13.26	2573.69	2599.56	2599.56	2598.51	4.48	0.82	0.26	0.56	-	India
67	Reliance Aromatics and Petrochemicals Limited	INR	4.11	2503.44	2781.46	2781.46	2781.36	0.10	(0.00)	-	(0.00)	-	India
68	Reliance Energy and Project Development Limited	INR	1.01	951.79	1256.40	1256.40	1255.99	0.20	0.17	0.05	0.12	-	India
69	Reliance Chemicals Limited	INR	7.58	2598.64	2606.37	2606.37	2604.91	0.16	(0.00)	-	(0.00)	-	India
70	Reliance Universal Enterprises Limited	INR	13.26	3403.42	3416.75	3416.75	3416.56	0.08	0.00	0.00	0.00	-	India
71	Reliance Review Cinema Limited	INR	0.05	(0.37)	0.30	0.30	0.01	1.01	(0.35)	(0.11)	(0.24)	-	India
72	Reliance Replay Gaming Limited	INR	0.05	(0.18)	0.18	0.18	-	0.56	(0.24)	(0.08)	(0.16)	-	India
73	Reliance Nutritional Food Processors Limited*	INR	5.00	(1.91)	3.29	3.29	1.97	0.03	(1.86)	-	(1.86)	-	India
74	Reliance Commercial Land & Infrastructure Limited	INR	46.90	1940.75	2679.15	2679.15	0.01	-	(0.00)	-	(0.00)	-	India
75	Reliance Corporate IT Park Limited	INR	2477.83	(124.23)	2540.46	2540.46	-	554.16	0.53	0.11	0.42	-	India
76	Reliance Eminent Trading & Commerical Private Limited	INR	14.67	2061.32	2076.44	2076.44	-	0.04	(5.05)	-	(5.05)	-	India
77	Reliance Progressive Traders Private Limited	INR	13.96	1761.50	1822.67	1822.67	-	0.01	(7.23)	-	(7.23)	-	India
78	Reliance Prolific Traders Private Limited	INR	12.87	1426.06	1962.39	1962.39	-	0.08	(0.73)	-	(0.73)	-	India
79	Reliance Universal Traders Private Limited	INR	10.12	43.56	53.75	53.75	-	-	(0.04)	-	(0.04)	-	India
80	Reliance Prolific Commercial Private Limited	INR	1.66	331.24	335.71	335.71	-	0.02	0.02	0.01	0.01	-	India
81	Reliance Comtrade Private Limited	INR	1.48	241.47	243.09	243.09	-	0.00	(0.00)	-	(0.00)	-	India
82	Reliance Ambit Trade Private Limited	INR	1.93	465.63	471.52	471.52	-	0.14	0.14	0.04	0.10	-	India
83	Reliance Petro Marketing Limited	INR	4.11	106.39	153.10	153.10	0.04	959.30	0.18	0.04	0.14	-	India
84	LPG Infrastructure (India) Limited	INR	0.05	7.27	99.36	99.36	0.00	244.48	2.02	0.96	1.06	-	India
85	RIL USA Inc	INR	98.80	(57.28)	2332.18	2332.18	-	12909.81	(49.44)	(17.30)	(32.14)	-	U.S.A
		USD MN	22.10	(12.81)	521.68	521.68	-	2887.78	(11.06)	(3.87)	(7.19)	-	

As on 31.12.2010: 1 Euro = Rs. 59.7500, 1 US \$ = Rs. 44.7050, 1 RM = Rs. 14.50, 1 KSH = 0.5536, 1 FRW = 0.0752, 1 TZS = 0.0298, 1 USH = 0.0194; Exchange Rate as on 31.3.2011, 1 Euro = Rs. 63.3825, 1 US \$ = Rs. 44.595, 1 Aus \$ = Rs. 46.1075, 1 KSH = Rs. 0.5360, 1 SGD = Rs 35.3850, 1 GBP = 71.7950.

