



Reliance
Industries Limited

Growth is Life



**PARTNERING
INDIA'S
NEW FUTURE.
SUSTAINABLY.**

**ANNUAL
REPORT
2011-12**

Partnering India's new future. **Sustainably.**



India has an interesting story to tell the world. A story of dynamism and confidence to face the future, on the strength of new capabilities and a vibrant market for consumption.

Reliance is creating opportunities for future generations by building a unique portfolio of upstream, refining and petrochemicals business with industry-leading performance, and time-critical investments in emerging sectors.

Our business growth mirrors the evolving aspirations of millions of fellow Indians to embrace an advanced quality of life. The result is an unprecedented surge in consumption across the vast social spectrum. This great Indian opportunity is the wellspring of our strength.

As India helps drive global growth, we are passionately investing our resources and energies in helping accelerate India's socio-economic progress.

We are committed to sustain a culture of operational excellence, responsible resource utilisation and creating a platform for sustainable growth to benefit all stakeholders.

This PDF has been kept interactive to help you access the information that you seek. This can be done by clicking on the desired section from the contents page and relevant icons on individual pages.

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Highlights

Reliance Industries Limited (RIL) is India's largest private sector conglomerate and a Fortune Global 500 companies with business in the energy and materials value chain.

GROWING IMPORTANCE ACROSS THE GLOBE

- Largest refining capacity at any single location
- Largest producer of Polyester Fibre and Yarn
- 5th largest producer of Paraxylene (PX)
- 5th largest producer of Polypropylene (PP)
- 8th largest producer of Purified Terephthalic Acid (PTA) and Mono Ethelen Glycol (MEG)



RIL'S CONTRIBUTION TO INDIA'S ECONOMIC GROWTH

14%
of India's
total exports

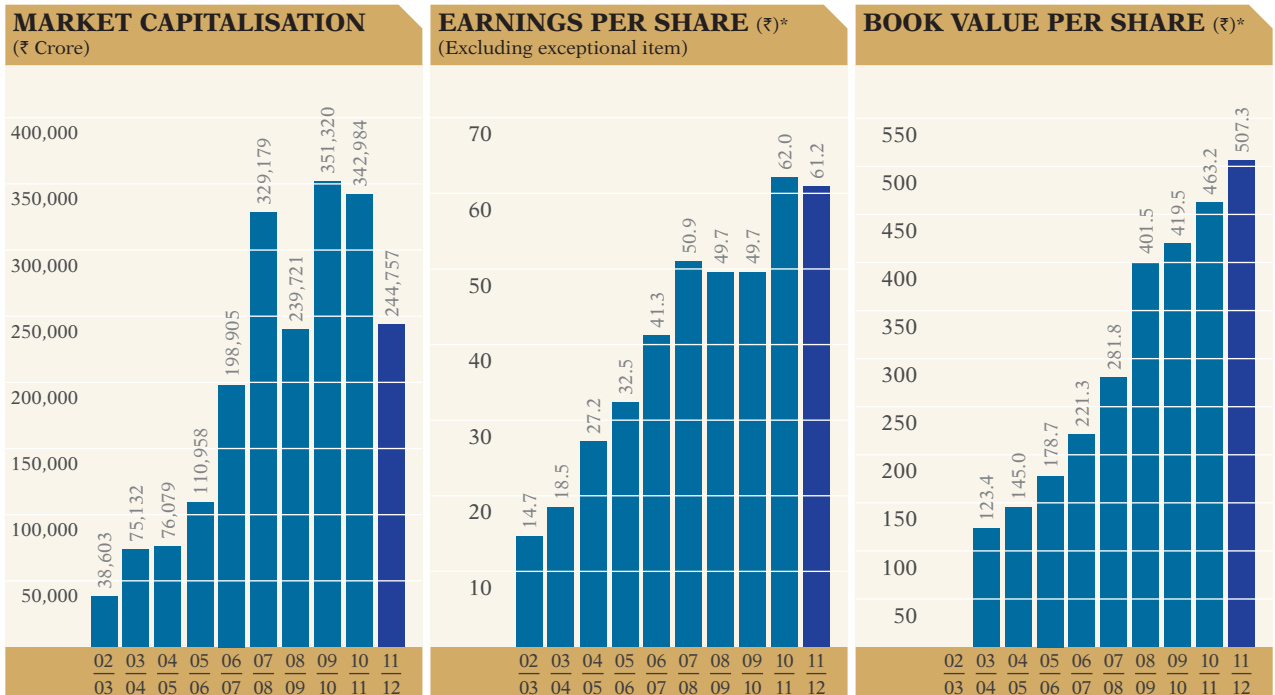
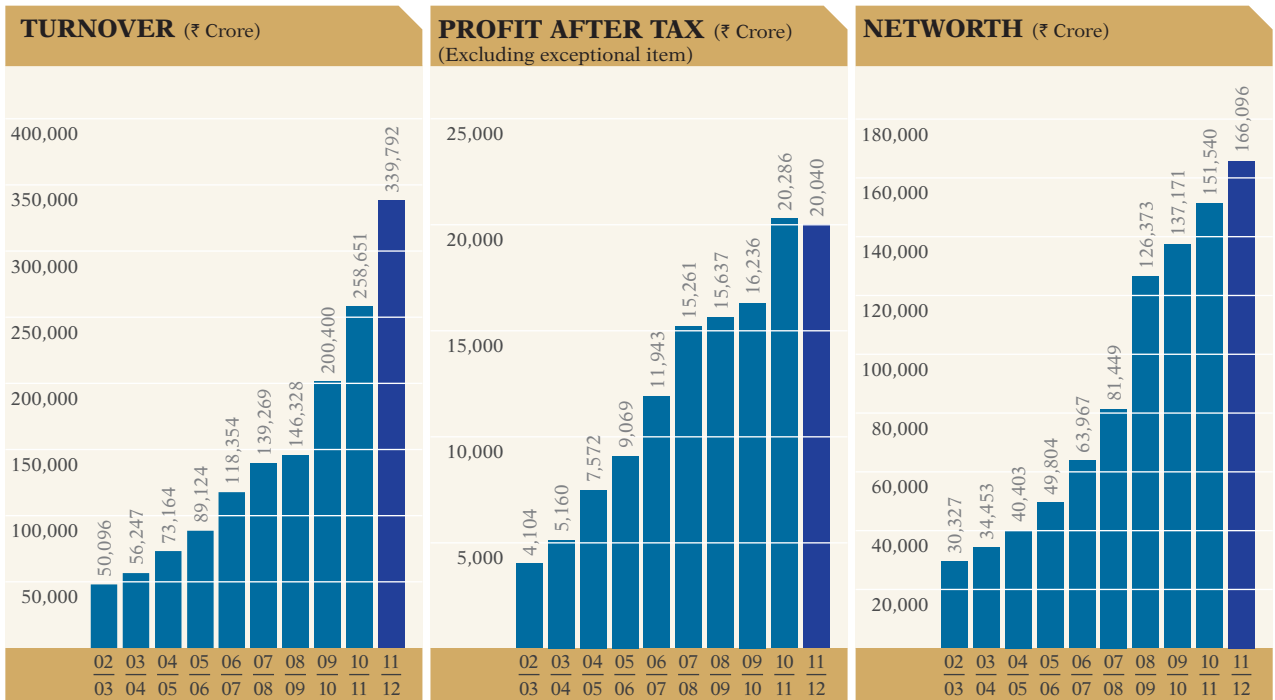
5.5%
of the
Government of
India's indirect
tax revenues

7.8%
Weightage in
the NSE Nifty

9.3%
Weightage in
the BSE Sensex

4%
of the total
market
capitalisation
in India

10 Years Trend (Fiscal Year)



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

Letter to Shareholders

Dear Fellow Shareowners,

FY 2011-12 has been a challenging year with unprecedented economic uncertainty in Europe, geo-political upheaval in the Middle East and a slowing down of economic growth across Asia. These events had a profound effect on demand and margin outlook for industrial products across the world. In many ways, we are still feeling the after-shocks of the financial meltdown of 2008 and 2009 with leading economies continuing to suffer from low growth and the resultant adverse impact on demand for most products and services. We have been successful in insulating and de-risking our portfolio of businesses by following a prudent operating discipline and further strengthening our rock solid foundation for investments in future growth engines.

Even under these tough times, RIL delivered sustained operating and financial results from its core businesses. RIL achieved a turnover of ₹ 339,792 Crore (\$ 66.8 Billion) and net profit of ₹ 20,040 Crore (\$ 3.9 Billion). This was mainly achieved as a result of resilient demand for petroleum products in developing economies from around the world and on-going consumer demand in India for products and services linked to a better quality of life.

Reliance was able to realise the true potential of its high quality manufacturing assets, its deep talent pool, globally accepted products and strong access to Indian markets.

Reliance's refineries continued to be recognised as the best-in-class refining assets built in recent times. Besides winning several accolades for their track record in safety, energy conservation and environment friendliness, they consistently operated at over 100% of design capacity. The refineries achieved their highest ever crude processing of 67.6 Million tonnes, surpassing their previous record by over a Million tonnes. The refining industry was particularly impacted by events that were not foreseeable a year ago. The natural disaster in Japan left the world shaken and created unprecedented demand for fuel oil in the region. This, combined with geo-political issues in the Middle-east resulted in sharp hike in crude prices and increased demand for heavy crudes; narrowing both product margins and light-heavy differentials. All of this resulted in lower than expected Asian complex refining margins. In this environment, Reliance was able to improve its performance with higher throughput and better margins.

Our partnership with BP has redefined our strategy for the domestic oil and gas business. This partnership will endeavour to unlock the true potential of RIL's deep-water exploration blocks by leveraging BP's skills in sub-sea engineering and reservoir management. India Gas Solutions Private Limited, a 50:50 joint venture with BP has been set up to focus on global sourcing and marketing of natural gas in India. Demand for natural gas has been growing at an exponential rate in

India and is expected to be the preferred choice of fuel given its environment friendly properties and ready acceptance by users.

Production from the KG-D6 block has been adversely impacted mainly due to unforeseen reservoir complexities and water ingress in the producing fields. Significant steps have been taken by the joint technical teams in assessing options for overall reservoir management based on which, an integrated plan for work-overs and additional wells can be executed, subject to necessary regulatory and government approvals.

We are committed to strengthening India's energy security and investing in expanding our upstream business in India. As we are all aware, India acutely needs sizeable investments to develop its hydrocarbon reserves and needs to do more in creating an equitable investment climate that recognises the integral risk-reward paradigm of the upstream business. We need to take into consideration the fact that slow-down in these investments impacts the overall import bill for the nation as India continues to increase its dependence on imported LNG, benefitting producers around the world.

We invested significantly in the shale gas joint ventures which are now all operational. We are contributing technical expertise and capital in development of this new business which is likely to be a growing contributor to our earnings in the future. Prevailing low gas prices have necessitated a prudent approach towards production ramp-up with focus being on the more liquid rich areas in our Eagle Ford asset.

Domestic demand for petrochemical products remained strong although margins were impacted due to high feedstock prices and increased supply from the Middle East. India remained an importer of several polymer products. Our planned expansions in the petrochemical segment have commenced and are aimed principally at addressing the growing consumption in India. These expansions will leverage from downstream integration with RIL's refining complex and the resultant feedstock security. We are creating a world-scale elastomer

portfolio taking advantage of this feedstock integration and the growth of the automobile sector in India.

Growth in our organised retail business is reflective of the changing habits and increasing aspirations of millions of fellow Indians who seek modern conveniences without losing focus on value. Over 7 Million farmers in India benefit from our farm to fork consumer retail strategy and this number is growing exponentially day by day. In a short period and as a reflection of consumer preferences, Reliance now has leadership positions in food, apparel and consumer electronics retailing in the country. With over 1,300 stores operational and more being opened, Reliance is positioned to be India's premier retailer even as organised retailing becomes a more meaningful part of the changing consumer preference in the country.

The broadband market in India is expected to leapfrog from its current user base of around 20 Million wireless and wire-line subscribers. Our foray in Broadband Access is aimed at achieving a leadership status in providing digital services to a large base of consumers and providing next generation data services.

We have strengthened our balance sheet and are focused on managing our costs and prudent use of capital. Our investment grade ratings, cash balance and low net gearing place us in a unique position for creating a foundation for growth. At Reliance, we have been and continue to remain focused on creating long-term shareholder value. It is with this in mind that we have introduced India's largest share buy-back programme in January 2012.

We are passionate towards investing in Reliance's future. I know that I am not alone in this passion and that over 50,000 Reliance employees share this hunger for outperformance and growth. We are committed to doing so with integrity and humility and are steadfast in our endeavour to achieving our goals.

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

20 April 2012

We have strengthened our balance sheet and are focused on managing our costs and prudent use of capital. Our investment grade ratings, cash balance and low net gearing place us a unique position for creating a foundation for growth.



The Board of Directors



Shri Mukesh D. Ambani
**Chairman and
Managing Director**



Shri P. M. S. Prasad
Executive Director



Shri Hital R. Meswani
Executive Director



Shri Mansingh L. Bhakta
Independent Director



Shri Yogendra P. Trivedi
Independent Director



Dr. Dharam Vir Kapur
Independent Director



Shri Nikhil R. Meswani
Executive Director



Shri Pawan Kumar Kapil
Executive Director



Shri Ramniklal H. Ambani
**Non-Executive
Non-Independent
Director**



Shri Mahesh P. Modi
Independent Director



Prof. Ashok Misra
Independent Director



Prof. Dipak C. Jain
Independent Director



**Dr. Raghunath A.
Mashelkar**
Independent Director

Reliance Foundation

Reliance Foundation focuses on five core pillars of rural transformation, education, health, urban renewal and arts, culture & heritage. It seeks to bring corporate systems and processes to social sector with an overall aim to create and support meaningful and innovative activities that address some of India's most pressing developmental challenges.

Reliance Foundation launched Reliance BIJ in October 2010. BIJ stands for 'Bharat India Jodo' and aims to bridge the gap between rural and urban India by strengthening sustainable agriculture practices amongst small and marginal farmers. Reliance BIJ today is present across 8 states and is set to expand to cover most of the agro-climatic zones of India. Reliance Foundation has embarked upon a new initiative called Reliance Knowledge for Sustainable Development (RK4SD) which aims at capacity building of farmers, fisher folk and micro-enterprises for better livelihood security. RK4SD will further provide timely advisories on climatic conditions, water and weather related risks, methods of handling new pests and diseases and sharing of best practices and better farming methods.

In FY 2011-12, Reliance Foundation and its associate institutions provided education to 15,000 children across 12 schools. Reliance Foundation is in the process of setting up Reliance Institute of Technology in Jamnagar and Reliance Polytechnic in Dwarka in partnership with the Gujarat government.












For promoting healthcare, Reliance Foundation is creating a world class tertiary care hospital in Mumbai. The hospital will incorporate a community outreach programme catering to health needs of the underprivileged. Reliance Drishti, an initiative of Reliance Foundation, working in association with National Association for the Blind, is committed to

bring the gift of sight to the visually impaired and to improve their quality of life. Since its beginning in 2003, Reliance Drishti has conducted over 10,000 cornea transplants across India. An important milestone was achieved on 19 March 2012 when Reliance Drishti launched India's first registered national braille newspaper in Hindi. This newspaper will bring the gift of information to over 25,000 visually differently abled.

Reliance Foundation has also instituted "Real Heroes", an award that recognises and acknowledges ordinary Indians who are making a difference to people's lives. In its 5th edition held in March 2012, this annual felicitation honoured 24 unsung heroes of India. The efforts of these 24 real heroes, selected from across the country and working in diverse fields of women empowerment, environment, youth, social welfare, health & disability, education & children and sports, have significantly contributed to the betterment of their communities.



Major Products and Brands

Business/ Brand	Product	Brand	End Uses
Exploration & Production	Crude Oil and Natural Gas		Refining, power, fertilisers, petrochemicals and other industries
Refining	Liquefied Petroleum Gas (LPG)		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	
Petrochemicals - Polymers			
Repol	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.
Relene	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
	Ultra High Molecular Weight Polyethylene		Liners for material handling equipment, dock fenders, battery separators, bobbins and pickers for textile machinery, trolley wheels, prosthetics, general engineering applications like gears, valves, bushes etc.
Reon	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.
Relpipe	Poly-Olefin		Agriculture irrigation, water supply projects, Sewerage and drainage, mines, coal fields, industrial water/fluids/effluents transportation, gas distribution network, telecom cable ducts, plumbing & construction.
	HDPE and PPR pipes		
Cisamer	Poly Butadiene Rubber (PBR)		Tyres, tread rubber, conveyor belts, footwear, sports goods, automotive components, rollers, mechanical goods & dock fenders
Chemicals			
Relab	Linear Alkyl Benzene (LAB)		Detergents

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

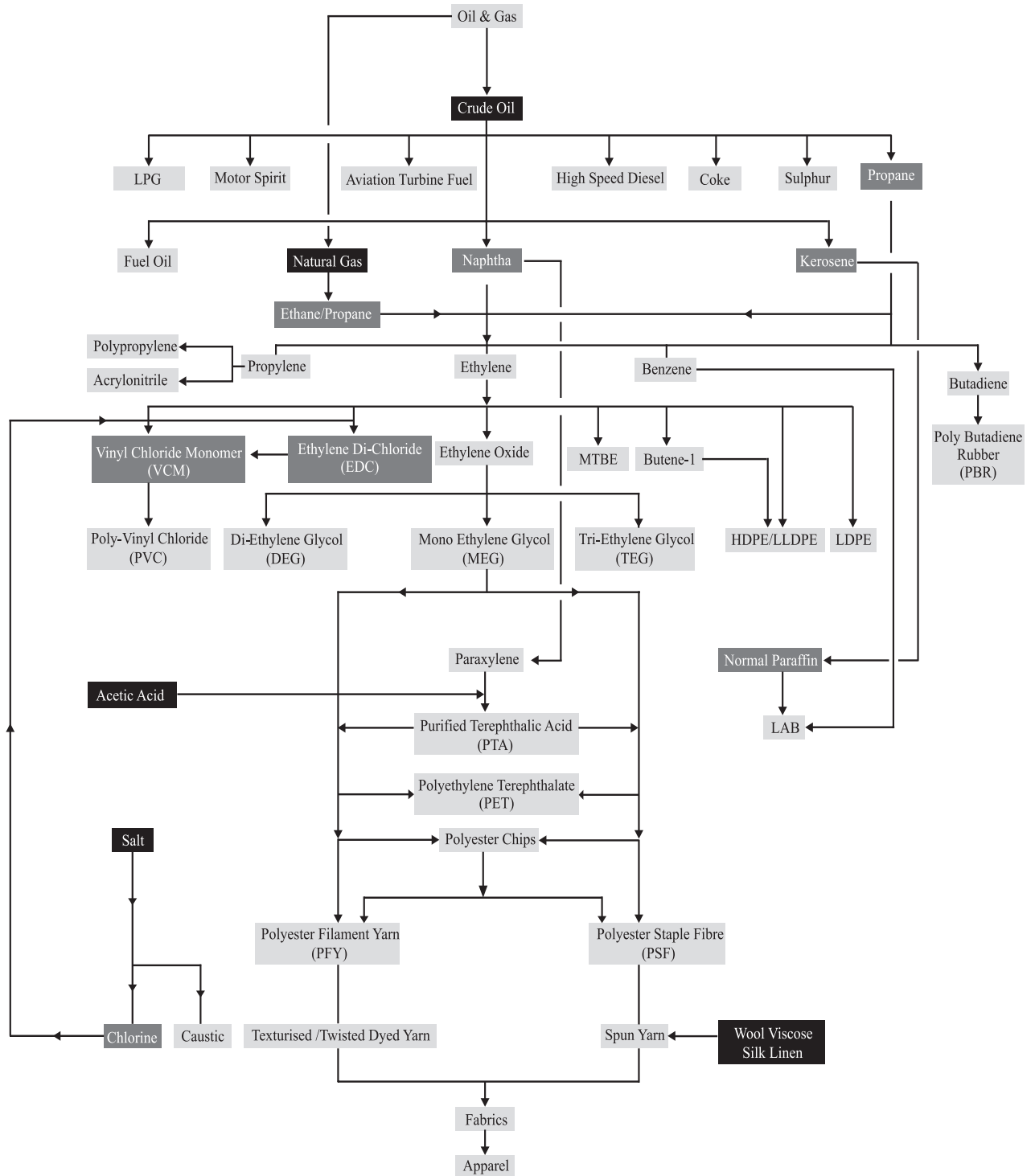
Business/ Brand	Product	Brand	End Uses
Petrochemicals - Polyester & Fibre Intermediates			
Recron® RecoSilk	Specialty Polyester Filament Yarns for Silken Shimmer and Swathes of Colour in Fabrics	Recron® Recosilk	Ideal substitute for silk in dress materials, velvet, sarees, etc. and viscose filament yarn in embroidery thread.
Recron FR	Flame retardant Fibres & Yarns	RecronFR	Institutional textiles for hospitality, entertainment, transport, safety etc. Also used in home textiles, fill & comfort products.
Recron Duratarp	Polyester Fibres with increased abrasion resistance for better water proof, tear proof and fade-proof qualities	Recron® DURATARP	Tarpaulin, Tents & Awnings
Recron Safeband	Structurally modified polyester fibre with antimicrobial and antifungal properties surgical dressings	Recron® Safeband	Crepe and Rolled Bandages
Relpet	Polyethylene Terephthalate (PET)	relpet	Packaged-water, beverages, confectionary, pharmaceutical, agro-chemical and food products

Textiles			
Vimal	Suitings, Shirtings, Readymade Garments		Fabrics, suits, jackets, shirts & trousers
Vimal Gifting	Ready-to-stitch, take away fabric in gift packs		Fabrics
V2	Ready-to-stitch, Take away fabric		Fabrics

Retail			
	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
	Wholesale Store		A wholesale store for business & bulk needs
	Electronics Specialty Store		Computers, mobiles, entertainment, gaming merchandise
	Exclusive Apple Store		Range of Apple products like iPod and iMac
	Jewellery Specialty Store		Fine jewellery
	Apparel Specialty		Men, ladies, children clothing and accessories
	Footwear Specialty Store		Men, ladies, children footwear, sports, handbags and accessories
	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
	Modern Outerwear lifestyle Brand specializing in footwear for extreme sports, skateboarding, snowboarding		Apparel, Footwear & Accessories
	Urban Fashion & Lifestyle Brand		Apparel, Footwear & Accessories
	Boardsports & active outdoor lifestyle brand for men		Mens Apparel, Footwear & Accessories
	Outdoor Lifestyle Brand for Women inspired by the beach, coastal and mountain casual lifestyle		Womens Apparel, Footwear & Accessories
	Fashion Forward Footwear and Accessories Brand for Women		Footwear and accessories
	Optical Specialty Store		Spectacles, Sunglasses, Contact Lenses
	International Apparel, Accessories & Home Products Store		Apparel for Women, Men and Children, Lingerie, Beauty and Home Décor
	The Finest Toys in the World		Toys
	Office Needs, Office Supplies and Stationery Store		Office and Personal Stationery
	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		
GAPCO	Petroleum Retail		
	Lubricants		

Product Flow Chart



Existing products
 Purchased raw materials
 Partly purchased raw materials

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

Non Executive Directors

Ramniklal H. Ambani

Mansingh L. Bhakta

Yogendra P. Trivedi

Dr. Dharam Vir Kapur

Mahesh P. Modi

Prof. Ashok Misra

Prof. Dipak C. Jain

Dr. Raghunath A. Mashelkar

K. Sethuraman

Group Company Secretary and Chief Compliance Officer

Solicitors & Advocates

Kanga & Co.

Auditors

Chaturvedi & Shah
Deloitte Haskins & Sells
Rajendra & Co.

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

P.M.S. Prasad

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

Andhra Bank

Bank of America

Bank of Baroda

Bank of India

Bank of Maharashtra

Canara Bank

Central Bank of India

Citibank N.A

Credit Agricole Corporate and

Investment Bank

Corporation Bank

Deutsche Bank

The Hong Kong and

Shanghai Banking

Corporation Limited

HDFC Bank Limited

ICICI Bank Limited

IDBI Bank Limited

Indian Bank

Indian Overseas Bank

Oriental Bank of

Commerce

Punjab National Bank

Standard Chartered Bank

State Bank of Hyderabad

State Bank of India

State Bank of Patiala

Syndicate Bank

The Royal Bank of Scotland

Union Bank of India

Vijaya Bank

Major Plant Locations

Dahej

P. O. Dahej,

Taluka: Vagra,

Dist. : Bharuch - 392 130

Gujarat, India

Hazira

Village Mora, P.O. Bhatha

Surat-Hazira Road

Surat 394 510,

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, MIDC Industrial Area,

P.O. Rasayani,

Patalganga 410 220

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

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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

**38th Annual General Meeting on Thursday, June 7, 2012 at 11.00 a.m.
at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.**

Financial Highlights

	2011-12		10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03
	\$ Mn										
Revenue From Operations	66,790	3,39,792	2,58,651	2,00,400	1,46,328	1,39,269	1,18,354	89,124	73,164	56,247	50,096
Total Income	68,007	3,45,984	2,61,703	2,02,860	1,48,388	1,44,898	1,18,832	89,807	74,614	57,385	51,097
Earnings Before Depreciation, Finance Cost and Tax Expense (EBDIT)	7,825	39,811	41,178	33,041	25,374	28,935	20,525	14,982	14,261	10,983	9,366
Depreciation and Amortisation	2,240	11,394	13,608	10,497	5,195	4,847	4,815	3,401	3,724	3,247	2,837
Exceptional Items	-	-	-	-	(370)	4,733	-	-	-	-	-
Profit For the Year	3,939	20,040	20,286	16,236	15,309	19,458	11,943	9,069	7,572	5,160	4,104
Equity Dividend %*		85	80	70	130	130	110	100	75	52.5	50
Dividend Payout	497	2,531	2,385	2,084	1,897	1,631	1,440	1,393	1,045	733	698
Equity Share Capital	643	3,271	3,273	3,270	1,574	1,454	1,393	1,393	1,393	1,396	1,396
Equity Share Suspense Account	-	-	-	-	69	-	60	-	-	-	-
Equity Share Warrants	-	-	-	-	-	1,682	-	-	-	-	-
Reserves and Surplus	32,005	1,62,825	1,48,267	1,33,901	1,24,730	78,313	62,514	48,411	39,010	33,057	28,931
Net Worth	32,648	1,66,096	1,51,540	1,37,171	1,26,373	81,449	63,967	49,804	40,403	34,453	30,327
Gross Fixed Assets	40,392	2,05,493	2,21,252	2,28,004	2,18,673	1,27,235	1,07,061	91,928	59,955	56,860	52,547
Net Fixed Assets	23,878	1,21,477	1,55,526	1,65,399	1,69,387	84,889	71,189	62,675	35,082	35,146	34,086
Total Assets	58,013	2,95,140	2,84,719	2,51,006	2,45,706	1,49,792	1,17,353	93,095	80,586	71,157	63,737
Market Capitalisation	48,109	2,44,757	3,42,984	3,51,320	2,39,721	3,29,179	1,98,905	1,10,958	76,079	75,132	38,603
Number of Employees		23,166	22,661	23,365	24,679	25,487	24,696	12,540	12,113	11,358	12,915
Contribution to National Exchequer	5,542	28,197	28,719	17,972	11,574	13,696	15,344	15,950	13,972	12,903	13,210

Key Indicators

	\$	2011-12	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03
Earnings Per Share - (₹) [excluding Exceptional item]*	1.2	61.2	62.0	49.7	49.7	105.3	82.2	65.1	54.2	36.8	29.3
Turnover Per Share - (₹)	20.4	1,037.8	790.5	612.9	464.9	958.1	814.2	639.6	525.0	402.8	358.8
Book Value Per Share - (₹)	10.0	507.3	463.2	419.5	401.5	560.3	440.0	357.4	289.9	246.7	217.2
Debt : Equity Ratio	-	0.41:1	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
EBDIT / Gross Turnover %	11.7	11.7	15.9	16.5	17.3	20.8	17.3	16.8	19.5	19.5	18.7
Net Profit Margin %	5.9	5.9	7.8	8.1	10.5	14.0	10.1	10.2	10.3	9.2	8.2
RONW % **	13.4	13.4	15.5	16.4	21.6	28.8	23.5	22.7	21.9	17.0	14.8
ROCE % **	11.6	11.6	13.2	13.9	20.3	20.3	20.5	20.5	21.3	14.0	13.2

In this Annual Report \$ denotes US\$

1US\$ = ₹ 50.875 (Exchange rate as on 31.03.2012)

* 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-eighth Annual General Meeting of the members of Reliance Industries Limited will be held on Thursday, June 07, 2012 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, 2012, the Statement of Profit and Loss 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.”

Special Business

5. To re-appoint Shri Nikhil R. Meswani as a Whole-time Director designated as Executive Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the members be and is hereby accorded to the re-appointment of Shri Nikhil R. Meswani as a Whole-time Director designated as Executive Director of the Company, for a period of 5 (five) years with effect from July 01, 2013, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred

by this resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

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

6. To re-appoint Shri Pawan Kumar Kapil as a Whole-time Director designated as Executive Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the members be and is hereby accorded to the re-appointment of Shri Pawan Kumar Kapil as a Whole-time Director designated as Executive Director of the Company, for a period of 5 (five) years with effect from May 16, 2013 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

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

By Order of the Board of Directors

K. Sethuraman
Group Company Secretary and
Chief Compliance Officer

April 20, 2012

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 M.L. Bhakta, Shri Hital R. Meswani, Prof. Dipak C. Jain and Shri P.M.S. Prasad, 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 re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
5. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
9. (a) The Company has notified closure of Register of Members and Share Transfer Books from Saturday June 2, 2012 to Thursday June 7, 2012 (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 08, 2012 and June 14, 2012 to those members whose names shall appear on the Company’s Register of Members on June 01, 2012; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
10. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars 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.
11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/Registrars and Transfer Agents, M/s. Karvy Computershare Private Limited (Karvy).
12. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial years 1995-96 to 2003-04, to the **Investor Education and Protection Fund** (the IEPF) established by the Central Government.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, Karvy.
14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination

form can be downloaded from the Company's website www.ril.com under the section 'Investor Relations'.

15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into a single folio.
16. Non-Resident Indian Members are requested to inform Karvy, immediately of :
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
17. **Members are advised to refer to the Shareholders' Referencer provided in the Annual Report.**
18. **Members are requested to fill in and send the Feedback Form provided in the Annual Report.**

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

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

Item Nos 5 and 6

The Board of Directors of the Company (the 'Board'), at its meeting held on April 20, 2012 has, subject to the approval of Members, re-appointed Shri Nikhil R. Meswani and Shri Pawan Kumar Kapil as Whole-time Directors, designated as Executive Directors, for a further period of 5 (five) years from the expiry of their present term, which will expire on June 30, 2013 and May 15, 2013 respectively, on the remuneration determined by the Remuneration Committee of the Board and approved by the Board.

It is proposed to seek Members' approval for the re-appointment of and remuneration payable to, Shri Nikhil R. Meswani and Shri Pawan Kumar Kapil, as Whole-time Directors, designated as Executive Directors, in terms of the applicable provisions of the Companies Act, 1956 ("the Act").

Broad particulars of the terms of re-appointment of and remuneration payable to Shri Nikhil R. Meswani and Shri Pawan Kumar Kapil are as under:

(a) Salary, Perquisites and Allowances per annum

(₹ in crore)

Name	Salary	Perquisites and Allowances
Shri Nikhil R. Meswani	1.15	1.45
Shri Pawan Kumar Kapil	0.50	0.75

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

(b) Commission

In addition to the salary, perquisites and allowances as set out above, Shri Nikhil R. Meswani shall be entitled to receive commission on net profits. The commission payable to him as also to Shri Mukesh D. Ambani, Chairman & Managing Director and Shri Hital R. Meswani, another Whole-time Director of the Company will be determined by the Board and/or the Remuneration Committee of the Board for each financial year. The overall remuneration including

commission to all three of them shall not exceed 0.40% of the net profits of the Company as computed in the manner referred to under Section 198(1) of the Act, or any statutory modification(s) or re-enactment thereof. No commission is proposed to be paid to Shri Pawan Kumar Kapil.

(c) Reimbursement of Expenses

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

(d) General

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

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

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

(iii) Upon termination by whatever means of the Whole-time Director's employment:

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

Company or any of its subsidiary or associate company.

(iv) The Whole-time Director will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and his functions will be under the overall authority of the Chairman & Managing Director.

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

Shri Nikhil R. Meswani and Shri Pawan Kumar Kapil satisfy all the conditions set out in Part - I of Schedule XIII to the Act for being eligible for the re-appointment. They are not disqualified from being appointed as Directors in terms of Section 274(1) (g) of the Act.

The above may be treated as an abstract of the terms of re-appointment of Shri Nikhil R. Meswani and Shri Pawan Kumar Kapil under Section 302 of the Act.

Shri Nikhil R. Meswani and Shri Pawan Kumar Kapil are interested in the resolution as set out at Item Nos 5 and 6 of the Notice which pertain to their respective re-appointments and remuneration payable to them. Further, Shri Hital R. Meswani, a Whole-time Director, may be deemed to be concerned or interested in the resolution pertaining to the re-appointment of, and remuneration payable to Shri Nikhil R. Meswani as they are related to each other. Save and except the above, none of the other Directors of the Company is, in any way, concerned or interested in the resolutions.

The Board commends the resolutions as set out at Item Nos 5 and 6 of the Notice for your approval.

By Order of the Board of Directors

K. Sethuraman
Group Company Secretary and
Chief Compliance Officer

April 20, 2012

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

Management's Discussion and Analysis

Forward-looking statements

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', '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

FY 2011-12 was a challenging year. The global economy, barely a year after recession, witnessed lower economic growth, resulting primarily from the Euro Zone debt crisis and high oil prices, which were fuelled by uncertainties of supply. Rising unrest in the Middle East and North Africa (MENA) resulted in unprecedented levels of crude oil volatility. The European economies stagnated and the US witnessed a downgrade in its credit rating, while the growth engines of the global economy, China and India were forced to tighten liquidity to tame rising inflation. In addition, civil unrest in Libya and the tsunami in Japan posed further challenges. According to the International Monetary Fund (IMF), the global economy is estimated to grow at a modest pace of 3.8% in 2011, as compared to a robust 5.2% in 2010.

These global events had a negative impact on demand, particularly in transportation fuels and petrochemical products. High crude oil prices hit the refining industry worldwide and resulted in reduced profitability. Despite the challenging environment, Reliance Industries Limited (RIL) performed reasonably well and grew its revenues by 31%. Its earnings were essentially flat at the PBDIT, PBT and net profit levels. RIL achieved its record level of exports which were higher by 41.8% at ₹ 208,042 crore (\$ 40.9 billion) as against ₹ 146,667 crore in FY 2010-11.

RIL's consolidated revenue from operations for the year ended March 31, 2012 was ₹ 358,501 crore (\$ 70.5 billion), an increase of 34.9% on a year-on-year basis. Profit after tax was at ₹ 19,724 crore (\$ 3.9 billion), an increase of 2.2% as against ₹ 19,294 crore for the previous year.

RIL's performance can be attributed to its strong integrated energy portfolio and increasing demand for its products. The robust demand was underpinned by urbanization and growing disposable incomes in India and several emerging market economies.

A transformational step was taken in oil and gas exploration business- the completion of the partnership between RIL and BP. This strategic partnership is unprecedented as it straddles India's entire gas value chain.

Operationally, RIL completed three years of operations at KG-D6. Production from KG-D6 was 5.67 million barrels (MMBL) of crude oil and condensate, and 551.31 billion cubic feet (BCF) of natural gas. In the downstream segments, RIL maintained operating rates upwards of 100% in the refining and petrochemicals business. The Company processed 67.6 million tonnes (MMT) of crude, the highest ever, at its Jamnagar refinery complex.

For the seventh consecutive year, RIL was featured in the Fortune Global 500 list of the world's largest corporations. Its rankings comprised:

- 134 based on sales
- 119 based on profits

Noteworthy events

RIL-BP Partnership

On February 21, 2011, RIL and BP announced their strategic alliance. Under the aegis of this alliance, BP took 30% participatory interest in 21 oil and gas production sharing contracts operated by RIL in India, including the KG-D6 block. The 21 oil and gas blocks cover approximately 220,000 square kilometres. The partnership combines BP's world-class deepwater exploration and development capabilities with RIL's expertise in project management and operations. It will focus on exploring, discovering and producing hydrocarbons in India's deep water blocks and will aim at significantly contributing to India's energy security.

Further, on November 18, 2011, RIL and BP announced the incorporation of India Gas Solutions Private Limited, a 50:50 Joint Venture (JV) company, which will focus on global sourcing and marketing of natural gas in India. This JV company is an integral part of the relationship between RIL and BP, and it establishes the commitment of both entities to the Indian market. The demand for gas has been growing at an exponential rate and both RIL and BP

anticipate natural gas to emerge as the preferred choice of fuel, given its properties as a cleaner and more sustainable fuel source.

BP's stake was at an aggregate consideration of \$ 7.2 billion, subject to completion adjustments for interests to be acquired in the 21 production sharing contracts. Further performance payments of up to \$ 1.8 billion could be paid based on exploration success that result in the development of commercial discoveries.

RIL-SIBUR Joint Venture

SIBUR is the largest petrochemical company in Russia and Eastern Europe. On February 21, 2012, RIL and SIBUR formed a JV called Reliance Sibur Elastomers Private Limited. The JV will be the first manufacturer of butyl rubber in India and with its targeted production of 100,000 tonnes of butyl rubber per annum, it will be the fourth largest producer globally. The JV will cater to the demand for synthetic rubber from the Indian automotive industry, which currently exceeds 75,000 tonnes per year and is being met through imports. Investment in the JV is in line with RIL's vision of emerging as a significant player in the global synthetic rubber market. RIL's share in the JV will total 74.9% while SIBUR will account for the rest. The JV will invest \$ 450 million in setting up its facility, which is expected to be commissioned in 2014.

RIL's Share Buy-back Programme

RIL announced a share buy-back programme on January 20, 2012, which will remain open up to January 19, 2013 or earlier as may be determined by the Company after necessary compliances. This buy-back programme is the largest-to-date in the history of Indian capital markets.

The Board of Directors of the Company at its meeting held on January 20, 2012 unanimously approved the buy-back of up to twelve crore fully paid up equity shares of ₹ 10 each, at a price not exceeding ₹ 870 per equity share, payable in cash, up to an aggregate amount not exceeding ₹ 10,440 crore from the open market through stock exchange(s).

During the year, Company has bought and extinguished 36,63,431 equity shares. Consequently a sum of ₹ 4 crore has been appropriated to Capital Redemption Reserve Account from Statement of Profit and Loss and ₹ 275 crore has been reduced from Securities Premium Reserve. The paid-up equity share capital of the Company as on March 31, 2012 has been reduced to ₹ 3,271 crore.