## Financial Information of Subsidiary Companies

												Rs. in crore	
Sr. No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	Country
86	International Oil Trading Limited*	INR	0.22	1.02	1.24	1.24	-	-	(0.01)	-	(0.01)	-	British Virgin Island
		USD MN	0.05	0.23	0.28	0.28	-	-	(0.00)	-	(0.00)	-	Island
87	Central Park Enterprises DMCC	INR	0.45	(0.20)	0.25	0.25	-	-	(0.20)	-	(0.20)	-	U.A.E
		USD MN	0.10	(0.05)	0.06	0.06	-	-	(0.05)	-	(0.05)	-	-
88	Reliance Corporate Services Limited	INR	0.06	(0.01)	42.80	42.80	41.49	-	(0.00)	-	(0.00)	-	India
89	Reliance Corporate Center Limited	INR	0.05	-	88.82	88.82	-	-	-	-	-	-	India
90	Reliance Convention and Exhibition Center Limited	INR	0.05	-	111.90	111.90	-	-	-	-	-	-	India
91	Reliance International B.V.*	INR	0.13	0.62	0.95	0.95	-	9.56	0.79	0.15	0.64	-	Netherlands
		EURO MN	0.02	0.10	0.15	0.15	-	1.51	0.13	0.02	0.11	-	-
92	Indiawin Sports Private Limited	INR	2.65	(90.22)	65.28	65.28	-	112.80	(15.42)	-	(15.42)	-	India
93	Reliance Exploration and Production Mauritius Limited	INR	2154.27	(0.04)	2154.23	2154.23	-	-	(0.04)	-	(0.04)	-	Mauritius
		USD MN	483.08	(0.01)	483.07	483.07	-	-	(0.01)	-	(0.01)	-	-
94	Reliance Oil and Gas Mauritius Limited	INR	613.95	(0.19)	675.11	675.11	-	-	(0.19)	-	(0.19)	-	Mauritius
		USD MN	137.67	(0.04)	151.39	151.39	-	-	(0.04)	-	(0.04)	-	-
95	Reliance Holding COOPERATIEF U.A.	INR	401.57	(0.21)	2515.47	2515.47	-	0.00	(0.21)	-	(0.21)	-	Netherlands
		USD MN	90.05	(0.05)	564.07	564.07	-	0.00	(0.05)	-	(0.05)	-	-
96	Reliance Holding Netherlands B.V.	INR	6.02	2509.37	2515.39	2515.39	-	-	(0.00)	-	(0.00)	-	Netherlands
		USD MN	1.35	562.70	564.05	564.05	-	-	(0.00)	-	(0.00)	-	-
97	Reliance Exploration and Production B.V.	INR	6.02	748.62	754.64	754.64	754.61	0.00	(0.01)	-	(0.01)	-	Netherlands
		USD MN	1.35	167.87	169.22	169.22	169.22	0.00	(0.00)	-	(0.00)	-	-
98	Reliance International Gas B.V.	INR	6.02	1754.69	1760.77	1760.77	-	0.00	(0.01)	-	(0.01)	-	Netherlands
		USD MN	1.35	393.47	394.84	394.84	-	0.00	(0.00)	-	(0.00)	-	-
99	Reliance Exploration and Production Limited	INR	1.08	2153.07	2154.14	2154.14	40.16	-	(0.06)	-	(0.06)	-	British Virgin Island
		USD MN	0.24	482.80	483.05	483.05	9.00	-	(0.01)	-	(0.01)	-	Island
100	Reliance Holdings USA Inc.	INR	0.22	2108.19	8890.43	8890.43	-	-	(10.82)	-	(10.82)	-	U.S.A
		USD MN	0.05	471.58	1988.69	1988.69	-	-	(2.42)	-	(2.42)	-	-
101	Reliance Marcellus LLC	INR	647.09	(9.43)	2451.01	2451.01	-	12.65	(9.43)	-	(9.43)	-	U.S.A
		USD MN	144.75	(2.11)	548.26	548.26	-	2.83	(2.11)	-	(2.11)	-	-
102	Infotel Broadband Services Limited	INR	4533.50	(5.81)	13403.10	13403.10	1.56	0.20	(4.82)	-	(4.82)	-	India
103	Reliance Strategic (Mauritius) Limited*	INR	0.01	(0.01)	0.01	0.01	-	-	(0.01)	-	(0.01)	-	Mauritius
		USD MN	0.00	(0.00)	0.00	0.00	-	-	(0.00)	-	(0.00)	-	-
104	Reliance Eagleford Midstream LLC	INR	158.70	(10.59)	527.75	527.75	526.98	-	(10.59)	-	(10.59)	-	U.S.A
		USD MN	35.50	(2.37)	118.05	118.05	117.88	-	(2.37)	-	(2.37)	-	-
105	Reliance Eagleford Upstream LLC	INR	873.97	(0.00)	2150.53	2150.53	-	-	(0.00)	-	(0.00)	-	U.S.A
		USD MN	195.50	(0.00)	481.05	481.05	-	-	(0.00)	-	(0.00)	-	-
106	Reliance Eagleford Upstream GP LLC	INR	0.10	(0.00)	0.09	0.09	0.09	-	(0.00)	-	(0.09)	-	U.S.A
		USD MN	0.02	(0.00)	0.02	0.02	0.02	-	(0.00)	-	(0.00)	-	-
107	Reliance Eagleford Upstream Holding LP	INR	873.98	15.95	2294.14	2294.14	-	59.80	15.95	-	15.95	-	U.S.A
		USD MN	195.50	3.57	513.17	513.17	-	13.38	3.57	-	3.57	-	-
108	Mark Project Services Private Limited	INR	0.05	(0.22)	0.03	0.03	-	-	(0.09)	-	(0.09)	-	India
109	Reliance Energy Generation and Distribution Private Limited	INR	0.05	(0.00)	0.05	0.05	-	-	(0.00)	-	(0.00)	-	India
110	Reliance Marcellus II LLC	INR	403.48	(0.13)	1573.44	1573.44	-	-	(0.13)	-	(0.13)	-	U.S.A
		USD MN	90.26	(0.03)	351.96	351.96	-	-	(0.03)	-	(0.03)	-	-
111	Reliance Security Solutions Limited	INR	0.05	(0.00)	0.15	0.15	-	0.84	0.00	0.00	0.00	-	India
112	Reliance Industries Investments and Holding Limited	INR	2.53	1238.71	1241.35	1241.35	1241.17	0.11	0.08	-	0.08	-	India
113	Reliance Office Solutions Private Limited *	INR	3.62	(0.27)	4.67	4.67	1.76	2.56	(0.39)	(0.13)	(0.26)	-	India
114	Reliance Style Fashion India Limited	INR	0.05	(0.03)	0.90	0.90	-	-	(0.03)	-	(0.03)	-	India
115	Gennext Innovation Ventures Private Limited	INR	0.01	(0.00)	0.01	0.01	-	-	(0.00)	-	(0.00)	-	India
116	Gennext Ventures Private Limited	INR	0.01	(0.00)	0.01	0.01	-	-	(0.00)	-	(0.00)	-	India
117	Reliance Home Products Limited	INR	0.05	(8.92)	9.00	9.00	-	28.43	(7.52)	(2.44)	(5.08)	-	India
118	Reliance Styles India Limited	INR	0.05	(0.00)	0.05	0.05	-	-	(0.00)	-	(0.00)	-	India
119	Infotel Telecom Limited	INR	0.05	(0.00)	0.05	0.05	-	-	(0.00)	-	(0.00)	-	India
120	Rancore Technologies Private Limited	INR	0.01	(0.09)	17.29	17.29	-	6.51	(0.12)	(0.04)	(0.08)	-	India

As on 31.12.2010: 1 Euro = Rs. 59.7500, 1 US \$ = Rs. 44.7050, 1 RM = Rs. 14.50, 1 KSH = 0.5536, 1 FRW = 0.0752, 1 TZS = 0.0298, 1 USH = 0.0194; Exchange Rate as on 31.3.2011, 1 Euro = Rs. 63.3825, 1 US \$ = Rs. 44.595, 1 Aus \$ = Rs. 46.1075, 1 KSH = Rs. 0.5360, 1 SGD = Rs 35.3850, 1 GBP = 71.7950.

\* Financial Information is based on Unaudited Results.



## 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.
- 97.07% 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 communications exchanged with investors, regulatory and other concerned authorities.

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

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

#### Submit Nomination Form

Investors should register their 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. The Form may be downloaded from the Company's website [www.ril.com](http://www.ril.com) under the section "Investor Relations".

#### Deal with Registered Intermediaries

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

#### Obtain documents relating to purchase and sale of 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 of 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 he 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 R&TA.

### 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 informs investors of transaction in the demat account by sending SMS. Investors will be informed about debits and credits to their demat account without having to call-up their DPs and investors need not wait for receiving Transaction Statements from DPs to know about the debits and credits.

### Exercise caution

There is likelihood of fraudulent transfers in case of folios with no movement or where the shareholder has either expired or is not residing at the address registered with the Company. 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.

### Intimate mobile number and e-mail address

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

## CONCEPTS AND PROCEDURES FOR SECURITIES RELATED MATTERS

### Dealing in Securities

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

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

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

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

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

### What is the Process of trading of Securities?

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

- Step 1.** Investor / trader decides to trade
- Step 2.** Places order with a broker to buy / sell the required quantity of respective securities
- Step 3.** Best priced order matches based on price-time priority
- Step 4.** Order execution is electronically communicated to the broker's terminal
- Step 5.** Trade confirmation slip issued to the investor / trader by the broker
- Step 6.** Within 24 hours of trade execution, contract note is issued to the investor / trader by the broker
- Step 7.** Pay-in of funds and securities before T+2 day
- Step 8.** Pay-out of funds and securities on T+2 day

In case of short or bad delivery of funds / securities, the exchange orders for an auction to settle the delivery. If the

shares could not be bought in the auction, the transaction is closed out as per SEBI guidelines.