Financial Performance

Revenue from operations	₹ 339,792 crore \$ 66,790 million	+ 31% + 15%
PBDIT	₹ 39,811 crore \$ 7,825 million	(-) 3% (-) 15%
PBT	₹ 25,750 crore \$ 5,061 million	+ 2% (-) 11%
Cash profit	₹ 31,994 crore \$ 6,289 million	(-) 7% (-) 19%
Net profit	₹ 20,040 crore \$ 3,939 million	(-) 1% (-) 13%

The net profit for FY 2011-12 was at ₹ 20,040 crore (\$ 3,939 million) with a Compounded Annual Growth Rate (CAGR) of 20% over the past 10 years. RIL has announced a dividend of 85% amounting to ₹ 2,941 crore (\$ 578 million), including dividend distribution tax. This is the highest pay out ever by Reliance continuing its commitment to distribution in a prudent manner.

Highlights of RIL's consolidated performance for the year are as follows:

- Revenue from operations increased by 34.9% to ₹ 358,501 crore (\$ 70.5 billion)
- PBDIT decreased by 1.5% to ₹ 40,941 crore (\$ 8.0 billion)
- Profit Before Tax increased by 5.1% to ₹ 25,338 crore (\$ 5.0 billion)
- Cash Profit decreased by 3.5% to ₹ 32,590 crore (\$ 6.4 billion)
- Net Profit increased by 2.2% to ₹ 19,724 crore (\$ 3.9 billion)

RIL continued to play a pivotal role in the growth of India's economy. It accounted for:

- 14% of country's exports
- 5.5% of the indirect tax revenues
- 4% of the market capitalisation
- Weightage of 9.3% in the Bombay Stock Exchange (BSE) Sensex
- Weightage of 7.8% in the National Stock Exchange (NSE) Nifty

Financial Review

RIL delivered superior financial performance with improvements across key parameters. The revenue from operations achieved for the year was ₹ 339,792 crore (\$ 66.8 billion), a growth of 31.4% over the previous year. The increase in revenue was due to 2.2% rise in volumes and 29.2% rise in prices. During the year, exports, including deemed exports, were higher by 41.8% at ₹ 208,042 crore (\$ 40.9 billion).

The consumption of raw materials increased by 42.2% from ₹ 193,234 crore to ₹ 274,814 crore (\$ 54.0 billion). This was mainly on account of higher crude oil prices. Traded goods purchases were ₹ 1,441 crore (\$ 283 million) as compared to ₹ 1,464 crore in the previous year.

Employee cost was ₹ 2,862 crore (\$ 563 million) for the year as against ₹ 2,624 crore in the previous year.

The operating profit before other income declined by 11.8% from ₹ 38,126 crore to ₹ 33,620 crore (\$ 6.6 billion). The net operating margin for the period was 10.2% as compared to 15.4% in the previous year.

Other income was higher at ₹ 6,192 crore (\$ 1.2 billion) against ₹ 3,052 crore, primarily due to higher average cash balances.

EBITDA decreased by 3.3% from ₹ 41,178 crore to ₹ 39,811 crore (\$ 7.8 billion).

Interest cost was higher at ₹ 2,667 crore (\$ 524 million) as against ₹ 2,328 crore. The gross interest cost was higher at ₹ 3,097 crore (\$ 609 million) as against ₹ 2,802 crore for the previous year on account of higher foreign exchange differences. The interest capitalised was lower at ₹ 430 crore (\$ 84 million) as against ₹ 474 crore in the previous year.

Depreciation (including depletion and amortisation) was lower at ₹ 11,394 crore (\$ 2.2 billion), against ₹ 13,608 crore in the previous year, primarily on account of lower depletion charges in oil and gas business following the transfer of 30% participating interest to BP.

Profit after tax was ₹ 20,040 crore (\$ 3.9 billion) as against ₹ 20,286 crore for the previous year, a decrease of 1.2%.

The earning per share (EPS) for the year was ₹ 61.2 (\$ 1.2).

The Company is debt-free on a net basis as compared to gearing level of 13.5% as on March 31, 2011. Return on capital employed was at 11.6% and return on equity was at 13.4%.

During the year, the Company has issued and allotted 13,48,763 equity shares to the eligible staff of the Company and its subsidiaries under Employees Stock Option Scheme.

The net capital expenditure for the year ended March 31, 2012 was ₹ 12,563 crore (\$ 2.5 billion).

During the year, a total of ₹ 28,197 crore (\$ 5.5 billion) was contributed in the form of taxes and duties.

RIL maintained its status as India's largest exporter. The exports, including deemed exports, were at ₹ 208,042 crore (\$ 40.9 billion) as against ₹ 146,667 crore in the previous year.

RIL exported to 119 countries around the world. The exports represent 61% of the RIL's revenue from operations. Petroleum products constitute 88%, while the balance is contributed by petrochemicals.

Resources and Liquidity

RIL continuously undertakes liability management to reduce cost of debt, to diversify its liability mix and extend the average maturity of its long-term debt. In FY 2011-12, the Company took advantage of low interest rates and raised capital at historically low costs. During the year, RIL refinanced \$ 1.09 billion of external commercial borrowings at very competitive rates, thus reducing its cost of borrowing and extending its maturity to an average of 5 years. The Company also signed a \$ 400 million equivalent facility backed by guarantee from SACE, the Italian Export Credit Agency, with a door-to-door tenor of 13 years to part-finance the proposed expansion of its petrochemical facilities, to set up a new gasification plant and refinery off-gas cracker.

Additionally, Reliance Holding USA Inc., a wholly-owned subsidiary of RIL raised \$ 1.0 billion through the issuance of 5.4%, 10-year Guaranteed Senior Notes in February 2012. The notes were priced through RIL's secondary curve and were oversubscribed over 8 times as a result of significant investor demand, allowing Reliance to considerably extend its maturity profile. This offering was the first corporate bond from India in 2012 and it thus re-opened the international bond market for India. The transaction was also accredited as the largest high grade private corporate issuance in the Asian Oil & Gas sector (including Japan and Australia) and the emerging markets in the previous twelve months. RIL further priced \$ 500 million re-opening of its 5.4% Guaranteed Senior Notes. The transaction was oversubscribed approximately

7.5 times and priced through secondaries with the support from 213 accounts across Asia, Europe and the US.

As on March 31, 2012, RIL's total debt was at ₹ 68,259 crore (\$ 13.4 billion). Over 86% of its long-term debt and almost all of RIL's short-term debt was denominated in foreign currencies.

RIL's gross debt to equity ratio, including long-term and short-term debt, as on March 31, 2012 was at 0.41, while the net debt to equity ratio was nil. As on March 31, 2012, RIL's net gearing was nil.

RIL's cash and cash equivalents as at March 31, 2012 amounted to ₹ 70,252 crore (\$ 13.8 billion). The increase in cash was primarily driven by a receipt of the balance consideration from BP. RIL continued to efficiently manage its surplus by placing them in liquid, highly rated instruments, such as bank fixed deposits, CDs, Government securities and bonds.

RIL's financial discipline and prudence is also reflected in the strong credit ratings ascribed by rating agencies. Moody's has rated RIL's international debt at investment grade Baa2, with 'positive' outlook. S&P has rated RIL's international debt as BBB with a 'positive' outlook. Both these rating agencies continue to provide a rating to RIL, which is a notch above India's sovereign rating. 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 Performance

OIL & GAS EXPLORATION AND PRODUCTION BUSINESS

Operating Environment

As per International Energy Agency (IEA) estimates, global upstream oil and gas investment grew strongly in 2011, hitting a new record of over \$ 550 billion. This capital spending was 9% higher than in 2010 and almost 10% higher than the previous peak in 2008.

Annual upstream investment in nominal terms more than quadrupled between 2000 and 2011. It increased by 120% over this period in real terms, i.e., adjusted for cost inflation, as investment shifted to more complex projects with higher costs per barrel per day of capacity added.

Crude prices increased by 40% during the year wherein Brent oil prices averaged a record \$ 113/bbl as compared to \$ 86.7/bbl in the previous year.

On the contrary, increasing visibility on the potential of shale gas resulted in the US benchmark Henry Hub gas prices averaging at \$ 3.66/MMBTU vis-à-vis \$ 4.13/MMBTU in FY 2010-11. Prices remained range-bound in the US due to excess drilling and lack of export infrastructure. However, the Asian LNG prices remained linked to crude oil and spot prices touched \$ 13-14/MMBTU. The oil demand, at 89 million barrels per day, was at a record high, owing primarily to the demand growth from emerging market countries.

LNG markets

In the past 5 years there has been a 40% increase in the global LNG production capacity, from approximately 176 MMT per year at the end of 2005 to 275 MMT per year at the end of 2011.

By the end of 2011, 19 countries were exporting LNG, as compared to 12 countries prior to 2000. The list of LNG importing countries has grown to 26 in 2011 from 12 prior to 2000.

Rapid expansion of LNG trade in recent years has occurred primarily through the commercialisation of large reserves of conventional resources and interest in developing unconventional resources, such as natural gas shale formations, has also grown significantly. The results are already noticeable in North America, where the current development of shale resources has led to a reduction in demand for its imports.

USA Shale Gas

In the US, demand for natural gas in both the commercial and the residential sectors was 24.4 TCF, a record high volume as per EIA's report on annual natural gas consumption. In order to fulfil the increased demand and new forms of supply, pipeline capacity expansion projects were undertaken with reported additions of over 10 BCF/D.

On the supply side, natural gas production increased to 4.8 BCF/D in 2011, a year-on-year increase of 7.9%, which is the largest increase ever recorded. The gas demand growth was not able to keep pace with supply growth, thereby causing the US gas storage inventory to reach record ever levels and gas prices reaching 10-year lows. Historically, the natural gas rig count drops sharply in a high production level environment. However, the shift towards liquids rich plays, where natural gas is essentially a by-product, has changed the US hydrocarbons industry. In December 2011, it was estimated that close to 60% of

the natural gas rigs (as defined by the Smith Bits rig count) were drilling for hydrocarbon plays with enough liquids to stay active under depressed gas prices. The announcement of shut-ins, the lowering of rig counts and further coal-to-gas switching would have normally re-balanced supply and demand, but with storage at a record surplus, gas prices continued to witness downward pressure and increased domestic demand and export for LNG will take several years to materialise.

RIL's Performance

KG-D6 Block

KG-D6 gas catered to demand from 56 customers in critical sectors like fertiliser, LPG, power, CGD, steel, petrochemicals and refineries. KG-D6 gas fields completed 1,092 days of 100% uptime and zero-incident production. An average daily gas production from KG-D6 block for the year was 42.65 MMSCMD. The cumulative gas production was 1,808 BCF since inception, of which 551.31 BCF was produced in FY 2011-12. An average oil and condensate production for the year from the block was 15,481 barrels per day. The cumulative production of oil and condensate was 19.44 MMBL since inception, of which 5.67 MMBL was produced in FY 2011-12.

In the D1-D3 gas fields, 22 wells have been drilled till date, of which 18 were producer wells. Of these, 2 wells were drilled during this year. Extensive reservoir studies are underway for augmenting additional production with the integrated (or combined or joint) efforts of RIL and BP's technical teams.

Based on the production data vis-a-vis original production geological model, validated by experts, it appears that:

- decline in pressure / production has been higher than originally predicted;
- volumes connected to existing wells is lower than envisaged;
- gas outside the main channel is in small uneconomic volumes and not participating in production.

In view of the above, the Company has restated its Proved Reserves downwards. The guidelines issued by ICAI have been followed while in categorising reserves. The proved reserves have also reduced due to sale of participating interest to BP.

6 wells in the D26 field were producer wells. The well MA-2, which was earlier a gas injection well, was converted to a production well since April 2010.

Optimised Field Development Plan (OFDP) for the development of 4 satellite discoveries was approved by the Government of India in January 2012. Engineering activities, which are yet to commence will determine the future course of action. There have been re-estimation of reserves in these discoveries and RIL has restated the reserves downwards based on such results.

In addition, RIL has declared the commerciality of discovery D34 of KG-D6 and restated the Proved Reserves upwards based on re-estimation.

Revised plan of development for D26 field submitted to the DGH. Further an integrated development plan for gas discoveries in the KG-D6 block is being conceptualised to maximise capital efficiency and accelerate monetisation.

Other Domestic Blocks

The Company made a discovery in the first well drilled in CY-D6 block – Well SA1 – Discovery Dhirubhai 53. The appraisal work programme submitted which is under review with DGH.

The Company submitted a proposal for commerciality of 8 discoveries in CB-10 block and also notified declaration of commerciality for D32 and D40 in NEC-25 block.

During the year, as part of reassessment of its portfolio together with BP, RIL has considered 5 blocks as relinquished in its books and initiated the formal process of relinquishing these blocks. In addition to the above, RIL also relinquished 5 additional blocks from its portfolio.

Consequently, RIL's domestic oil and gas portfolio consists of 17 exploration blocks excluding KG-D6, CBM, Panna-Mukta and Tapti.

The Company has issued arbitration notices in respect of obligation of Minimum Work Programme stipulated in the Production Sharing Contracts for four blocks relinquished by the Company. The amounts payable for the unfinished work under the Minimum Work Programme were agreed upon and settled in October, 2006 between the Government and the Company and were paid. Acting under a subsequent New General Policy promulgated on December 17, 2007, the Government reopened the issue and made further claims against the Company. The arbitrations relate to refund of the further amounts recovered subsequently by the Government from the Company. The Company has been advised that recovery of additional amounts by the Government is unsustainable

and the amounts in the four arbitration notices aggregate to \$ 8,899,242.07.

The Company has also issued a notice of arbitration to the Government in respect of Company's entitlement to recover the entire amount of contract costs incurred by the Company as stipulated in the Production Sharing Contract. The Company has been advised that the Government cannot deny cost recovery of any element of contract costs on the ground that the levels of production mentioned in the development plan were not being achieved. The Company is following the required procedure for progressing the arbitrations.

Panna-Mukta and Tapti Fields

The Panna-Mukta fields produced 10.06 MMBL of crude oil and 71.24 BCF of natural gas in FY 2011-12, growing 8% and 37% respectively over the previous year, which was impacted due to a shutdown on account of a failure of sub-sea hose system and parting of anchor chains to the SBM.

Tapti fields produced 0.88 MMBL of condensate and 73.79 BCF of natural gas in FY 2011-12, a decline of 28% and 22%, respectively over the previous year. This decrease in production was due to a natural decline in the reserves.

Panna SPM, which had a major failure in July 2010, resulting in a complete shutdown of oil and gas production for 3 months, was repaired and resumed operations. The entire SPM system is planned to be replaced in FY 2012-13.

Coal Bed Methane

RIL holds 3 CBM blocks in Central India, which include Sohagpur (East), Sohagpur (West) and Sonhat (North) in the domestic unconventional portfolio. Exploration phases for Sohagpur East and West blocks were completed and these blocks entered their development phase. RIL has completed the following operations in these blocks:

- Drilled, logged and tested over 45 core holes for gas content, permeability and coal properties
- Drilled over 85 production wells

Based on the additional number of wells and core holes drilled and the results achieved, proved reserves for the CBM blocks have been restated upwards.

Further, RIL appointed consultants for subsurface and surface facilities design and sent a proposal for CBM pricing to MoPNG for approval. RIL plans to achieve first

gas production in FY 2015 subject to necessary approvals from regulatory authorities.

Shale Gas

RIL entered into three JVs in 2010 as part of its strategic focus on pursuing partnerships with experienced and successful operators in the fast growing resource base of shale gas in North America. In addition to these JVs with Chevron and Carrizo in Marcellus shale play of Pennsylvania and Pioneer Natural Resources in Eagle Ford shale Play of South Texas, RIL and Pioneer also partnered in the development of midstream assets through an equity investment for servicing the gathering needs of Pioneer upstream JV. Reliance's current assets are now most strategically located within the premier shale plays of the US, the Marcellus in Pennsylvania and the Eagle Ford in South Texas.

FY 2011-12 represented a significant year of growth for the shale gas business, with significant investments in drilling, completions and facility installations. As a result of these efforts, gross production from all three JV reported an exit rate of 233 MMCFPD of gas and 34.7 MBPD of liquids in December 2011 (a 7 fold increase on year-on-year basis). Number of rigs operational increased to 19 in March 31, 2012 vis-a-vis 15 rigs that were operational a year ago.

JV activities focused on further development which included:

- Drilling a total number of 231 wells across the JVs
- Focus on drilling in liquid rich wells
- Gathering agreements for gas and liquid in both plays
- Implementing cost savings in drilling, fracking and mid-stream operations

Pioneer JV Operations

Pioneer JV operated 12 rigs with a focus on enhancing production, assessing additional portions of the play, while testing new procedures to improve drilling performance and lower costs. Reliance's share of production from this JV was 41.7 BCFe for the year. The JV successfully pursued a strategy of prioritising drilling in liquid rich areas. Approximately 59% of the production was of liquids.

The year also saw significant expansion in the mid-stream JV to increase capacity for handling higher production from upstream JV as well as third party volumes.

In 2012, tests conducted in Eagle Ford drilling included

further pad drilling to evaluate optimum well spacing and to capture the efficiencies and cost reductions seen with multi-well pads. Other active Eagle Ford projects included the implementation and evaluation of artificial lift to keep oil and wet gas well unloaded. After extensive study and research, it was determined that both gas lift and rod pumping were technically viable options. The JV is currently evaluating economics as well as their pros and cons. Efforts are also underway to install additional centralised compression at multiple gathering points to assure continued flow and reduce system pressures.

Chevron JV Operations

During the year, the Chevron JV operated 5 rigs with accumulative production of 8.9 BCFe attributable to Reliance.

To ensure value optimisation by moderating current development, the number of rigs was reduced to 4 as of March 31, 2012. Efforts to optimise well performance were initiated in Marcellus with the drilling of longer laterals. This effort will help to improve project economics of the venture's 315,000 gross acreage position in the future.

Delays were seen in pipeline construction resulting in delayed production on line. Additional delays from regulatory, logistic and surface issues challenged the efforts in getting wells turned to sales, but these constraints are expected to be alleviated by mid-2012.

Carrizo JV Operations

Carrizo commenced JV operated production in October 2011 with a production of 4.3 MCFPD from the core Northeast Pennsylvania (NEPA). The JV produced 1.8 BCFe, attributable to Reliance during the year with 2 operational rigs.

During the year, the JV concentrated development plans in NEPA. The NEPA region was equipped with newly constructed pipeline infrastructure, which can efficiently transport gas to markets with flexibility to maximise net-back. Additionally, RIL firmed pipeline transportation contracts, which allowed its gas to flow on the congested interstate pipeline systems.

Conventional Hydrocarbons: International Business

Reliance has 10 blocks in its international conventional portfolio, including 3 in Yemen (1 producing and 2 exploratory), 2 each in Kurdistan, Peru and Colombia and 1 in Australia amounting to a total acreage of over 51,000 sq. km. During the year, the following activity was

undertaken as part of the exploratory campaign:

- 2D seismic data acquisition of 42 LKM in Yemen block 37
- 3D seismic data acquisition of 500 sq. km. in Colombia blocks
- Well testing in Sarta block in Kurdistan

The results of seismic survey in Block-41 (Oman) and well drilling in Block-K (East Timor) were not encouraging. Reliance Exploration & Production DMCC (REP DMCC) does not propose to carry on any further exploration activities in these blocks. Hence, REP DMCC has relinquished Oman -Block 18, Oman - Block 41 and East Timor Block-K where REP DMCC had 70%, 75% and 75% participation interest respectively. The expenditure incurred on these blocks has been fully provided for in the books of REP DMCC, a wholly-owned subsidiary of RIL.

Future Outlook

It is expected that global energy consumption growth will average at around 1.6% per annum over the next two decades. Of this, non-OECD energy consumption is expected to be 54% higher by 2030, averaging 1.7% growth per annum, and accounting for 74% of the global energy growth. OECD energy consumption in 2030 is expected to be higher by 8%, with growth averaging at 0.3% per annum over the next two decades. The fuel mix will change relatively slowly due to long asset lifetime, but gas and non-fossil fuels will gain share at the expense of coal and crude oil. The fastest growing fuels are expected to be the renewables (including biofuels), which will grow at 7.8% per annum in the 2009-2035 time frame. Among the fossil fuels, gas is expected to grow the fastest at 1.7% per annum.

Non-OECD countries are likely to account for 80% of the global rise in gas consumption, with growth averaging at around 3% per annum. Demand growth is expected to be the fastest in non-OECD Asia (4.3% per annum) and the Middle East (3.9% per annum).

LNG

North America was once considered to be a likely destination for LNG supplies but increase in the US natural gas production and decreasing prices in the US markets have resulted in movement of LNG supplies to higher-priced markets in South America, Europe and Asia instead. It is likely that significant shale resources also exist in other large consuming countries, including China and

several European nations. Although development of shale resources in China and other countries could slow the growth of their demand for imports, exploitation of unconventional resources will not necessarily be countervailing to growing international trade.

The demand for natural gas in India is expected to witness a CAGR of 20% over the next five years and could be touching 359 MMSCMD by 2017. India's domestic production by 2017 will only be 209 MMSCMD, which implies that LNG imports will be nearly 150 MMSCMD (~42% of domestic consumption), making India a significant player in the global gas market.

Shale Gas

FY 2012-13 will be a challenging year for shale gas, given the continuous weak gas prices, increasing wells costs in Eagle Ford due to market pressures and the need for drilling activity obligations to hold certain oil and gas leases, which will potentially expire in the near term. In light of the current gas supply and industry conditions, the JVs will take a long-term view around commodity price fluctuations, and will move forward with execution and capital efficiency improvement plans for enabling both cost reductions and well performance enhancement.

In FY 2012-13, RIL will begin to transition into a post carry period in both the Carrizo and Pioneer JVs. It is expected that the business environment will be challenging, both for commodity pricing and service industry optionality. To meet these challenges, RIL will work with the JV partners to 'right size' levels of activity and portfolio mix, based on commodity pricing, industry conditions and various 'self-help' initiatives. These efforts will aid in maximising returns on capital expenditures for 2012, while retaining high value acreage in the JVs.

The Chevron JV has set aggressive cost reduction targets for FY 2012-13 with cost improvements to be achieved in both drilling and the completion of wells. In addition, to reduce location costs, efforts to maximise the number of producing wells per pad will be underway. New technology and processes will be deployed to collect, store and use water for both drilling and completion operations, which will aid in offsetting the low gas price environment and increased well costs.

Exploratory efforts in Carrizo JV operations for FY 2012-13 will be focused on assessing approximately 90,000 acres located in Central PA ('C Counties') which will preliminarily

be evaluated with 6 wells (4 horizontal and 2 vertical). Additionally, seismic acquisitions will aid in the placement of laterals to optimise well performance. To further enhance this evaluation, the JV has successfully retrieved whole core of the Marcellus Shale, which will be analysed to further assess 'C-County' reservoir properties.

The Pioneer JV will continue to focus on liquid rich areas of their acreage and on capital efficiencies, whilst in parallel fully appraising the remaining acreage. This JV will provide a dominant portion of our revenues and earnings in FY 2012-13 due to high liquids content and number of producing wells.

REFINING AND MARKETING BUSINESS

Summary

FY 2011-12 was a year of sharp contrasts. In the first half the environment was very supportive, in part a result of Japanese refinery shutdowns post the tsunami. This culminated in a record level of business underlying performance in 2Q. But in the second half of the year a number of factors came into play resulting in a very challenging environment — concerns about the robustness of the economic recovery strengthened, particularly in Europe; Japanese fuel oil demand for power generation helping crush light to heavy crude differentials; and a strong rally in crude prices as a result of Iranian political tension that did not fully pass through to product markets.

It was a year in which there were several investments and actions to ensure that Reliance's competitive advantage was maintained. These included debottlenecking of important process unit capacities, increased recovery of high value products through enhanced operating efficiency, and various energy conservation measures. On the market side, eight new crudes were run for the first time consistent with the strategy of always looking for the most economic feedstock; and there was an increase in placing middle distillates and gasoline into higher value eastern markets. Marketing volumes to the domestic Indian state oil companies were above FY 2010-11 with 8.5 MMT of gasoil compared to 7 MMT in FY 2010-11.

The market has moderately readjusted as FY13 has commenced as expected. But there are many challenges ahead. Energy costs for eastern refiners are now significantly higher than in the West; there is a significant level of new refining capacity coming on in India as well

as China and the Middle East both adding to product availability and competing for heavier crudes. However, the refining margin scenario may improve due to demand recovery from emerging markets and mothballing of old and inefficient refineries in US/Europe. Apart from these factors, there are also regular delays in new capacities that can potentially help the cycle sustain for the medium term. The business has identified a suite of investments and actions to ensure that not only will the business compete in this environment but actually significantly enhance medium term performance without any real improvement in the external environment.

Operating Environment

Crude Oil

Oil prices started the year strongly with the removal of most Libyan production (1.6 MBPD) from the market. This also resulted in light sweet crudes fetching higher premiums over the heavier grades, pushing the light-heavy differentials to over \$ 5/bbl. Brent prices then declined by over \$ 10/bbl by the middle of the year. But all this was reversed in the second half with Brent prices rallying back to about \$ 125/bbl and the light heavy differential contracting sharply.

WTI continued to trade at a considerable discount to Brent as a result of infrastructure constraints preventing the new Canadian and northern US crudes being able to access the Gulf Coast. This gave the Mid-Western refiners access to supernormal returns.

According to IEA, oil demand in FY 2011-12 grew approximately to 89.1 million b/d (+0.8 MBPD y-o-y). OECD nations witnessed a demand decline of almost 600 KBPD, while the non-OECD nations, led by China, witnessed a demand growth of over 1.3 MBPD. Crude supply increased by over 1.2 MBPD with negligible contributions from non-OPEC countries.

Average Crude Oil Prices (\$ / bbl)

	FY 2010-11			FY 2011-12		
	Max	Min	Average	Max	Min	Average
Brent Dated	116.9	67.6	86.7	128.2	102.7	114.7
WTI	106.8	65.6	83.3	113.7	75.3	97.2
Dubai	111.6	68.2	84.2	124.2	96.5	110.1

(Source: Platts)

Refinery Capacity and Utilisation

An estimated 1.4 MBD of refining capacity was added in FY 2011-12. However, with closures in the US refineries, the net capacity additions for the year were about 550 KBPD. Average refinery utilisation rates for the year remained largely unchanged for North America (83.4%) and Asia (82.5%). Europe, however, witnessed a decline of almost 2% in the refinery operating rates, to 76.7%. This compares to utilisation rates for Jamnagar of close to 110%.

Margins

The first half of the year was very positive with margins led by demand for middle distillates and underpinned by incremental Japanese import demand. Complex margins at Singapore hit a peak of over \$ 10/bbl in August and averaged more than \$ 8.83/bbl over the year, comparable to the very strong market of 2008.

China halted its gasoil exports over the summer to avoid power cuts from burning less coal to meet environmental commitments, boosting middle distillate cracks. Two of the largest refineries in Asia - Taiwan's Formosa and Singapore's Bukom region, suffered unexpected outages providing further upside to the margins for Asian refiners.

Margins in the US were unreasonably high on account of the wide gap between WTI from other global crude markers. High unemployment and economic gloom resulted in slow growth in oil product demand in the US but refinery closures and reconfigurations, access to cheap gas as well as healthy demand from export markets, allowed the US refiners to improve their margins on a year-on-year basis.

\$/bbl	Singapore		US		Europe	
	FY-11	FY-12	FY-11	FY-12	FY-11	FY-12
Naphtha	0.3	-4.5	7.4	18.4	-2.0	-8.3
Gasoline	8.3	11.4	10.3	24.4	6.7	6.4
Jet Kero	14.8	18.2	15.7	32.3	13.6	15.8
Diesel	13.7	17.8	13.2	29.2	14.5	17.2
FO	-5.3	-2.5	-9.2	3.5	-8.9	-8.5

(Source: Platts)

Light Distillates

FY 2011-12 remained a volatile year for light distillates. Asian gasoline cracks improved year-on-year but naphtha margins witnessed a steep decline. The US, which is the backbone for global gasoline demand, remained lacklustre,

but the growing demand for transport fuels in emerging economies partly offset this downfall. Asian gasoline cracks began the year on a strong note on account of high demands from Japan and opened arbitrage to the US. Strong regional demand from countries like Indonesia, Malaysia, Pakistan and the Middle East further supported these cracks. Unplanned outage of 540 KBD Formosa Petrochemicals refinery proved positive for Asian gasoline, pushing the cracks to the highest point of the year in the second quarter.

In line with the seasonal trends, gasoline witnessed a decline in the third quarter. Refinery run rates remained high to feed the growing middle distillates demand, putting gasoline in an over-supplied position. The cracks turned negative for a brief period but ended the year at average levels. Average Singapore gasoline cracks improved by almost \$ 3/bbl on a year-on-year basis.

Taking cues from fragile economic situations and lower petrochemical demand, naphtha witnessed a dismal period for almost the entire year. Heavy cracker maintenance and ample supplies weakened the cracks right from the beginning of the year. Availability of low-cost gas in the US further marked a dent in the demand for naphtha. The situation deteriorated on account of unplanned and prolonged outage at Formosa Petrochemicals plant in Taiwan. The third quarter witnessed the worst period of oversupply and Naphtha cracks plunged to as low as \$ (-)17/bbl.

Middle Distillates

Due to strong demand prospects, middle distillates fared better than their light counterparts and were the backbone for refining margins in FY 2011-12. The US emerged as a major exporter to Latin American countries like Brazil and Mexico, which witnessed a high demand for transport fuel and supply shortfalls due to low refining production.

The lack of gasoil-rich crudes from Libya limited the middle distillate supply to its biggest consumer, Europe. Japan shifted its traditional role from a net exporter of gasoil to a large gasoil importer, pushing Asian gasoil cracks to over \$ 25/bbl before correction. Overall, the Asian gasoil cracks averaged and gained \$ 4/bbl year-on-year providing some support to complex refiners like RIL.

Residual Fuel Oil

Fuel oil cracks witnessed a volatile year. Boosted by increased Japanese demand, low sulphur grades strengthened more than high sulphur grades. Strong cracks for middle distillates and reasonable margins on gasoline led to higher utilisation of cracking capacity and eventually led to tighter supplies for fuel oil.

In the summer season, air conditioning requirements boosted the demand for fuel oils from the power generation sector, especially in the Middle East. Japanese power demand has added some 400 KBPD to oil demand, about half of which is being met by fuel oil. Fuel oil even traded at a premium to Dubai in January when Singapore on-shore fuel oil stocks dropped to their lowest levels in 3 years. Some correction was seen but average Singapore fuel oil cracks gained \$ 3/bbl.

RIL's Performance Highlights

Overall, RIL had a very strong first half performance as it benefited both from the combination of strong middle distillate and gasoline cracks, and a wide light heavy crude differential. In the second half not only did cracks in general weaken, but complex refiners were doubly disadvantaged because of the collapse in light heavy crude spreads following on from the fuel oil strength. Hence the indicative Jamnagar margin was \$ 10.2 per barrel in the first half but this fell to 7.2 in the second half.

In FY 2011-12, RIL processed 67.6 MMT of crude and achieved an average utilisation of 109%, which is significantly higher than the average utilisation rates for refineries globally. Exports of refined products were at \$ 36 billion. This accounted for 39.6 MMT of product as compared to 38.6 MMT the previous year.

In terms of the overall trend in the total domestic market, demand growth continues to be strong, partly as a result of the domestic subsidy programme. During the year, the domestic demand for petroleum products increased from 138 MMT to 144.2 MMT, reflecting a growth of 4.5%. But the market remains an export market overall with Indian refining capacity increased to 213.8 MMT from 193.4 MMT.

Product-wise demand and growth during the last two years is given in the table below:

(InKT)	FY- 2011-12	FY- 2010-11	Growth %
Diesel	64,680	59,878	8.0%
Gasoline	14,992	14,192	5.6%
ATF	5,536	5,079	9.0%
LPG	14,929	13,901	7.4%
Kerosene	8,228	8,928	-7.8%
Naphtha	9,467	8,966	5.6%

(IPR March 2012)

The demand of MS and HSD, which together constitute more than half of the consumption of petroleum products, registered a growth of 5.6% and 8.0% respectively during the year as compared to the previous year.

Several actions and investment were undertaken to ensure that RIL's competitive advantage was strengthened and maintained:

- Debottlenecking of important process unit capacities (e.g. CDU, Coker, VGOHT, DHDS, LCOHC, Alkylation etc.)
- Enhanced recovery of high value products through increased operating efficiency
- Widening of feedstock processing window
- Various energy conservation measures

GAPCO

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

The Government of Tanzania commenced bulk procurement of gasoil, gasoline and Jet Kero through Product Importation Committee (PIC). Subsequent to continuous representations made by the industry to the Government, EWURA (Energy and Water Regularity Authority of Tanzania) revised the retail and wholesale pricing formula, which resulted in improved margins for OMCs. Regulatory challenges grew in the Eastern African Community (EAC) region due to the high cost of petroleum products.

GAPCO emerged as a brand of repute known for reliable quality and quantity of auto fuels at its retail outlets. It significantly improved its standing in the Eastern African market. The group also emerged as a key supplier to the neighbouring countries and signed a term contract for supplies to Zambia from Dar-e-Salaam Terminal in Tanzania.

During the financial year ended 31st December, 2011, 1248 KT of petroleum products were sold and its operations were profitable.

RIL USA Inc

RIL is placing gasoline and alkylates in American markets through RIL USA Inc. North America and Latin American countries offer an attractive export destinations for RIL's gasoline. RIL USA has storages in Bahamas and New York area to capture freight economics and blend margins whenever opportunities arise.

During the year, US gasoline market was weaker than anticipated. However, demand from Latin American regions was higher than previous year.

During the Financial year ended on 31st December, 2011, the company has sold 42.88 million barrels which includes gasoline and alkylate from RIL and blend stocks purchased from the local markets. Its operations were profitable.

Future Outlook

In FY 2012-13, net refining capacity additions of 2.6 MBD are estimated. Asia, led by China and India, is expected to contribute above 50% of this addition. The Middle East and Latin America will contribute the major part of the balance.

Growth in refinery capacity addition is expected to outpace growth in demand and will keep a check on operating rates. Demand in Europe and the US is expected to shrink or at best stay unchanged. European refiners are already facing the brunt of economic slowdown and high oil prices. FY 2011-12 witnessed several refinery closures in Europe and the US. These closures will take off some of the burden from other refiners, but the overall outlook for refining industry in these regions continues to remain challenging. The situation of oversupply may be partially mitigated with additional closures in Europe and the US and due to delays in the commissioning of new projects slated to become operational during this period. Much of the new Eastern capacity has sophisticated upgrading capability, including cokers, which will potentially increase the demand for heavy oil. On the other hand the increased availability of lighter crudes in the US is leading to the cancellation of coker projects in the Gulf Coast and a switch in slates away from the heavy Arabian crudes.

Emerging economies, especially in Asia, may feel pressure from the sluggish European economy, and are likely to see some slowdown in demand growth. At a time when inflationary pressure has moderated and China and India could ease monetary policies to boost economic growth,

this will maintain a strong outlook for gasoline growth in the region. The addition of new ethylene crackers will support naphtha margins in the medium-term.

Middle distillate sector will remain the driver for Asian refining margins. Subsidy on diesel in emerging economies in Asia will shield the retail consumers from high and volatile oil prices, supporting strong demand growth. Reconstruction work in Japan is also likely to provide further boost in demand. Asia's fuel oil market has eased due to an increase in the arrival of more bunker-grade fuel supplies from the Middle East.

Overall, the outlook for Asian refining industries continues to remain positive to the rest of the world.

For RIL, Jamnagar refining complex is highly competitive given its flexibility in crude slate, product slate and low operating costs. Forward plans are built on the basis that the environment will remain challenging and therefore cash and profit growth need to be driven on the back of self-help. A wide range of measures are being planned to further strengthen its competitive position: given the high oil prices, a number of schemes including petcoke gasification are under various stages of implementation with a view to achieving a sharp reduction in energy cost. These measures are being supplemented by many others that seek to improve the yield pattern as well as operating & cost efficiencies. Focus would also be on maximisation of netbacks through optimisation of product placement around the world.

PETROCHEMICALS BUSINESS

Operating Environment

Ethylene

Ethylene is a raw material used in manufacturing polymers like polyethylene, polyvinyl chloride and polystyrene, as well as organic chemicals like ethylene oxide and ethylene glycols. These products are used for various end markets, such as packaging, transportation, electronics, textiles and construction.

Global ethylene markets recovered from oversupply that stemmed primarily from expanded capacity in the Middle East and Asia and recessionary global conditions. Global ethylene capacity grew by 3.6 MMT, while supply grew by 3.4 MMT. Global ethylene production totalled 125.6 MMT during the year, representing improved operating rate of 85.2% as compared to 84.9% in the previous year.

Global ethylene prices remained high due to higher crude oil and naphtha prices and plant turnarounds. Asian ethylene margins were under pressure as polyethylene prices did not increase in line with naphtha costs. Global demand continued to be slow due to European crisis and stagnant Chinese demand.

World Ethylene Supply/Demand – 2011

Production by feedstock		Demand by end use	
Production : 125.6 MMT		Demand : 125.6 MMT	
Naphtha	49%	PE	60%
Ethane	35%	Ethylene Oxide	14%
Propane	8%	EDC	11%
Butane	4%	EBZ	6%
Others	4%	Others	9%

(Source: CMAI 2012)

Capacity additions in recent times have dramatically changed the supply scenario. During the year, 90% of capacity additions were from the Middle East and Asia. The Middle East now accounts for 18% of global ethylene capacity as compared to 11% in 2006 and Asia for 33% as compared to 29% in 2006. With the operational capacity in the Middle East, the feedstock mix for cracker changed in favour of gas. Lower NGL prices on account of shale gas availability provided a significant advantage to the US ethane cracking costs as compared to integrated naphtha cracking.

High energy and naphtha prices resulted in pressure on margins as well. Globally, naphtha-based operators experienced cost increases due to higher input costs.

Polymers

Polymers witnessed growth driven by applications where plastics delivered a cost advantage and performance enhancement. Consumption of global commodity plastics in FY 2011-12 was estimated at 205 MMT. This included products like polyethylene (PE), polypropylene (PP), polyvinyl chloride (PVC), Polystyrene, ABS, PET and Polycarbonate. Of this, PE accounted for 37% of all plastic consumption, followed by PP and PVC which accounted for 26% and 18% of the total plastic demand respectively.