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

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

- Ensure and insist with DP to issue DIS book.
- Ensure that DIS numbers are pre-printed and DP takes 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 online must take the 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 intervals.
- Proper understanding of the manner in which the online trading software has to be operated.
- Adequate training on usage of software.

- The online trading system has facility for order and trade confirmation after placing the orders.

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

- Avoid placing order from shared PCs / 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 non-regular location.
- Do not leave the terminal unattended while one is "signed-on" to the trading system.
- Protect your personal computer against viruses by placing a firewall and an anti-virus solution.
- Do not open email attachments from people you do not know.

## **DIVIDEND**

### **Payment of Dividend**

Dividend is paid under three modes viz:

- (a) National Electronic Clearing Services (NECS)
- (b) National Electronic Fund Transfer (NEFT)
- (c) 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 90 designated centres where payment can be handled through ECS. To facilitate payment through NEFT, the shareholder is required to ensure that the bank branch where his/her account is operated, is under CBS and also records the particulars of the new bank account with the DP with whom the demat account is maintained.

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

The Company will be appointing one bank as its Dividend banker for distribution of dividend. The said banker will carry out direct credit to those investors who are maintaining accounts with the said bank, provided the bank account details are registered with the DP for dematerialised shares and / or registered with the Company's 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. Investor 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 51,000 branches of 114 banks participate in NECS.

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

Investors holding shares in physical form may send their NECS Mandate Form, duly filled in, to the Company's R&TA. The Form may be downloaded from the Company's website [www.ril.com](http://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 DP directly, in the format prescribed by the DP.

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

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

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

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

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

### **Can NECS Facility be opted out by investors?**

Investors have a right to opt out from this mode of payment by giving an advance notice of four weeks, prior to payment of dividend, either to the Company's 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 the 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 for issue of duplicate warrant ?**

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

## Unclaimed Shares

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

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

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

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

In terms of Clause 5A (I) of the Listing Agreement, details relating to unclaimed shares such as number of shareholders who had approached the Company claiming the unclaimed shares, number of shareholders along with the number of shares, to whom the said shares were transferred and the aggregate number of shareholders

along with number of unclaimed shares transferred to the Suspense Account, are published in the Corporate Governance Report on page number 75 of this Annual Report.

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

## UNCLAIMED / UNPAID DIVIDEND

### What are the Statutory provisions governing unclaimed dividend?

With effect from 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 below:

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

	Dividend upto 1994-95	Dividend for 1995-96 to 2002-2003	Dividend for 2003-2004 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 2003-04 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
31.03.2004	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		
31.03.2009	07.10.2009	06.10.2016		
31.03.2010	18.06.2010	17.06.2017		

## 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 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 "Transposition cum Demat facility" to help joint holders to dematerialize securities in different sequence of names. For this purpose, DRF and Transposition Form should be submitted to the DP.

### What is the SMS alert facility?

NSDL and CDSL have launched SMS Alert facility for demat account holders whereby investors can receive alerts for debits (transfers) in their demat accounts and for credits in respect of corporate actions for transfers, IPO and offer for sale. Under this facility, investors can receive alerts, a day after such debits (transfers) / credits take place. These



alerts are sent to those account holders who have provided their mobile numbers to their DPs. Alerts for debits are sent, if the debits (transfers) are up to five ISINs in a day. In case debits (transfers) are for more than five ISINs, alerts are sent with a message that debits for more than five ISINs have taken place and that the investor can check the details with the DP.

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

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

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

- Shareholders should submit duly filled in Rematerialisation Request Form (RRF) to the concerned DP.
- DP intimates the relevant Depository of such requests.
- DP submits RRF to the Company's 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 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](http://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 cannot be

nominee(s). Minors can, however, be appointed as a nominee.

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

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

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

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

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

A nomination form must be witnessed by 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 the provisions of section 109A of the Companies Act, 1956 and as held by Hon'ble Delhi and Mumbai High Courts, the securities would vest on the nominee upon the death of the registered holder notwithstanding the rights of the legal heirs of the deceased.

## **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/ its R&TA 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 effecting transfer. In case the errors are non rectifiable, purchaser has recourse to the seller and his broker through the Stock Exchange to get back his money. However, in case of off-market transactions, matter should be settled with the seller only.

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

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

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

The procedure for registration of shares gifted (held in physical form) is same as the procedure for a normal transfer. The stamp duty payable for registration of gifted shares would be @ 25 paise for every Rs. 100 or part thereof, of the face value or the market value of the shares prevailing as on the date of the document, if any, conveying the gift or the date of execution of the transfer deed, whichever is higher. The procedure for registration of shares gifted (held in demat form) is the same as the procedure for transfer of shares in demat form in off-market mode.

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

The surviving shareholder(s) will have to submit a request letter supported by an attested copy of the death certificate of the deceased shareholder and accompanied by the relevant share certificate(s). The Company's 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.

**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 denominations consolidated into a single certificate

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

If the shares are not under the same folio but have the same order of names, the shareholder should write to the Company's R&TA for the prescribed form for consolidation of folios. This will help the investors to efficiently monitor the holding and the corporate benefits 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, to the Company's R&TA. 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)
<b>Queries / Complaints</b>		
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
<b>Event Based</b>		
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

### Reminder Letters to Investors

The Company gives an opportunity by sending reminder 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 off the odd lot shares on behalf of the shareholders.

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



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

### **Securities and Exchange Board of India (SEBI)**

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

### **Stock Exchanges**

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

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

### **Depositories**

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

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

### **Other Information**

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

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

### **Insider Trading**

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

### **Initial Disclosure**

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

### **Continual Disclosure**

As per sub-regulation (2), 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) not less than 21 days before the date of the annual general meeting unless consented for a shorter period.
- To participate and vote at general meetings either personally or through proxy (proxy can vote only in case of a poll).
- To receive dividends and other corporate benefits like bonus, rights etc. once approved.
- To demand poll on any resolution at a general meeting in accordance with the provisions of the Companies Act, 1956.
- To inspect statutory registers and documents as permitted under law.
- To require the Board of Directors to call an extraordinary general meeting in accordance with the provisions of the Companies Act, 1956.

### **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 / DP / 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 returns on investments in the Stock Market.
- Give clear and unambiguous instructions to your broker / sub-broker / DP.
- Be vigilant in your transactions.
- Insist on a contract note for your transaction.
- Verify all details in the contract note, immediately on receipt.
- Always settle dues through the normal banking channels with the market intermediaries.
- Crosscheck details of your trade with details as available on the exchange website.
- Scrutinize minutely both the transaction and the holding statements that you receive from your DP.

- Keep copies of all your investment documentation.
- Handle DIS Book issued by DP's carefully.
- Insist that the DIS numbers are pre-printed and your account number (client id) be pre stamped.
- In case you are not transacting frequently make use of the freezing facilities provided for your demat account.
- Pay the margins required to be paid in the time prescribed.
- Deliver the shares in case of sale or pay the money in case of purchase within the time prescribed.
- Participate and vote in general meetings either personally or through proxy.
- Be aware of your rights and responsibilities.
- In case of complaints, approach the right authorities for redressal in a timely manner.

#### **DON'TS**

- Don't undertake off-market transactions in securities.
- Don't deal with unregistered intermediaries.
- Don't fall prey to promises of unrealistic returns.
- Don't invest on the basis of hearsay and 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 DISs of your demat account lying around carelessly or with anyone.
- Do not sign blank DIS and keep them with DP or broker to save time. Remember your carelessness can be your peril.
- Do not keep any signed blank transfer deeds.

#### **NOTE**

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





**Members  
Feedback Form  
2010-2011**

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
<b>Directors' Report and Management's Discussion and Analysis</b>	Contents					
	Presentation					
<b>Report on Corporate Governance</b>	Contents					
	Presentation					
<b>Shareholders' Referencer</b>	Contents					
	Presentation					
<b>Quality of Financial and non- financial information in the Annual Report</b>	Contents					
	Presentation					
<b>Information on Company's Website</b>	Contents					
	Presentation					
<b>INVESTOR SERVICES</b>						
<b>Turnaround time for response to shareholder query</b>						
<b>Quality of response</b>						
<b>Timely receipt of Annual Report</b>						
<b>Conduct of Annual General Meeting</b>						
<b>Timely receipt of dividend warrants / payment through ECS</b>						
<b>Promptness in confirming demat / remat requests</b>						
<b>Overall rating</b>						

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 S. Sudhakar  
Vice President - Corporate Secretarial  
**Reliance Industries Limited**  
Registered Office: 3rd Floor, Maker Chambers IV  
222, Nariman Point  
Mumbai 400 021

Fold

# VIMAL



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. Coupon not valid at Vimal Factory Outlets. The following list of stores could be updated without prior notification.