Global Poly-olefins + PVC Demand

(In MMT)	2009	2010	2011	Growth% 2011 vs 2010
LDPE	18	18	19	1.7%
LLDPE	19	22	23	5.5%
HDPE	31	33	35	3.8%
PP	45	50	51	2.2%
PVC	32	35	36	3.2%
Ethylene	111	122	125	2.7%
Propylene	69	76	78	2.4%

(Source: CMAI 2012)

During the year, global capacity addition of PP was 3.5 MMT while incremental growth in demand was 1.1 MMT. Consequently, operating rates declined to 81.1% vis-à-vis 83.5% in FY 2010-11. Global capacity addition of PE, driven mainly from Asia and Middle East was 2.44 MMT while incremental demand grew by 3.7% to 2.7 MMT. Operating rates for PE improved to 82.9% from 82.1% in the previous year. Global capacity addition of PVC was 4.68 MMT while demand increased by 1.1 MMT. The operating rates decreased to 71.1% from 76% in the previous year.

Product price recovery continued throughout the year (~4-10%), although it was slower than inflation rates of feedstock prices. Asian Polyolefin margins were under pressure as feedstock costs rose faster than product prices. Asian PVC margins improved as feedstock (EDC) costs declined and product prices stabilised.

Average Product Prices

Price (\$/MT)	FY-12	FY-11	% change
Dubai Crude	110	84	31%
Naphtha	950	758	25%
PP	1479	1376	7%
HDPE	1363	1239	10%
PVC	1050	1007	4%

(Source: Platts)

RIL's Performance

RIL maintained its leadership position with a domestic market share of 47% and commodity polymer production share of 65% in FY 2011-12. RIL's polymer production for the year was higher by 8.5% as compared to FY 2010-11 due to stable plant operating performance. RIL's cracker operating rate was at 98.2%.

Polymer production in KT

	FY-12	FY-11	% change
PP	2740	2497	10%
PE	1077	978	10%
PVC	638	631	1%
Total	4455	4106	8%

PP

RIL's PP production was at record level at 2740 KT, up by 10%. It exported a record 825 KT. Imports increased by 2% but with introduction of new grades and consistent supplies; imports could come under pressure in the near term.

RIL introduced a new random co-polymer grade SRX100, catering to the fast growing packaging sector and high clarity random PP grades which are currently imported. Transparent containers in water purifier were developed by using new grades SRX 100 and SRM 100NC replacing engineering plastics. PP containers were used for flavoured milk and malt milk products, which helped to conserve energy at all stages from manufacturing to transportation.

RIL's market outreach programme 'Rishta' continued throughout India with special emphasis on agriculture and infrastructure sectors. Additionally, RIL initiated several agricultural research projects with leading nodal agencies to improve the use of polypropylene non-woven covers. New applications were developed for preparation, storage, and transport of silage for use as fodder replacing concrete structures.

RIL also worked with the Ministry of Textile to create awareness of the benefit of geotextiles in road, railways and river embankment. RIL is also working towards spreading awareness about new products like geo-bags, geo-tubes and gabions to protect against natural calamities and provide better living conditions.

PE

RIL's PE production was higher by 10% at 1077 KT in FY 2011-12. PE market share increased to 32% from 29% the previous year. Increased focus helped RIL to increase its market share from 38% to 44% in LLDPE. The domestic LDPE demand grew by 17%. RIL maintained its market shares in LLDPE and HDPE in growth sectors like Raffia/MF, GPBM, IM, and Butene Film. In LDPE, the Company expanded its market share in general purpose film, milk packaging and extrusion coating sectors.

In the PE business, since market expansion with value-added grades provides an edge over the competition, grade development activities were undertaken by RIL during FY 2011-12. These included:

- Introduction of HDPE Relene F46003E for HD Film sector
- Introduction of LDPE Relene 24FA040 for LD General Purpose Film sector

PVC

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. PVC consumption in India was estimated to be 1.99 MMT in FY 2011-12, which represented a growth of 3% over the previous financial year. India imported about 747 KT (73 KT higher than FY 2010-11) of PVC. Pipes and fittings continued to be the major market accounting for 73% of the domestic PVC demand.

Future Outlook

Around 24.6 MMT of additional ethylene capacity is likely to be added over the next five years. Around 95% of incremental capacity of PP and around 92% of incremental capacity of PE is expected in Asia and the Middle East in the next five years, reflecting the region's growing prominence in this sector. Around 82% of incremental capacity of PVC is expected to come up in Asia and the Middle East in the next five years.

RIL, with its portfolio of PP grades being produced through multi-line production, is well-positioned to capture the future growth. RIL continues to work with major Original Equipment Manufacturers (OEM) of automotive and appliances for replacing several parts with Polypropylene. Notable among these is the development of components for automotive with long glass fibre filled Polypropylene compound, which is a light-weight material and thereby provides fuel efficiency with safety.

CHEMICALS BUSINESS

Operating Environment

Demand growth from sectors like paints, pharmaceuticals, detergents, tyres etc. contributed to the driving force for growth of chemical sector in India. The operating environment for various chemicals is summarised below:

Benzene: The global capacity of benzene in FY 2011-12 was 57.2 MMT against a production of 41.6 MMT, resulting in an average operating rate of 73%. Globally, there is now an excess capacity due to increases in the past 4-5 years by more than 9.5 MMT.

Butadiene: North-East Asia remained the largest market globally with a market share of 45% followed by 22% and 21% by USA and Europe respectively. The demand grew by 3% on a year-on-year basis.

Poly-butadiene Rubber: It is the second largest synthetic rubber among elastomers having an estimated demand at 3 MMT. Global demand for synthetic rubber in coming years is expected to grow at 7.8% annually.

Caustic Soda: Globally, the installed capacity of caustic soda was about 93 MMT (dry). The global consumption of caustic soda during the year increased to 65.8 MMT (dry), an increase of about 4.4% over the previous year. The operating rates averaged at 71% with capacity additions in China, which led to over-supply in the Asian region.

Linear Alkyl Benzene (LAB): Globally, the consumption of LAB was pegged close to 3.1 MMTPA against a capacity of 3.5 MMTPA. On an average, the consumption growth was 2.9% per annum, and is expected to continue at this rate, driven primarily by the Asian demand.

Acrylonitrile: The global capacity of acrylonitrile in FY 2011-12 was 6.1 MMT against production of 5.2 MMT, resulting in average operating rate of 85%. The demand for the year was 5.04 MMT.

Methyl Tertiary Butyl Ether: The global capacity during the year was 17.1 MMT against a production of 14.6 MMT with operating rate of 86%. The demand for the year was 14.6 MMT.

RIL's Performance

The Indian chemical industry was in line with the global business environment with an exception of the elastomer segment, which varied due to excessive demand from the

automobile sector. RIL maintained its leadership position in aromatic segment, constituting benzene, toluene and xylene.

Benzene: RIL's benzene production was 734 KT, reflecting a growth of 1% in FY 2011-12. Total sales for the year was 745 KT, including 440 KT for exports, 207 KT for domestic and 98 KT for captive consumption. 440 KT of benzene was exported mainly to the US, Europe and the Middle East. Toluene, a major by-product of BTX group, registered production volumes of 101 KT.

Butadiene: RIL produced 183 KT of butadiene during the year, of which 67 KT was exported after meeting the entire domestic requirement and captive consumption. The demand from downstream sectors covering SBS rubber, PBR, ABS and styrene butadiene latex recovered during the year and the total demand generated was 114 KT.

Poly-butadiene Rubber: RIL is the only manufacturer of PBR in India. During the year, the Company produced 78 KT, increasing 2.6% on a year-on year basis. Most of this production was sold in the domestic market, where consumption was estimated at 154 KTA.

Caustic Soda: RIL has an annual capacity to produce 168 KTA of caustic soda and 141 KT of chlorine. RIL's capacity utilisation for the year was at 97% as against average domestic capacity utilisation of 75%.

Linear Alkyl Benzene (LAB): With an installed capacity of 182 KTA, RIL is fifth largest producer of LAB globally. During the year, the Company became the leading domestic producer of LAB, by market share, with production of 166 KT. Tightening of normal paraffins resulted in lower utilization of LAB capacity.

Acrylonitrile: RIL is India's sole producer of acrylonitrile with a capacity of 40 KTA. RIL's production caters to 30% of the domestic market demand, with the rest being fulfilled from imports. During the year, RIL sold 36 KT to the domestic market and exported 1.5 KT. The poor demand from the derivatives (Acrylic Fibre and ABS) and the economic scenario adversely impacted Acrylonitrile prices and sales in the third quarter of FY 2011-12.

Future Outlook

RIL's crackers at Hazira, Nagothane, Dahej and Vadodara are among the globally integrated petrochemical complexes with upstream refining, E&P and downstream chemical facilities. RIL is a leading producer of Butadiene, Benzene, PBR and LAB in India. It also produces basic aromatic building blocks of the highest purity, conforming

to the product grades. These include toluene, mixed-xylene and ortho-xylene. A new facility to produce butene-1 (40 KTA) and Methyl Tertiary Butyl Ether (144 KTA) has commenced from December 2011.

RIL foresees large opportunities in elastomers and other diverse chemicals. It has announced the setting up a facility for manufacturing 100 KTA of butyl rubber in India. A new ESBR project of 150 KTA and additional PBR capacity of 40 KTA are also being executed. This is a significant step towards the Company's commitment to service India's growing automotive sector by bringing in complex technologies.

POLYESTER FIBRE AND FILAMENT BUSINESS

Operating Environment

The unpredictable volatility in global economies impacted the textile markets and demand in major consuming economies turned cautious and slower. Many producers across the globe shifted or set up new manufacturing bases at low-cost centres, mostly in the Asian countries. Competitiveness of the Chinese exports eroded as the Chinese government made Yuan market dominated. As a result, Yuan strengthened by 5%, while other major Asian currencies depreciated by 5-9% against the US dollar. In addition, labour costs also impacted cost structures in China.

During FY 2011-12, cotton markets continued to be an area of significant interest. Encouraged by high prices in cotton marketing year FY 2010-11, farmers planted about 8% more acres for the next season. However, at the time of the harvest, demand prospects in major consuming countries faltered. Downstream players in major processing centres across the globe lowered operating rates leading to huge stock piles. Consequently, cotton prices plunged by 10% in contrast to 100% increase witnessed in FY 2010-11. The Chinese reserve purchases by the Government were also not enough to hold up the surge in supplies in most producing countries.

The high volatility in cotton prices and ambiguous outlook forced downstream players to opt for polyester due to lesser price volatility and greater reliability of steady supplies of polyester. Consumption of polyester fibre and yarn during 2011 thus increased by 7% to 39 MMT.

During the year, polyester prices increased by 5-6% over the previous year, mainly owing to cost push from feedstock and energy. The unfriendly demand scenario kept markets unreceptive and pressure on margins

increased, lowering delta by 24-30%. Producers turned cautious to keep plant operations in control to avoid piling of inventories. Polyester capacity additions were predominantly seen in PFY, accounting for about 70% of the total 4 MMT. PSF witnessed restart of some idled capacity owing to the surge in demand, arising from fluctuations in cotton prices and better margins in PSF.

It is expected that by 2015 polyester capacity would increase by about 12 MMT, largely in PFY. Most of these capacity additions of about 9 MMT are planned in China. At the same time, global demand is likely to grow by 7 MMT by the same period.

PET

PET global demand growth during 2011 was at 7%. The year saw high demand created by growth in packaged drinking water. Uncertain prices encouraged buyers to scout for smaller purchase volumes at more frequent intervals with shorter delivery times to avoid inventories pile ups. This buying pattern favoured the local producers largely in USA and Europe. In addition, the depreciation of Euro during the year made imports costlier, thus promoting domestic producers. Many plants intermittently stopped their operations, which helped to keep the markets balanced in most parts of the globe and demand growth kept prices favourably high. Prices thus gained about 15% during the year.

Light-weighting and use of food grade recycled PET was common, particularly in North America and West Europe. A stronger commitment to developing technology for renewable raw materials was seen. Major beverage companies announced and developed bottles entirely from renewable sources.

Feedstock

Overall prices for polyester feedstock increased, following the strong oil prices and ethylene markets. PX was marked up by 33%, PTA by 11% and MEG by 21%. There were shortages in supplies in PX and MEG markets. With no new MEG capacity being added, the existing plants operated at almost same rates as last year and booked higher margins. MEG delta surged 17% higher over last year's average. PTA markets, on the other hand, were hit by capacity additions of about 4 MMT during 2011. While the supplies increased, cautious downstream buying prevented large price hikes, which pressurised PTA margins and delta for the year was about 47% lower than FY 2010-11. PTA delta reached almost breakeven during the third quarter of the year, which forced many producers

to shut operations to cut losses. Also the exchange rate arbitrage between Asian and European nations favoured the producers in Europe who catered to local requirements. Similar condition prevailed in USA and consequently Asian producers suffered low margins.

Domestic Operating Environment

India continued to hold a crucial position in global textile industry, owing to its advantages of adequate availability of raw materials, relatively lower conversion costs, skilled manpower and favourable demographics. Cotton and polyester accounted for around 92% of the total fibre requirements of Indian textile mills.

As per government estimates, cotton and man-made fibre consumption in India is in the ratio of 59:41 as against the 40:60 ratio globally. The lower per capita fibre consumption in India of around 5 kgs as against global average of 11 kgs indicated huge potential for expansion of fibre consumption. Other major demand drivers included rising disposable income and working population, emerging non-apparel applications of fibre and industry-friendly government policies. In FY 2011-12, the textile industry was impacted due to volatile cotton markets. Within a span of around 5-6 months, the international and domestic cotton prices saw historic peak and subsequently a steep fall.

The uptrend was primarily due to shortage of cotton availability across the world and certain government policies on cotton and cotton yarn exports, which were not receptive to textile industry growth. Consequently, the industry resorted to panic buying and stocked cotton. But, with the beginning of declining trend in cotton prices, the industry faced problems in sourcing of cotton, impacting the downstream demand as well. End-users moved into strict wait-and-watch mode and the textile industry faced huge pile-up of unused cotton and cotton yarn inventory, leading to severe stock losses. Man-made fibres, especially polyester fibre and yarn, fared relatively better as volatility in prices of polyester was much lower as compared to cotton.

Major textile production centres in Andhra Pradesh, Tamil Nadu and some Northern states faced severe power shortages, adversely affecting output and profitability of the mills. Labour shortage was also prominent during the year.

Government restrictions on raw cotton and cotton yarn exports were witnessed along with some proactive measures to assist the domestic and export community

against the backdrop of weakened demand and continuous economic uncertainties from the West. Technological Upgradation Fund Scheme (TUFS) was restructured and higher allocations were provided. The high potential growth segment, technical textiles was included within its ambit. The textile ministry proposed to make TUFS a part of the Twelfth Five Year Plan beginning from April 2012.

Government announced ₹ 900 crore incentives for the exporters in October 2011. The Focus Product Scheme was extended to include Polyester Textured Yarn (PTY), Fully Drawn Yarn (FDY) and polyester textile grade chips. A Special Focus Market Scheme was introduced, which provided additional 1% duty credit for exports to specific countries. Government also scrapped the DEPB scheme and introduced Revised Duty Drawback Scheme with effect from October 01, 2011.

Government approved 21 new integrated Textile Parks in nine states of India with a project cost of ₹ 2,100 crore over a period of 36 months. The new Textile Parks are expected to leverage an investment of over ₹ 9,000 crore and generate over 4 lakh jobs.

RIL's Performance

RIL continued to hold top rankings in polyester and feedstock markets, constantly reaping the benefits of backward integration. Consolidated polyester capacity of RIL stood at 2.4 MMT. According to PCI, RIL held the 1st rank in polyester fibre and filament capacity, 5th rank in PX and 8th in PTA and MEG. RIL catered to 38% of the domestic market and exported to over 100 destinations.

During FY 2011-12, domestic polyester demand grew moderately at 2% over FY 2010-11. The momentum was led by 17% growth in PET followed by 2.8% growth in PFY. RIL contributed to 25% of the domestic PFY demand of around 2.2 MMT, 69% of the domestic PSF demand of 0.8 MMT and 47% of the domestic PET demand of 0.5 MMT. The production volumes of polyester declined by 2.4% to 1663 KT. PFY production decreased by 5.5% to 695 KT, while PSF and PET production were almost steady at 615 KT and 352 KT.

In case of polyester feedstock, domestic PTA demand during the year was around 3.5 MMT, down by 3% from the previous year. MEG domestic demand was around 1.7 MMT, up by 4% and PX domestic demand was 2.2 MMT, up by 7% compared to the previous year. Fibre intermediates production (PX, PTA and MEG) of 4756 KT

marked an increase by 5% and PX production increased by 9% to 2004 KT, PTA production was up by 2% at 2069 KT, while that of MEG was marginally higher at 683 KT.

During the year, the Company enhanced its market reach through improved customer interaction at various open forums and through electronic and print media. RIL developed PET resins that improved shelf life of perishable goods by providing barrier for oxygen and carbon dioxide exchange through container surface. The Company also developed hygiene products, such as hydrophilic spun-lace fibre, which has better moisture absorbability and is used for high absorbent hygiene products, micro spun-lace fibres for extra soft hygiene applications and trilobal spun-lace fibres. It also launched a specialised pillow for relief from neck pain while sleeping.

RIL innovations for textile industry during the year included Recosilk – a specialised thread for embroidery applications, Recron Bind and a product that increases knitted fabric structure strength. RIL's contribution to nature protection led development of products to substitute harmful carcinogenic asbestos in roofing applications, siliconised fibres for soil stabilisation and fine denier fibres for the construction industry.

Recron Malaysia Update

RIL acquired Recron Malaysia in 2008. Recron Malaysia is an integrated polyester unit having downstream textile operations like spun yarn and fabric production. It has a polyester capacity of more than 500 KTA and fabric production of 600 million meters per annum. Since acquisition, the Company has undergone significant improvement in terms of its operations and profitability.

FY 2011-12 proved to be a challenging year amidst global economic uncertainties and disturbances in several parts of the world. Demand from key markets of Syria and Egypt was impacted by geo-political concerns. Besides, the Malaysian Baht also appreciated by around 5% against the US dollar, which in turn impacted export earnings.

Sales during FY 2011-12 increased by 9% to \$ 1.2 billion. Exports continued to account for 90% of the total sales and were spread across 65 countries. The Company continued to hold a dominant domestic market share of 60% in grey fabric, PET and PTY and was profitable.

The India Malaysia CECA came into effect from July 2011, which envisaged the liberalisation of trade in goods, trade in services, investments and other areas of economic co-operation.

Future Outlook

The global feedstock demand is expected to rise in line with the polyester production. MEG demand is expected to grow by 6 MMT by 2015, while capacity additions are also foreseen at 6 MMT. This will assist plant operating rates favourably. PTA demand is expected to rise by 14 MMT by 2015, while capacity additions are expected to rise sharply by 32 MMT. The PTA capacity addition will require large investments in feedstock PX, of which only 13 MMT is planned till 2015. The large PTA addition may lead to price moderations, but a constraint in PX supplies will determine the operating rates of these new plants and the subsequent market balance. Demand growth of 6.4% in PET has been estimated during 2012, predominantly in Asia/Pacific region. PET capacity additions, however, will rise above the demand growth and are likely to pressure operating rates. About 60% of this capacity addition is expected in China.

As per the recent Fitch Ratings report, the outlook for Indian textile industry for FY 2012-13 is expected to be stable for synthetic textiles and negative to stable for cotton textiles, depending on the segment of the value chain. The study estimates that cotton textiles will face challenges of slower demand pick-up and loss of margins before an anticipated recovery from the fall in cotton prices. Synthetic textiles will benefit from substitution of higher-priced cotton products and a greater demand for blended textiles. As per Technopak estimates, the Indian textile industry, over the long term, has a potential to grow to \$ 220 billion by 2020 from its current size of around \$ 80 billion, at a CAGR of around 10-11%. Such ambitious targets will be led by a significant incremental fibre demand, and polyester is likely to account for the majority share, given the limitations and restrictions associated with natural and other fibres.

Opportunities across the energy chain

In the domestic E&P business, RIL through the strategic alliance with BP is poised to benefit from their expertise in sub-sea engineering and reservoir management. With regards to KG-D6, access to production data gives incremental analytics on field behaviour and sub-surface geology. RIL and BP's collective technical capabilities, access to relevant resources and timely regulatory / government approvals can go a long way in arresting production decline and help in ramping up production. RIL is committed to investing in this business, but simultaneously remain conscious of its responsibility of deploying capital prudently.

RIL's foray in to the shale business is enabling it to focus on creating huge capabilities in the context of unconventional hydrocarbons and horizontal drilling while simultaneously increasing its global and geological footprint in this business. In the US energy mix, the proportion of gas is set to increase in future as demand for cleaner and safer fuels grows. Also, technology evolves to make the shale gas business more mainstream in the context of developing hydrocarbons in North America. RIL's shale gas JVs in Marcellus and Eagle ford blocks in US are likely to contribute to RIL's medium term earnings growth. Moreover, the presence of liquid-rich resources in the RIL-Pioneer JV in Eagle Ford makes it an attractive proposition even during the current low gas prices environment.

Refining business performance will be primarily governed by the global economic environment and crude oil price movement. Global economic environment will continue to weigh heavy on the refining margin performance. While, economic outlook continues to remain uncertain, refining margins are expected to remain range bound in near term. The global refining cycle may swing for an up-cycle in the next few quarters driven by limited capacity additions, demand recovery based on economic forecasts and major mothballing of refineries in US/Europe. Apart from these factors, there are also regular delays in new capacities that can potentially help the cycle sustain for medium term.

RIL is building one of the largest coke gasification facilities in the world with capital expenditure of \$ 4 billion over the next 3-4 years. This will significantly increase the complexity and profitability of the refinery and also make it more environmentally friendly. This will further enhance bottom-of-the-barrel conversion in terms of value creation.

RIL benefits from its leadership position in key petrochemical and polyester products. It is ranked among the top 10 producers of most petrochemical products. The domestic market for polymers as well as polyester has been growing at around 8-10% on a year-on-year basis. Despite recent demand slowdown and lowering margins in Asia, RIL continues to benefit due to its wide product portfolio and integrated business model. RIL has a balanced portfolio of liquid and gas based crackers and it is in the top quartile in both capital and operating cost terms. Given India's low per capita consumption of polymers and polyester products of around 3.5 to 4 kg, and the resilience of the economy, the demand for these products is expected to see double digit growth in the

medium term. RIL is accelerating further downstream integration program with new cracker and aromatics chain. RIL has commenced the largest ever capital expenditure program in the history of its petrochemicals business. RIL plans to invest \$ 8 billion across polyester and polymers chain over the next 3-4 years. RIL is also investing in expanding its rubber business which will be integrated with required feedstock available from the two large refineries at Jamnagar. Asia has become a large base for automotive tyre manufacturing and is one of the largest consumers of these rubber products. RIL will have strong portfolios of plastics, rubbers and polyester chain which can give sustainable cash flows in future.

Challenges, Risks and Concerns

A significant portion of RIL's revenue is attributable to sales of crude oil, natural gas, refined products and petrochemical products, the prices of which are affected by worldwide prices of feedstock and end products. Historically, these prices have been cyclical, sensitive to relative changes in supply and demand, the availability of feedstock and general economic conditions. Any slowdown in global economic growth, cyclical downturns in the refining and petrochemicals industry and major changes in the prices of feedstock and end products may adversely effect margins, business, financial condition and results of operations.

Evaluations of oil and gas reserves involve multiple uncertainties and require exploration and production companies to make extensive judgments as to future events based upon the information available. The crude oil and natural gas initially in place and further reserves and resources data are estimates based primarily on internal technical analyses prepared by RIL. Such estimates reflect the best judgment as applicable at the time of their preparation, based on geological and geophysical analyses and appraisal work, and may differ significantly from previous estimates.

RIL is subject to risks arising from interest rate fluctuations. RIL borrows funds in the domestic and international markets to meet the long-term and short-term funding requirements for its operations and funding its growth initiatives. A majority of the RIL's borrowings are floating rate debt and hence are exposed to upward movement in interest rates.

Changes in the exchange rate between the US Dollar and the Indian rupee may have a negative impact on RIL's results of operations and financial condition. RIL maintains its accounts and reports its financial results in rupees. Most of RIL's revenue and costs are either linked to or denominated in US Dollars. Further, RIL makes

substantial purchases of services and equipment in foreign currencies. As such, RIL is exposed to risks relating to exchange rate fluctuations. RIL uses various derivative instruments to manage the risks arising from fluctuations in exchange rates and interest rates.

Internal Controls

RIL operates in a global environment straddling multiple jurisdictions and complex regulatory frameworks. Our governance and compliance processes, which include the review of internal control over financial reporting ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorised, recorded and reported.

RIL conducts regular internal audits to test compliance with the statutory requirements. Audits are led by professional audit managers and supported by experienced personnel drawn from across the organisation. Audit results are used by management to create detailed action plans where the businesses have not yet achieved full compliance with the requirements. Key findings are reported to senior management and summary reports are considered by the Audit Committee of the Board.

RIL maintains global IT and communication networks and applications to support its business activities. IT security processes protecting these systems are in place and subject to assessment as part of the review of internal control over financial reporting.

The nature of the industries in which RIL operates means that many of its activities are highly regulated by health, safety and environmental laws. As regulatory standards and expectations are constantly developing, RIL also maintains high priority towards keeping the highest standards of health, safety and environmental norms while maintaining operational integrity.

Major Subsidiaries

India is among the largest and fastest growing major economies in the world. With demographics in India's favour and rising aspirations, there is a strong consumption growth in physical and digital retailing. RIL's foray, through its subsidiaries is aimed at capturing these large scale opportunities in creating unprecedented value for all its stakeholders.

Reliance Retail Limited

Operating Environment

The overall size of the retail industry in India is estimated at \$ 470 billion. This industry is characterised by a low organized retail penetration of 6% as multiple

intermediaries, including 12 million kiranas, dominate this industry (as per Technopak).

Growth Drivers

The key drivers for growth and transformation in retail industry are:

Increasing Urbanisation: Urban India has grown by nearly five times in the last fifty years. Urbanisation indicates growing proportion of people in middle and upper income classes, providing impetus to retail growth.

Changing demographic profile: With 65% of the Indian population under the age of 35 and a median age of 26 years, India has one of the world's youngest populations. A Combination of young population, nuclearisation of families and increasing number of working women acts as major growth driver in retail.

Rising incomes and propensity towards disposability: Rapid economic growth over the last few years has resulted in a sustained increase in per capita incomes in India, resulting in discretionary household spending, which in turn leads to retail growth.

Aspirational lifestyle: Rapid globalisation, media proliferation and increasing internet penetration have led to an increase in awareness levels about world class brands and products. With rise in disposable income levels, the consumer is willing to spend more on self, giving impetus to retail.

Financial Sector: The increased availability of credit cards and retail loans has boosted the organised retail industry.

Challenges

The key challenges in the retail industry are:

Real estate: Availability of real estate at reasonable prices, at desirable location, acceptable scheme and access and sustainable economics.

Manpower: Availability of skilled manpower to manage the back-end and front-end operation of organised retailers.

Supply Chain: The lack of adequate and appropriate facilities like cold storage and efficient supply chain in the country acts as an infrastructure bottleneck.

RIL's Performance

RIL launched Reliance Retail six years ago.

Since inception, Reliance Retail has relentlessly worked

towards building a services platform for supporting retail development and value creation.

During the year under review, Reliance Retail witnessed strong growth in sales from existing stores and also added new stores. At a consolidated level, Reliance Retail has posted a revenue from operations of ₹ 7,599 crore for the financial year representing a growth of 25% over last year. Despite challenging macro-economic conditions most of the retail formats have delivered well over 20% same store sales growth. Same stores sales growth has been well above the growth declared by peer retailers in respective formats which indicates the robustness of the business model.

It has made significant investments in building back-end as well as front-end retail infrastructure and some of the key areas where the Company has built capabilities include:

Warehousing and logistics infrastructure: Reliance Retail has created a robust and state of the art supply chain infrastructure comprising of an integrated network of city distribution centres, regional distribution centres and import distribution centres across the country. It has also developed a robust delivery mechanism, which manages delivery from the distribution centres to over 1,300 stores.

IT infrastructure: Physical infrastructure is supported by robust technology led systems that ensures stock optimisation and provides a healthy fill rate at distribution centres and stores. Strong IT infrastructure has helped Reliance Retail to drive some of the major productivity improvement initiatives.

Human capital and talent pipeline development: Under the aegis of Reliance Retail Academy, several academies have been started to train hired staff for specific roles. Focused training programmes have been developed to improve productivity and deliver better customer experience at the store. Currently, Reliance Retail has an employee base of about 25,000 people, including store associates, corporate staff and associates in distribution centres, processing centres, collection centres and other facilities.

Front-end infrastructure development: Reliance Retail has built relationships with leading mall developers and property consultants and special efforts have been made to improve store execution timelines, to optimise capex through value engineering and indigenisation and to implement energy management and conservation efforts,

while maintaining an unwavering focus on enriching the consumer experience. Reliance Retail has also invested in planning tools that have helped in achieving standardised and efficient store layouts. Standardisation in visual merchandising requirements, spanning all formats, has also helped stores to improve go-to market timelines and manage costs better.

Compliances: Retail is a highly regulated industry and there are a large number of compliances that need to be met. Reliance Retail ensures that all its formats and business units comply with applicable laws and for that purpose, it has adopted a strong process based approach in maintaining over 7,000 licences, apart from trade compliances across a network of over 1,300 stores.

Food supply chain: Reliance Retail operates fresh food distribution centres that have cross dock facility for fruits and vegetables. It has temperature controlled facilities for frozen and chilled products, ripening chambers for fruits and reefer transportation that delivers fresh produce to hundreds of stores across the country. Reliance operates over 15 distribution centres for fresh food and over 50 facilities comprising of collection centres and processing centers. These facilities eliminate waste in the supply chain, preserves food items in hygienic conditions and provides higher benefits both to farmers and consumers.

During FY 2011-12, Reliance stressed on its back-end operations and store expansion capability by successfully adding more than 200 stores across value and specialty formats.

Reliance Retail's performance across its two formats – value format and specialty format is summarised below:

Value Formats

Food and grocery remained the single largest retail category in 2011 in India with sales of ₹ 16,25,000 crore accounting for 69% of the total retail market. Organised retail accounted for a little below 3% of the sales in this category.

RIL's value format comprising of Reliance Fresh, Reliance Super, Reliance Mart, Delight and Autozone, consisted of over 700 stores and contributed to dominant share of retail space and revenue from operations.

During the year, Reliance Retail launched its new prototype of 'Reliance Mart' and 'Reliance Super' and also its first 'wholesale' format under the name of 'Reliance Market' in

Ahmedabad. Reliance Market will create sustained value by generating employment and self-belief in small shopkeepers, as it partners with the traditional trade.

The first pilot store boasting an area of 100,000 sq.ft. caters to kirana stores, small businesses, restaurants and various other institutional buyers.

Specialty Formats

Reliance Digital

Consumer Durable, IT and Telecom (CDIT) market is one of the largest categories of consumption in India. The market has been historically operated through the traditional channel that occupies nearly 85% of the trade. The CDIT market in India is estimated at ₹ 115,000 crore in 2011. The current market is growing at over 13% and is expected to touch ₹ 215,000 crore by 2016 (not including services).

Reliance Digital aims to provide 'solutions' to the customer through end-to-end services. It operates multiple formats ranging from full size Reliance Digital stores to Reliance Digital Express stores. In FY 2011-12, Reliance Digital more than doubled its store count to 75 operational stores and established itself as the market leader in the category. It also operated 19 iStores in partnership with Apple. It witnessed a 20% sales growth achieved primarily through enhanced integration of ResQ, the service arm of Reliance Digital. One of the significant achievements of Reliance Digital was the launch of private label brand 'Reconnect', which includes wide categories of products like flat panel TVs, kitchen appliances, air conditioners and various accessories. Reconnect is positioned from the perspective of affordability, user experience and aspiration.

Reliance Trends

The overall apparel market in India was estimated at ₹ 175,000 crore in 2011 with organised retail accounting for close to 16% of the overall sales in this segment. The sector is expected to grow to ₹ 250,000 crore by 2016 at a CAGR of 7.5% with organised retailers accounting for ₹ 40,000 crore in sales.

Reliance Trends, the apparel, luggage and accessories specialty format of Reliance Retail has achieved the distinction of becoming India's largest fashion destination in FY 2011-12, with 90 stores across 59 cities and 18 states. This significant milestone was achieved in just 4 years of its launch - a ramp up that is unparalleled compared to other leading players in this industry.

Reliance Footprint

The footwear industry in India is estimated to be about ₹ 25,000 crore and growing at 13% per annum. The industry has been relatively more organised with modern trade occupying nearly 35% share.

Reliance Footprint has established itself as India's first multi-brand store with over 50 national and international brands of footwear. Asics, the world famous sports shoe, sportswear and accessory brand is in exclusive distribution relationship with Reliance Footprint.

Reliance Footprint focused on expansion during the year and opened 50 new stores taking the current store count to 88 stores across 57 cities.

Reliance Jewels

In a ₹ 130,000 crore industry in India, modern jewellery retail contributes to less than 10%. The potential and opportunity for modern jewellery retail to grow rapidly and gain a higher market share is strong. Reliance Jewels expanded to 38 stores in FY 2011-12.

Reliance TimeOut

The Indian market for books, music and stationery industry was estimated to be more than ₹ 25,000 crore in 2011.

Reliance TimeOut offers a wide range of products including books, entertainment, stationery, toys, gifts and personal accessories.

It expanded to 38 stores in FY 2011-12.

Partnerships with key brands

Reliance Retail operates various partnerships in the lifestyle category.

Reliance Brands

To introduce high fashion in India, Reliance Brands has partnered with iconic brands, such as Diesel, Paul & Shark, Ermenegildo Zegna and Timberland to name a few.

The number of brands in Reliance Brands' portfolio of partnerships exceeds 30 brands, of which the Company co-owns 20 brands for the India territory while the remaining are licenses/franchises. The number of stores grew to 50. During the year Reliance Brands announced partnerships with:

- Iconix Brand Group, a brand management company that owns the fashion and home brands such as Ed

Hardy, Mossimo, London Fog and Ocean Pacific. The partnership will own the brand rights from the Iconix portfolio for the Indian territory

- Kenneth Cole to license the merchandise for retail and premium wholesale in India for the American clothing brand
- Thomas Pink for a franchise arrangement

Marks and Spencer

Reliance Retail's partnership with Marks and Spencer continues to grow rapidly since the formation of the JV in 2008. In a period of 4 years, the business has seen rapid retail development.

The JV has witnessed 20% same store sales growth and has doubled its retail space in FY 2011-12. Marks & Spencer has a ubiquitous presence in the retail landscape of the large cities in India and is on an aggressive store roll-out plan.

Vision Express is Europe's largest optical chain with over 4000 stores in 30 countries. In India, Vision Express retails optical products through a JV of Reliance Retail and GrandVision. Vision Express offers customers' eye wear and offers the most comprehensive 11 step eye test in the country. The tests are conducted on the finest international equipment.

Vision Express ramped up its presence at a rapid pace by adding 55 stores during the year, taking the store count to over 150 stores.

Office Depot

Reliance Retail operates a JV with Office Depot Inc., a global supplier of office products and services for providing office supplies to the Indian institutional market.

The JV has built a significant business through a network of 8 branch offices across the country.

The retail footprint of Office Depot stores, set up by Reliance Retail, is undergoing test marketing in Bangalore. This network of 4 stores has provided reasonable understanding of the demand for office products in a retail environment.

Future Outlook

Overall retail sales are expected to grow to approximately \$ 675 billion by 2016 from the current \$ 470 billion, offering immense opportunities for expansion of organised retail.

Reliance Retail seeks to add alternative channels to reach out to customers. These channels will provide the convenience of anytime, anywhere shopping with an access to a wide variety of products, thereby making the shopping experience more enjoyable. Saturating markets and gaining market share in certain key markets is integral to Reliance Retail's strategy for future growth. Reliance Retail will continue to add density of stores to gain market share across the country.

It will work with its supplier base to offer differentiated product experience to customers. A central theme is provided by the Loyalty Programme, which has over 9 million registered customers.

Infotel Broadband

Operating Environment

From less than 5 million mobile users in 2001, India has grown to more than 800 million mobile users and continues to add close to 10 million new customers every month. India is now the second largest and the fastest growing telecom market in the world.

Despite the growth in telecom, India has not kept pace with the world in terms of more advanced communication technologies. Today, broadband in India only has around 1% market penetration (13 million connections) compared to the West where there is over 60% market penetration and China, which has a rapidly growing market of over 150 million broadband users.

Broadband access to the internet will fundamentally change the way Indians work, live and play. The internet provides access to millions of applications, services and content, delivering a wide array of offerings, such as email, voice and video communications, news, productivity, social networking, games, education, health and fitness, finance, travel and e-commerce. For businesses too, business to business (B-to-B) transactions can be efficiently and universally consummated via the internet, instead of point-to-point proprietary systems. Such rapid, ubiquitous and just-in-time access to relevant information has the potential to bring unprecedented efficiency to enterprise activities like manufacturing and supply chain.

Update on Infotel

During 2010, RIL acquired a 95% stake in the equity of Infotel Broadband Services Limited, with the intention of creating a nation-wide network of next-generation wireless broadband services. Infotel was the only successful bidder

in all of the 22 circles in the Broadband Wireless Access ('BWA') auction conducted by Department of Telecommunication, Government of India. Reliance can now offer fourth generation wireless infocomm services across the nation through the 20 Mhz, contiguous, pan-India spectrum secured through this acquisition.

Reliance plans to use LTE technology for its country wide network deployment to provide connectivity and related digital services to its customers. LTE is an advanced technology with capability to pack more bits per hertz of spectrum (called spectral efficiency), thereby providing better throughput, network capacity, performance management and drive down the unit cost of delivering bandwidth.

The global ecosystem for LTE is also developing rapidly. As on date, there are 300 operators investing in LTE across 90 countries and there are 50 networks based on LTE technology in 30 countries already in commercial stage. LTE-capable devices are rapidly developing to meet current and future needs of operators and their customers. There are over 200 LTE devices launched globally, addressing a variety of market segments and needs – routers, dongles, modules, notebooks, smartphones, tablets, PC cards to name a few. These include products like Apple's fourth generation i-phone, their third generation i-pad tablet, the android based Samsung Galaxy Note and Microsoft's 4G LTE Windows phone.

In addition to LTE and its future versions, Reliance will continue to evaluate and deploy other technologies, both wireless and wireline, to offer comprehensive broadband solutions to consumers, small businesses, enterprises, government and other entities.

Broadband networks are necessary, but not sufficiently available for digital services to develop fully in India. The concurrent development of the following four areas is required to provide superior customer experience with respect to digital services:

- Broadband network, which provides high speed reliable connectivity
- Broadband-enabled devices, which enables smooth interface and rich interaction
- Locally relevant digital content, services and applications
- Support services to assist customers across the entire consumer lifecycle.

Globally, many operators have focused primarily on the creation of the broadband network. However, Reliance will focus on making available all the components of the entire digital value chain.

To deliver such end-to-end solutions, Reliance will collaborate with strategic partners including service providers, infrastructure providers, device manufacturers and other participants in the ecosystem.

Reliance will also leverage its broadband network to support the requirements for homeland security applications and services, which can benefit from the advantages of low latency and assured quality of services that are integral to 4G networks. Insurgency and terrorism have become global challenges, and in light of the recent terrorist attacks on major cities, the citizens of India have a dire need for digital surveillance and security services. The traditional security platforms have been found inadequate to address the new challenges associated with global terrorism and there is a need to support the efforts of our law enforcement agencies with intelligent and real-time electronic and digital solutions. Reliance is working with global partners to bring state-of-the-art homeland security solutions to the Indian market.

Other Developments

Reliance Haryana SEZ Limited

The development activity of Model Economic Township (MET) in the district of Jhajjar Haryana has begun with some of the leading Japanese multinationals undertaking the development of their industrial units.

The State Government has recommended the project to be declared as a node of the Delhi Mumbai Industrial Corridor which is under consideration by appropriate authorities.

The MET has been envisioned to be developed as an industrial infrastructure to support economic growth through a JV between Reliance Ventures Limited (a subsidiary of RIL), Infrastructure Leasing And Financial Services Limited (IL&FS) in a public-private partnership framework with the Government of Haryana through HSIIDC Limited (a Government of Haryana company).

Reliance Haryana SEZ Limited (RHSL), a JV of RVL and HSIIDC, will demerge the MET project at Jhajjar to enable induction of IL&FS.

RIL – D. E. Shaw JV

In FY 2010-11, RIL and the D. E. Shaw group formed a JV to build a leading financial services business in India. This 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 is awaiting necessary regulatory approvals for the commencement of business activities.

Acquisition of Stake in Extramarks Education

Infotel Broadband Services Limited (Infotel), a subsidiary of RIL, acquired a 38.5% stake in Extramarks Education Private Limited. (Extramarks), a company focused on school education and digital learning. The investment in Extramarks has been made through an affiliate company Reliance Strategic Investments Ltd. This investment will enable Extramarks pursue its aggressive growth plans in further developing services and wider market penetration. Extramarks' digital distribution model will provide invaluable services to the student community across age groups including education support and study help at affordable prices.

Increase of Stakes in EIH Limited

In FY 2010-11, RIL, through its wholly-owned subsidiary Reliance Industries Investment and Holding Private Limited, acquired 14.8% of EIH Limited from Oberoi Hotels Private Limited and certain other promoters. During the year, RIL further increased its stake to 18.53% in EIH Limited.

Acquisition of Stake in TV-18

During the year, companies effectively wholly owned by RIL, entered into binding agreement with TV18 Broadcast Limited (TV18) for divesting the investments in various ETV channels being operated and managed by Eenedu Group. Completion of this divestment is subject to receipt of regulatory approvals and completion of the proposed rights issue of Network18 Media & Investments Limited ('Network18') and TV18.

Independent Media Trust ('Trust'), a trust of which RIL is a sole beneficiary, has entered into subscription agreement with promoter companies of Network 18 for subscribing to the zero coupon optionally convertible debentures (ZOCD) to enable the Promoter Companies of Network18

to subscribe to the promoters entitlement and unsubscribed portion of the proposed rights issue of Network18 and TV18.

Infotel Broadband Services Limited ('Infotel'), a subsidiary of RIL, has entered into a content license agreement with Network18 and TV18, under which Infotel shall have preferential access to (i) the content of all the media and web properties of Network 18 and its associates and (ii) programming and digital content of all the broadcasting channels of TV18 and its associates on a first right basis as a most preferred customer.

RESEARCH & DEVELOPMENT, TECHNOLOGY DEVELOPMENT AND INNOVATION

Research & Technology and Innovation continue to be one of the key focus areas to drive growth of Reliance Industries Limited (RIL) besides ensuring sustainability and helping the company take a leap in rural transformation.

Consistent with RIL's aspiration to become a best in class technology developer 'Reliance Technology Group' (RTG) is working as a focal point to integrate Research and Technology (R&T) initiatives across the organisation. In addition to developing new products and technologies for existing businesses/manufacturing, RTG is also working on building capabilities to develop breakthrough technologies that will create new businesses for RIL.

To strengthen the R&T capabilities at RIL, work is underway to create a world class R&T center in Mumbai with best in class physical infrastructure and an environment conducive for attracting and retaining the best global R&T talent.

RTG continues to focus on four broad categories of Research and Development (R&D), advanced technical services, support to capital projects, and capability building. To support the above activities the group consists of highly qualified, energised team of engineers and scientists.

In the Refining area RTG has expanded its horizon to include thermal cracking and hydro-processing as key areas of research besides continuing to pursue research in the area of fluid catalytic cracking, crude processing and providing advanced technical support through computational fluid dynamics and other advanced simulation tools.

In the Petrochemicals area, RTG is providing technology support to olefin crackers, polymers, fiber intermediates, linear alkyl benzene (LAB), and polyester. The focus areas in petrochemicals include efficient asset utilization, development of specialty product grades/materials, development of catalysts/additives for cost reduction, value addition to by-product streams, and leveraging opportunities at the chemicals/oil interface.

RTG is also working on breakthrough technologies, such as fuel cells, carbon fibers, bio-fuels, and gasification of several types of feedstock.

Some major on-going/completed projects include:

- Development/commercialisation of a process for propylene maximization in refinery.
- Development of in-house additive for propylene maximisation in refinery.
- Development of highly active fluidised catalytic cracking (FCC) catalyst for improved conversion.
- Development of mesoporous zeolite to improve product selectivity in FCC units.
- Development of process for improving BMCI (Bureau of mining correlation index) of Clarified slurry oil.
- Development of a process for conversion of low value hydrocarbon streams to light olefins.
- Development of technology for removal of chlorides from hydrocarbon stream by new process.
- Development of a new process for acidity reduction of crude oils.
- Development of a process for crude de-asphalting.
- Development of technology for mitigation of corrosion in heavy vacuum gas oil circuit.
- Determination of actual corrosion potential of high acid crudes.
- Application of molecular compositional blending models.
- Application of computational fluid dynamics studies for troubleshooting and process improvements in refineries and petrochemical plants.

- Development of a new catalyst, process and product for ultra-high molecular weight polyethylene (UHMWPE).
- Development of technology for regeneration and alternate applications of spent catalysts and adsorbents.
- Development of superabsorbent polymers.
- Development of microbial and photocatalytic processes for effluent treatment.
- Development of technology for defluoridation process for plant wastewater.
- Development of specialty chemicals from the C6-C8 by-product stream of polyethylene plants.
- Development of catalyst and process for on purpose Hexene-1 production from ethylene.
- Development of a process for chlorinated polyvinyl chloride.
- Development of technology for value addition of by-product olefins.
- Development of a new generation paraffin dehydrogenation catalyst.
- Development of a continuous catalytic regeneration (CCR) reforming catalyst for xylenes production.
- Development of technology for coke-less cracking.
- Development of materials for catalytic applications.
- Development of technology for methanol to olefins conversion using micro porous materials.
- Development of self-healing elastomers.
- Development of an improved catalyst system for higher productivity of polypropylene.
- Improvement in the morphological behaviour of catalyst systems for 1-alkene polymerisation.
- Expansion of catalyst precursor production.
- Development of technology for multi-phase polyolefin product characterization and development initiatives.
- Creation of advanced poly-olefins synthesis and characterisation facilities for in-house development.
- Application of computational studies of next generation catalyst system for olefin polymerisation.
- Development of sixth generation catalyst system and products for poly-olefins production.
- Development of processes with productivity improvement for purified terephthalic acid.
- Development of more environment friendly processes for purified terephthalic acid manufacture.
- Development of alternate polyester for stretch and comfort fabrics.
- Development of hollow filaments for light weight and insulation fabrics.
- Development of alternate polyester for bonding application.
- Productivity enhancement for coarse and super-coarse polyester filament yarns.
- Development of new hydrophilic spun lace fibres for non-woven applications.
- Development of indigenous spin finishes for polyester and indigenous additives.
- Increased the capacity of carbon black polyester staple fibers through master-batch injection.
- Development of anti-pilling polyester, binder fibre, UV stable polyester, insect repellent, fire retardant and multifunctional yarns.
- Development of cobalt-free polyethylene terephthalate resin.
- Development of technology for product performance enhancement in recycled polyethylene terephthalate.
- Development of specialty polyester yarn for replacing other yarns such as viscose, nylon, cotton and acrylics.
- Development of polyethylene terephthalate bottles for packaging oxygen sensitive foods and beverages.
- Development of extrusion blow moulding grade polyethylene terephthalate.
- Replacement of asbestos fibres with polyester.

RTG is actively participating in various collaborative projects in India and overseas with institutes such as IIP Dehradun, IIT Mumbai, PARC USA, Tulsa University USA, PDDU Ahmedabad etc. to jointly develop new breakthrough technologies and establish synergies with academia and industrial R&D. RIL continues to be a sole industry partner in the New Millennium Indian Technology Leadership Initiative (NMITLI) project on indigenous PEM Fuel Cell technology development.

RTG 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).

Some additional highlights of RTG are given below:

- All the RTG labs are recognised by the Department Scientific and Industrial Research New Delhi (DSIR), Govt. of India.
- Scientists and engineers at RTG are invited as speakers/presenters at various conferences.
- RTG is highly focused on creation and protection of intellectual property (IP) for the company; RIL's patent portfolio is increasing.

RTG will continue to support the R&T needs of the organisation to get maximum utilisation of RIL assets; in countering potential technology related threats to our businesses; and in identifying, developing, and implementing technology related opportunities to fuel RIL's future growth.

Innovation

Innovation is ingrained in the DNA of RIL since inception. RIL has reinvented many businesses and changed the game over the last few decades. As it reaches for greater heights, the organisation will strive to institutionalise innovation as a way of life leading to innovation led growth.

A distinguished Reliance Innovation Council (RIC) comprising global thought leaders provides the vision for innovation to the organisation. Through physical meetings in India and constant deliberations with the leadership of Reliance, the council gives direction to the strategic thinking of the organisation. It is indeed an excellent opportunity to get insights and advice from Nobel Laureates and other luminaries of stature.

This year the RIC was held on the 10th and 11th of February 2012. It was attended by all the RIC members. As always, breakthrough thinking over two days with the leadership of RIL led to new direction promising path breaking outcomes. Going beyond the two day meeting, RIC members also provide on-going guidance to help shape some of the innovative technologies that are under development.

The Reliance Innovation Leadership Centre (RIL-C) which services the council, implements the innovation agenda throughout the organization. Its primary focus is to design and deploy innovation programmes that would help make RIL one of the most innovative companies in the world. The aspiration is to climb higher on this limitless ladder of excellence.

The Leading Expert Access Programme (LEAP) strives to inspire the human resource of Reliance through talks and lectures by global innovation leaders. These leaders share their work, life and experiences which leave indelible marks on the minds of our people. From Nobel Laureates to corporate leaders and from social crusaders to policy makers LEAP speakers have enthralled and inspired our people.

Some exciting initiatives addressing the creation of next businesses based on emerging technologies are showing great promise. RIL surely is well on its way in creating new exponential value through innovation led growth!

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 2011-12, following three projects of RIL were registered at UNFCCC:

- a) Energy efficiency through heat recovery at Vadodara manufacturing complex of IPCL.
- b) Biomass based process steam generation project at Barabanki Manufacturing Division.
- c) Solar Power Generation Project at Khinwsar, Rajasthan.

Verification audits of four of the registered projects for

issuance of more than one lakh CERs are in progress. Site audits have been completed and request for issuance will be submitted shortly by the auditors to UNFCCC.

Human Resources Development

RIL talent base as on March 31, 2012 stands at 23,166.

As the Organisation continues to grow exponentially and takes significant strides towards being a Global major, there is an increasingly sharper focus on the HR functional alignment with the business and building people capability.

Redefining the contours for a futuristic HR Organisation

Keeping in view the need of the current times, the HR Organisation has undergone significant change. During the year the focus has been on the establishment of Centres of Excellence focused specifically on Talent Acquisition, Talent Management, Learning & Development, Compensation & Benefits and Industrial Relations.

Business Transformation [BT] striding towards creation of an “Employer Brand”

The BT journey that we had embarked over a year ago is turning out to be truly transformational.

The design work on the organisational architecture, benchmarking of all HR business processes, policies and systems with the best in class and creating a HR framework for the future has been completed. The year ahead is going to be an extremely challenging one which will focus on relentless and seamless implementation. From the people, process, HR practices and HR system perspective, the organisation is well and truly on its way to being an “Employer of Choice”.

Creating a robust pipeline of Leaders

The year gone by has seen a huge focus on building a truly global talent base.

There has been considerable emphasis on Leadership hiring to cater to both our current and future requirements. The endeavour to seek out and recruit the best talent in the world has paid rich dividends, with close to 100 leadership recruitments in the current year consisting of a diverse mix of expatriates and in country talent, with about 20% being expatriates.

The Reliance Accelerated Leadership Programme [RALP],

the centre piece of our people strategy, is an unequivocal success, towards investing in youth and building a pipeline of young talent.

The hiring process for RALP was through an extremely robust and stringent recruitment process. 32 professionals across four functional streams – IT, HR, FC&A and P&C, in the age bracket of 27-34 are being groomed to occupy leadership positions over the next few years.

To specifically work on the Business Transformation initiative, we recruited 37 bright young professionals, primarily from the Consulting Industry, in the experience bracket of 4-7 years.

Our campus recruitment initiatives, continues to grow from strength to strength. During the current year we hired 55 Management Graduates, 37 Chartered Accountants and 340 Graduate Engineers from leading institutes across the country. The numbers are only likely to swell in the future.

Building Skills and Capabilities of the Workforce

There were a total of 16,87,893 man-hours of learning which was delivered in the current year including six sigma training of 21,156 man-hours.

Six Sigma initiatives continued during the year to reap rich dividends. RIL’s Six Sigma process is designed to improve the performance of the organization, which is a management driven initiative, linked to RIL’s Vision, Mission & Business Strategy to meet its short and long term business objectives.

As a part of Business Transformation, the process of Six Sigma has been standardized, to be called “Improve Performance” which is subdivided into three sub-processes, namely,

- a) Performance Benchmarking & Gap Analysis
- b) Idea Management
- c) Knowledge Management

In the FY 11-12, the employee who have undergone green belt training were 102, certified as Reliance Certified Green Belts being 4 and Reliance Certified Black Belts at completion stage being 11 Nos.

The FY 11-12, saw 23 Certified Six Sigma Black Belts working in all manufacturing sites and 115 black belts and green belts involved in improvement projects. The year saw the completion of 102 Six Sigma projects in which 612

supervisory personnel were engaged and resulting in annualised saving of INR 36 crore.

Keeping in line with RIL's commitment to develop in-house talent, the first in the series of academies, was rolled out in the form of the FC&A Academy. The coming year will see us partner with leading institutes across the world to establish the Leadership Academy, the Manufacturing Academy and the Other Functional Academy's.

Our quest is towards creation of a world class platform for learning for all employees in the Organisation.

AWARDS AND RECOGNITION

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

Leadership

- Shri. Mukesh D. Ambani, Chairman and Managing Director, Reliance Industries Ltd. received the 'Business Leader of the Year' award at the Hello Hall of Fame Awards, 2011.
- Shri H.S.Kohli President, Reliance Industries Limited was conferred upon with the D. M. Trivedi Life Time Achievement Award by the Indian Chemical Council (ICC) for his contribution to chemical industry.
- RIL received the Euromoney Deals Award for the year 2011 for the deal between RIL and BP Plc.

Corporate Rankings and Ratings

- RIL continues to be featured for the seventh consecutive year, in the Fortune Global 500 list of the World's Largest Corporations and ranked 134th based on Revenues.
- RIL is the only Indian company to feature in "2012 Global 100 Most Sustainable Companies of the world" by Corporate Knights.
- Reliance Industries Limited (RIL) was awarded Application Level A⁺ certification by Global Reporting Initiative (GRI) for its FY 2010-11 Sustainability Report – "New Businesses. New Technologies. New Partnerships. (2011)".
- Boston Consulting Group and Business Week rank RIL among the top 50 innovative companies of the world.

Quality

- Allahabad Manufacturing Division got Performance Excellence trophy from IMC Ramakrishna Bajaj National Quality Awards 2011 under the manufacturing category.
- Hazira Manufacturing Division won "Silver" Award at International Convention for Quality Control Circles (ICQCC) 2011 organized by Union of Japanese Scientists and Engineers (JUSE) at Yokohama, Japan.
- Hazira Manufacturing Division won the American Society for Training & Development (ASTD) Award for "TQM Training Program" with respect to RIL's exemplary practices in work place learning and development.
- Nagpur Manufacturing Division received the "International Star Award for Quality (ISAQ)" at Business Initiative Directions (BID) Convention, London.

Project

- Vadodara Manufacturing Division won the "Highest Par Excellence Award - 2011" for the Lean Six Sigma project from Quality Circle Forum of India (QCFI).
- Patalganga Manufacturing Division bagged Six Sigma award in the category of "Best Innovative Continuous Improvement" at the Lean & Process Improvement Six Sigma Summit organized by International Quality & Productivity Center (IQPC) at Singapore.
- Patalganga Manufacturing Division received the national level first prize at 5th Six Sigma Competition from CII in the category of "Best Quality improvement Project in Continuous Manufacturing Organization".
- Hazira Manufacturing Division won First & Second honours in the "Best Process Improvement Project" in manufacturing category at Lean Six Sigma & Process Improvement Summit organized by International Quality & Productivity Center (IQPC) in New Delhi.
- Hazira Manufacturing Division awarded the Qualtech Award- 2011 in "Manufacturing Improvement category" at Qimpro Convention, 2011 for the Six Sigma project.

Health, Safety and Environment

- RIL received the Responsible Care RC 14001 certification (as per American Chemistry Council specification) issued by M/s DNV and registered at the American National Accreditation Board (ANAB), USA.
- Allahabad Manufacturing Division received the Gold Award in Textile sector for outstanding achievement in safety management from Greentech Foundation.
- Barabanki Manufacturing Division received the Five Star certification from British Safety Council in 2011.
- Hazira Manufacturing Division won American Society for Training & Development (ASTD) Award for “Safety & Operational Training for Employees & Contractors”.
- Jamnagar DTA Refinery received the British Safety Council Five Star Certification in Occupational Health & Safety Management.
- Jamnagar DTA Refinery was honoured with the Five Star Award for Health & Safety Management by the British Safety Council, UK.
- The Jamnagar SEZ Refinery received the Five Star Award for Environment Management System by the British Safety Council, UK.
- Jamnagar SEZ Refinery awarded 10th Annual Greentech Safety Award 2011 in Platinum Category in Petroleum Refinery sector, for the outstanding achievement in Safety Management.
- Jamnagar SEZ Refinery received Srishti’s ‘G-Cube Award-2010’ for ‘Good, Green, Governance’.
- Both, DTA and SEZ refineries at Jamnagar were awarded with Safety Innovation Award 2011 from Institution of Engineers, New Delhi for implementation of Innovative Safety Management System.
- Jamnagar SEZ Refinery received the Golden Peacock Environment Management Award for the year 2011 from GPA Secretariat, New Delhi.
- Naroda Manufacturing Division received the British Safety Council Five Star Certification on Environment.

- Vadodara Manufacturing Division received the CII Environment Best Practices Award 2012 for “Most Innovative Environmental Project”.
- KG-D6 operations were given Five Star Safety Rating by the British Safety Council, UK in recognition of good safety practices.
- KG-D6 operations are selected for the Best Processing Plant by the Oil Industry Safety Directorate, Ministry of Petroleum and Natural Gas (MoPNG).
- KG-D6 operations were awarded the British Safety Council – Sword of Honour towards best safety performance.

Energy & Water Conservation / Efficiency

- Hazira Manufacturing Division won the First Prize in “National Energy Conservation Award 2011” in the Petrochemical sector awarded by Ministry of Power.
- Hazira Manufacturing Division won the “Excellent Energy Efficient Unit Award” for FY 2010-11 during the Energy Summit organized by CII for the 8th consecutive time.
- Jamnagar DTA Refinery received the CII Excellent Energy Efficient Unit Award for 2011.
- Jawaharlal Nehru Centenary Award for specific energy consumption from Centre for High Technology (CHT), Ministry of Petroleum and Natural Gas (MoPNG) was received by Jamnagar DTA Refinery.
- Jamnagar SEZ Refinery received the National Energy Conservation award 2011, from Bureau of Energy Efficiency, Ministry of Power.
- Reliance Corporate IT Park, Navi Mumbai received the 1st prize at 7th Maharashtra State level Energy Conservation Award for the year 2009-10 in Commercial Building Category.

Technology, Patents, R & D and Innovation

- RTG received National Technology Award for in house technology development in polypropylene catalyst.
- RTG scientists have received the Vividhlaxi Audyogik Samshodhan Vikas Kendra (VASVIK) Award.
- RTG received the “NOCIL award for excellence in

design or development of process plant and equipment” and “Eminent Chemical Engineer Award” from the Indian Institute of Chemical Engineers (IChE)

- Hazira Manufacturing Division won the Golden Peacock Eco-Innovation Award for 2011 in Petrochemical sector, awarded by World Environment Foundation (WEF) in association with Institute of Directors (IOD).
- Hazira Manufacturing Division won the National Award 2011 for successful commercialization of indigenous technology from Ministry of Science & Technology.

Corporate Social Responsibility

- Dahej Manufacturing Site received the 2nd Annual Greentech HR Gold Award 2012 in Training Excellence.
- RIL inducted into Palladium Balanced Scorecard Hall of Fame for Executing Technology having achieved execution excellence through use of Balanced Scorecard.
- Hazira Manufacturing Division won the Golden Peacock National HR Excellence Award-2011 in Petrochemical sector.
- Hazira Manufacturing Division won the Golden Peacock Global Award for CSR 2011 in Petrochemical sector.

- RIL Group Manufacturing Services (GMS) received the American Society for Training & Development (ASTD) Best Award, 2011 for workplace learning & performance.

Retail

- Reliance Trends received the ‘Retail Marketing Campaign of the Year Award’ at the Asia Retail Congress 2011.
- Reliance Trends received the ‘Innovative Retail Concept Award for Performax’ at the Asia Retail Congress 2011.
- Reliance Trends received the ‘Retailer of the Year 2011 Award’ for the ‘Fashion & Lifestyle’ category at the Asia Retail Congress 2011.
- Reliance Trends received the ‘Most Admired Retailer of Store Brands Award’ under the ‘Apparel & Clothing’ category at the Primal Label Forum, 2011.

Sustainability

- RIL won the prestigious National Golden Peacock Award 2011 for its outstanding contribution in the field of corporate sustainability.
- Hazira Manufacturing Division won the prestigious CII-ITC Sustainability Award for the year 2011 for its strong commitment towards sustainable excellence.

Report on Corporate Social Responsibility

RIL upholds a deep conviction in Corporate Social Responsibility (CSR) that transcends all operations and businesses. Reliance has contributed to the growth of all its stakeholders and to the transformation of the society at large. The efforts in this direction have fortified RIL into a robust, resilient and sustainable company.

At RIL, dispensing CSR has encompassed a broad range of activities. It implies not only protecting the health and ensuring the well-being and security of our employees, but that of the local communities also, in which we operate. It equally extends to suppliers, customers and consumers. In spirit and action, RIL is committed to its policy of “Safety of persons overrides all production targets”. In a larger perspective, such endeavours are taking Reliance towards social institution building for sustainability and building a strong and vibrant India.

Health, Safety & Environment (HSE)

Health

RIL focuses on achieving excellence in occupational and personal health of all its employees. With this objective, RIL has undertaken ‘**Mission Wellness**’ at all its manufacturing sites, Exploration and Production (E&P) locations, as well as its offices to improve and maintain employee health, RIL has set up state-of-the-art Occupational Health Centres (OHC) at all manufacturing, E&P locations and major office complexes including the Reliance Corporate Park (RCP). The OHCs are well equipped to provide comprehensive emergency medical services, and also offer preventive, promotive and curative health services to the employees. With wellness of one and all as the agenda, all Reliance employees as well as its contractors’ employees at manufacturing sites undergo regular periodic medical examinations. A **High Alert** system has been implemented to prevent any medical complications.

For driving awareness against lifestyle diseases, the Company’s medical and occupational health departments organise **structured monthly programmes** for health awareness, offering daily health tips and personal counselling. Such health awareness programmes are conducted across all sites and major offices.

A noteworthy addition to health infrastructure this year is the establishment of, state of the art Special Burns Treatment unit at the hospitals at Dahej, Nagothane and

Baroda. At its manufacturing divisions and E&P locations, RIL has developed Community Medical Centres. These centres provide comprehensive health services - preventive and curative - to the residents of neighbouring villages. In Andhra Pradesh, a Primary Health Centre (PHC) has been established by RIL to serve nine villages of Gadimoga and Bhairavapalem panchayats. The health centre has a provision to accommodate 30 beds for inpatient treatment. It is ready to be handed over to the Government of Andhra Pradesh.

Showing sensitivity towards emotional health and psychological well-being of its employees, Reliance has launched the **Work Life Project** across various sites. It goes beyond physical health and focuses on promoting emotional health and psychological well-being, among people, through trained ‘missionaries’.

Safety

In 2007, RIL embarked upon the journey towards world class HSE Management System. The goal set by Mr. Mukesh D. Ambani, Chairman & Managing Director was ‘Radical Complete Transformation of Safety Culture to achieve World Class Safety Standards’ in partnership with DuPont Safety Resources.

Standardization of HSE processes and their integration into business processes was undertaken as a part of the Business Transformation initiative. The integration included defining safety related controls. RIL’s Petrochemical and Refinery manufacturing facilities continued to institutionalize RIL HSE Management System. This was achieved by making the line management responsible for HSE implementation through safety sub-committee approach. Risk Management and Process Hazard Analysis were further strengthened to help mitigate the risks and for more efficient and effective Emergency Response planning. As a consequence there was reduction in inventory of some toxic materials at sites. Under “**1- Reliance,**” the process of integrating Safety Management System began across the RIL Group, including upstream operations and Polyester sites.

RIL, as a signatory to the ‘Responsible Care’ movement, invited DNV to assess its facilities in line with the requirements of RCMS 14000. In the initial phase, the Head Office facilities at RCP and Hazira manufacturing facility were audited by DNV. Based on this audit, RIL is now certified to the RCMS 14000 standard.

RIL continued to strengthen its networking with national and international organisations in the safety arena. To continuously improve safety performance, the internal auditing process for safety was further strengthened. For this, First Party and Second Party Audits, in line with the RIL Group Standards, were instituted in the areas of Process Safety Management, Workplace Safety, Contractor Safety Management, Fire and Distribution Safety.

Environment

Committed to the environmental stewardship programme, RIL has undertaken several measures in this direction.

- RIL's manufacturing divisions and upstream gas handling terminal have instituted ISO-14001 Environmental Management System (EMS), and obtained re-certification wherever necessary.
- For harnessing the optimum benefit of the system in majority of manufacturing divisions and offshore gas handling terminal, it has been integrated with ISO: 9001:2008 Quality Management System and ISO-18001:2007 Occupational Health and Safety Management Systems (OSHA).
- RIL follows the Global Reporting Initiative's G3.1 Guidelines for developing its environment performance indicators.
- The Integrated Management System (IMS) is also audited by a third party and accreditation is provided.
- A "Responsible Care" initiative of ICC has been initiated to further strengthen the RIL's commitment to HSE.

The selection of project, assessing its impact on the society and the environment, including the engagement of neighbouring community and other stakeholders, is an on-going activity at upstream and all manufacturing locations. This concerted effort is aimed at developing environmental initiatives to address RIL's long term target of becoming water positive, carbon neutral company with maximum possible recycling and reuse of wastes. What has been achieved is a significant trend towards reduction in specific emissions, energy consumption and discharges, with a marked increase in effluent and waste recycling.

RIL in its constant endeavour to be fully compliant with all applicable environmental regulations, has instituted a compliance management system. Therefore, prior to the

commissioning of projects, the potential environmental impacts and risk analysis of all new proposed projects are considered. If required, necessary measures are incorporated to mitigate adverse environmental impacts prior to commissioning of the projects.

Continuing its relentless drive to meet world class environmental performance during FY11-12, RIL developed a group standard and second party audit protocol for the electronic waste management. During this financial year, an international agency was engaged to develop group-wide Environmental Management Process. Taking this further, under the project STAR, a road map has been drawn for the implementation of an integrated system-based processes transformation.

RIL has developed and instituted a three-tier audit system. During FY11-12, half of the standards for second party audits were covered and the remaining ones have been planned in the following year. The third tier audit includes environment audit by external agencies which include annual audit by Gujarat Pollution Control Board (GPCB) recognised auditors in Gujarat; and ISO-14001:2004 audits by the accreditation agencies. This year a five star environmental audit by British Safety Council, UK was performed at Jamnagar SEZ refinery, Vadodara manufacturing division, Patalganga manufacturing division and Naroda textile division. With this, RIL's 13 manufacturing divisions have been audited for its environmental management by the British Safety Council (BSC). Hazira manufacturing division, along with Head Office, was audited for the Responsible care RC-14001 and both were certified by the ICC.

Maintenance of assets and improvement of their performance are given top priority at RIL. In this context all pollution abatement facilities such as effluent treatment plants, in-side battery limit air emission control, and waste disposal facilities are maintained and operated in line with the industry's best practices.

To further the cause of environmental sustenance, in every manner possible, most of RIL's manufacturing divisions have taken up rain-water harvesting initiatives. This reduces dependence for water on natural sources.

RIL's efforts such as mangrove plantation and its maintenance in the coastal areas, with the help of international agencies creation & maintenance of green belts and gardens in and around the upstream and manufacturing units; vermi-compost of waste and its use

as manure; and recycling of treated water in cooling water system and in horticulture activities are imbued in our culture of sustaining the earth's environment.

Social Responsibility and Community Development

Education

Evolving lives through education and building a rich pool of human resource for India, RIL has developed its own network of 11 schools in and around the manufacturing units of the company in Jamnagar, Surat, Vadodara, Patalganga, Nagothane and Nagpur benefitting more than 15000 students. These schools promote education among children of the underprivileged communities. The J. H. Ambani School, Patalganga, provided education to nearly 90 underprivileged children from nearby villages in Lodhivali during the current year.

To attract children to attend school, and foster a love for knowledge among them, several initiatives are launched from time to time. For instance, school kits including books, uniforms, shoes and stationary items were provided to students from schools falling under Nagpur, Allahabad, Gadimoga and Bhairavapalam Panchayats. At Hazira, an initiative, *Vanche Vidhyarthi*, was launched to inculcate the habit of reading in children, wherein more than 2,600 books were distributed to 5 schools. A district level quiz competition, known as the 'Reliance Dhirubhai Ambani Quiz', is an annual affair in Andhra Pradesh. In its second year of launch, in FY 11-12, more than 1,300 students from over 300 schools participated in this event.

The J. H. Ambani School in Patalganga supported a network of institutions working towards the education of differently abled children. A school for the differently abled being run at Surat sought to address the issues relating to learning disability and dyslexia in children.

Reliance Dhirubhai Ambani Protsahan Scheme

The Reliance Dhirubhai Ambani Protsahan Scheme is a novel step towards encouraging the meritorious poor students to pursue higher studies. The students who excelled in SSC examination were provided free education at intermediate (10+2) level in leading residential colleges. So far, the scheme has enabled over 900 students to gain access to quality education, unburdened by financial constraints. The scope of this scheme was further extended to provide financial support to the deserving toppers of the Protsahan Scheme to pursue their professional courses in Engineering and Medicine.

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 Education World, in its Survey of India's Most Respected Schools, ranked Dhirubhai Ambani International School as No. 1 on Academic Reputation and on Individual Attention to Students.

Building on the school's excellent academic record across all its three streams (the ICSE, the IGCSE and the IB Diploma), its students achieved impressive results in the examinations held in 2011 as well. Also, the school's performance on university placement continued to be excellent.

While the academic laurels of the students of the Dhirubhai Ambani International School were noteworthy, equally laudable was the service orientation of its students. The students worked with NGOs like Advitya, Akanksha, Mukangan, Pratham, Aarambh and Aseema for education of the underprivileged children. Through '*Across the Road*' neighbourhood service initiative, the students reached out to community members in Bandra-Kurla Complex, Mumbai, with education and health programmes. The '*Empowering Villages Everywhere*' initiative provided solar lamps to villages where electricity was scarce, besides assisting them in education and employment avenues.

Healthcare

RIL, in partnership with the Government of Gujarat, created a society named the 'Dahej Health & Welfare Society' (DHWS) to run a 50 bed hospital for secondary level healthcare facilities at Dahej. RIL has invested in the society and takes care of its daily expenses. This hospital shall provide free treatment to the Below Poverty Line families and will extend up to 70% subsidy to the patients referred by the PHCs. The hospital will also provide outdoor medical services and organise health awareness camps for the nearby communities.

In Patalganga, the Dhirubhai Ambani Hospital provides quality medical care to neighbouring communities. The hospital provided free or highly subsidized medical care to over 1,000 residents of surrounding villages during FY11-12.

Curative healthcare was also provided through mobile medical vans. To cater to emergencies caused by accidents, RIL provided a 24X7 ambulance service from the borders of Himachal to Hoshiarpur.

RIL also focuses on raising awareness and providing treatment for HIV/AIDS. A clinic 'Hamrahi' operating in Allahabad provided voluntary testing and counselling for HIV/AIDS. An anti-retroviral treatment (ART) clinic run at Dhirubhai Ambani Hospital, Patalganga provided free consultation, counselling and investigation to over 2,500 patients during FY11-12. RIL provided financial assistance for setting up a new ART centre in the East Godavari District of Andhra Pradesh and is now ready for operations. In addition, the Company also renovated the ART centre in the Government Hospital at Amalapuram, A.P. and financed the purchase of latest machines and equipment. The ART Centre at Hazira has catered to more than 65,000 patients. More than 2,700 HIV positive patients have been enrolled under clinical monitoring; and more than 400 patients have received DOT therapy for tuberculosis including 37 in the FY 11-12. The Community Care Centre & Reliance AIDS Care Hospital at Hazira has catered to more than 2,500 patients. The centre and the hospital have a number of resident orphans who are HIV positive and are not fit for staying in a standard orphanage home due to their need for constant health monitoring. To educate these children, a small scale school called "*Pathshala*" was inaugurated.

Further, the employees at E&P sites and the Reliance Ladies Club at Hazira initiatives "*Chirudeepam*" and "*Project Hope*" respectively continued with aim to support children affected by AIDS and supplying them with nutritive kit every month, as per the WHO standard. Similarly, the Jamnagar manufacturing division runs '**Project Balkalyan**', with an objective to provide nutritional support to children affected with HIV infection. Nutritional kits were distributed to all HIV positive children when they visited the centre for monthly follow-up. Hazira Manufacturing Division, through Reliance Ladies Club (an association of spouses of RIL managerial employees) has an on-going child adoption programme to take care of nutritional requirements of HIV positive children.

Blood donation camps were also organised in various manufacturing divisions and locations. It is noteworthy that more than 700 units of blood were collected in the blood donation camps held at Reliance Corporate Park.

To further the cause of health and sanitation, awareness campaigns, RIL provided supplementary financial assistance for the construction of individual sanitary toilets at household level. More than 300 families of Gadimoga Panchayat villages benefited from the individual sanitary facilities.

The commissioning of the new state-of-art tertiary care multi-specialty hospital in the premises of the Sir H.N. Hospital & Research Centre will ensure a significant upgradation in the abilities, activities and outreach.

Reliance Drishti

Reliance Drishti is an initiative launched in partnership with the National Association for the Blind (NAB) in 2003. By the end of FY11-12, the project completed over 10,000 free cornea grafting procedures for the underprivileged. Marking a historic event, Reliance Drishti launched India's first registered national Hindi newspaper in braille on 19th March, 2012 at Mumbai. This newspaper will be widely circulated through institutional partners to over 20,000 visually impaired persons across the country.

Reliance Drishti seeks to enable children to empathise with the needs of the visually challenged by raising awareness through organising painting competitions for children. The winning art entries are used in various ways to reach millions of people with the message of eye donation. The painting contests during FY11-12 received an overwhelming response of over 12,000 children.

Heritage Conservation

Taking pride in the rich cultural heritage of India, RIL has sponsored the construction of Dwarka Parisar. It was completed in a record time of one and half years. Constructed on a fifty-fifty Public-Private Partnership with the Government of Gujarat, the Dwarka Parisar was dedicated to the public in May 2011. A public road was also constructed at Dwarka and the banks of river Gomati were cleaned. Kokila Dhiraj Dham at Dwarka continues to provide reasonable accommodation to pilgrims. RIL also renovated the village temples in Gadimoga Panchayat.

Disaster Relief

Always reaching out to people affected by natural calamities, the Company, in the FY 11-12, provided tarpaulins for cyclone affected people in Puduchery. Clothes, food materials and A/C sheets were provided to the fire affected villagers in Allahabad. For a swifter response, a free of cost Fire Tender service was extended both in Allahabad and Patalganga.

Promoting Sports and Sportsmen

Promoting sports in India, RIL has instituted the **IMG Reliance Scholarship**. This scholarship was awarded to 28 aspiring Indian sportspersons for full time training and

coaching at one of the best sports training facilities in the World – the IMG Academies, Florida. These talented young sportspersons were from varied fields including Tennis, Basketball and Football. These young sportsmen underwent rigorous physical and mental training, were given the best in class sports education and were exposed to high quality competition. Recipients of these scholarships brought several laurels to the community.

Safety Initiatives for Community

In a unique safety initiative, RIL established a Truckers' Safety Training Centre at Hazira. This centre, fully equipped with air conditioning and audio-video equipment, provided training to truck drivers. These training programmes included safety rules, efficient driving techniques, understanding hazards associated with various materials and responses in case of emergencies. More than 100,000 drivers have been trained through this initiative since its inception in 2005.

Environment Initiatives for Community

Carrying on its environment preservation drive perennially, RIL undertook large plantation drives at villages in Vadodara, Patalganga, Reliance Corporate Park (RCP), Ghansoli *gaon* and Gavalidev hill, Ghansoli.

A programme of power generation from renewable sources was also initiated to make the HIV DOTS centre at Mora Village, Hazira, a "Model Renewable Village Centre". In a unique initiative to promote environment friendly culture amongst employees, Share-a-Ride, a pool transport initiative was introduced in RCP. An online portal was created to strengthen this initiative. In addition, eco-friendly battery operated golf carts and bicycles, both with zero emission levels were deployed for internal transportation at RCP.