*Your special someone deserves a gift just as special*

**VIMAL Gifting**  
A RELIANCE PRODUCT

DRESSING UP NEW INDIA  
ONLY **VIMAL**  
PREMIUM SUITING • SHIRTING • APPAREL

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* - Annapurma Enterprises: # 6-9-18, Arundelpet, Ph:2234379 • *Khammam* - Vimal Showroom: Kanan Bazaar Ph:645880 • *Ongole* - Mangaldeep New, Bapuji Market Complex, Ph:237069 • *Tirupathi* - Latha Enterprises: 31, Gandhi Road, Ph: 2222226 • *Rajahmundry* - Sri Ram Vimal Showroom: 10/15/42, Main Road, Fort Gate, Ph:2461150 • *Vijayanagara* - 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: SCD 5, Sector 20D, Tribune Road, Ph:3919685 • **DELHI:** *New Delhi* - Kumardeep: Nangal Raya, Jail Road, Ph:2811085 • Raj Emporium: D-10, Vikas Marg, Laxmi Nagar, Ph:22546031 • Stylecraft: Arya Samaj Road, Karol Bagh, Ph:28752133 • Uneek Selection: 6D, Kamla Nagar, Ph:23845839 • **GUJARAT:** *Ahmedabad* - Priya Retail Shop, Near Natraj Cinema, Ashram Road, Ph:66312882 • Shree Top In Town: Patidar Kuva, Relief Road, Ph:25355251 • Vimal Showroom: C.G Road, Ph:65444661 • Vimal Showroom: Naroda, Ph:66068195 • *Jamnagar* - Vimal Showroom: Teen Batti, Ph:2678093 • *Vadodara* - Arikant: 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:** *Karnal* - Salwan Fabrics House: Old Mugal Canal, Karan Commercial Complex, Ph: 2201415 • *Narnaul* - Vijay Deep: Pul Bazaar, Ph:2251508 • *Rohatak* - 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 • Mangalore - Mangaljiyoti - Light House Hill Road, Hanpanakatta, Ph:2421052 • **KERALA:** *Chalakkudy* - Chaitanya: South Chalakkudy, City Heights, Ph:3254651 • Ernakulam - Vimal Showroom: M.G Road, Ph:2380305 • **MADHYA PRADESH:** *Bhopal* - Bhee Thrift & Credit Secy: Bachat Bhawan, Piplani, Ph:2502303 • **MAHARASHTRA:** *Thane* - Aanya: Pradhan Building, Gokhle Road, Naupada, Ph:25422561 • Charm: Gokhle Road, Naupada, Ph:25344545 • Charmi NX, Gokhale Road, Naupada, Ph:25344545 • **Mumbai** - Vimal Showroom: Court House, L.T Marg, Ph:65971617 • Roopal: Opp. Railway Station, Mulund West, Ph:25648135 • Aavaram: Opp. Railway Station, Borivali (W), Ph:28934999 • Amrut: Opp. Lazaree, Dadar (W), Ph:24305895 • M/s Sandeep: Jainson Plaza, SV Road, Malad (W), Ph:28805121 • Shilpi: Ranade Road, Nr. Waman Hari Peth Jewellers, Dadar (W), Ph:24302259 • Tashkent: Sion Circle, Sion, Ph:24076693