Reliance Rural Development Trust (RRDT)

During FY11-12, RRDT continued to create rural infrastructure in tandem with the Gokul Gram Yojana of the Government of Gujarat. RRDT undertook 382 new works in 354 beneficiary villages of 79 talukas under 24 districts of Gujarat. Construction of over 250 facilities were completed including 219 Anganwadi buildings, 41 cement concrete roads and one check dam with 0.6 mcft water storage capacity. With this 40th check dam being built during the FY11-12, the water holding capacity of the RRDT built check dams rose to 10 mcft, benefiting 1,165

hectares of rural land in Gujarat. Concrete roads were also constructed in 5 villages and drains were laid for Padana village.

Catering to the health and sanitation needs of the villages, Moti Khavdi Medical Centre and a Mobile Medical Van continued to serve the rural community. For creating a more permanent solution to the water shortage problems in the area, water pipelines were laid in Padana village. Sulabh International, a sanitation agency, was engaged to keep the public places in the entire Meghpar village clean on a daily basis.

Catering to the educational needs of the communities, the Trust constructed a school building for Meghpar village. Over 1,500 school-kits were also distributed to students of 69 schools in 42 villages in Jamnagar and Lalpur Taluka on commencement of the academic year 11-12.

Dhirubhai H. Ambani Memorial House was constructed at Chorwad, the native place of RIL's Founder Chairman, Mr. Dhirubhai Ambani. This memorial drew hundreds of visitors each day since it opened for public.

'*Dhirubhai Ambani Vanijya Bhavan*', the new premises of Jamnagar Chamber of Commerce and Industry, was constructed and inaugurated, in April, 2011.

During FY11-12, liberal support to individuals and institutions including NGOs in the areas of education, health, culture, business and sports was extended by RRDT. Donations were made to tribal schools; and schools for sanskrit teaching; students were sponsored for higher studies; events like *van mahotsavs*, medical conferences, seminars of environmental importance and discourses on maritime security and anti-piracy were sponsored; traffic islands and beautification of airports was carried out and donations were made on the occasion of festivals.

Acknowledging and supporting talent

RIL has instituted "UAA-Dhirubhai Ambani Lifetime Achievement Award", jointly with the UDCT Alumni Association (UAA) for innovative and outstanding contribution in the field of chemical sciences and continues to recognize scientists from both India and around the world through this award. This year, this award was conferred on Professor C N R Rao, FRS, Padma Vibhushan. Prof. Rao is Linus Pauling Professor, Honorary President of Jawaharlal Nehru Centre for Advanced Scientific Research, Bangalore and Chairman, Scientific Advisory Council to the Prime Minister of India.

“Real Heroes”, is an initiative of RIL which recognises and acknowledges ordinary Indians who are making a difference to people’s lives. In the annual felicitation held in March, 2012, 24 ‘Real Heroes’ of India were honoured. The efforts of these 24 Real Heroes, selected from across the country and working in diverse fields of Women Empowerment, Environment, Youth, Social Welfare, Health & Disability, Education & Children and Sports, were recognised. All of them have significantly contributed to the betterment of communities. These ordinary citizens have displayed exemplary service to the nation by placing the society before them.

Reliance Foundation

Established in 2010, Reliance Foundation is the heart of the enterprise. It epitomizes the inspiration and the aspiration of the founder and the present promoters of the RIL Group. It focuses on five core pillars: Rural Transformation, Education, Health, Urban Renewal, and Arts, Culture & Heritage.

For realising the aspiration of seeing rural life in its development phase in all aspects, the Reliance Foundation launched **Reliance bij** (the acronym of **Bharat India Jodo**) in October 2010. Sowing the seeds of rural transformation, Reliance bij focuses on supporting marginalized farmers, generally plagued by constraints of low farm productivity and increasing natural resource degradation. Reliance bij aims to bridge the ever widening gap between the developmental and prosperity levels of rural and the urban parts of the country. Its vision is to see a rural community thriving on farming and ‘*to make farming a first choice profession*’, with best practices and modern agricultural techniques. Reliance bij provides support to small and marginal farmers through input support, technical assistance, post-harvest and marketing support. At village level, bij helps in forming Village Farmers’ Associations (VFA) where farmers come together to plan, decide and act on various issues that impact their produce and their village unit as a whole. Also, the bij team facilitates the formation of a Producer Company (PC) which provides commercial and financial interface to the communities. PC achieves this by way of aggregating their need for quick, cheaper and reliable access to a variety of goods and services. These requirements comprise information on various farming practices, subsidies, training, access to

credit, mechanisation of various farming operations, collection, storage and sale of farm commodities.

The Reliance Foundation, through Reliance bij, promotes sustainable agriculture practices. These include diversified farm practices like bee keeping and animal husbandry, which also provide additional sources of livelihood to the farming families. To encourage farmers to adopt sustainable farming practices, demonstration farms called *Dharti* farms have been set up. Further, to demonstrate the process of homestead vegetable garden, Reliance Nutrition Gardens are cultivated in villages.

To build a knowledge repository of the vast traditional practices, Mouda Farm Research activities, near Nagpur, were initiated.

For promoting education at all levels, Reliance Foundation launched an initiative to establish a world-class multidisciplinary university in Maharashtra. Envisioning technical skills at various levels in the upcoming generation of India, the Foundation is in the process of establishing the **Reliance Institute of Technology** in Jamnagar and the **Reliance Polytechnic** in Dwarka, in partnership with the Government of Gujarat.

Dhirubhai Ambani Foundation

The Dhirubhai Ambani Foundation (DAF) focuses on promoting education. Its ‘**Dhirubhai Ambani Undergraduate Scholarship Scheme**’ has been motivating students excelling at the +2 level and assisting them to pursue higher education. The Foundation’s “**Dhirubhai Ambani SSC Merit Reward Scheme**” recognises the standard X Board examination merit holders. Special efforts are made to reach out to the physically differently abled and the girl child through such educational schemes. Both these schemes are implemented in Maharashtra, Goa, Gujarat, Daman, Diu and Dadra Nagar Haveli on a district-wise basis for the State Education Boards and on a state-wise basis for the CBSE Board. For the rest of the country, these schemes cover only the physically differently abled category of the State Boards. In FY 11-12, DAF conferred 329 rewards and 289 scholarships. Of these, 144 rewards and 99 scholarships went to the physically differently abled category. Till date, these schemes have benefited 8,734 students, 1,596 of those are physically differently abled.

Report on Corporate Governance

In accordance with Clause 49 of the Listing Agreement with the BSE 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 Code of Governance

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. Good governance practices stem from the culture and mindset of the organisation and at Reliance we are committed to meet 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, corporate secretarial 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.

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. This gives us the confidence of having put in the right building blocks for future growth and ensuring that we achieve our ambitions in prudent and sustainable manner. Reliance not only adheres to the prescribed corporate governance practices as per Clause 49 but is also committed to sound corporate governance principles and practices and constantly strives 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. At Reliance we consider stakeholders as partners in our success and we remain committed to maximising stakeholder value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This emanates from our strong belief that sound governance is integral to creating value on an overall basis. Since our Initial Public Offer (IPO) we have an enviable track record of growth over 34 years. We have grown by a Compounded Annual Growth Rate (CAGR) of Revenues 27%, EBITDA 28% and Net Profit 29%. The financial markets have endorsed this sterling performance and the market capitalisation has increased by CAGR of 34% during the same period. 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 3.4 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 of Governance and these include:

Independent Board with defined role and responsibilities:

A majority of the Board, 7 out of 13, are independent directors. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably increasing the Company's value. 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.

Ethics Policies: Reliance always strives to conduct its business and develop its relationships in a manner that is dignified, distinctive and responsible. In this direction, we have adopted various codes and policies which act as enablers to carry our duties in an ethical way. Some of these codes and policies are:

1. Code for Board of Directors and Board Committees.
2. Code of Business Conduct and Ethics for Directors/ Management Personnel.
3. Code of Conduct for Prohibition of Insider Trading.
4. Code of Ethics and Business Policies.
5. Policy document on Values and Commitments.
6. Manual on Corporate Governance.
7. Health, Safety and Environment (HSE) Policy.
8. Code of Financial Reporting, Disclosure & Transparency.

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 as well outside internal auditors that reviews internal controls and operating systems and procedures. A dedicated Legal Compliance Cell ensures that the Company conducts its business with high standards of legal, statutory and regulatory compliances. The Company has instituted a legal compliance programme in conformity with 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, corporate and securities 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, allows optimal use and protection of assets, facilitates 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 maintains the highest standards of Corporate Governance; it is the Company's constant endeavour to adopt the best Corporate Governance practices keeping in view the international codes of Corporate Governance and

practices of 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.
- Internal audit of the Company is conducted by independent auditors.
- The Company also undergoes secretarial audit conducted by an independent company secretary who is 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. Reliance embraces responsibility for impact of its operations and actions on all stakeholders including society and community at large. The CSR teams at Reliance's manufacturing divisions interact with the neighbouring community on regular basis. Reliance'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. Reliance also supports and partners with several NGOs in community development and health initiatives. Besides focusing primarily on the welfare of economically and socially deprived sections of society, Reliance 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 its operations.

Reporting on triple bottom-line performance: Reliance 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) application level checked. The

maiden report received ‘in-accordance’ status from GRI and all subsequent reports are ‘GRI G3 Checked A+’ application level reports. From Financial Year 2006-07, in addition to referring GRI G3 Sustainability Reporting Guidelines, Reliance refers to the American Petroleum Institute / the International Petroleum Industry Environmental Conservation Association Sustainability Reporting Guidelines and the United Nations Global Compact Principles. Reliance has also aligned its sustainability activities with the focus areas of the World Business Council for Sustainable Development. From the Financial Year 2011-12, Reliance is additionally referring to GRI G3.1 – Oil & Gas Sector Supplement; and has aligned with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business framed by the Government of India.

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 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. Reliance 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 and Board’s Report. Although these standards are recommendatory in nature, the Company substantially adheres to the standards voluntarily.

2. Board of Directors

Board composition and category of Directors

The Company’s policy is to maintain optimum combination of Executive and Non-Executive Directors. The composition of the Board and category of Directors is as follows:

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

All the independent Directors of the Company furnished a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent. All such declarations were/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 University Department of Chemical Technology, University of Mumbai). He has pursued MBA from Stanford University, USA.

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

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

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

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

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

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

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

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

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

Shri Mukesh D. Ambani is a Member of Millennium Development Goals (MDG) Advocacy Group (MDG Advocate) constituted by United Nations (UN) and a Member of The Foundation Board of World Economic Forum.

On invitation to Shri Mukesh D. Ambani, Reliance Industries Limited, became a Council Member of World Business Council for Sustainable Development (WBCSD) in 2007. Shri Ambani has been elected as Vice Chairman of WBCSD Executive Committee in 2008 and re-elected in 2010.

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

He is the Chairman, Board of Governors of the Indian Institute of Management, Bangalore, Chairman of Pandit Deendayal Petroleum University, Gandhinagar. Shri Ambani is Co-Chair of India-Russia CEO Council, Co-Chair of Japan-India Business Leader's Forum and 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, Infotel Broadband Services Limited and a Director of Reliance Foundation, Pratham Education 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 the Chairman of Audit Committees of Reliance Retail Limited and Infotel Broadband Services Limited.

He is Promoter of the Company and holds 36,15,846 shares of the Company in his name as on March 31, 2012.

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 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 Alumnus of the University Institute of Chemical Technology (UICET), 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, 2012.

Shri Hital R. Meswani graduated with Honours in the Management & Technology programme from the University of Pennsylvania, U.S.A. where he received a Bachelor of Science Degree in Chemical Engineering from

the School of Engineering and Applied Sciences and a Bachelor of Science Degree in Economics from the Wharton Business School.

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, Technology 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 and Shareholders'/Investors' Grievance Committee and Chairman of the 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 has been awarded an Honorary Fellowship by IChemE (Institution of Chemical Engineers – the International Professional body for Chemical, Biochemical and Process Engineers) in recognition of his contribution to the process industries.

He is the recipient of The 2011 D. Robert Yarnall Award from The Engineering Alumni Society of the University of Pennsylvania.

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, 2012.

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 31 years. Currently, he spearheads the Upstream and Refining business, which comprises Exploration and Production and Refinery supply and 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 deep water 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 and Production business.

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

He is a Director of Reliance Commercial Dealers Limited, Mangal Deep Commercials Private Limited and Nandika Mercantile Private Limited. 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, 2012.

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 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 travelled 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 of the Company 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 Francisco, 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, 2012.

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 was appointed as a Chairman of Gujarat Industrial Development Corporation Ltd. (GIDC) for 2 years from 6th June 1978.

In 1980, he was appointed as a Director of the Gujarat Industrial Investments Corporation Limited (GIIC) and continuing his services since last 30 years. He is also Chairman of Audit Committee in GIIC Ltd.

He is Director of Sintex Industries Ltd since 1994 and is also member of Remuneration Committee of Sintex Industries Ltd.

He holds 1,72,632 shares of the Company in his name as on March 31, 2012.

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 57 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 and Abhijeet Power 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 Share Allotment & Transfer 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, JCB India Limited and Abhijeet Power Limited. He is also a member of Share Transfer and Investors' Grievance Committee and IPO Committee of Abhijeet Power 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'. Last year was 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, 2012.

Shri Yogendra P Trivedi is practicing as senior advocate in Supreme Court. He is a member of the Rajya Sabha. He holds important positions in various fields viz. economics, 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 Central Bank of India and Dena Bank, amongst many other reputed companies. He was the past President of the Indian Merchants' Chamber and presently is a Member of the Managing Committee. He was on the Managing Committee of ASSOCHAM and the International Chamber of Commerce.

He is the Chairman of Sai Service Station Limited and Trivedi Consultants Private Limited. He is the Director of Colosseum Sports & Recreation International, The Supreme Industries Limited, Birla Power Solutions Limited,

Zodiac Clothing Company Limited, The Seksaria Biswan Sugar Factory Limited, New Consolidated Construction Company Limited, Emami Limited and several private limited companies.

He is the Chairman of Indo African Chamber of Commerce. He was the President of the Cricket Club of India. He was the past 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 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. Mr. 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 and the Seksaria 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, 2012.

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 (1983-94); 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.

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, DLF Limited and other private limited companies. 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, 2012.

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

He is a Director on the Board of FACOR Power Limited.

He holds 2,924 shares of the Company in his name as on March 31, 2012.

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 contribution 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, Intellectual Ventures. He is a Fellow of the 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 and the former President of the Society of Polymer Science, India.

He is an Independent Director on the Board of Jubilant Industries Limited and a member of the Board of Governors of IIT Delhi. 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 all his alma maters – IIT Kanpur, Tufts University and University of Massachusetts. He was awarded the Distinguished Service Award by IIT Delhi during its Golden Jubilee in 2011. 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 2,300 shares of the Company in his name as on March 31, 2012.

Prof. Dipak C. Jain is a M.S. in Mathematical Statistics from Guwahati 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 is the Dean of INSEAD, a leading business school with three campuses - Fontainebleau (Paris), France, Singapore and Abu Dhabi. He has more than 26 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 Guwahati 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 Hindustan Media Ventures Limited and HT Global Education. He is also 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 its Audit Committee.

He does not hold any shares of the Company in his name as on March 31, 2012.

Dr. Raghunath Anant Mashelkar, an eminent scientist, is a Ph.D. in Chemical Engineering. He is the National Research Professor and also 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 the only third Indian Engineer to have been elected as Fellow of Royal Society (FRS), London in the twentieth century. He is 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 American Academy of Arts & Science (2011).

Thirty 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, KPIT Cummins Infosystems Limited, Sakal Papers Limited, IKP Knowledge Park, Piramal Healthcare Limited 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, Hindustan Unilever Limited and Piramal Healthcare Limited. He is a member of the Remuneration Committee of Hindustan Unilever Limited and KPIT Cummins Infosystems Ltd.

He does not hold any shares of the Company in his name as on March 31, 2012.

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.

During the year under review, the Board has constituted a Committee comprising four independent Directors, viz., Shri Y.P. Trivedi, Dr. D.V. Kapur, Shri M.P. Modi and Prof. Ashok Misra to oversee all matters pertaining to the Buy-back of equity shares of the Company, Shri Y.P. Trivedi being the Chairman of the Committee.

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, over view of the business operations of major subsidiary companies, 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.
 - Annual Financial results of the Company, Auditors' Report and the Report of the Board of Directors'.
 - Quarterly Secretarial Audit reports submitted by the Secretarial Auditors.
 - 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, related party 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.
 - Appointment of and the fixing of remuneration of the Auditors as recommended by the Audit Committee.
 - Internal Audit findings and External Audit Reports (through the Audit Committee).
 - Proposals for major 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.
 - Compliance Certificate certifying compliance with all Laws as applicable to the Company.
 - Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996.
 - 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

Six 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 21, 2011	13	11
2	July 25, 2011	13	13
3	October 15, 2011	13	10
4	November 25, 2011	13	10
5	January 20, 2012	13	12
6	March 23, 2012	13	13

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

Name of the Director	Attendance of meetings during 2011-12		No. of Other Directorship(s) ¹	No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies ²
	Board Meetings	Last AGM		
Mukesh D. Ambani	6	Yes	2	2 (as Chairman)
Nikhil R. Meswani	6	Yes	1	1 (as Chairman)
Hital R. Meswani	6	Yes	2	2 (including 1 as Chairman)
P.M.S. Prasad	4	No	1	1
Pawan Kumar Kapil	3	Yes	Nil	Nil
Ramniglal H. Ambani	6	Yes	2	1 (as Chairman)
Mansingh L. Bhakta	6	Yes	4	6 (including 1 as Chairman)
Yogendra P. Trivedi	6	Yes	8	3 (including 1 as Chairman)
Dr. Dharam Vir Kapur	6	Yes	5	6 (including 4 as Chairman)
Mahesh P. Modi	5	Yes	1	Nil
Prof. Ashok Misra	6	Yes	1	1
Prof. Dipak C. Jain	5	No	2	1
Dr. Raghunath A. Mashelkar	4	Yes	6	3

¹The 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.

²In 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.

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:

Composition of Board Level Committees

Audit Committee

1. Yogendra P. Trivedi - Independent Director (Chairman of the Committee)
2. Mahesh P. Modi - Independent Director
3. Dr. Raghunath A. Mashelkar - Independent Director

Shareholders'/Investors' Grievance Committee

1. Mansingh L. Bhakta - Independent Director (Chairman of the Committee)
2. Yogendra P. Trivedi - Independent Director
3. Nikhil R. Meswani - Executive Director
4. Hital R. Meswani - Executive Director

Remuneration Committee

1. Mansingh L. Bhakta - Independent Director (Chairman of the Committee)
2. Yogendra P. Trivedi - Independent Director
3. Dr. Dharam Vir Kapur - Independent Director

Corporate Governance and Stakeholders' Interface Committee

1. Yogendra P. Trivedi - Independent Director (Chairman of the Committee)
2. Mahesh P. Modi - Independent Director
3. Dr. Dharam Vir Kapur - Independent Director

Employees' Stock Compensation Committee

1. Yogendra P. Trivedi - Independent Director (Chairman of the Committee)
2. Mukesh D. Ambani - Chairman and Managing Director
3. Mahesh P. Modi - Independent Director
4. Prof. Dipak C. Jain - Independent Director

Health, Safety & Environment Committee

1. Hital R. Meswani - Executive Director (Chairman of the Committee)
2. Dr. Dharam Vir Kapur - Independent Director
3. P.M.S. Prasad - Executive Director
4. Pawan Kumar Kapil - Executive Director

Finance Committee

1. Mukesh D. Ambani - Chairman and Managing Director (Chairman of the Committee)
2. Nikhil R. Meswani - Executive Director
3. Hital R. Meswani - Executive Director

Shri K. Sethuraman, Group Company Secretary and Chief Compliance Officer is the Secretary of all Board Committees.

Meetings of the Board Level Committees held during the year and attendance of Directors

Name of the Committee	Meetings Held	Mukesh D. Ambani	Nikhil R. Meswani	Hital R. Meswani	P.M.S. Prasad	P.K. Kapil	Mansingh L. Bhakta	Yogendra P. Trivedi	Dr. Dharam Vir Kapur	Mahesh P. Modi	Prof. Dipak C. Jain	Dr. Raghunath A. Mashelkar
Audit Committee	6	NA	NA	NA	NA	NA	NA	6	NA	6	NA	4
Shareholders' / Investors' Grievance Committee	4	NA	4	3	NA	NA	4	4	NA	NA	NA	NA
Remuneration Committee	1	NA	NA	NA	NA	NA	1	1	1	NA	NA	NA
Corporate Governance and Stakeholders' Interface Committee	3	NA	NA	NA	NA	NA	NA	3	3	2	NA	NA
Employees' Stock Compensation Committee	1	1	NA	NA	NA	NA	NA	1	NA	1	1	NA
Health, Safety & Environment Committee	4	NA	NA	4	1*	2	NA	NA	4	NA	NA	NA
Finance Committee	7	7	7	7	NA	NA	NA	NA	NA	NA	NA	NA

NA – Not a member of the Committee

* Appointed w.e.f July 25, 2011. Two meetings held during his tenure.

Terms of Reference and other details**(i) Audit Committee**

Composition: All the members of the Audit Committee possess financial / accounting expertise / exposure. The composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

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 including the Cost 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 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 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 including Cost auditors and fixation of audit fees.
- 3 Approval of payment to Statutory Auditors including Cost auditors for any other services rendered by them.
- 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 statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations

to the Board to take up steps in this matter.

- 7 Reviewing with the management, the performance of Statutory including Cost Auditors and Internal Auditors, adequacy of internal control systems.
- 8 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.
- 9 Discussion with Internal Auditors, any significant findings and follow up thereon.
- 10 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.
- 11 Discussion with Statutory Auditors including Cost Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- 12 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.
- 13 To review the functioning of the Whistle Blower Mechanism.
- 14 Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- 15 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.
- 16 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.
- 17 Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the Company.

General

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 due date for filing the Cost Audit Reports for the financial year ended March 31, 2011 was September 30, 2011 and the Cost Audit Reports were filed by the Cost Auditors on September 26, 2011 and September 27, 2011. The due date for filing the Cost Audit Reports for the financial year ended March 31, 2012 is September 30, 2012.

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

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

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.

(iii) Employees Stock Compensation Committee

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.
- 8 The procedure for cashless exercise of options, if any.

(iv) Finance Committee

Terms of Reference: The Terms of Reference of the Finance Committee, inter-alia, include the following :

- 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.

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

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.

(vi) **Remuneration Committee**

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.

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 2011-12:

₹ in crore

Name of the Director	Salary	Perquisites and allowances	Retiral benefits	Commission payable	Performance Linked Incentive	Total	Stock Options granted
Mukesh D. Ambani	4.16	0.60	0.78	9.46	-	15.00	Nil
Nikhil R. Meswani	1.04	1.45	0.18	8.32	-	10.99	Nil
Hital R. Meswani	1.04	1.45	0.18	8.32	-	10.99	Nil
P.M.S. Prasad	0.86	1.37	0.15	-	2.62	5.00	Nil
Pawan Kumar Kapil	0.50	0.75	0.09	-	0.65	1.99	Nil

The Chairman and Managing Director's compensation has been set at ₹ 15 crore as against ₹ 38.82 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 performance criteria for the Executive Directors who are entitled for Performance Linked Incentive (PLI) is determined by the Remuneration Committee.

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 ₹ 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 ₹ 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 2011-12 are as detailed below:

₹ in lakhs

Name of the Non-Executive Director	Sitting Fee	Commission	Total
Ramnijklal H. Ambani	1.20	21.00	22.20
Mansingh L. Bhakta	2.20	21.00	23.20
Yogendra P. Trivedi	4.20	21.00	25.20
Dr. Dharam Vir Kapur	2.80	21.00	23.80
Mahesh P. Modi	2.80	21.00	23.80
Prof. Ashok Misra	1.20	21.00	22.20
Prof. Dipak C. Jain	1.20	21.00	22.20
Dr. Raghunath A. Mashelkar	1.60	21.00	22.60
Total	17.20	168.00	185.20

During the year, the Company has paid ₹ 0.57crore 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

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 annual reports, 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.

Compliance Officer

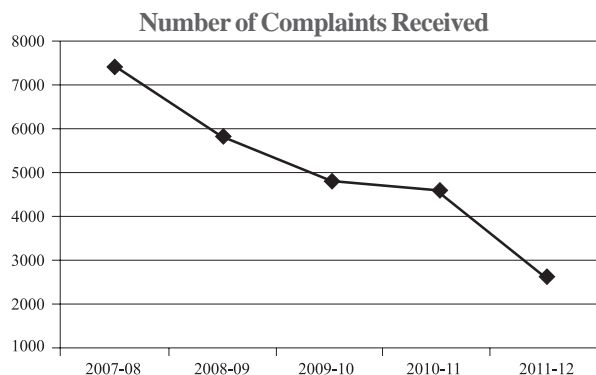
Shri K. Sethuraman, Group Company Secretary and Chief Compliance Officer, is the Compliance Officer for complying with the requirements of the Securities Laws and the Listing Agreements with the Stock Exchanges.

Investor Grievance Redressal

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

Type of Complaints	Number of Complaints
Non-Receipt of Annual Reports	201
Non-Receipt of Dividend Warrants	2023
Non-Receipt of Interest/ Redemption Warrants	202
Non-Receipt of Certificates	156
Total	2582

There were no outstanding complaints as on March 31, 2012. 108 requests for transfers and 256 requests for dematerialisation were pending for approval as on March 31, 2012, which were approved and dealt with by April 2, 2012. Given below is a chart showing reduction in investor's complaints.



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. The Code has been circulated to all the Directors 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 2011-12.

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 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. 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.

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

(i) Annual General Meetings

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

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

Year	Date	Time	Special Resolution Passed
2010-11	June 03, 2011	11.00 a.m.	Nil
2009-10	June 18, 2010	11.00 a.m.	Nil
2008-09	November 17, 2009	11.00 a.m.	Nil

(ii) Special Resolution passed through Postal Ballot

No special resolution was passed through Postal Ballot during the Financial Year 2011-12. 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 Note No. 30 of Notes on Accounts, 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 Show Cause Notices in connection with (i) sale of shares of erstwhile Reliance Petroleum Limited and (ii) the allotment of equity shares of the Company to certain companies against detachable warrants attached to privately placed debentures issued by the Company. The Company has submitted its reply to the same.

11. Means of Communication

- (i) **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.
- (ii) **News Releases, Presentations, etc.:** Official news releases and Official Media Releases are sent to the Stock Exchanges.
- (iii) **Presentations to Institutional Investors / Analysts:** Detailed Presentations are made to Institutional Investors and Financial Analysts, on the unaudited quarterly financial results as well as the annual audited financial results of the Company. These presentations are also uploaded on the Company's website www.ril.com

- (iv) **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.

- (v) **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.

- (vi) **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 and sent to Stock Exchange.

- (vii) **Reminder to Investors:** Reminders for unclaimed shares, unpaid dividend/unpaid interest or redemption amount on debentures are sent to the shareholders/debenture holders as per records every year.

- (viii) **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.

- (ix) **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web based application designed by NSE for corporates. The Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS.

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

- (xi) **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-rilininvestor@karvy.com

(xii) **Shareholders' Feedback Survey:** The Company had sent feedback forms seeking shareholders' views on various matters relating to investor services and the Annual Report 2010-11. The feedback received from the shareholders was placed before the Shareholders'/ Investors' Grievance Committee.

12. General Shareholder Information

(i) 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.

(ii) Annual General Meeting

(Day, Date, Time and Venue):

Thursday, June 07, 2012 at 11.00 a.m.

Birla Matushri Sabhagar,

19, New Marine Lines, Mumbai 400020

(iii) **Financial Year:** April 1, 2012 to March 31, 2013

(iv) Financial Calendar (tentative)

Results for the quarter ending:

June 30, 2012 - Fourth week of July, 2012

September 30, 2012 - Third week of October, 2012

December 31, 2012 - Third week of January, 2013

March 31, 2013 - Third week of April, 2013

Annual General Meeting - June, 2013

(v) Date of Book Closure

Saturday, June 02, 2012 to Thursday, June 07, 2012 (both days inclusive) for payment of dividend.

(vi) Dividend Payment Date

Credit/dispatch of dividend warrants between June 8, 2012 and June 14, 2012.

(vii) Listing on Stock Exchanges

A) Equity Shares

(i) BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001
Scrip Code 500325

(ii) National Stock Exchange of India Limited (NSE)

"Exchange Plaza", Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051
Trading Symbol - RELIANCE EQ
ISIN : INE002A01018

B) Global Depository Receipts (GDRs)

(i) Listing

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

(ii) Overseas Depository

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

(iii) Domestic Custodian

ICICI Bank Limited, Empire Complex, E7/F7,
1st Floor, 414, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013.

C) Debt Securities

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

(ii) Debenture Trustees

(a) Axis Bank Limited
Axis House, C-2,
Wadia International Centre,
Pandurang Budhkar Marg,
Worli, Mumbai 400 025.

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

(c) Axis Trustee Services Limited
2nd Floor, Axis House,
Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg,
Worli, Mumbai 400 025.

D) Payment of Listing Fees: Annual listing fee for the year 2012-13 has been paid by the Company to BSE and NSE. Annual maintenance and listing agency fee for the calendar year 2012 has been paid by the Company to the Luxembourg Stock Exchange.

E) Payment of Depository Fees : Annual Custody/ Issuer fee for the year 2012-13 has been paid by the Company to NSDL and CDSL.

(viii) Stock Market Price Data

Month	National Stock Exchange (NSE) (In ₹ per share)		Bombay Stock Exchange (BSE) (In ₹ per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2011	1065.90	970.00	1065.55	971.65
May 2011	986.80	898.35	987.00	899.25
June 2011	967.00	828.10	967.90	829.00
July 2011	907.00	823.15	906.00	824.00
August 2011	838.90	712.00	845.00	713.55
September 2011	859.00	747.55	859.00	748.50
October 2011	904.00	761.75	899.90	761.65
November 2011	905.00	751.00	902.00	751.15
December 2011	844.60	689.00	819.00	690.00
January 2012	827.90	687.15	825.00	687.55
February 2012	864.70	765.35	864.45	765.75
March 2012	830.00	718.00	829.45	719.40

(ix) Share Price Performance in comparison to broad based indices – BSE Sensex and NSE Nifty as on March 31, 2012

	BSE (% Change)		NSE (% Change)	
	RIL	Sensex	RIL	Nifty
FY 2011-12	-28.59%	-10.50%	-28.71%	-9.23%
2 years	-30.37%	-0.70%	-30.38%	0.88%
3 years	-1.75%	79.27%	-1.90%	75.29%
5 years	9.37%	33.14%	9.16%	38.57%

(x) 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>.

(xi) Share Transfer System

Share transfers are processed and share certificates

duly endorsed are 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/ Shareholders'/Investors' Grievance Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement and files a copy of the said certificate with the Stock Exchanges.

(xii) A) Distribution of Shareholding as on March 31, 2012

Category code	Category of shareholder	Number of shareholders	Total number of shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group¹			
(1)	Indian	62	146 39 23 383	44.75
(2)	Foreign	0	0	0.00
	Total Shareholding of Promoter and Promoter Group	62	146 39 23 383	44.75
(B)	Public Shareholding²			
(1)	Institutions	2 125	92 45 55 435	28.26
(2)	Non-institutions	34 03 919	76 99 61 726	23.54
	Total Public Shareholding	34 06 044	169 45 17 161	51.80
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
(1)	Promoter and Promoter Group	0	0	0.00
(2)	Public	1	11 26 18 796	3.44
	TOTAL (A) + (B) + (C)	34 06 107	327 10 59 340	100.00

¹For definitions of “Promoter Shareholding” and “Promoter Group” refer to Clause 40A of Listing Agreement.

²For definition of “Public Shareholding”, refer to Clause 40A of Listing Agreement.

B) Shareholding Pattern by Size as on March 31, 2012

Sl. No.	Category (Shares)	Holders	Shares	% of Total Shares
1	1 - 500	32 68 307	21 94 16 480	6.71
2	501 - 1000	81 813	5 74 41 833	1.76
3	1001 - 2000	34 661	4 81 07 740	1.47
4	2001 - 3000	9 044	2 20 21 552	0.67
5	3001 - 4000	3 773	1 31 01 763	0.40
6	4001 - 5000	2 141	96 46 413	0.29
7	5001 - 10000	3 374	2 32 30 285	0.71
8	10001 - 20000	1 206	1 66 80 336	0.51
9	Above 20000	1 788	286 14 12 938	87.48
	TOTAL	34 06 107	327 10 59 340	100.00

C) 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

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

Sl. No.	Particulars	Allotment Date	No. of Shares
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
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

Sl. No.	Particulars	Allotment Date	No. of Shares
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
73	ESOS - Allotment	Various dates in 2011-12	13 48 763
	Less: Shares Bought Back and extinguished on January 24, 2005		-28 69 495
	Less: Shares Bought Back and extinguished from February 08, 2012 to March 28, 2012		-36,63,431
	Total Equity as on March 31, 2012		327 10 59 340

(xiii) 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*
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
2010-11	June 03, 2011	8.00

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

Note: Dividend of ₹ 8.50 per share, recommended by the Directors on April 20, 2012, 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.

(xiv) Dematerialisation of Shares

Sl. No.	Mode of Holding	% age
1	NSDL	94.98
2	CDSL	2.51
3	Physical	2.51
	TOTAL	100.00

97.49% of Company's paid-up Equity Share Capital has been dematerialised upto March 31, 2012 (97.14% up to March 31, 2011). Trading in Equity Shares of the Company is permitted only in dematerialised form.

(xv) 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 2011-12 is given below:

	BSE	NSE	Total
Shares (nos.)	7 19 755	43 06 074	50 25 829
Value (in ₹ crore)	59.21	356.67	415.88

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

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

(a) GDRs: Outstanding GDRs as on March 31, 2012 represent 11,26,18,796 equity shares constituting 3.44% 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 at 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: 68,817 Options have been granted during the financial year 2011-12. Each Option, upon exercise of the same, would give rise to one equity share of ₹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.

Members may refer to the disclosures set out under Annexure I to the Directors' Report with regard to particulars of Employees Stock Option.

(xvii) Plant Locations

Allahabad

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

Barabanki

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

Dahej

P. O. Dahej,
Taluka: Vagra, Dist: 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, MIDC Industrial Area, P.O. Rasayani,
Patalganga – 410 220
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, CY-PR-DWN-2001/3, KK-DWN-2001/1, KK-
DWN-2001/2, CYDWN-2001/2, 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

(xviii) Address for Correspondence**(a) 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.

(b) 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

(xix) Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund

During the year under review, the Company has credited ₹ 4.45 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, 2012 is ₹92.74 crore.

(xx) Equity Shares in the Suspense Account

- a) In terms of 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 in demat form 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, 2011	99	1348
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	2	26
Number of shareholders to whom shares were transferred from the suspense account during the year	2	26
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2012	97	1322

- b) In terms of Clause 5A(II) of the Listing Agreement, the Company has dematerialised and transferred 64,13,975 equity shares of the Company issued in physical form to 1,64,437 shareholders and remaining unclaimed, to the 'Reliance Industries Limited - Unclaimed Suspense Account'. No shares were transferred from the suspense account to the shareholders' accounts, during the year.

The voting rights on the shares outstanding in the suspense account as on March 31, 2012 shall remain frozen till the rightful owner of such shares claims the shares.

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 were sent to members at their registered addresses.

Audit Qualification

The Company is in the regime of unqualified financial statements.

Training of Board Members

The Board members are 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 regularly 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, 2012 according to the provisions of-

- The Companies Act, 1956 and the Rules made under that Act;
 - The Securities Contracts (Regulation) Act, 1956 (‘SCRA’), the Rules made under that Act;
 - The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
 - The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB);
 - 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, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
 - The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
 - The Equity Listing Agreements with BSE 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 BSE 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 the 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 37th Annual General Meeting held on June 3, 2011;
- (h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- (j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;
- (k) payment of remuneration to 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, and issue and dispatch of duplicate certificates of shares;
- (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 wherever applicable;
 - (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, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
 - (u) Buy-back of equity shares of the Company;
 - (v) Directors' report;
 - (w) contracts, common seal, registered office and publication of name of the Company; and
 - (x) generally, all other applicable provisions of the Act and the Rules made under the 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 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 BSE 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 BSE Limited;
 - (b) the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997/2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - (c) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
 - (d) the Company has complied with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to implementation of Employee Stock Option Scheme, grant of Options and other aspects;
 - (e) the Company has complied with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
 - (f) The Company has complied with the provisions of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

Dr K R Chandratre
 Practising Company Secretary
 Certificate of Practice No. 5144
 April 20, 2012

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 38th Annual Report and the audited accounts for the financial year ended March 31, 2012.

Financial Results

The financial performance of the Company, for the year ended March 31, 2012 is summarised below:

	2011-2012		2010-2011	
	₹ crore	\$ Mn*	₹ crore	\$ Mn*
Profit before Depreciation and Amortisation Expenses, Finance Costs and Tax Expenses	39,811	7,825	41,178	9,234
Less: Finance Costs	2,667	524	2,328	522
Depreciation and Amortisation Expenses	13,734		16,241	
Less: Transfer from Revaluation Reserve	2,340	11,394	2,633	13,608
Profit before Tax	25,750	5,061	25,242	5,661
Less: Current Tax	5,150	1,012	4,320	969
Deferred Tax	560	110	636	143
Profit for the year	20,040	3,939	20,286	4,549
Add: Balance in Profit & Loss Account	6,514	1,453	5,000	1,114
	26,554	5,392	25,286	5,663
Less: Appropriation:				
Transferred to General Reserve	16,000	3,145	16,000	3,588
Transferred to Capital Redemption Reserve on buy back of Equity Shares	4	1	-	-
Proposed Dividend on Equity Shares	2,531	497	2,385	535
Tax on Dividend	410	81	387	87
Closing Balance	7,609	1,668	6,514	1,453

* 1 \$ = ₹ 50.875 Exchange Rate as on March 31, 2012 (1 \$ = ₹ 44.595 as on March 31, 2011)

Results of Operations

FY2011-12 was a challenging year. The global economy, barely a year after recession, witnessed lower economic growth, resulting primarily from the Euro Zone debt crisis and high oil prices, which were fuelled by uncertainties of supply. Rising unrest in Middle East and North Africa resulted in unprecedented levels of crude oil volatility. The European economies stagnated and the US witnessed a downgrade in its credit rating, while the growth engines of the global economy, China and India were forced to tighten liquidity to tame rising inflation. In addition, civil unrest in Libya and the tsunami in Japan posed further challenges. Despite these constraints and the challenging environment, the Company performed reasonably well and the highlights of the performance are as under:

- Revenue from operations increased by 31.4% to ₹ 339,792 crore (\$66.8 billion)
- Exports increased by 41.8% to ₹ 208,042 crore (\$ 40.9 billion)
- PBDIT decreased by 3.3% to ₹ 39,811 crore (\$ 7.8 billion)
- Profit Before Tax increased by 2.0% to ₹ 25,750 crore (\$ 5.1 billion)
- Cash Profit decreased by 7.3% to ₹ 31,994 crore (\$ 6.3 billion)
- Net Profit decreased by 1.2% to ₹ 20,040 crore (\$3.9 billion)
- Gross Refining Margin at \$ 8.6 / bbl for the year ended March 31, 2012

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 ₹ 28,197 crore (\$ 5.5 billion) was paid in the form of various taxes and duties.

Buy Back of Equity Shares

The Board of Directors of the Company at its meeting held on January 20, 2012 unanimously approved the Buy-back of up to twelve crore fully paid-up equity shares of ₹ 10 each (hereinafter referred to as "Buy-back"), at a price not exceeding ₹ 870 per equity share, payable in cash, up to an aggregate amount not exceeding ₹ 10,440 crore, representing approximately 7.22% of the Company's total paid-up Equity Capital and Free Reserves as on March 31, 2011. The Buy-back is being made out of the free reserves and / or the securities premium account of the Company, from the open market through Stock Exchange(s) in India, as per the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998. The Buy-back Offer is open up to January 19, 2013 or such earlier date as may be determined by the Company after necessary compliances.

Pursuant to the aforesaid Buy-back Offer, the Company has bought back and extinguished 36,63,431 equity shares of ₹ 10 each of an aggregate face value of ₹ 3,66,34,310 as of March 31, 2012. Consequent to the Buy-back, the paid-up equity share capital of the Company as on March 31, 2012 has been reduced to ₹ 3271,05,93,400. The Buy Back Committee constituted by the Board oversees all matters pertaining to the Buy-back of equity shares of the Company.

Dividend

Your Directors have recommended a dividend of ₹ 8.50 per Equity Share (last year ₹ 8 per Equity Share) for the financial year ended March 31, 2012, amounting to ₹ 2,941 crore (inclusive of tax of ₹ 410 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 June 1, 2012; in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

The dividend payout for the year under review has been formulated in accordance with shareholders' aspirations and the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accruals.

Credit Rating

The Company continues to have the highest domestic credit ratings of AAA from CRISIL (S&P subsidiary) and Fitch. Moody's and S&P have reaffirmed investment grade ratings for international debt of the Company, as Baa2 positive outlook (local currency issuer rating) and BBB positive outlook respectively. The Company's international rating from Moody's and 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, 2012 (cumulative position before opening the Buy back offer) are provided in the Annexure I to this Report.

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.

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

RIL – BP Partnership

Reliance Industries Limited (RIL) and BP announced the incorporation of India Gas Solutions Private Limited, a 50:50 joint venture (JV) company, which will focus on global sourcing and marketing of natural gas in India. This joint venture company is a significant step in cementing the relationship between RIL and BP, and it establishes the commitment of both the parties to the Indian market. The

demand for gas has been growing at an exponential rate and both RIL and BP anticipate natural gas to emerge as the preferred choice of fuel, given its properties as a cleaner and more sustainable fuel source.

Shale Gas

RIL entered into three JVs in 2010 as part of its strategic focus on pursuing partnerships with experienced and successful operators in the fast growing resource base of shale gas in North America. In addition to these JVs with Chevron and Carrizo in Marcellus shale play of Pennsylvania and Pioneer Natural Resources in Eagle Ford shale Play of South Texas, RIL and Pioneer also partnered in the development of midstream assets through an equity investment for servicing the gathering needs of Pioneer upstream JV. Reliance's current assets are now most strategically located within the premier shale plays of the US, the Marcellus in Pennsylvania and the Eagle Ford in South Texas.

FY 2011-12 represented a significant year of growth for the shale gas business, with significant investments in drilling, completions and facility installations. As a result of these efforts, gross production from all three JV reported an exit rate of 233 MMCFPD of gas and 34.7 MBPD of liquids in December '11 (a 7 fold increase on year-on-year basis).

RIL-SIBUR Joint Venture

RIL and SIBUR formed a joint venture called Reliance Sibur Elastomers Private Limited. The JV will be the first manufacturer of butyl rubber in India and with its targeted production of 100,000 tonnes of butyl rubber per annum, it will be the fourth largest producer globally. The JV will cater to the demand for synthetic rubber from the Indian automotive industry, which currently exceeds 75,000 tonnes per year and is being met through imports. Investment in the JV is in line with RIL's vision of emerging as a significant player in the global synthetic rubber market. RIL's share in the JV will total 74.9% while SIBUR will account for the rest. The JV will invest \$450 million in setting up its facility, which is expected to be commissioned in mid-2014.

Reliance Retail Limited

Since inception, Reliance Retail has relentlessly worked towards building a services platform for supporting retail development and value creation. It has made significant investments to build back-end as well as front-end retail infrastructure and some of the key areas where the Company has built capabilities include, warehousing and logistics infrastructure, front-end infrastructure development, IT infrastructure and food and supply chain.

During FY 2011-12, Reliance Retail stressed on its back-end operations and store expansion capability by successfully adding more than 200 stores across value and specialty formats. Reliance Retail operates across its two formats – value format and speciality format. Reliance Retail's value format comprises Reliance Fresh, Reliance Super, Reliance Mart, Delight and Autozone, consisting of over 700 stores and contributed to dominant share of retail space and turnover. Speciality value format comprises Reliance Digital, Reliance Trends, Reliance Footprint and Reliance Timeout. Reliance Retail operates various partnerships in the lifestyle category and comprises Reliance Brands, Marks and Spencer, Vision Express and Office Depot.

Infotel Broadband

RIL has acquired 95% stake in the equity of Infotel Broadband Services Limited (Infotel) with the intention of creating a nation-wide network of next-generation wireless broadband services. Infotel was the only successful bidder in all of the 22 circles in the Broadband Wireless Access ("BWA") spectrum auction conducted by the Department of Telecommunications, Government of India. Reliance can now offer fourth generation wireless infocom services across the nation through the 20 Mhz, contiguous, pan-India spectrum secured through this acquisition.

Reliance Haryana SEZ Limited

The development activity of Model Economic Township (MET) in the district of Jhajjar Haryana has begun with some of the leading Japanese multinationals undertaking the development of their industrial units. The State Government has recommended the project to be declared as a node of the Delhi Mumbai Industrial Corridor which is under consideration by appropriate authorities. The MET has been envisioned to be developed as an industrial infrastructure to support economic growth through a Joint Venture between Reliance Ventures Limited (a Wholly Owned Subsidiary of the Company) and Infrastructure Leasing & Financial Services Limited (IL&FS) in a public private partnership framework with the Government of Haryana through HSIIDC Limited (a Government of Haryana company).

Acquisition of Stake in TV-18

During the year, companies effectively wholly owned by RIL, entered into binding agreement with TV18 Broadcast Limited (TV18) for divesting the investments in various ETV channels being operated and managed by Eenadu Group. Completion of this divestment is subject to receipt of regulatory approvals and completion of the proposed rights issue of TV18 and Network18 Media & Investments Limited ("Network18"), the holding company of TV18 and TV18.

Infotel, a subsidiary of RIL, has entered into a content license agreement with Network18 and TV18, under which Infotel shall have preferential access to (i) the content of all the media and web properties of Network 18 and its associates and (ii) programming and digital content of all the broadcasting channels of TV18 and its associates on a first right basis as a most preferred customer.

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. However the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. 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 M.L. Bhakta, Shri Hital R. Meswani, Prof. Dipak C. Jain and Shri P.M.S. Prasad, Directors, retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

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, 2012, 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, 2012 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 Financial Statements 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 2011-12:

- (i) For the textiles business - M/s. Kiran J. Mehta & Co, Cost Accountants; (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; M/s Bandyopadhyaya, Bhaumik & Co., Cost Accountants; (iii) For the polyester business – Shri Suresh D. Shenoy, Cost Accountant, M/s. V. Kumar & Associates, Cost Accountants. (iv) For Electricity Generation - Shri S.N. Bavadekar, Cost Accountant; and (v) For Petroleum Business – Shri S.N. Bavadekar, Cost Accountant; M/s Kiran J. Mehta & Co., Cost Accountants; Shri Suresh D. Shenoy, Cost Accountant; M/s Bandyopadhyaya Bhaumik & Co., Cost Accountants; M/s Shome & Banerjee, 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. The Secretarial Audit Report for the financial year ended March 31, 2012, 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, Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, The Foreign Exchange Management Act, 1999 to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB) 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, 2011, The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and Listing Agreements with the Stock Exchanges.

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-II 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, relevant amounts 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 20, 2012

Annexure – I

Disclosures required under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

(a) Options granted - 5,97,30,217; (b) Exercise Price - 5,74,56,000 options granted at an exercise price of ₹ 642 per option (adjusted for bonus issue), 54,000 options granted at an exercise price of ₹ 842 per option (adjusted for bonus issue); 20,16,000 options granted at an exercise price of ₹ 1146 per option (adjusted for bonus issue); 1,00,200 options granted at an exercise price of ₹ 644.50 per option (adjusted for bonus issue); 16,000 options granted at an exercise price of ₹ 995 per option; 19,200 options granted at an exercise price of ₹ 929 per option; 4,100 options granted at an exercise price of ₹ 972 per option; 18,000 options granted at an exercise price of ₹ 871 per option; 23,717 options granted at an exercise price of ₹ 847 per option; 15,000 options granted at an exercise price of ₹ 765 per option and 8,000 options granted

at an exercise price of ₹ 715 per option. The above exercise prices exclude all applicable taxes, as may be levied in this regard; (c) Options vested 2,84,45,590; (d) Options exercised 50,28,469; (e) The total number of shares arising as a result of exercise of options – 50,28,469; (f) Options lapsed – 1,55,73,428; (g) Variation in terms of options – Nil; (h) Money realised by exercise of options – ₹ 347,98,48,026; (i) total number of options in force [(a) – (d) – (f)] – 3,91,28,320; (j) Employee wise details of options granted to: (i) Senior Management Personnel: Shri Nikhil R. Meswani – 14,00,000, Shri Hital R. Meswani - 14,00,000, Shri P.M.S. Prasad - 10,00,000 and 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 and (iv) 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’ is ₹ 61.21.

Annexure – II

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 2011-12 are listed below:

Allahabad Manufacturing Division

- Energy saving by clubbing cooling water utility and cooling water process circuits thereby running only one cooling pump instead of two pumps used.
- Reduction of steam consumption by switching from pressure regulated valve to control valve and process optimisation.
- Saving on fuel oil by using control valve mechanism to regulate column temperature, thereby reducing heat load.
- Installation of transparent sheets in warehouse leading to reduction in lighting load.
- Replacement of tube lights with LED's.

Barabanki Manufacturing Division

- Installation of Solar Lights.
- Replacement of conventional luminaries with energy efficient luminaries.
- Installation of Eco Ventilators.

Dahej Manufacturing Division

- Increased the residue gas exchanger area in the GCU plant.
- Gas Turbine 01 uprated in CPP.
- In cooling tower 04 one GRP fan replaced with FRP fan.
- Energy saving due to Vapor Compression Refrigeration (VCR) performance improvement at the PVC plant.
- Rerouting of recycle water for better heat recovery in MEG plant.

Hazira Manufacturing Division

- Advanced Process Control (APC) implementation in Gas Turbine GT-2 and steam network.
- Uprating Gas turbine capability of GT-2 and GT-7 at CPP&U plant.
- Improvement in waste heat recovery performance of Make Up Water Heater (MUWH) # 4 and MUWH # 7 at CPP&U plant.
- Reduction in steam and power consumption in CP-2 & CP-3 by commissioning of glycol ejector in place of steam ejector.
- Reduction in steam consumption by reducing the water / aqueous Ethylene Oxide (EO) ratio in glycol reactors at MEG-I plant.
- Utilization of waste steam generated from Flash Drum (D1-1406) to POY plant resulting in LP Steam savings at PTA-I plant.
- Reduction in N₂ consumption by implementation of various N₂ conservation measures and consumption optimization in various areas of CP operations at POY/ PET plant.
- Provision of steam distribution pipes inside the pre-crimper & draw steam box and installation of sparger pipes in DM-8 resulting in steam savings at PSF CP-11 plant.
- Power consumption reduction by installation of “auto-control logic” in Quench Air Humidification Units (AHU's) of 12 spinning machines in Du-Pont plant (CP-1, 2, 4 and 5).
- Reduction in operating pressure of 3rd PTA Crystallizer (D1-1403) resulting in SHP steam savings at PTA-I plant.
- Reduction in 2nd Combuster Preheater (E3-162) condensate temperature resulting in SHP steam savings at PTA plant.

Hoshiarpur Manufacturing Division

- Power saving due to non operation of TSU III Drive (Motor & Gear Box) because of process modification for manufacture of PSF conjugate.
- Power saving due to non operation of return air fan of POY quench AHU.
- Power saving due to stoppage of monomer pump of POY after process modification.
- Power saving by installing acrylic sheets & tur bo ventilators.
- Power saving by replacing of traditional lights with CFL.

Jamnagar Manufacturing Division (DTA)

- Fuel reduction in heaters through excess air reduction, maximizing heat recovery in convection section & air preheaters.
- Reduction of LP steam consumption in Amine treating units by increasing amine concentration thereby reducing lean amine circulation rate.
- Reductions in fuel consumption in Diesel Hydrotreater (DHT) unit, by routing Hot Heavy Kerosene directly from crude unit to DHT feed bypassing tank farm.
- Heat up by MP steam eliminated by optimizing reformer splitter feed temperature.
- Reduction in power by reducing recycle flow in Plat former Net-Gas Compressor.
- Power output increased by maximizing flue gas flow through expander after tuning inlet valve in Fluidized Catalytic Cracking (FCC) unit.
- Flare loss reduction by continuous monitoring/identification/rectification of passing valves, reducing N₂ purge to flare system and maximizing recovery through fuel gas recovery system.
- Online cleaning provision of convection section coils provided for additional heat recovery from Plat former Heater flue gas. Earlier coils were inaccessible for cleaning online.
- Power consumption reduction by maximizing flow through power recovery turbine in Vacuum Gas Oil Hydrotreater (VGOHT) units.

Jamnagar Manufacturing Division (SEZ)

- Fuel reduction in process heaters through excess air reduction, maximizing heat recovery in convection section and air preheaters, operating combustion control system in auto mode.
- Stopping one gas turbine out of five during winter months thereby improving the heat rate.

- Stoppage of one Back Pressure Turbine (BPT) out of two, in CPP to improve the efficiency of operation.
- Routing hot Vacuum Gas Oil (VGO) to FCC from VGO HT-4 bypassing LP Steam generator and thus reducing LP steam dumping.
- Saving of power & LP steam dumping by interconnection of CPP Boiler Feed Water (BFW) header & refinery header.
- Provision to feed hot Coker Kerosene directly to Diesel Hydro Desulfurization (DHDS) Unit to avoid cold feed processing.
- Routing of vent gases from degassing column to Fuel Gas header in Poly Propylene (PP) Unit for reducing the flaring.
- Installation of Magnetic Resonator in fuel gas line to burners in crude furnace for the reduction of fuel.
- Reduction in 4th stage discharge pressure in hydrogen compression system to reduce the power consumption.
- Increasing the level span of the Coker Unit flare system seal pot V52 for preventing LLP Flaring.

Nagothane Manufacturing Division

- Reduction of steam consumption at LDPE plant.
- Anti-corrosion coating (Corrocoat) of 12 nos cooling water pumps.

Nagpur Manufacturing Division

- Power saving due to stoppage of spray water pumps in Air Washer 2 and Air Washer 3 after process modifications.
- Power saving due to stoppage of Godets in Take up in line 12 of POY plant after process modification.
- Power saving due to removal of hot water coil from line 13 and 14 Air Washers after process modifications.

Naroda Manufacturing Division

- Power saving by replacement of Borewell Pump of Borewell#2 with new energy efficient Pump Motor Set.
- Power saving by stopping 3 nos. underloaded 1MVA transformers located at Sub Station 5 and Sub Station 1.
- Stopping effluent transfer pump and using gravity at Effluent Treatment Plant (ETP).
- Upgrading the Worsted Humidification Plants by replacing Centifugal Fans by Axial Flow Fans.
- Power saving by lowering Set Point of Air Compressor and optimising the hole in weaving looms.
- Energy saving by converting "Single Pass" to "Three

Pass" of Fabric in Float Drier of Harish Scouring Machine.

Patalganga Manufacturing Division

- Burners of LAB Heaters BA-951, BA-201 & BA-601 were changed from oil fired to dual fired. Burner tips of BA-801 (already dual fired) were replaced at NG project Phase 2 in the LAB plant resulting in the energy savings.
- Power saving due to Cooling water Pump B corrocoated in EC plant.
- Power saving due to Staggered switching of P25 A/B to ensure one pump running instead of 2 pumps in EC plant.
- 60W GLS lamps replaced with 11W CFL lamps (400 nos).
- 350 Nos 18W LED tubelights provided in place of 40W normal tube lights.
- Power saving due to Energy efficient Encon blades installed in E-5010A/B fin fans at the PX plant.
- Replacement of faulty traps at the Patalganga Manufacturing Division resulting in steam savings.
- Power saving due to Corrocoating of CP7 cooling water pumps 3 nos.

Silvassa Manufacturing Division

- Replacement of 68 nos. old DTY machines with energy efficient new DTY Machines in Plant I.

Vadodara Manufacturing Division

- Refractory replacement for reduction in radiation heat losses in Naptha Cracker heater H101 and H102.
- Modification done to supply excess O₂ to ACN plant from UB2 air separation unit thereby stopping of BBP N₂O₂ plant.
- Repair and replacement of steam traps of PPCP plant.
- Transferring HF stripper column bottom material to benzene column using differential pressure only; thus stopping AP-5 A/B (HF stripper bottom pump).
- Installation of new tandem type design bypass damper with air sealing to reduce flue gas losses from bypass damper.
- Heat rate reduction by uprating GT 2.
- LMP steam header pressure reduction thereby giving a considerable reduction to GTPP stack temperature.
- Minimisation of heat losses from both GT's hot flue gas duct at GTPP.

(b) Additional investments/proposals being implemented for reduction of consumption of energy:

Dahej Manufacturing Division

- Installation of one new electrolyzer with fifth generation elements at the Chlor Alkali Plant.
- Increasing MP and LP steam lines insulation thickness in yard piping.
- Installation of hydraulic Turbine in EPRU plant.
- LP ethylene scheme from GCU to VCM to offload C2R and C3R in GCU plant.
- Preheating Slurry Stripper Feed with Centrate Water in PVC plant.

Hazira Manufacturing Division

- Steam Turbine STG-2 load reduction resulting in SHP steam savings.
- Deaerator # 3, 4 process optimization resulting in LP Steam saving at CPP&U plant.

Hoshiarpur Manufacturing Division

- Replacement of existing chilling machines with energy efficient chilling machines.
- Energy saving by installing inverter on raw water / cooling water pump.

Jamnagar Manufacturing Division (DTA)

- Heat recovery from Light Cycle Gas Oil (LCGO) Pump around to preheat cold Vacuum Residue (VR) from tanks to reduce firing in coker heaters.
- Power saving by replacing aluminum Fin Fan blades with FRP blades in hydrogen Unit & Light Naphtha Unionfiner Unit.

Jamnagar Manufacturing Division (SEZ)

- Heat recovery from Coker LCGO pump around in stripper reboiler for saving MP Steam

Nagothane Manufacturing Division

- Power augmentation of Gas Turbine uprate.
- Converting 10-P-41A from Steam turbine drive to motor drive.

Nagpur Manufacturing Division

- Power saving due to stoppage of Godgets in Take up in lines 13 and 14 at POY plant.

Patalganga Manufacturing Division

- Power saving due to replacement of blades of Fin Fans of Paraffin column in LAB plant with ENCON blades.
- Power saving due to corrocoating of one cooling water pump at EC plant.

- Power saving due to installation of Variable Frequency Drive (VFD) on DM water pump at EC plant.
- Power saving due to relocating VAM machine from EC plant to utilities.
- Power saving due to use of Energy Efficient Encon blades in all Fin Fans at PX plant.
- Power saving due to single pump operation at PX plant.
- Steam trap replacement at PX plant resulted in savings of steam.
- Power saving due to 1 more VAM chillers for Utility plant.
- CP1 Vapour dow line reinsulation resulted in savings of fuel.
- Glycol ejectors for CP 4,5 and 6 resulted in savings of steam & power.

Silvassa Manufacturing Division

- Replacement of old small sized compressors with highly energy efficient big size compressors.

Vadodara Manufacturing Division

- Stoppage of one Aux boiler at IOP plant.
- Uprating GT1 to reduce heat rate and increase power output at GTPP plant.
- Upgrade MOC (SS316 to Duplex SS) of Waste Heat Boiler DM water bank at NCP plant and avoiding flare header chocking.
- Replacement of GT1 Bypass Stack Damper at GTPP plant.
- Installation of two new energy efficient chillers in place of the present refrigeration compressors of KPC make at PVC plant.
- Use of excess LDPE LLP steam at IOP deaerator at IOP plant.
- Installation of Flare steam MOV with digital control at DCS at NCP plant.
- Refractory replacement of H-104 at NCP plant.
- IOP Cooling Tower Optimization at IOP plant.
- GT1 Duct Replacement at GTPP plant.
- Reflux optimization at T-410 column at PBR 1 plant.
- Change in Control philosophy at steam Network to avoid steam venting at ACN plant.
- H-107 and H-108 heater damper to be made operative to reduce the Excess O₂ at the stack in NCP plant.

(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

- Energy saving by clubbing cooling water utility and cooling water process circuits thereby running only one cooling pump resulting in power cost saving of ₹ 0.03 crore per annum.
- Reduction of steam consumption by switching from pressure regulated valve to control valve and process optimisation resulting in annual steam saving of 9264 MT and financial savings of ₹ 2.84 crore per annum.
- Saving on fuel oil by using control valve mechanism to regulate column temperature, thereby reducing heat load resulting in annual heat saving of 1354 MKCal and financial savings of ₹ 0.68 crore per annum.
- Installation of transparent sheets in warehouse leading to reduction in lighting load, thereby resulting in annual power saving of 47974 KWH and the financial savings of ₹ 0.02 crore per annum.
- Replacement of tube lights with LED's resulting in annual power saving of 27209 KWH and financial saving of ₹ 0.01 crore per annum.

Barabanki Manufacturing Division

- Installation of Solar Lights resulting in annual power saving of 1533 KWH and financial savings of ₹ 0.0007 crore per annum.
- Replacement of conventional luminaries with energy efficient luminaries, resulting in annual power saving of 4701 KWH and financial savings of ₹ 0.002 crore per annum.
- Installation of Eco Ventilators resulting in annual power saving of 36792 KWH and financial savings of ₹ 0.02 crore per annum.

Dahej Manufacturing Division

- Increased the residue gas exchanger area in the GCU plant resulting in energy saving of 1 MT / hr of steam and financial savings of ₹ 0.92 crore per annum.
- Gas Turbine 01 uprated in CPP resulting in fuel saving of 0.33 MT / hr and financial savings of ₹ 7.97 crore per annum.
- In cooling tower 04 one GRP fan replaced with FRP fan resulting in power saving of 30 KW / hr and financial savings of ₹ 0.06 crore per annum.
- Energy saving due to Vapor Compression Refrigeration (VCR) performance improvement at the PVC plant resulting in power saving of 71.75 KW / hr and financial savings of ₹ 0.14 crore per annum.

- Rerouting of recycle water for better heat recovery in MEG plant resulting in energy saving of 1.64 MT / hr of steam and financial savings of ₹ 1.03 crore per annum.
- Installation of one new electrolyzer with fifth generation elements at the Chlor Alkali Plant shall result in annual power saving of 0.5 MW and financial savings of ₹ 11.31 crore per annum.
- Increasing MP and LP steam lines insulation thickness in yard piping shall result in fuel saving of 0.08 MT/ Hr and financial savings of ₹ 2.08 crore per annum.
- Installation of hydraulic Turbine in EPRU plant shall result in annual power saving of 0.387 MW and financial savings of ₹ 1.19 crore per annum.
- LP ethylene scheme from GCU to VCM to offload C2R and C3R in GCU plant shall result in annual steam saving of 1.3 MT and financial savings of ₹ 1.19 crore per annum.
- Preheating Slurry Stripper Feed with Centrate Water in PVC plant shall result in annual steam saving of 0.38 MT and financial savings of ₹ 0.34 crore per annum.

Hazira Manufacturing Division

- Advanced Process Control (APC) implementation in Gas Turbine GT-2 and steam network resulting in annual energy saving of 21875 Gcal and financial savings of ₹ 6.78 crore (approx) per annum.
- Upgrading Gas turbine capability of GT-2 and GT-7 at CPP&U plant resulting in annual energy saving of 22491 Gcal and financial savings of ₹ 6.63 crore (approx) per annum.
- Improvement in waste heat recovery performance of Make Up Water Heater (MUWH) # 4 and MUWH # 7 at CPP&U plant resulting in annual energy saving of 13222 Gcal and financial savings of ₹ 4.10 crore (approx) per annum.
- Reduction in steam and power consumption in CP-2 & CP-3 by commissioning of glycol ejector in place of steam ejector resulting in annual energy saving of 9452 Gcal and financial savings of ₹ 2.93 crore (approx) per annum.
- Reduction in steam consumption by reducing the water aqueous Ethylene Oxide (EO) ratio in glycol reactors at MEG-I plant resulting in annual energy saving of 7437 Gcal and financial savings of ₹ 2.62 crore (approx) per annum.
- Utilization of waste steam generated from Flash Drum (D1-1406) to POY plant resulting in annual LP steam savings of 3099 Gcal at PTA-I plant and financial

savings of ₹ 0.96 crore (approx) per annum.

- Reduction in N₂ consumption by implementation of various N₂ conservation measures and consumption optimization in various areas of CP operations at POY/ PET plant resulting in annual energy saving of 3261 Gcal and financial savings of ₹ 0.90 crore (approx) per annum.
- Provision of steam distribution pipes inside the pre-crimper & draw steam box and installation of sparger pipes in DM-8 resulting in annual steam saving of 2810 Gcal at PSF CP-11 plant and financial savings of ₹ 0.87 crore (approx) per annum.
- Power consumption reduction by installation of “auto-control logic” in Quench Air Humidification Units (AHU’s) of 12 spinning m/c’s in Du-Pont plant (CP-1, 2, 4 and 5) resulting in annual energy saving of 2757 Gcal and financial savings of ₹ 0.86 crore (approx) per annum.
- Reduction in operating pressure of 3rd PTA Crystallizer (D1-1403) resulting in annual SHP steam savings of 2734 Gcal at PTA-I plant and financial savings of ₹ 0.84 crore (approx) per annum.
- Reduction in 2nd Combuster Preheater (E3-162) condensate temperature resulting in annual SHP steam saving of 2656 Gcal at PTA plant and financial savings of ₹ 0.82 crore (approx) per annum.
- Steam Turbine STG-2 load reduction resulting in annual SHP steam savings of 7337 Gcal and financial savings of ₹ 3.33 crore (approx) per annum.
- Deaerator # 3, 4 process optimization resulting in annual LP Steam saving of 7067 Gcal at CPP&U plant and financial savings of ₹ 3.20 crore (approx) per annum.

Hoshiarpur Manufacturing Division

- Power saving due to non operation of TSU III Drive (Motor & Gear Box) because of process modification for manufacture of PSF conjugate resulting in annual power saving of 156480 KWH and financial savings of ₹ 0.09 crore per annum.
- Power saving due to non operation of return air fan of POY quench AHU resulting in annual power saving of 394200 KWH and financial savings of ₹ 0.24 crore per annum.
- Power saving due to stoppage of monomer pump of POY after process modification resulting in annual power saving of 297840 KWH and financial savings of ₹ 0.18 crore per annum.
- Power saving by installing acrylic sheets & turbo ventilators resulting in power annual saving of 131400

KWH and financial savings of ₹ 0.08 crore per annum.

- Power saving by replacing of traditional lights with CFL resulting in annual power saving of 6132 KWH and financial savings of ₹ 0.004 crore per annum.
- Replacement of existing chilling machines with energy efficient chilling machines shall result in annual power saving of 426300 KWH and financial savings of ₹ 0.25 crore per annum.
- Energy saving by installing inverter on raw water / cooling water pump shall result in annual power saving of 36000 KWH and financial savings of ₹ 0.02 crore per annum.

Jamnagar Manufacturing Division (DTA)

- Fuel reduction in heaters through excess air reduction, maximizing heat recovery in convection section & air preheaters resulting in fuel saving of 16 TPD and financial savings of ₹ 18.17 crore (approx) per annum.
- Reduction of LP steam consumption in Amine treating Units by increasing amine concentration and thereby reducing lean amine circulation rate resulting in LP steam saving of 11 TPH and financial savings of ₹ 11.45 crore (approx) per annum.
- Reductions in fuel consumption in Diesel Hydrotreater (DHT) unit, by routing Hot Heavy Kerosene directly from crude unit to DHT feed bypassing tank farm resulting in fuel saving of 9.1 TPD and financial savings of ₹ 10.29 crore (approx) per annum. Heat rejected through air cooler was eliminated.
- Heat up by MP steam eliminated by optimizing Reformer splitter feed temperature. This resulted in 17 TPH MP of steam being saved for 4000 hrs operation in a year and financial savings of ₹ 9.53 crore (approx) per annum.
- Reduction in power by reducing recycle flow in Plat former Net-Gas Compressor resulting in power saving of 33.6 MW per day and financial savings of ₹ 8.74 crore (approx) per annum.
- Power output increased by maximizing flue gas flow through expander after tuning inlet valve in Fluidized Catalytic Cracking (FCC) unit resulting in net output power increase by 1.2 MW and financial savings of ₹ 7.49 crore (approx) per annum.
- Flare loss reduction by continuous monitoring/identification/rectification of passing valves, reducing N₂ purge to flare system and maximizing recovery through fuel gas recovery system resulting in flared quantity reduction by 6 TPD and financial savings of ₹ 6.81 crore (approx) per annum.
- Online cleaning provision of convection section coils

provided for additional Heat recovery from Plat former Heater flue gas. Earlier coils were inaccessible for cleaning online. This resulted in MP steam generation increase by 5 TPH and financial savings of ₹ 5.88 crore (approx) per annum.

- Power consumption reduction by maximizing flow through power recovery turbine in Vacuum Gas Oil Hydrotreater (VGOHT) units. This resulted in power saving of 16 MW per day and financial savings of ₹ 4.16 crore (approx) per annum.
- Heat recovery from Light Cycle Gas Oil (LCGO) Pump around to preheat cold Vacuum Residue (VR) from tanks to reduce firing in coker heaters. This shall result in reduction in fuel by 11.4 TPD and financial savings of ₹ 10.22 crore (approx) per annum
- Power saving by replacing aluminum Fin Fan blades with FRP blade in hydrogen unit & Light Naphtha Unionfiner unit. This shall result in power saving of 2263 KWH per day and financial savings of ₹ 0.59 crore (approx) per annum.

Jamnagar Manufacturing Division (SEZ)

- Fuel reduction in process heaters through excess air reduction, maximizing heat recovery in convection section and air preheaters, operating combustion control system in auto mode resulting in fuel saving of 9.7 TPD and financial savings of ₹ 8.66 crore (approx) per annum.
- Stopping one Gas Turbine out of five during winter months there by improving the heat rate resulting in fuel saving of 42 TPD and financial savings of ₹ 5.01 crore (approx) per annum.
- Stoppage of one Back Pressure Turbine (BPT) out of two, in CPP to improve the efficiency of operation resulting in fuel saving of 15.3 TPD and financial savings of ₹ 13.61 crore (approx) per annum.
- Routing hot Vacuum Gas Oil (VGO) to FCC from VGO HT-4 bypassing LP Steam generator and thus reducing LP Steam dumping resulting in saving of 7 TPH of LP Steam dumping and financial savings of ₹ 2.68 crore (approx) per annum.
- Saving of power & LP steam dumping by interconnection of CPP Boiler Feed Water (BFW) header & refinery header resulting in annual power saving of 890 KWH and financial savings of ₹ 3.21 crore (approx) per annum.
- Provision to feed hot Coker Kerosene directly to Diesel Hydro Desulfurization (DHDS) Unit to avoid cold feed processing resulting in fuel saving of 2.2 TPD and financial savings of ₹ 1.95 crore (approx) per annum.

- Routing of vent gases from degassing column to Fuel Gas header in Poly Propylene (PP) Unit for reducing the flaring resulted in reduction of flaring by 2.2 TPD and financial savings of ₹ 1.95 crore (approx) per annum.
- Installation of Magnetic Resonator in fuel gas line to burners in crude furnace for the reduction of fuel resulting in fuel saving of 0.7 TPD and financial savings of ₹ 0.61 crore (approx) per annum.
- Reduction in 4th stage discharge pressure in hydrogen compression system to reduce the power consumption resulting in annual power saving of 0.35 MW and financial savings of ₹ 1.26 crore (approx) per annum.
- Increasing the level span of the Coker Unit flare system seal pot V52 for preventing LLP Flaring resulted in reduction of 3.0 TPD of flaring and financial savings of ₹ 2.68 crore (approx) per annum.
- Heat recovery from Coker LCGO pump around in stripper reboiler for saving MP Steam of 10.5 TPH and financial savings of ₹ 7.20 crore (approx) per annum.

Nagothane Manufacturing Division

- Reduction of steam consumption at LDPE plant resulting in annual reduction of LP steam consumption by 15330 MT and HP steam consumption by 5840 MT and financial savings of ₹ 1.07 crore per annum.
- Anti-corrosion coating (Corrocoat) of 12 nos cooling water pumps resulting in annual power saving of 2643 MW and financial savings of ₹ 0.41 crore per annum.
- Power augmentation of Gas Turbine uprate shall result in saving heat rate of 104 KCal / KWH and financial savings of ₹ 18.21 crore per annum.
- Converting 10-P-41A from Steam turbine drive to motor drive shall result in steam saving of 5.73 MT / hr and financial savings of ₹ 3.82 crore per annum.

Nagpur Manufacturing Division

- Power saving due to stoppage of spray water pumps in Air Washer 2 and Air Washer 3 after process modifications resulting in annual power saving of 122640 KWH and financial savings of ₹ 0.07 crore (approx) per annum.
- Power saving due to stoppage of Godets in Take up in line 12 of POY plant after process modification resulting in annual power saving of 21900 KWH and financial savings of ₹ 0.01 crore (approx) per annum.
- Power saving due to removal of hot water coil from line 13 and 14 Air Washers after process modifications

resulting in annual power saving of 70080 KWH and financial savings of ₹ 0.04 crore (approx) per annum.

- Power saving due to stoppage of Godgets in Take up in lines 13 and 14 at POY plant shall result in annual power saving of 52560 KWH and financial savings of ₹ 0.03 crore (approx) per annum.

Naroda Manufacturing Division

- Power saving by replacement of Borewell Pump of Borewell#2 with new energy efficient Pump Motor Set resulting in annual power saving of 137 GJ and financial savings of ₹ 0.02 crore per annum.
- Power saving by stopping 3 nos. underloaded 1MVA transformers located at Sub Station 5 and Sub Station 1 resulting in annual power saving of 232 GJ and financial savings of ₹ 0.04 crore per annum.
- Stopping effluent transfer pump and using gravity at Effluent Treatment Plant (ETP) resulting in annual power saving of 255 GJ and financial savings of ₹ 0.05 crore per annum.
- Upgrading the Worsted Humidification Plants by replacing Centifugal Fans by Axial Flow Fans resulting in annual power saving of 466 GJ and financial savings of ₹ 0.08 crore per annum.
- Power saving by lowering Set Point of Air Compressor and optimising the hole in weaving looms resulting in annual power saving of 958 GJ and financial savings of ₹ 0.17 crore per annum.
- Energy saving by converting “Single Pass” to “Three Pass” of Fabric in Float Drier of Harish Scouring Machine resulting in annual power saving of 4672 GJ and financial savings of ₹ 0.17 crore per annum.

Patalganga Manufacturing Division

- Burners of LAB Heaters BA-951, BA-201 & BA-601 were changed from oil fired to dual fired. Burner tips of BA-801 (already dual fired) were replaced at NG project Phase 2 in the LAB plant resulting in annual steam saving of 12000 MT and financial saving of ₹ 13.00 crore per annum.
- Power saving due to Cooling water Pump B corrocoated in EC plant resulting in annual power saving of 211200 KWH and financial saving of ₹ 0.13 crore per annum.
- 60W GLS lamps replaced with 11W CFL lamps (400 nos) resulting in annual power saving of 54000 KWH and financial saving of ₹ 0.03 crore per annum.
- 350 Nos 18W LED tubelights provided in place of 40W normal tube lights resulting in annual power saving of 42000 KWH and financial saving of ₹ 0.02 crore per annum.

- Power saving due to Energy efficient Encon blades installed in E-5010A/B fin fans at the PX plant resulting in annual power saving of 24883 KWH and financial saving of ₹ 0.02 crore per annum.
- Replacement of faulty traps at the Patalganga Manufacturing Division resulting in annual steam saving of 11699 MT and financial savings of ₹ 2 crore per annum.
- Power saving due to replacement of blades of Fin Fans of Paraffin column in LAB plant with ENCON blades shall result in annual power saving of 97780 KWH and financial saving of ₹ 0.04 crore per annum.
- Power saving due to corroccating of one cooling water pump at EC plant shall result in annual power saving of 365000 KWH and financial saving of ₹ 0.10 crore per annum.
- Power saving due to installation of Variable Frequency Drive (VFD) on DM water pump at EC plant shall result in annual power saving of 62050 KWH and financial saving of ₹ 0.03 crore per annum.
- Power saving due to relocating VAM machine from EC plant to utilities shall result in annual power saving of 3603600 KWH and financial saving of ₹ 1.80 crore per annum.
- Power saving due to use of Energy Efficient Encon blades in all Fin Fans at PX plant shall result in annual power saving of 749680 KWH and financial saving of ₹ 0.45 crore per annum.
- Power saving due to single pump operation at PX plant shall result in annual power saving of 1988520 KWH and financial saving of ₹ 1.19 crore per annum.
- Steam trap replacement at PX plant shall result in annual steam saving of 5294 Tons and financial saving of ₹ 0.45 crore per annum.
- Power saving due to 1 more VAM chillers for Utility plant shall result in annual power saving of 5544000 KWH and financial saving of ₹ 2.77 crore per annum.
- CP1 Vapour dow line reinsulation shall result in annual fuel saving of 6000 MMKCal and financial saving of ₹ 1.80 crore per annum.
- Glycol ejectors for CP 4,5 and 6 shall result in annual steam saving of 26280 Tons & power saving of 262800 KWH and financial saving of ₹ 5.13 crore per annum.