**VIMAL** Reliance

**Rs.1000** 15% OFF

Valid upto 30.06.2012  
at above Vimal Showrooms

Serial No: \_\_\_\_\_

**VIMAL** Reliance

**Rs.1000** 15% OFF

Valid upto 30.06.2012  
at above Vimal Showrooms

Serial No: \_\_\_\_\_

**VIMAL** Reliance

**Rs.1000** 15% OFF

Valid upto 30.06.2012  
at above Vimal Showrooms

Serial No: \_\_\_\_\_

**VIMAL** Reliance

**Rs.1000** 15% OFF

Valid upto 30.06.2012  
at above Vimal Showrooms

Serial No: \_\_\_\_\_

Arrives

**VIMAL**

PERFUME

**VIMAL** Reliance

**Rs.1000** 15% OFF

Valid upto 30.06.2012  
at above Vimal Showrooms

Serial No: \_\_\_\_\_

# VIMAL

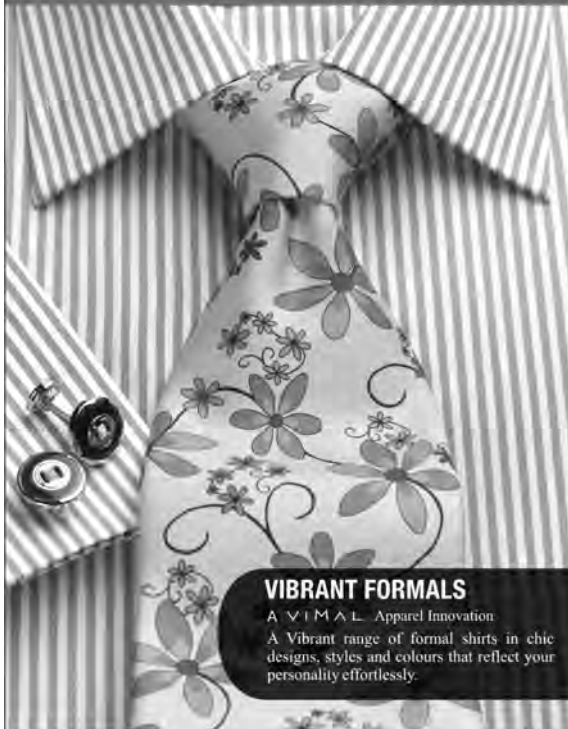


Reliance  
Industries Limited

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.



## VIBRANT FORMALS

A VIMAL Apparel Innovation

A Vibrant range of formal shirts in chic designs, styles and colours that reflect your personality effortlessly.

## VIMAL SHOWROOMS

• **Dombivli:** Chandan; Ganesh Krupa, Kelkar Road, Ph:2862539 • **Nagpur:** Vimal Showroom; Rani Jhansi Square, Sitabardi, Ph:3254346 • **Ahmednagar:** Central Avenue, Darodkar Chowk, Ph:2769690 • **Pune:** Kamdhenu; Badhiwar Peth, Laxmi Road, Ph:24450175 • **PUNJAB:** **Amritsar:** Libaas; Katra Jaimal Singh, Ph:5051420 • **Ludhiana:** Chaura bazaar, Girjagar Chowk • **RAJASTHAN:** **Kota:** Honey Fashion Fab; Station Road, Ph:2460866 • **Udaipur:** Tayasons; Town Hall Road, Ph:2411906 • **TAMILNADU:** **Chennai:** Vimal Showroom; Nr. Stella Maris College, Cathedral Road, Ph:28113116 • **Coimbatore:** Vimal Showroom; Opp. Koni Amman Temple, Big Bazaar St, Ph:6459062 • **Madurai:** Vimal Showroom, Aparna Tower Annexe Tower, Bypass road, Ph: 6461741 • **Salem:** Prabhuvell; Bazaar St Ph:6457585 • **TRIPURA:** **Agartala:** Tiltottama Textiles; H.G Basak Road, Ph:2389614 • **UTTAR PRADESH:** **Aggra:** Ganga Jamuna; Hospital Road, Rajendra Market, Ph:2267659 • **Jhansi:** Gauri Enterprises, 1078/2 Civil Lines, Ph:9648444490 • **Kanpur:** Vijay Handlooms; Vijay Tower, P. Road, Ph:2543741 • **Lucknow:** Vimal Showroom, Aminabad Park, Ph: 0522-6451636 • **Varanasi:** Mangaldeep Exclusive; Maldhariya, Ph:2393994 • **UTTARANCHAL:** **Dehradun:** Kishore Drapers; Paltan Bazar, Ph:2655489 • **Gadhwal:** Akash Deep - Gola Bazaar, Dist. Garhwal, Ph:2252245 • **WEST BENGAL:** • **Belgharia:** Priya; Spandan Market, Feeder Road, Ph:25642067 • **Bongaon:** Atashi; Basanti Market, Chakda Road, Ph:258056 • **Chandan Nagar:** La Vogue; Bagbazar, Ph:65458247 • **Cooch Behar:** Narayan Bastralaya; Biswa Singha Road, Ph:228563 • **Durgapur:** Deepak; Benachity, Ph: 2584844 • **Jalpaiguri:** Kalpataru; D.B.C Road, Ph:220944 • **Kakinara:** Jiban; 57, Annada Banerjee Road, K.L Shaw Market, Ph:25813755 • **Khagra:** Radha; 20, Netaji Road, Behrampur, Ph:2256811 • **Kolkata:** Vimal Showroom, Gachhala More, Tollygunje, Ph: 24996860 • **Durlink:** P-192, VIP Road, Ultadanga Crossing, Ph:23559348 • **Kiran:** 18 A PC Road, Sealdah, Ph:23509620 • **Monarch:** B-15, Garden Reach Road, Metabruz, Ph:24695463 • **Niva Emporium:** Garia, Raja S.C Mullick College, Ph:24303181 • **Prestige:** Five Point Crossing, Shyam Bazaar, Ph:25554928 • **Roopkala:** D C 2/12 Shastribagan, Baguani, Ph:25765920 • **Selection:** Bidhan Sarani, Ph:25540230 • **Shree Sellers Pvt.Ltd:** R.N Mukherjee Road, Ph:22483191 • **Vimal Palace:** Raja Rajendra Mitra Road, Beliaghata, Ph:23509272 • **Vimal Samrat:** Near Darpan Cinema, Bidhan Sarani, Ph:25554928 • **Molda:** Purbagar; Rabindra Avenue, Ph: 2253620 • **Vimal Vatika:** Rabindra Avenue, Khudiram Shaw Complex, Ph: 2253394 • **Naihati:** Fashion; Aurbindo Road, Ph: 25814020 • **Silchar:** Suprava; Central Road, Ph:246673 • **Siliguri:** Mabella; Seth Sirimal Mkt, Ph:2430172 • **Vimal Suravi:** Mahabirasthan, Ph:2533941 • **Tribeni:** Meeta; Shop No.19, Dr. B.C Mitra Super Market, Ph:26846649 • **Uttarpura:** Piyali; G.T Road, Dist: Hooghly, Ph:26644555