Silvassa Manufacturing Division

- Replacement of 68 nos. old DTY machines with energy efficient new DTY Machines in Plant I resulting in annual energy savings of 0.9 MW (approx) and financial savings of ₹ 3.35 crore per annum.

- Replacement of old small sized compressors with highly energy efficient big size compressors shall result in annual energy saving of 1.7 MW (approx) and financial savings of ₹ 6.41 crore per annum.

Vadodara Manufacturing Division

- Refractory replacement for reduction in radiation heat losses in Naptha Cracker heater H101 and H102 resulted in fuel saving of 503138 Kcal / hr and financial savings of ₹ 1.52 crore per annum.
- Modification done to supply excess O₂ to ACN plant from UB2 air separation unit thereby stopping of BBP N₂O₂ plant resulting in power saving of 730 KW / hr and financial savings of ₹ 1.90 crore per annum.
- Stoppage of steam venting in PPCP plant resulting in LP steam saving of 600 Kg / hr and financial savings of ₹ 1.17 crore per annum.
- Transferring HF stripper column bottom material to benzene column using differential pressure only; thus stopping AP-5 A/B (HF stripper bottom pump) resulting in annual power saving of 77.76 MW and financial savings of ₹ 0.02 crore per annum.
- Installation of new tandem type design bypass damper with air sealing to reduce flue gas losses from bypass damper resulting in energy saving of 15.48 MMKCal per day and financial savings of ₹ 1.92 crore per annum.
- Heat rate reduction by uprating GT2 resulting in energy saving of 61.90 MMKCal per day and financial savings of ₹ 7.69 crore per annum.
- LMP steam header pressure reduction thereby giving a considerable reduction to GTPP stack temperature resulting in energy saving of 14.98 MMKCal per day and financial savings of ₹ 1.86 crore per annum.
- Minimisation of heat losses from both GT's hot flue gas duct at GTPP resulting in energy saving of 5.47 MMKCal per day and financial savings of ₹ 0.68 crore per annum.
- Stoppage of one Aux boiler at IOP plant shall result in steam saving of 45 MT / hr and financial savings of ₹ 15.77 crore per annum.
- Uprating GT 1 to reduce heat rate and increase power output at GTPP plant shall result in energy saving of 61.90 MMKCal per day and financial savings of ₹ 7.69 crore per annum.
- Upgrade MOC (SS316 to Duplex SS) of Waste Heat Boiler DM water bank at NCP plant and avoiding flare header choking shall result in annual energy saving of 10558 MMKCal and financial savings of ₹ 3.17 crore per annum.
- Replacement of GT 1 Bypass Stack Damper at GTPP plant shall result in energy saving of 15.48 MMKCal

per day and financial savings of ₹ 1.92 crore per annum.

- Installation of two new energy efficient chillers in place of the present refrigeration compressors of KPC make at PVC plant shall result in annual power saving of 3178 MW and financial savings of ₹ 1.91 crore per annum.
- Use of excess LDPE LLP steam at IOP deaerator at IOP plant shall result in steam saving of 1.5 MT / hr and financial savings of ₹ 1.51 crore per annum.
- Installation of Flare steam MOV with digital control at DCS at NCP plant shall result in steam saving of 1 MT / hr and financial savings of ₹ 1.01 crore per annum.
- Refractory replacement of H-104 at NCP plant shall result in annual energy saving of 2640 MMKCal and financial savings of ₹ 0.79 crore per annum.
- IOP Cooling Tower Optimization at IOP plant shall result in power saving of 130 KW / hr and financial savings of ₹ 0.68 crore per annum.
- GT 1 Duct Replacement at GTPP plant shall result in energy saving of 5.47 MMKCal per day and financial savings of ₹ 0.68 crore per annum.
- Reflux optimization at T-410 column at PBR 1 plant shall result in steam saving of 0.5 MT / hr and financial savings of ₹ 0.50 crore per annum.
- Change in control philosophy at steam network to avoid steam venting at ACN plant shall result in steam saving of 0.3 MT / hr and financial savings of ₹ 0.30 crore per annum.
- H-107 and H-108 heater damper to be made operative to reduce the excess O₂ in the stack at NCP plant shall result in energy saving of 0.065 MMKCal / hr and financial savings of ₹ 0.14 crore per annum.

(d) Total energy consumption and energy consumption per unit of production as per Form 'A' attached hereto:

B. TECHNOLOGY ABSORPTION

(e) Efforts made in technology absorption - as per Form B given below:

Form B

Research and Development (R&D)

1. Specific areas in which the research and development (R&D) is being carried out by the Company

- Development/commercialization of a process for propylene maximization in refinery.
- Development of in-house additive for propylene

maximization in refinery.

- Development of highly active fluidized catalytic cracking (FCC) catalyst for improved conversion.
- Development of mesoporous zeolite to improve product selectivity in FCC units.
- Development of process for improving BMCI (Bureau of mining correlation index) of Clarified slurry oil.
- Process for conversion of low value hydrocarbon streams to higher value light olefins.
- Removal of chlorides from hydrocarbon streams by a new process.
- Development of offline component stream characterization to predict, monitor and control gasoline blending.
- Development of online composition prediction and composition based process models to plan, monitor, and control.
- Development of a process to maintain product quality and optimize gasoline/ diesel blending based on intermediates.
- Development of technology to process cheaper and heavier crudes to widen crude blend window in the refinery.
- Application of computational fluid dynamics (CFD) studies for trouble shooting and process improvements in refineries and petrochemical plants.
- Development of a new process for acidity reduction of crude oil.
- Development of mathematical models for vacuum gas oil hydrotreating processes.
- Coker furnace studies to reduce refinery costs.
- Development of polyolefin inorganic catalyst precursor technology to improve yield and reduce cost.
- Development of catalyst technology for high performance polypropylene homo and impact copolymers grades.
- Development of catalyst for producing ultra-high molecular weight polyethylene and high density polyethylene grades.
- Development of specialty polypropylene products.
- Productivity improvement of polyolefins catalyst systems.
- Development of novel routes for synthesis of organic modifiers for polyolefins.
- Application of computational analysis to

- high performance catalyst systems for olefin polymerization.
- Use of improved analytical method development for polyolefins catalyst systems and products.
 - Process and technology development based on in-house catalyst development for manufacturing alpha olefins.
 - Development of a new polypropylene grade for heat seal applications.
 - Development of new polypropylene grade for high flow melt blown applications.
 - Development of novel homogeneous catalysts and process for ethylene polymerization.
 - Regeneration and alternate applications of spent catalysts and adsorbents.
 - Synthesis and characterization of platinum nanoparticles and their deposition on silica/alumina surface.
 - Development of superabsorbent polymers.
 - Development of specialty polyethylene products.
 - Development of microbial and photocatalytic processes for effluent treatment.
 - Development of a catalytic process for production of on purpose hexene-1 from ethylene.
 - Development of a process for chlorinated polyvinyl chloride.
 - Development of a new generation paraffin dehydrogenation catalyst.
 - Development of coke less cracking process.
 - Development of materials for catalytic applications.
 - Development of methanol to olefins conversion using micro porous materials.
 - Development of self-healing elastomers.
 - Development of a novel catalyst system for 1,3-butadiene.
 - Development of a more environmentally friendly process for purified terephthalic acid manufacture.
 - Development of alternate polyester products for stretch and comfort fabrics.
 - Development of hollow filaments for light weight and insulation fabrics.
 - Development of alternate polyester products for bonding application.
 - Development of capability for coloured polyester yarn.
 - Productivity enhancement for coarse and super-coarse polyester filament yarn products.
 - Development of anti-pilling polyester fibre, binder fibre and UV stable polyester fibre.
 - Development of cobalt free polyethylene terephthalate resin.
 - Enhancement of product performance in recycled polyethylene terephthalate.
 - Development of spin finishes for specialty polyester products.
 - Development of extrusion blow moulding grade polyethylene terephthalate.
 - Development of specialty polyester yarn replacing other yarns such as viscose, nylon, cotton and acrylics.
 - Development of polyethylene terephthalate bottles for packaging oxygen sensitive foods and beverages.
 - Development of specialty yarns such as insect repellent yarn, multifunctional yarn, and conducting polyester yarn.
 - Replacement of asbestos fibres with polyester.
 - Development of Gen-3 polyester packaging for enhancing the shelf life of fruits and vegetables.
- 2. Benefits derived as a result of the above R&D**
- Potential benefit of ₹ 30 crore per annum from high conversion catalyst trial in refinery fluidized catalytic cracking unit.
 - Potential savings of ₹ 18 crore per annum by rectifying the root cause of polypropylene odor and increasing coker LPG processing in propylene recovery unit.
 - Potential benefit of ₹ 60 crore per annum through additional propylene recovery from fluidized catalytic cracking (FCC) fuel gas.
 - Benefit of ₹ 7 crore per annum from replacement of imported catalyst for polypropylene manufacturing (based on in-house catalyst development).
 - Benefit of ₹ 12 crore per annum from replacement of imported donors and development of new donors for polypropylene manufacturing (based on in-house catalyst development).
 - Benefit of ₹ 9 crore per annum from development of new polypropylene grades for high end applications.
 - Development of 1-Hexene manufacturing based on

in-house developed technology for captive consumption.

- Potential benefits of ₹ 17 crore per annum from polyester R&D projects.

3. Future plan of action

- Creation of hydroprocessing related facilities and process development.
- Development of a process for widening the crude window.
- Application of high throughput testing facilities for refinery catalyst development and evaluation.
- Application of computational fluid dynamics studies of plant equipment for reliability improvement.
- Application of molecular characterization to crude and refinery streams.
- Development of technologies for value creation for refinery streams.
- Development of adsorbents and a process for CO₂ capture from flue gas.
- Development of sixth generation polypropylene catalyst systems for specialty products.
- Development of high efficient catalyst precursor processes for polyolefins.
- Advanced macro and micro structural studies of polyolefins.
- Application of high throughput testing facilities for catalyst evaluation in polyolefins.
- Development of high value products from catalyst residue systems.
- Development of low silver catalyst for ethylene oxidation.
- Development of alternative routes for production of 1,3-butadiene.
- Development of a process for cokeless thermal cracking of hydrocarbons.
- Development of technology for biomass to value added chemicals.
- Development of novel materials for catalyst, adsorbent, support and gas storage applications.
- Utilization and recycle of spent catalyst, chemicals and polymers etc.
- Development of technology for ethane to value added chemicals.
- Development of technology for CO₂ to value added chemicals.

- Development of a process for purified terephthalic acid from inexpensive raw materials.
- Development of technology for inorganic materials from spent catalysts.
- Development of ‘New generation spinnerets’ for productivity increase and functional enhancements.
- Development of eco-friendly/green partially oriented yarn.
- Development of technology for up-scaling of moisture management yarns.
- Development of anti-pilling polyester through continuous polymerization route.
- Development of technology for in-house black master batch capacity expansion.
- Development of technology to produce alkali resistant polyester staple fiber.
- Development of polyethylene terephthalate resin with high glass transition temperature and high impact strength.
- Development of an extrusion blow moulding grade polyethylene terephthalate resin.
- Improvement of sparkle / gloss in carpet fiber using in-house developed catalyst.
- Development of new spunlace fibres with special attributes for value generation.
- Development of antimony free polyester catalysts.

4. Expenditure on R & D

₹ crore

a) Capital	654
b) Revenue	335
Total	989

Total R & D expenditure is 0.3% of total Revenue from Operations.

Technology absorption, adoption and innovation

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

- Comparative evaluation of various technologies.
- Revamp of vacuum distillation unit slop wax bed for improving run length.
- Study of equilibrium selectivity among olefins in fluidized catalytic cracking process.
- Critical review of design of internals in hydro processing units.

- Analysis of flow dynamics in a cyclone in FCC, using basic performance equations and computational fluid dynamics.
 - Analysis of minor component stripping process in a distillation column using rigorous mass transfer approach.
 - Modifications in refinery coker to improve quench efficiency.
 - Comparative evaluations of different designs of crude preheat exchangers and identifying scope of improvisation.
 - Revamp of coker fractionator to overcome performance limitations.
 - Evaluation of performance of alumina for the purified terephthalic acid plant at Hazira.
 - In-house production of Butene-1 catalyst.
 - Value addition to waste polypropylene powder.
 - Design and installation of a new N_2O_2 drier for moisture and CO_2 removal from air at Vadodara.
 - Adsorbent and process for chloride and moisture removal of Freon-R123.
 - Adsorbent and process for para diethylbenzene purification (oxygenates removal).
 - Selection and pilot plant studies for alternative catalyst systems for polyolefins.
 - Improvement and innovation in in-house developed catalyst system process for higher efficiency.
 - Technical trouble shooting of polyolefin manufacturing processes.
 - Technology developed for stretch yarn with alternate polyester.
 - Technology developed for hollow filaments.
 - New generation technology under development for monofilament, industrial yarn and fully drawn yarn.
 - In-house development of various simulation models for polymerization and spinning process.
 - Polyester staple fiber based product to improve the shelf life of fruits and vegetables in ambient storage conditions.
 - Development of easy dye-able polyester yarn for various end uses.
 - Development of super micro denier polyester staple fiber.
 - Production of dope dyed polyester staple fiber.
 - Development of technology for low pill fiber and tow in polyester.
 - Development of polyester staple fiber with high shrink properties.
 - Productivity increase initiatives in polyester.
 - Expansion of continuous polymerization based cationic dyeable yarns and full dull yarns.
 - Development of alternate additives for polyester.
 - Initiatives for improving quality of various products in polyester manufacturing.
- 2. Benefits derived as a result of the above efforts**
- Development of basis for selection of fluidized catalytic cracking technology and catalyst/additive.
 - Methodology developed for equipment selection and performance evaluation in vacuum distillation unit.
 - Modified configuration of slop wax bed is being implemented and is expected to increase the run length.
 - Factors to maximize propylene selectivity in fluidized catalytic cracking were established.
 - Opportunities for improvement in flow distribution in hydro processing units were identified.
 - Factors that contribute to erosion problems in fluidized catalytic cracking cyclone were understood.
 - Key operating parameters that would affect stripping were identified and used as basis for design.
 - Quench efficiency was improved in coker.
 - Higher productivity of catalyst system and improved production rate for polypropylene.
 - Low cost catalyst precursor for polyethylene.
 - Benefit of ₹ 4.5 crore by Revamp of dryer in N_2O_2 in Vadodara.
 - Benefit of ₹ 0.6 crore by Freon drying at Hazira.

- Benefit of ₹ 1.19 crore by production of Butene-1 catalyst.
- Benefit of ₹ 0.36 crore by value addition to waste polypropylene powder.
- Potential benefits of ₹ 25 crore per annum from all polyester technology projects.

3. Information regarding Imported Technology

Product	Technology import from	Year of import	Status implementation / absorption
Styrene butadiene rubber (SBR) Project at Hazira	Polimeri Europa, Italy	2011-12	Project Under Implementation
Poly butadiene rubber (PBR)-III Project at Hazira	JSR Corporation, Japan	2011-12	Project Under Implementation

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. 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 ₹ 1,98,269 crore (US\$ 38,972 million).

2. Total Foreign exchange earned and used

		₹ crore
a.	Total Foreign Exchange Earned	1,98,474
b.	Total savings in Foreign Exchange through products manufactured by the Company and deemed exports (US\$ 18,128 million)	92,224
Subtotal (a+b)		2,90,698
c.	Total Foreign Exchange used	2,64,317

Form 'A'

Form for disclosure of particulars with respect to conservation of energy

Part 'A'

Power & Fuel Consumption

1 Electricity

a) Purchased Units (Lacs)

Total Cost (₹ In Crores) #

Rate/Unit (₹) #

b) Generation through captive power facilities

1) Through Steam Turbine/Generator

Units (Lacs)

KWH per unit of fuel

Total Cost (₹ In Crores)

Cost/Unit (₹)

	Current Year	Previous Year
	3,760.66	3,887.53
	170.58	150.95
	4.54	3.88
	52,605.28	52,193.98
	5.66	5.45
	3,609.07	2,141.79
	6.86	4.10

Cont..	Current Year	Previous Year
c) Own Generation		
1) Through Diesel Generator		
Units (Lacs)	500.03	776.06
KWH per unit of fuel	4.08	4.17
Fuel Cost/Unit (₹)	9.31	6.88
2) Through Steam Turbine/Generator		
Units (Lacs)	53,212.68	54,475.91
KWH per unit of fuel	4.20	4.43
Fuel Cost/Unit (₹)	5.21	3.04
3) Through Wind Mill Turbine		
Units (Lacs)	24.82	22.38
Purchased Fuels consumed		
2 Furnace Oil		
Quantity (K.Ltrs)	38,027.50	55,374.86
Total Cost (₹ In crores)	138.05	145.24
Average rate per Ltr. (₹)	36.30	26.23
3 Diesel Oil		
Quantity (K. Ltrs)	3,812.18	2,280.45
Total Cost (₹ In crores)	16.61	8.62
Average rate per Ltr. (₹)	43.57	37.81
4 Others		
(a) Gas		
Quantity (1000 M3)	9,75,810.86	7,26,304.93
Total Cost (₹ In crores)	2,508.32	788.50
Average rate per 1000M3 (₹)	25,704.99	10,856.33
(b) Coal / Husk / Wood Fire		
Quantity	31,158.90	32,882.75
Total Cost (₹ In crores)	9.45	8.62
Average rate per MT (₹)	3,033.58	2,621.70
Internal Fuels consumed		
5 Gas		
Quantity (1000 M3)	69,39,994.21	43,78,642.26
6 GT fuels		
Quantity (K.Ltrs)	3,56,106.53	1,99,443.16

Excluding Demand Charges

B. Consumption per unit of Production

Product	Electricity (KWH)		Furnace Oil/HSD/HFHSD (Ltrs)		LSHS (Kgs)		Gas (SM3)	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fabrics (Per 1000 mtrs)	4,566	4,704	2	1	-	-	461	473
PFY (per MT)	715	708	2	2	-	-	80	88
PSF (per MT)	357	357	13	13	-	-	84	92
PTA (per MT)	302	307	0	0	-	-	14	12
LAB (per MT)	593	600	-	8	0	1	538	306
MEG (per MT)	441	454	-	-	2	5	79	66
PVC (per MT)	432	438	-	-	0	2	34	31
HDPE (per MT)	530	563	-	-	0	2	15	17
PP (per MT)	301	302	2	1	0	0	54	61
FF (per MT)	571	587	87	81	-	-	26	48
PET (per MT)	245	251	-	-	-	-	73	74
PX (per MT)	198	209	29	5	-	-	309	366
Petro-products (per MT)	73	75	3	1	-	-	75	78
PBR (per MT)	634	612	-	-	0	16	491	506
Caustic Soda (per MT)	2,606	2,613	-	-	3	11	91	79
Acrylonitrile (per MT)	446	484	-	-	(0)	(7)	(38)	(64)

For and on behalf of the Board of Directors

Mukesh D. Ambani

Chairman and Managing Director

April 20, 2012

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 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For Chaturvedi & Shah Chartered Accountants (Registration No. 101720W)	For Deloitte Haskins & Sells Chartered Accountants (Registration No. 117366W)	For Rajendra & Co. Chartered Accountants (Registration No. 108355W)
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D. Chaturvedi
Partner
Membership No.: 5611
Mumbai
April 20, 2012

A. Siddharth
Partner
Membership No.: 31467

A. R. Shah
Partner
Membership No.: 47166

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, 2012, the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 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, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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)
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D. Chaturvedi Partner Membership No.: 5611	A. Siddharth Partner Membership No.: 31467	A. R. Shah Partner Membership No.: 47166
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Mumbai
Date : April 20, 2012

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 ₹ 10,254 crore and the year-end balance is ₹ 10,239 crore (including interest free loan of ₹ 6,615 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 over a period of three to five years, while the interest is payable annually at the discretion of the Company.
 - d) In respect of the said loans and interest thereon, 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 ₹ 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. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been 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

Annexure to Auditors' Report

Referred to in Paragraph 3 of our report of even date

outstanding as at March 31, 2012 for a period of more than six months from the date of becoming payable. Amounts due and outstanding for a period exceeding 6 months as at March 31, 2012 to be credited to Investor Education and Protection Fund of ₹ 9 crore, which are held in abeyance due to pending legal cases, have not been considered.

- b) The disputed statutory dues aggregating ₹ 828 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 (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
1.	Central Excise Act, 1944	Excise Duty and Service Tax	19	Various years from 1995-96 to 2010-11	Commissioner of Central Excise (Appeals)
			104	Various years from 1991-92 to 2010-11	Central Excise & Service Tax Appellate Tribunal
2.	Central Sales Tax Act, 1956 and Sales Tax Acts of various states	Sales Tax/ VAT and Entry Tax	40	Various years from 1991-92 to 2009-10	Joint/Deputy Commissioner/ Commissioner (Appeals)
			26	Various years from 1993-94 to 2009-10	Sales Tax Appellate Tribunal
			398	Various years from 1997-98 to 2009-10	High Court
3.	Customs Act, 1962	Custom Duty	1	2007-08	Supreme Court
			240	2005-06 and 2007-08	Central Excise & Service Tax Appellate Tribunal
TOTAL			828		

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 term 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
Date : April 20, 2012

Reliance Industries Limited

Balance Sheet as at 31st March, 2012

	Note	As at 31st March, 2012	As at 31st March, 2011
(₹ in crore)			
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	3,271	3,273
Reserves and Surplus	2	1,62,825	1,48,267
		1,66,096	1,51,540
Share Application Money Pending Allotment			
		-	9
Non-Current Liabilities			
Long Term Borrowings	3	48,034	51,124
Deferred Tax Liability (net)	4	12,122	11,562
		60,156	62,686
Current Liabilities			
Short Term Borrowings	5	10,593	12,304
Trade Payables	6	40,324	34,844
Other Current Liabilities	7	13,713	18,735
Short Term Provisions	8	4,258	4,601
		68,888	70,484
TOTAL		2,95,140	2,84,719
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	88,001	93,084
Intangible Assets	9	25,722	49,623
Capital Work-in-Progress	9	3,695	2,759
Intangible Assets under Development	9	4,059	9,469
Non-Current Investments	10	26,979	23,209
Long Term Loans and Advances	11	14,340	10,698
		1,62,796	1,88,842
Current Assets			
Current Investments	12	27,029	14,443
Inventories	13	35,955	29,825
Trade Receivables	14	18,424	17,442
Cash and Bank Balances	15	39,598	27,135
Short Term Loans and Advances	16	11,089	6,833
Other Current Assets	17	249	199
		1,32,344	95,877
TOTAL		2,95,140	2,84,719

Significant Accounting Policies

Notes on Financial Statements

1 to 36

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 20, 2012**K. Sethuraman**
Company Secretary

For and on behalf of the Board

M.D. Ambani	-	Chairman & Managing Director
N.R. Meswani	}	Executive Directors
H.R. Meswani		
P.M.S. Prasad		
R.H. Ambani	}	Directors
M.L. Bhakta		
Y.P. Trivedi		
Dr. D.V. Kapur		
M.P. Modi		
Prof. Ashok Misra		

Reliance Industries Limited Statement of Profit and Loss for the year ended 31st March, 2012

	Note	2011-12	(₹ in crore) 2010-11
INCOME			
Revenue from Operations	18	3,29,904	2,48,170
Other Income	19	6,192	3,052
Total Revenue		3,36,096	2,51,222
EXPENDITURE:			
Cost of Materials Consumed	20	2,74,814	1,93,234
Purchases of Stock-in-Trade		1,441	1,464
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	21	(872)	(3,243)
Employee Benefits Expense	22	2,862	2,624
Finance Costs	23	2,667	2,328
Depreciation and Amortisation Expense	24	11,394	13,608
Other Expenses	25	18,040	15,965
Total Expenses		3,10,346	2,25,980
Profit Before Tax		25,750	25,242
Tax Expenses			
Current Tax		5,150	4,320
Deferred Tax		560	636
Profit for the year		20,040	20,286
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	26	61.21	62.00
Significant Accounting Policies Notes on Financial Statements	1 to 36		

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 20, 2012

K. Sethuraman
Company Secretary

For and on behalf of the Board

M.D. Ambani	-	Chairman & Managing Director
N.R. Meswani	}	Executive Directors
H.R. Meswani		
P.M.S. Prasad		
R.H. Ambani	}	Directors
M.L. Bhakta		
Y.P. Trivedi		
Dr. D.V. Kapur		
M.P. Modi		
Prof. Ashok Misra		

Reliance Industries Limited

Cash Flow Statement for the year 2011-12

	(₹ in crore)	
	2011-12	2010-11
A: CASHFLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax as per Profit and Loss Account	25,750	25,242
Adjusted for:		
Net Prior Year Adjustments	1	3
Loss on Sale / Discard of Assets (net)	21	34
Depreciation and Amortisation Expense	13,734	16,241
Transferred from Revaluation Reserve	(2,340)	(2,633)
Effect of Exchange Rate Change	801	(834)
Net gain on Sale of Investments	(1,635)	(340)
Dividend Income	(10)	(2)
Interest Income	(4,414)	(2,621)
Finance Costs	2,667	2,328
	8,825	12,176
Operating Profit before Working Capital Changes	34,575	37,418
Adjusted for:		
Trade and Other Receivables	(516)	(6,948)
Inventories	(6,130)	(2,844)
Trade and Other Payables	3,876	9,861
	(2,770)	69
Cash Generated from Operations	31,805	37,487
Net Prior Year Adjustments	(1)	(3)
Taxes Paid	(4,830)	(4,204)
Net Cash from Operating Activities	26,974	33,280
B: CASHFLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(8,008)	(12,366)
Sale of Fixed Assets / Transfer of Participating Interest	23,245	242
Advance for Transfer of Participating Interest	-	9,004
Purchase of Investments	(3,32,438)	(2,57,541)
Sale of Investments	3,15,388	2,43,474
Movement in Loans and Advances	(3,126)	(5,477)
Interest Income	1,883	2,329
Dividend Income	10	2
Net Cash (used in) Investing Activities	(3,046)	(20,333)

Cash Flow Statement for the year 2011-12 (Contd.)

	2011-12	2010-11
(₹ in crore)		
C: CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital	87	193
Buyback of Equity Shares	(279)	-
Proceeds from Long Term Borrowings	5,229	4,921
Repayment of Long Term Borrowings	(8,456)	(5,589)
Short Term Borrowings (net)	(2,111)	6,411
Dividends Paid (including dividend distribution tax)	(2,772)	(2,431)
Interest Paid	(3,163)	(2,780)
Net Cash (used in) / from Financing Activities	<u>(11,465)</u>	<u>725</u>
Net Increase in Cash and Cash Equivalents	12,463	13,672
Opening Balance of Cash and Cash Equivalents	27,135	13,463
Closing Balance of Cash and Cash Equivalents	<u>39,598</u>	<u>27,135</u>

Note :

Share application money given to Subsidiary / Associate aggregating to ₹ 935 crore (Previous Year ₹ 17 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 20, 2012

K. Sethuraman
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 } Directors

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 and Amortisation

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 the period of lease; technical know how is amortised over the useful life of the underlying assets

SIGNIFICANT ACCOUNTING POLICIES

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. Revenue from operations 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.

SIGNIFICANT ACCOUNTING POLICIES

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, gains / losses on settlement and losses on restatement 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.

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 Financial Statements for the Year ended 31st March, 2012

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

1. SHARE CAPITAL

		(₹ in crore)	
		As at 31st March, 2012	As at 31st March, 2011
Authorised Share Capital:			
500,00,00,000	Equity Shares of ₹ 10 each	5,000	5,000
(500,00,00,000)			
100,00,00,000	Preference Shares of ₹ 10 each	1,000	1,000
(100,00,00,000)			
		6,000	6,000
Issued, Subscribed and Paid up:			
327,10,59,340	Equity Shares of ₹ 10 each fully paid up	3,271	3,273
(327,33,74,008)			
	Less: Calls in arrears - by others [₹ 3,653 (Previous Year ₹ 3,653)]	-	-
		3,271	3,273
	TOTAL	3,271	3,273

- 1.1 162,67,93,078 Shares out of the issued, subscribed and paid up share capital were allotted as Bonus Shares in the last five (162,67,93,078) years by capitalisation of Securities Premium and Reserves.
- 1.2 12,93,93,183 Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the various Schemes of amalgamation without payments being received in cash.
- 1.3 45,04,27,345 Shares out of the issued, subscribed and paid up 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, since inception.
- 1.4 17,18,83,624 Shares out of the issued, subscribed and paid up share capital held by Subsidiaries do not have Voting Rights (17,18,83,624) and are not eligible for Bonus Shares
- 1.5 The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% held	No. of Shares	% held
Life Insurance Corporation of India	23,19,67,257	7.09	23,24,95,218	7.10

- 1.6 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares		No. of Shares	
Equity Shares at the beginning of the year	327,33,74,008		327,03,74,360	
Add : Shares issued on exercise of Employee Stock Options	13,48,763		29,99,648	
Less : Shares cancelled on buy back of Equity Shares	36,63,431		-	
Equity Shares at the end of the year	327,10,59,340		327,33,74,008	

- 1.7 The Company has reserved issuance of 13,39,30,481 (Previous year 13,52,79,244) Equity Shares of ₹ 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 68,817 [Previous year 35,200] Options to the eligible employees which includes 4,100 options at a price of ₹ 972/- per option, 18,000 options at a price of ₹ 871/- per option, 23,717 options at a price of ₹ 847 per option, 15,000 options at a price of ₹ 765 per option and 8,000 options at a price of ₹ 715 per option (Previous year, 16,000 options at a price of ₹ 995 per option and 19,200 options at a price of ₹ 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.
- 1.8 The Board of Directors of the Company approved the buyback of upto 12 crore fully paid up equity shares of ₹ 10/- each, at a price not exceeding ₹ 870/- payable in cash, upto an aggregate amount not exceeding ₹ 10,440 crore from the open market through Stock Exchange(s). During the year, the Company has bought back and extinguished 36,63,431 Equity Shares of ₹ 10/- each.

Notes on Financial Statements for the Year ended 31st March, 2012

2. RESERVES AND SURPLUS

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Revaluation Reserve		
As per last Balance Sheet	5,467	8,804
Less: Transferred to Profit and Loss Account (Refer Note No. 9.9)	2,340	2,633
Less: Utilised on Demerger Adjustments	-	704
	<u>3,127</u>	5,467
Capital Reserve		
As per last Balance Sheet	291	291
Capital Redemption Reserve		
As per last Balance Sheet	-	-
Add : Transferred from Profit and Loss Account on buy back of Equity Shares	4	-
	<u>4</u>	-
Securities Premium Reserve		
As per last Balance Sheet	50,878	50,689
Add : On issue of shares	85	189
	<u>50,963</u>	50,878
Less: On Redemption of Debentures/Bonds	11	-
Less : On buy back of Equity Shares	275	-
	<u>50,677</u>	50,878
Less: Calls in arrears - by others [₹ 2,21,548 (Previous Year ₹ 2,21,548)]	-	-
	<u>50,677</u>	50,878
Debentures Redemption Reserve		
As per last Balance Sheet	1,117	1,117
General Reserve*		
As per last Balance Sheet	84,000	68,000
Add: Transferred from Profit and Loss Account	16,000	16,000
	<u>1,00,000</u>	84,000
Profit and Loss Account		
As per last Balance Sheet	6,514	5,000
Add: Profit for the year	20,040	20,286
	<u>26,554</u>	25,286
Less: Appropriations		
Transferred to General Reserve	16,000	16,000
Transferred to Capital Redemption Reserve on buy back of Equity Shares	4	-
Proposed Dividend on Equity Shares [Dividend per Share ₹ 8.5/- (Previous year ₹ 8/-)]	2,531	2,385
Tax on Dividend	410	387
	<u>7,609</u>	6,514
TOTAL	<u><u>1,62,825</u></u>	<u><u>1,48,267</u></u>

* Cumulative amount withdrawn on account of Depreciation on Revaluation is ₹ 2,563 crore.

Notes on Financial Statements for the Year ended 31st March, 2012

3. LONG TERMBORROWINGS

(₹ in crore)

	As at 31st March, 2012		As at 31st March, 2011	
	Non Current	Current	Non Current	Current
Secured				
Non Convertible Debentures	6,024	3,044	9,353	655
Long Term Maturities of Finance Lease Obligations (Refer Note No. 9.7)	168	20	188	18
	6,192	3,064	9,541	673
Unsecured				
Bonds	4,564	-	3,976	-
Term Loans- from banks	37,269	6,753	37,595	3,499
Deferred payment liabilities	9	3	12	3
	41,842	6,756	41,583	3,502
TOTAL	48,034	9,820	51,124	4,175

3.1 Non Convertible Debentures referred above to the extent of:

- ₹ 1,593 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.
- ₹ 5,000 crore are secured by way of first mortgage / charge on the immovable properties situated at Jamnagar Complex (other than SEZ unit) of the Company.
- ₹ 1,720 crore are secured by way of first mortgage / charge on all the properties situated at Hazira Complex and at Patalganga Complex of the Company.
- ₹ 110 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.
- ₹ 50 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.
- ₹ 44 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.
- ₹ 51 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.
- ₹ 500 crore are secured by way of first mortgage / charge on the immovable properties situated at Jamnagar Complex (SEZ unit) of the Company.

Notes on Financial Statements for the Year ended 31st March, 2012

3.2 Maturity profile and Rate of interest of Non Convertible Debentures are as set out below :

Rate of Interest	Maturity Profile							(₹ in crore)
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2020-21	
6.25%	133	133	133	133	133	133	-	
8.75%	-	-	-	-	-	-	500	
9.25%	250	250	-	-	-	-	-	
10.75%	-	-	-	-	-	370	-	
11.45%	1,224	-	-	-	-	-	-	
11.90%	2,500	-	-	-	-	-	-	
Zero Coupon Debentures	75	26	31	-	-	-	-	

3.3 Finance Lease obligations are secured against leased assets.

3.4 Maturity profile and Rate of interest of Bonds are as set out below :

Rate of Interest	Maturity Profile							(₹ in crore)
	2015-16	2016-17	2018-19	2026-27	2027-28	2046-47	2096-97	
2.86%	1,011	-	-	-	-	-	-	
6.21%	-	254	-	-	-	-	-	
6.24%	-	824	-	-	-	-	-	
6.34%	-	-	193	-	-	-	-	
6.51%	-	662	-	-	-	-	-	
6.61%	-	-	865	-	-	-	-	
7.63%	-	-	-	-	26	-	-	
8.25%	-	-	-	173	-	-	-	
9.38%	-	-	-	112	-	-	-	
10.25%	-	-	-	-	-	-	63	
10.38%	-	332	-	-	-	-	-	
10.50%	-	-	-	-	-	49	-	

3.5 Maturity Profile of Unsecured Term Loans are as set out below :

	Maturity Profile				(₹ in crore)
	1-2 years	2-3 years	3-4 years	Beyond 4 years	
Term Loans- from banks	12,920	3,418	5,926	15,005	

4. DEFERRED TAX LIABILITY (Net)

	As at 31st March, 2012	As at 31st March, 2011
Deferred Tax Liability		
Related to fixed assets	12,207	11,743
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	85	181
TOTAL	12,122	11,562

Notes on Financial Statements for the Year ended 31st March, 2012

5. SHORT TERM BORROWINGS

(₹ in crore)

	As at 31st March, 2012	As at 31st March, 2011
Secured		
Working Capital Loans		
From Banks		
Foreign Currency Loans	738	312
Rupee Loans	19	251
	<u>757</u>	<u>563</u>
Unsecured		
Other Loans and Advances		
From Banks		
Foreign Currency Loans - Buyers Credit	9,736	11,741
Rupee Loans	100	-
	<u>9,836</u>	<u>11,741</u>
TOTAL	<u><u>10,593</u></u>	<u><u>12,304</u></u>

- 5.1 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.
- 5.2 Other Loans and Advances from banks include commercial paper of ₹ NIL (Previous Year ₹ NIL). Maximum balance outstanding at any time during the year being ₹ NIL (Previous Year ₹ 4,825 crore).

6. TRADE PAYABLES

(₹ in crore)

	As at 31st March, 2012	As at 31st March, 2011
Micro, Small and Medium Enterprises	33	8
Others	40,291	34,836
TOTAL	<u><u>40,324</u></u>	<u><u>34,844</u></u>

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

Particulars	As at 31st March, 2012	As at 31st March, 2011
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

Notes on Financial Statements for the Year ended 31st March, 2012

7. OTHER CURRENT LIABILITIES

(₹ in crore)

	As at 31st March, 2012	As at 31st March, 2011
Current maturities of long term debt (Refer Note No. 3)	9,800	4,157
Current maturities of finance lease obligations (Refer Note No. 3 and 9.7)	20	18
Interest accrued but not due on borrowings	424	491
Unclaimed Dividends #	129	111
Application money received and due for refund #	1	1
Unpaid matured debentures and interest accrued thereon #	1	1
Creditors for Capital Expenditure	1,189	2,777
Advance for Transfer of Participating Interest	-	9,004
Other Payables *	2,149	2,175
TOTAL	13,713	18,735

* Includes statutory dues, security deposit and advance from customers.

These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 9 crore (Previous Year ₹ 8 crore) which is held in abeyance due to legal cases pending.

8. SHORT TERM PROVISIONS

(₹ in crore)

	As at 31st March, 2012	As at 31st March, 2011
Provisions for Superannuation/Gratuity/Leave Encashment (Refer Note No. 22.1)	191	246
Proposed Dividend	2,531	2,385
Tax on Dividend	410	387
Provision for Wealth Tax	79	64
Other Provisions #	1,047	1,519
TOTAL	4,258	4,601

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, 2011 of ₹ 345 crore as per the estimated pattern of despatches. During the year, ₹ 345 crore was utilised for clearance of goods. Provision recognised under this class for the year is ₹ 326 crore which is outstanding as on 31st March, 2012. Actual outflow is expected in the next financial year. The Company had recognised customs duty liability on goods imported under advance license of ₹ 1,135 crore as at 31st March, 2011. During the year, further provision of ₹ 1,243 crore was made and sum of ₹ 1,674 crore was reversed on fulfilment of export obligation. Closing balance on this account as at 31st March, 2012 is ₹ 704 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 seriously prejudice the position of the Company.