# DEO<sub>2</sub>

VIMAL'S ANTI-MICROBIAL INNOVATION  
(PATENT PENDING)

DRESSING UP NEW INDIA

ONLY  
**VIMAL**  
A RELIANCE BRAND  
PREMIUM SUITING • SHIRTING • APPAREL

VIMAL 

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.onlyvimal.co.in

VIMAL 

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.onlyvimal.co.in

VIMAL 

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.onlyvimal.co.in

VIMAL 

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.onlyvimal.co.in

Arrives  
**VIMAL**  
PERFUME



VIMAL 

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.onlyvimal.co.in



**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*	
Client Id*	

Master Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **37<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company held on Friday, June 3, 2011 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**



Registered Office: 3rd Floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400 021.

DP Id*	
Client Id*	

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

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 **37<sup>th</sup> Annual General Meeting** of the Company to be held on Friday, June 3, 2011 at 11.00 a.m. and at any adjournment thereof.

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

Resolutions	For	Against
1. Adoption of Accounts, Reports of the Board of Directors and Auditors		
2. Declaration of Dividend on Equity Shares		
3. Re-appointment of the following Directors retiring by rotation:		
a) Shri Ramniklal H. Ambani		
b) Shri Nikhil R. Meswani		
c) Prof. Ashok Misra		
d) Shri Yogendra P. Trivedi		
4. Appointment of Auditors		

Signed this.....day of.....2011

\_\_\_\_\_  
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.



# Reliance Foundation



The Reliance Foundation aspires to become one of the foremost professional philanthropic organizations. It aims to address India's social development imperatives of formal and vocational education; affordable health care of high quality; meaningful rural development, urban renewal and preservation of India's vast and priceless arts & cultural heritage.

The Reliance Foundation launched Mission BIJ (Bharat India Jodo) to support small farmers with an aim to bridge the gap between rural and urban areas. Starting in over six locations in four states in India, BIJ seeks to make farming a first choice profession with its agro-interventions. Using appropriate knowledge and technology, the Foundation is playing a catalytic and holistic role towards rural development.

The Foundation has also undertaken the initiatives of setting up a world-class, multi-disciplinary university in the state of Maharashtra and the revamping of a tertiary care hospital in Mumbai.

## Reliance Drishti Art Competition - 2010

Paintings by National Gold Winners. Theme: India, A Land of Colours.



Anthony D'souza  
(Age Group: 8-10 Years)



Sarvesh Rane  
(Age Group: 5-7 Years)



Anagha Gopakumar  
(Age Group: 8-10 Years)



Manali P. Junnarkar  
(Age Group: 8-10 Years)



Shreya N. Patel  
(Age Group: 5-7 Years)



Nidhi C. Chauhan  
(Age Group: 5-7 Years)



Shyam G. Ardeshta  
(Age Group: 8-10 Years)



Aritro Mukhopadhyay  
(Age Group: 11-13 Years)



Ayam Bhadauria  
(Age Group: 8-10 Years)



Panthi Patel  
(Age Group: 5-7 Years)



Shreehan S. Kate  
(Age Group: 5-7 Years)



Ayush D. Dixit  
(Age Group: 5-7 Years)



Vinaxi Rajeshbhai Khalasi  
(Age Group: 11-13 Years)



Tanya Bhatia  
(Age Group: 11-13 Years)



Fazhinbanu Raj  
(Age Group: 11-13 Years)



Shreyansh Bohra  
(Age Group: 11-13 Years)



Khushi R. Patel  
(Age Group: 8-10 Years)



**Reliance**  
 Industries Limited

Growth is Life