Notes on Financial Statements for the Year ended 31st March, 2012

9. FIXED ASSETS

(₹ in crore)

Description	Gross Block			As at 31-03-2012	Depreciation / Amortisation				Net Block	
	As at 01-04-2011	Additions	Deductions/ Adjustments		As at 01-04-2011	For the Year	Deductions/ Adjustments	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011
TANGIBLE ASSETS :										
OWN ASSETS :										
Leasehold Land	1,557	20	-	1,577	187	55	-	242	1,335	1,370
Freehold Land	1,162	67	8	1,221	-	-	-	-	1,221	1,162
Buildings	7,593	221	22	7,792	2,298	272	2	2,568	5,224	5,295
Plant & Machinery	1,32,367	3,147	521	1,34,993	54,965	7,820	466	62,319	72,674	77,402
Electrical Installations	3,513	72	3	3,582	1,393	172	1	1,564	2,018	2,120
Equipments \$	6,286	179	6	6,459	1,247	312	3	1,556	4,903	5,039
Furniture & Fixtures	519	11	6	524	304	36	4	336	188	215
Vehicles	284	64	32	316	156	39	24	171	145	128
Ships	386	-	-	386	240	14	-	254	132	146
Aircrafts & Helicopters	68	-	22	46	28	5	10	23	23	40
Sub-Total	1,53,735	3,781	620	1,56,896	60,818	8,725	510	69,033	87,863	92,917
LEASED ASSETS :										
Plant & Machinery	318	-	-	318	151	29	-	180	138	167
Ships	10	-	-	10	10	-	-	10	-	-
Sub-Total	328	-	-	328	161	29	-	190	138	167
Total (A)	1,54,063	3,781	620	1,57,224	60,979	8,754	510	69,223	88,001	93,084
INTANGIBLE ASSETS : *										
Technical Knowhow fees	3,211	192	-	3,403	1,565	160	-	1,725	1,678	1,646
Software	486	2	-	488	412	16	-	428	60	74
Development Rights	54,459	8,841	28,121	35,179	14,828	4,697	-	19,525	15,654	39,631
Others	9,034	165	-	9,199	762	107	-	869	8,330	8,272
Total (B)	67,190	9,200	28,121	48,269	17,567	4,980	-	22,547	25,722	49,623
Total (A + B)	2,21,253	12,981	28,741	2,05,493	78,546	13,734	510	91,770	1,13,723	1,42,707
Previous Year	2,15,865	5,963	576	2,21,252	62,605	16,241	301	78,545	1,42,707	
Capital Work-in-Progress									3,695	2,759
Intangible Assets under Development									4,059	9,469

\$ Includes Office Equipments

* Other than internally generated

- 9.1 Leasehold Land includes ₹ 203 crore (Previous Year ₹ 203 crore) in respect of which lease-deeds are pending execution.
- 9.2 Buildings include :
- Cost of shares in Co-operative Housing Societies ₹ 1 crore (Previous Year ₹ 1 crore).
 - ₹ 5 crore (Previous Year ₹ 5 crore) in respect of which conveyance is pending.
 - ₹ 93 crore (Previous Year ₹ 93 crore) in shares of Companies / Societies with right to hold and use certain area of Buildings.
- 9.3 Intangible assets - Others include :
- Jetties amounting to ₹ 812 crore (Previous Year ₹ 647 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.
 - ₹ 8,387 crore (Previous Year ₹ 8,387 crore) in preference shares of subsidiaries and lease premium paid with right to hold and use Land and Buildings.

Notes on Financial Statements for the Year ended 31st March, 2012

- 9.4 Capital Work-in-Progress and Intangible Assets under development include :
- ₹ 2,320 crore (Previous Year ₹ 1,886 crore) on account of project development expenditure.
 - ₹ 933 crore (Previous Year ₹ 666 crore) on account of cost of construction materials at site.
- 9.5 Gross Block includes ₹ 12,901 crore added on revaluation of Building, Plant & Machinery and Equipments as at 01.01.2009 based on reports issued by international valuers.
- 9.6 Additions in Plant and Machinery, Intangible Assets - Development Rights and Intangible Assets under development includes ₹ 7,558 crore (net loss) [Previous Year ₹ 121 crore (net loss)] on account of exchange difference during the year.
- 9.7 i) In respect of Fixed Assets acquired on finance lease on or after 1st April, 2001, the minimum lease rentals outstanding as on 31st March, 2012 are as follows:

(₹ in crore)

	Total Minimum Lease Payments outstanding As at 31 st March		Future interest on Outstanding Lease Payments		Present value of Minimum Lease Payments As at 31 st March	
	2012	2011	2011-12	2010-11	2012	2011
Within one year	36	36	16	18	20	18
Later than one year and not later than five years	146	146	44	53	102	93
Later than five years	73	110	7	15	66	95
Total	255	292	67	86	188	206

- ii) General Description of Lease terms:
- Lease rentals are charged on the basis of agreed terms.
 - Assets are taken on lease over a period of 5 to 10 years.

9.8 Project Development Expenditure

(in respect of Projects up to 31st March, 2012, included under Capital work-in-progress and Intangible Assets under development)

(₹ in crore)

	2011-12	2010-11
Opening Balance	1,886	1,453
Add: Transferred from Profit and Loss Account (Refer Note No. 25)	37	30
Interest Capitalised	430	474
	467	504
	2,353	1,957
Less: Project Development Expenses Capitalised during the year	33	71
Closing Balance	2,320	1,886

- 9.9 The Gross Block of Fixed Assets includes ₹ 38,122 crore (Previous Year ₹ 38,122 crore) on account of revaluation of Fixed Assets carried out since inception. Consequent to the said revaluation there is an additional charge of depreciation of ₹ 2,340 crore (Previous Year ₹ 2,633 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.

Notes on Financial Statements for the Year ended 31st March, 2012

10. NON-CURRENT INVESTMENTS (Long Term Investments)

(₹ in crore)

Trade Investments

In Equity Shares - Unquoted, fully paid up

1,00,00,000 Petronet India Limited of ₹ 10 each
(1,00,00,000)

10

10

10
10

In Equity Shares of Associate Companies - Unquoted, fully paid up

64,29,20,000 Gujarat Chemicals Port Terminal Company
(64,29,20,000) Limited of ₹ 1 each

64

64

62,63,125 Indian Vaccines Corporation Limited
(62,63,125) of ₹ 10 each

1

1

11,08,500 Reliance Europe Limited of Sterling
(11,08,500) Pound 1 each

4

4

26,00,000 Reliance Utilities and Power Private
(19,90,000) Limited Class 'A' shares of ₹ 1 each
[₹ 19,90,000 (Previous Year ₹ 19,90,000)]

-

-

26,00,000 Reliance Utilities Private Limited
(20,50,000) Class 'A' shares of ₹ 1 each
[₹ 20,50,000 (Previous Year ₹ 20,50,000)]

-

-

69
69

In Preference Shares of Associate Company - Unquoted, fully paid up

50,00,00,000 9% Non-Cumulative Redeemable Preference
(50,00,00,000) Shares of Reliance Gas Transportation
Infrastructure Limited of ₹ 10 each

2,000

2,000

2,000
2,000

Total Trade Investments (A)

2,079
2,079

Other Investments

In Equity Shares of Associate Company - Quoted, fully paid up

68,60,064 Reliance Industrial Infrastructure Limited
(68,60,064) of ₹ 10 each

16

16

16
16

In Equity Shares of Associate Company - Unquoted, fully paid up

22,500 Reliance LNG Limited of ₹ 10 each
(22,500) [₹ 2,25,000 (Previous Year ₹ 2,25,000)]

-

-

-
-

Notes on Financial Statements for the Year ended 31st March, 2012

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
In Equity Shares of Subsidiary Companies -		
Unquoted, fully paid up		
4,79,76,90,000 (51,96,90,000) Infotel Broadband Services Limited of ₹10 each	4,798	520
1,76,200 (1,76,200) Reliance Exploration & Production DMCC of AED 1000 each	211	211
- (33,65,75,000) Reliance Exploration & Production Mauritius Limited of USD 1 each	-	1,554
2,00,000 (2,00,000) Reliance Global Business B.V. of Euro 0.01 each [₹ 1,25,400 (Previous Year ₹ 1,25,400)]	-	-
14,75,04,400 (14,75,04,400) Reliance Industrial Investments and Holdings Limited of ₹10 each	148	148
42,450 (42,450) Reliance Industries (Middle East) DMCC of AED 1000 each	46	46
10,00,00,000 (10,00,00,000) Reliance Jamnagar Infrastructure Limited of ₹ 10 each	100	100
- (50,000) Reliance Oil & Gas Mauritius Limited of USD 1 each [₹ NIL (Previous Year ₹ 23,27,000)]	-	-
522,00,00,000 (339,00,00,000) Reliance Retail Limited of ₹10 each	5,220	3,390
20,20,200 (20,20,200) Reliance Strategic Investments Limited of ₹ 10 each	2	2
26,91,150 (26,91,150) Reliance Ventures Limited of ₹ 10 each	2,351	2,351
59,00,001 (55,00,001) RIL (Australia) Pty Limited of Aus \$ 1 each	22	20
50,000 (-) Reliance Energy Generation and Distribution Limited of ₹ 10 each [₹ 5,00,000 (Previous Year ₹ NIL)]	-	-
	12,898	8,342
In Equity Shares of Subsidiary Companies -		
Unquoted, partly paid up		
- (610,00,00,000) Reliance Retail Limited of ₹ 10 each (₹ 3 each paid up)	-	1,830
- (427,80,00,000) Infotel Broadband Services Limited of ₹10 each (₹ 8.50 each paid up)	-	3,636
	-	5,466
	12,914	13,824

Notes on Financial Statements for the Year ended 31st March, 2012

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
In Preference Shares of Subsidiary Companies - Unquoted, fully paid up		
660,77,27,511 (660,77,27,511) Reliance Global Business B.V. 'A' Class Shares of Euro 0.01 each	426	426
4,02,800 (4,02,800) 9% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Strategic Investments Limited of ₹ 1 each	113	113
3,54,156 (3,54,156) 5% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Industries (Middle East) DMCC of AED 1000 each	474	474
24,82,316 (20,62,316) 5% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Exploration & Production DMCC of AED 1000 each	3,121	2,563
18,50,000 (18,50,000) 10% Non-Cumulative Optionally Convertible Preference Shares of Reliance Jamnagar Infrastructure Limited of ₹ 10 each	925	925
62,000 (62,000) Reliance Netherlands B.V. Class 'A' Shares of Euro 1 each [₹ 37,57,820 (Previous Year ₹ 37,57,820)]	-	-
- (1,46,500) 5% Non-Cumulative Compulsorily Convertible Preference Shares of Reliance Exploration & Production Mauritius Limited of USD 1000 each	-	653
- (1,37,622) 5% Non-Cumulative Compulsorily Convertible Preference Shares of Reliance Oil & Gas Mauritius Limited of USD 1000 each	-	614
258,00,00,000 (-) 9% Cumulative Optionally Convertible Preference Shares of Reliance Retail Limited of ₹ 10 each	2,580	-
	7,639	5,768
In Preference Shares of Subsidiary Company - Unquoted, partly paid up		
1,37,000 (1,37,000) Reliance Netherlands B.V. Class 'A' Shares of Euro 1 each (Euro 0.60 each paid up)	1	1
	1	1
	7,640	5,769
In Debentures of Subsidiary Companies - Unquoted, Fully paid up		
2,79,90,000 (2,79,90,000) 0% Unsecured Convertible Debentures of Reliance Industrial Investments and Holdings Limited of ₹ 100 each	280	280
8,83,143 (8,83,143) 0% Unsecured Convertible Redeemable Debentures of Reliance Industrial Investments and Holdings Limited of ₹ 5000 each	442	442
	722	722
In Government Securities-Unquoted		
6 Years National Savings Certificate (Deposited with Sales Tax Department and other Government Authorities) [₹ 2,43,420 (Previous Year ₹ 2,66,420)]	-	-
	-	-

Notes on Financial Statements for the Year ended 31st March, 2012

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
In Mutual Fund - Quoted fully paid up Face Value ₹ 10 each		
5,00,00,000 Axis Fixed Term Plan - (Series 21/22) - Growth (-)	50	-
47,00,00,000 Birla Sunlife Fixed Term Plan - (-) (Series ES/EV/EY/FC) - Growth	470	-
40,50,00,000 DSP Blackrock Fixed Maturity Plan - (15,00,00,000) (Series 18/37/38/43) - Growth	405	150
20,30,00,000 DWS Fixed Maturity Plan - (-) (Series 6/7/9/10) - Growth	203	-
54,70,00,000 HDFC Fixed Maturity Plan - (17,50,00,000) (Series XVI/XXI) - Growth	547	175
4,50,00,000 HSBC Fixed Term Plan - Series 86 - Growth (-)	45	-
71,50,00,000 ICICI Prudential Fixed Maturity Plan - Cumulative (3,00,00,000) (Series 62/63/54)	715	30
19,20,00,000 IDFC Fixed Maturity Plan - (Series 7/8/65) - Growth (-)	192	-
3,50,00,000 India Bulls Fixed Maturity Plan - Growth (-)	35	-
15,00,00,000 JP Morgan Fixed Maturity Plan - Series VI - Growth (-)	150	-
27,00,00,000 Kotak Fixed Maturity Plan - (Series 76/80/82) - Growth (-)	270	-
3,50,00,000 LIC Nomura MF Fixed Maturity Plan - (-) Series 52 - Growth	35	-
17,30,00,000 Religare Fixed Maturity Plan - (-) (Series XIII/XIV) - Growth	173	-
16,00,00,000 SBI Debt Fund - (Series 11/12/13) - Growth (40,00,00,000)	160	400
4,00,00,000 Sundaram Fixed Term Plan - Growth (-)	40	-
13,50,00,000 Tata Fixed Maturity Plan - (Series 39/40) - Growth (-)	134	-
- Canara Robeco Fixed Maturity Plan - (6,00,00,000) Series 6 - Growth Plan	-	60
	3,624	815
Total Other Investments (B)	24,900	21,130
Total Non Current Investments (A + B)	26,979	23,209
Aggregate amount of quoted investments	3,640	831
Market Value of quoted investments	3,945	1,249
Aggregate amount of unquoted investments	23,339	22,378

Notes on Financial Statements for the Year ended 31st March, 2012

11. LONG TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Capital Advances #	1,190	591
Deposits with Related parties (Refer Note No. 30)	1,741	1,699
Loans and Advances to Related Parties (Refer Note No. 30)	10,243	7,108
Advance Income Tax (Net of Provision)	1,100	1,229
Other Loans and Advances*	66	71
TOTAL	14,340	10,698

*Includes Loans to Employees.

Includes ₹ 42 crore (Previous Year ₹ NIL) to Reliance Haryana SEZ Limited.

11.1 Loans and Advances in the nature of Loans given to Subsidiaries and Associates :

A) Loans and Advances in the nature of Loans

Sr No.	Name of the Company		As at 31st March, 2012	As at 31st March, 2011	Maximum Balance during the year
1.	Reliance Industrial Investments and Holdings Limited*	Subsidiary	9,622	6,997	9,622
2.	Reliance Ventures Limited	Subsidiary	-	-	778
3.	Reliance Strategic Investments Limited	Subsidiary	-	-	1,917
4.	Reliance Retail Limited	Subsidiary	617	-	632
5.	Gapco Tanzania Limited	Subsidiary	-	84	84
6.	Reliance Exploration & Production DMCC	Subsidiary	-	8	9
7.	Gujarat Chemicals Port Terminal Company Limited	Associate	-	25	42

* Excluding Debentures of ₹ 722 crore (Previous Year ₹ 722 crore)

- (a) Loans and Advances shown above, fall under the category of 'Long Term Loans & Advances' in nature of Loans and are re-payable within 3 to 5 years.
- (b) All the above loans and advances are interest bearing except for an amount of ₹ 6,615 crore paid to Reliance Industrial Investments and Holdings Limited.
- (c) Loans to employees as per Company's policy are not considered.

B) (i) Investment by the loanee in the shares of the Company

*None of the loanees and loanees of subsidiary companies have, per se, made investments in shares of the Company. These investments represent shares of the Company allotted as a result of amalgamation of erstwhile Reliance Petroleum Limited (amalgamation in 2001-02) and Indian Petrochemicals Corporation Limited with the Company under the Schemes approved by the Hon'ble High Court of Judicature at Bombay and Gujarat and certain subsequent inter se transfer of shares.

Sr No.	Name of the Company	No. of Shares	Amount
1.	*Reliance Aromatics and Petrochemicals Limited	2,98,89,898	274
2.	*Reliance Energy and Project Development Limited	20,58,000	303

(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

Notes on Financial Statements for the Year ended 31st March, 2012

Sr No.	Name of the Company	No. of Shares
5.	Indiawin Sports Private Limited	26,50,000
6.	Reliance Corporate Services Limited	10,000
7.	Reliance Industries Investment and Holding Limited	50,000
8.	Reliance Security Solutions Limited	50,000
9.	Mark Project Services Private Limited	5,000
10.	Reliance One Enterprises Limited	50,000
11.	GenNext Innovation Ventures Limited	50,000
12.	Reliance Commercial Associates Limited	50,000
13.	Reliance Sibur Elastomers Private Limited	10,000
In Preference Shares :		
Sr No.	Name of the Company	No. of Shares
1.	Reliance Industries Investment and Holding Limited	28,51,200
2.	Infotel Broadband Services Limited	12,50,00,000
(iii) Investment by Reliance Ventures Limited in subsidiaries		
In Equity Shares :		
Sr No.	Name of the Company	No. of Shares
1.	Reliance Haryana SEZ Limited	46,250
(iv) Investment by Reliance Strategic Investments Limited in subsidiaries		
In Equity Shares :		
Sr No.	Name of the Company	No. of Shares
1.	Reliance Global Commercial Limited	25,500
2.	Reliance Universal Commercial Limited	25,000
3.	Reliance Strategic (Mauritius) Limited	40,000
In Preference Shares :		
Sr No.	Name of the Company	No. of Shares
1.	Reliance Polymers (India) Limited	40,400
(v) Investment by Reliance Exploration & Production DMCC in subsidiaries		
In Equity Shares :		
Sr No.	Name of the Company	No. of Shares
1.	Reliance International B. V.	20,000
2.	Central Park Enterprises DMCC	367
(vi) Investment by Reliance Retail Limited in Subsidiaries		
In Equity Shares:		
Sr No.	Name of the Company	No. of Shares
1.	Reliance Brands Limited	8,08,60,000
2.	Reliance Fresh Limited	10,50,000
3.	Reliance Office Solutions Private Limited	51,20,000
4.	Reliance Retail Finance Limited	20,20,000
5.	Reliance Retail Insurance Broking Limited	40,00,000
6.	Reliance Financial Distribution & Advisory Services Limited	50,000
7.	Reliance Trends Limited	10,50,000
8.	Reliance Gems and Jewels Limited	10,10,000
9.	Reliancedigital Retail Limited	10,50,000
10.	Reliance-GrandOptical Private Limited	50,000
11.	Strategic Manpower Solutions Limited	50,000

Notes on Financial Statements for the Year ended 31st March, 2012

11.2 (i) Assets given on finance lease on or after 1st April, 2001

(₹ in crore)

Particulars	Total		Not later than one year		Later than one year and not later than five years		Later than five years	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Gross Investment	21	48	17	27	4	21	-	-
Less: Unearned Finance Income	1	4	1	3	-	1	-	-
Present Value of Minimum Lease Rental	20	44	16	24	4	20	-	-

(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.

12. CURRENT INVESTMENTS

(₹ in crore)

	As at 31st March, 2012	As at 31st March, 2011
Investment in Government Securities - Quoted, Fully Paid up		
7.59% GOI 2016	5	5
Investment in Debentures or Bonds - Quoted, Fully Paid up		
250 Axis Bank Limited	25	-
(-) (-)		
1,000 CitiFinancial Consumer Finance	98	98
(1,000) India Limited		
1,250 EXIM Bank of India	120	220
(2,250) (-)		
18,387 Housing Development Finance Corporation Limited	1,822	1,531
(15,187) (-)		
10,750 Infrastructure Development Finance Company Limited	1,060	483
(5,000) (-)		
15,095 India Infrastructure Finance Company Limited	149	-
(-) (-)		
32,62,862 Indian Railway Finance Corporation Limited	350	139
(1,450) (-)		
5,550 LIC Housing Finance Limited	545	1,218
(12,500) (-)		
3,500 National Bank for Agriculture and Rural Development	349	-
(-) (-)		
49,44,752 National Highways Authority of India	494	-
(-) (-)		
42,76,093 Power Finance Corporation Limited	858	552
(5,500) (-)		

Notes on Financial Statements for the Year ended 31st March, 2012

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
920 Power Grid Corporation of India Limited (920)	112	112
450 Rural Electrification Corporation Limited (1,350)	44	131
550 Steel Authority of India Limited (1,500)	53	146
250 Tata Steel Limited (-)	26	-
1,370 Tata Power Company Limited (-)	142	-
	6,247	4,630
Investment in Mutual Fund - Quoted, Fully Paid up		
6,50,00,000 Axis Fixed Term Plan - (Series 13/15/16) - Growth (6,00,00,000)	65	60
1,20,00,000 Baroda Pioneer FMP - (Series 1/2) - Growth (1,50,00,000)	12	15
61,00,00,000 Birla Sun Life Fixed Term Plan - (1,38,00,00,000) (Series CM/CO to CW/DB/DL/DN/DO/DQ/DS/EW/FA) Growth	610	1,380
10,00,00,000 Canara Robeco Fixed Maturity Plan - (Series 6 -13/ 7) (5,00,00,000) - Growth	100	50
41,00,00,000 DSP Blackrock FMP - (Series 7/10/12 to18/39) (75,00,00,000) - Growth	410	750
14,30,00,000 DWS Fixed Maturity Plan - (Series 11/90/92) - Growth (-)	143	-
- Fidelity Mutual Fund - Series 5 - Growth (3,50,00,000)	-	35
44,00,00,000 HDFC FMP (Series XIV/XVI/XVIII/XXI/XIX) (13,80,00,000) - Growth	440	138
- HSBC Fixed Term (Series 79) - Growth (10,00,00,000)	-	100
39,00,00,000 ICICI Prudential FMP Series 51/54/55/56/59/63 - (1,26,50,00,000) Cumulative	390	1,265
5,00,00,000 ICICI Prudential FMP Series 55 - Dividend (-)	50	-
12,04,25,008 ICICI Prudential Interval Fund - (- Institutional Cumulative	130	-
- IDBI FMP (Series I) - Growth (7,50,00,000)	-	75
15,50,00,000 IDFC Fixed Maturity Plan - (47,00,00,000) Yearly (Series 37/38/40/41/42/52/64/66) - Growth	155	470

Notes on Financial Statements for the Year ended 31st March, 2012

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
10,50,00,000 JPM Fixed Maturity Plan - (Series 8) - Growth (-)	105	-
(18,00,00,000) - JPMorgan India Fixed Maturity Plan (Series 1) - Growth	-	180
23,00,00,000 Kotak Fixed Maturity Plan (Series 57/60/62/83) (-) - Growth	230	-
6,00,00,000 Religare Fixed Maturity Plan (Series- IX/VIII) - (-) Growth	60	-
76,50,00,000 SBI Debt Fund (Series- 6/7/9/10/11/12/17/18/19) - (32,50,00,000) Growth	765	325
2,20,00,000 Sundaram Fixed Term Plan - Growth (2,50,00,000)	22	25
24,00,00,000 Tata Fixed Maturity Plan (Series 31/34/36/37) - Growth (6,40,00,000)	240	64
6,66,98,706 UTI Fixed Income Interval Fund (Series II/III/IX-I) - (15,00,00,000) Growth	83	150
2,61,12,073 UTI Fixed Income Fund (Series IX-IV) - (-) Dividend - Reinvestment	26	-
	4,036	5,082
Investment in Units - Quoted		
41,19,71,606 Birla Sunlife Dynamic Bond Fund - Retail - Growth (-)	730	-
2,48,38,796 DWS Premium Bond Fund - Premium Plus Growth Plan (-)	25	-
3,77,86,469 DWS Short Maturity Fund - Premium Plus Growth Plan (-)	40	-
3,99,55,814 ICICI Prudential Institutional Short Term Plan - (-) Cumulative Option	85	-
7,37,24,677 LIC Nomura MF Liquid Fund - Growth Plan (-)	141	-
	1,021	-
Investment in Commercial Paper - Quoted		
Housing Development Finance Corporation Limited	-	94
	-	94
Investment in Certificate of Deposits with Scheduled Banks - Quoted	15,720	4,632
Total Current Investments	27,029	14,443
Aggregate amount of quoted investments	27,029	14,443
Market Value of quoted investments	27,494	14,590

Notes on Financial Statements for the Year ended 31st March, 2012

13. INVENTORIES

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Raw Materials	8,342	6,130
Raw Materials in Transit	11,008	8,446
Stock-in-Process	5,274	4,909
Finished Goods	7,944	7,376
Stores, Chemicals and Packing Materials	3,333	2,849
Stock-in-Trade	54	115
TOTAL	35,955	29,825

14. TRADE RECEIVABLES

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
(Unsecured and Considered Good)		
Over six months	14	14
Others	18,410	17,428
TOTAL	18,424	17,442

15. CASH AND BANK BALANCES

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Balance with Banks #	875	590
Cash on hand	14	15
Fixed deposits with banks *	38,709	26,530
TOTAL	39,598	27,135

Balance with Banks includes Unclaimed Dividend of ₹ 129 crore (Previous Year ₹ 111 crore)

* Fixed deposits with banks include deposits of ₹ 6,860 crore (Previous Year ₹ 14,255 crore) with maturity of more than 12 months.

16. SHORT TERM LOANS AND ADVANCES

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
(Unsecured and Considered Good)		
Loans and Advances to Related Parties (Refer Note No. 30)	4,169	2,402
Balance with Customs, Central Excise Authorities	1,525	1,223
Deposits	358	394
Others*#	5,037	2,814
TOTAL	11,089	6,833

* Netted for Loans and Advances considered doubtful ₹ 70 crore (Previous Year ₹ 70 crore)

Includes primarily Interest Receivable on Fixed Deposits with Banks, Advance to sundry creditors and Forward Premium on derivative contracts.

Notes on Financial Statements for the Year ended 31st March, 2012

17. OTHER CURRENT ASSETS	(₹ in crore)	
	As at 31st March, 2012	As at 31st March, 2011
Interest accrued on Investment	249	199
TOTAL	249	199
18. REVENUE FROM OPERATIONS	(₹ in crore)	
	2011-12	2010-11
Sale of Products	3,39,721	2,58,571
Income from Services	71	80
	3,39,792	2,58,651
Less: Excise Duty/ Service Tax Recovered	9,888	10,481
TOTAL	3,29,904	2,48,170
18.1 PARTICULARS OF SALE OF PRODUCTS	(₹ in crore)	
Particulars	2011-12	2010-11
Petroleum Products	2,45,335	1,79,263
Petrochemicals Products	80,625	63,155
Oil & Gas	12,620	15,630
Others	1,141	523
TOTAL	3,39,721	2,58,571
19. OTHER INCOME	(₹ in crore)	
	2011-12	2010-11
Interest		
From Current Investments	431	482
From Long Term Investments	109	-
From Others	3,874	2,139
	4,414	2,621
Dividend		
From Current Investments	6	-
From Long Term Investments	4	2
	10	2
Net gain on Sale of Investments		
From Current Investments	1,060	430
From Long Term Investments	575	-
Adjustment to the carrying amount of investments [(₹ 14,64,610)]	-	(90)
	1,635	340
Other non operating income *	133	89
TOTAL	6,192	3,052

*Other non operating income includes income from finance lease of ₹ 3 crore (Previous Year ₹ 6 crore).

Notes on Financial Statements for the Year ended 31st March, 2012

20. COST OF MATERIALS CONSUMED

	2011-12		2010-11	
	₹ in crore	% of Consumption	₹ in crore	% of Consumption
Imported	2,51,583	91.55	1,77,226	91.72
Indigenous	23,231	8.45	16,008	8.28
TOTAL	2,74,814	100.00	1,93,234	100.00

20.1 PARTICULARS OF MATERIALS CONSUMED

Particulars	2011-12		2010-11	
	₹ in crore	% of Consumption	₹ in crore	% of Consumption
Crude Oil	2,53,997		1,82,873	
Others	20,817		10,361	
TOTAL	2,74,814		1,93,234	

21. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

Inventories (at close)	2011-12		2010-11	
	₹ in crore	% of Consumption	₹ in crore	% of Consumption
Finished Goods / Stock-in-Trade	7,998		7,491	
Stock-in-Process	5,274		4,909	
		13,272		12,400
Inventories (at commencement)				
Finished Goods / Stock-in-Trade	7,491		6,278	
Stock-in-Process	4,909		2,879	
		12,400		9,157
TOTAL		(872)		(3,243)

22. EMPLOYEE BENEFITS EXPENSE

	2011-12		2010-11	
	₹ in crore	% of Consumption	₹ in crore	% of Consumption
Salaries and Wages	2,433		2,179	
Contribution to Provident and Other Funds	215		243	
Staff Welfare Expenses	214		202	
TOTAL	2,862		2,624	

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

Defined Contribution Plans

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

	2011-12		2010-11	
	₹ in crore	% of Consumption	₹ in crore	% of Consumption
Employer's Contribution to Provident Fund	80		64	
Employer's Contribution to Superannuation Fund	15		13	
Employer's Contribution to Pension Scheme	15		15	

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

Notes on Financial Statements for the Year ended 31st March, 2012

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

(₹ in crore)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
Defined Benefit obligation at beginning of year	383	300	179	297
Current Service Cost	27	36	8	16
Interest Cost	32	24	11	17
Actuarial (gain) / loss	17	40	39	42
Benefits paid	(23)	(17)	(100)	(193)
Defined Benefit obligation at year end	436	383	137	179

II) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in crore)

	Gratuity (Funded)	
	2011-12	2010-11
Fair value of Plan assets at beginning of year	327	269
Expected return on plan assets	29	24
Actuarial gain / (loss)	2	2
Employer contribution	59	49
Benefits paid	(23)	(17)
Fair value of Plan assets at year end	394	327
Actual return on plan assets	31	26

III) Reconciliation of fair value of assets and obligations

(₹ in crore)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	As at 31st March 2012	2011	As at 31st March 2012	2011
Fair value of Plan assets	394	327	-	-
Present value of obligation	436	383	137	179
Amount recognised in Balance Sheet	42	56	137	179

IV) Expenses recognised during the year

(₹ in crore)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
Current Service Cost	27	36	8	16
Interest Cost	32	24	11	17
Expected return on Plan assets	(29)	(24)	-	-
Actuarial (gain) / loss	15	38	39	42
Net Cost	45	74	58	75

Notes on Financial Statements for the Year ended 31st March, 2012

V) Investment Details :

	% Invested	
	As at 31st March, 2012	As at 31st March, 2011
GOI Securities	7.52	9.15
Public Securities	6.18	9.51
State Government Securities	2.42	4.04
Insurance Policies	83.72	77.12
Others (including bank balances)	0.16	0.18
	100.00	100.00

VI) Actuarial assumptions

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12 1994-96 (Ultimate)	2010-11 1994-96 (Ultimate)	2011-12 1994-96 (Ultimate)	2010-11 1994-96 (Ultimate)
Mortality Table (LIC)				
Discount rate (per annum)	8.50%	8.25%	8.50%	8.25%
Expected rate of return on plan assets (per annum)	8.50%	8.25%	-	-
Rate of escalation in salary (per annum)	6%	6%	6%	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.

- 22.2 The Company announced a Voluntary Separation Scheme (VSS) for the employees of one of the units during the year. A sum of ₹ 5 crore (Previous Year ₹ 3 crore) has been paid during the year and debited to Statement of Profit and Loss under the head "Employee Benefits Expense".

23. FINANCE COSTS

	2011-12	2010-11
Interest Expenses	1,966	2,125
Other borrowing costs	18	20
Applicable loss on foreign currency transactions and translation	683	183
TOTAL	2,667	2,328

(₹ in crore)

24. DEPRECIATION AND AMORTISATION EXPENSE

	2011-12	2010-11
Depreciation and Amortisation	13,734	16,241
Less: Transferred from revaluation reserve (Refer Note No. 9.9)	2,340	2,633
TOTAL	11,394	13,608

(₹ in crore)

Notes on Financial Statements for the Year ended 31st March, 2012

25. OTHER EXPENSES

(₹ in crore)
2010-11

	2011-12		2010-11	
Manufacturing expenses				
Stores, Chemicals and Packing Materials	3,482		3,378	
Electric Power, Fuel and Water	4,094		2,255	
Labour Processing, Production Royalty and Machinery Hire Charges	1,829		2,284	
Repairs to Building	40		29	
Repairs to Machinery	728		632	
Exchange Difference (Net)	161		(368)	
Excise Duty #	(28)		34	
Lease Rent	1		1	
		10,307		8,245
Selling and Distribution Expenses				
Warehousing and Distribution Expenses	4,380		4,195	
Sales tax /VAT/Service tax	821		756	
Other selling and Distribution Expenses	192		402	
		5,393		5,353
Establishment Expenses				
Professional fees	705		666	
General Expenses	255		500	
Rent	122		103	
Insurance	522		529	
Rates & Taxes	83		67	
Other Repairs	258		243	
Travelling Expenses	82		74	
Payment to Auditors	17		14	
Loss on Sale /Discard of Fixed Assets	45		58	
Charity and Donations	288		143	
		2,377		2,397
Less: Transferred to Project Development Expenditure		37		30
TOTAL		18,040		15,965

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.

25.1 VALUE OF STORES, CHEMICALS AND PACKING MATERIALS CONSUMED :

	2011-12		2010-11	
	₹ in crore	% of Consumption	₹ in crore	% of Consumption
Imported	1,816	52.15	1,724	51.04
Indigenous	1,666	47.85	1,654	48.96
TOTAL	3,482	100.00	3,378	100.00

Notes on Financial Statements for the Year ended 31st March, 2012

25.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

	2011-12	2010-11
Raw Materials and Stock-in-Trade	2,54,248	1,74,914
Stores, Chemicals and Packing Materials	3,120	2,051
Capital goods	325	502

25.3 PAYMENT TO AUDITORS AS :

	2011-12	2010-11
(a) Auditor		
Statutory Audit Fees	7	6
Tax Audit Fees	1	1
(b) Certification and Consultation Fees	9	7
(c) Cost Audit Fees	-	-
[₹ 39,85,000 (Previous Year ₹ 22,15,000)]		
TOTAL	17	14

254 A sum of ₹ 1 crore (net debit) [Previous Year ₹ 3 crore (net debit)] is included under establishment expenses representing Net Prior Period Items.

25.5 EXPENDITURE IN FOREIGN CURRENCY :

	2011-12	2010-11
Capital Contracts (Includes ₹ 2,35,330 for SEZ unit)	167	166
Oil and Gas Activity	1,633	3,804
Technical and Engineering Fees	-	192
Repairs to Machinery (Includes ₹ 2 crore for SEZ unit)	84	92
Repairs to Building	1	4
Employee Benefits Expense	40	20
Sales Promotion Expenses	29	31
Brokerage and Commission (Includes ₹ 2 crore for SEZ unit)	31	55
Ocean Freight (Includes ₹ 525 crore for SEZ unit)	1,085	1,488
Warehousing and Distribution Expenses (Includes ₹ 980 crore for SEZ unit)	1,349	1,036
Insurance (Includes ₹ 14,55,709 for SEZ unit)	2	2
Rent	5	5
Rates & Taxes (Includes ₹ 21,059 for SEZ unit)	1	1
Other Repairs (Includes ₹ 3 crore for SEZ unit)	15	8
Travelling Expenses	9	7
Professional Fees (Includes ₹ 20 crore for SEZ unit)	204	113
Charity and Donations	9	16
Labour Processing, Production Royalty and Hire Charges (Includes ₹ 34,05,332 for SEZ unit)	1	-
Bank Charges (Includes ₹ 6 crore for SEZ unit)	15	20
Establishment Expenses (Includes ₹ 5 crore for SEZ unit)	74	54
Interest Expenses (Includes ₹ 498 crore for SEZ unit)	1,392	1,368

Notes on Financial Statements for the Year ended 31st March, 2012

26. EARNINGS PER SHARE (EPS)

	2011-12	2010-11
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in crore)	20,040	20,286
ii) Weighted Average number of equity shares used as denominator for calculating EPS	3,27,42,26,242	3,27,18,51,032
iii) Basic and Diluted Earnings per share (₹)	61.21	62.00
iv) Face Value per equity share (₹)	10.00	10.00

27. EARNINGS IN FOREIGN EXCHANGE

	2011-12	2010-11
FOB value of exports [Excluding captive transfers to Special Economic Zone of ₹ 21,278 crore (Previous Year ₹ 13,178 crore)]	1,98,269	1,40,546
Interest	1	7
Others	204	4

(₹ in crore)

28. 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:

	2011-12 (Final Dividend)	2010-11 (Final Dividend)
a) Number of Non Resident Shareholders	40,493	40,299
b) Number of Equity Shares held by them	59,71,01,671	59,60,33,421
c) (i) Amount of Dividend Paid (Gross) (₹ in Crore)	478	417
(ii) Tax Deducted at Source	-	-
(iii) Year to which dividend relates	2010-11	2009-10

29. Fixed assets taken on finance lease prior to 1st April, 2001, amount to ₹ 444 crore (Previous Year ₹ 512 crore). Future obligations towards lease rentals under the lease agreements as on 31st March, 2012 amount to ₹ 3 crore (Previous Year ₹ 4 crore).

	2011-12	2010-11
Within one year	1	1
Later than one year and not later than five years	2	2
Later than five years	-	1
[₹ 38,57,534]		
TOTAL	3	4

(₹ in crore)

Notes on Financial Statements for the Year ended 31st March, 2012

30. RELATED PARTY DISCLOSURES :

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

- (i) **List of related parties where control exists and related parties with whom transactions have taken place and relationships:**

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industrial Investments and Holdings Limited	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 Commercial Associates Limited	
17	Reliancedigital Retail Limited	
18	Reliance Financial Distribution and Advisory Services Limited	
19	RIL (Australia) Pty Limited	
20	Reliance Hypermart Limited	
21	Gapco Kenya Limited	
22	Gapco Rwanda Limited	
23	Gapco Tanzania Limited	
24	Gapco Uganda Limited	
25	Gapoil (Zanzibar) Limited	
26	Gulf Africa Petroleum Corporation	
27	Transenergy Kenya Limited	
28	Recron (Malaysia) Sdn Bhd	
29	Reliance Retail Travel & Forex Services Limited	
30	Reliance Brands Limited	
31	Reliance Footprint Limited	
32	Reliance Trends Limited	
33	Reliance Wellness Limited	
34	Reliance Lifestyle Holdings Limited	
35	Reliance Universal Ventures Limited	
36	Delight Proteins Limited	

Notes on Financial Statements for the Year ended 31st March, 2012

Sr. No.	Name of the Related Party	Relationship
37	Reliance Autozone Limited	Subsidiary Companies
38	Reliance F&B Services Limited	
39	Reliance Gems and Jewels Limited	
40	Reliance Integrated Agri Solutions Limited	
41	Strategic Manpower Solutions Limited	
42	Reliance Agri Products Distribution Limited	
43	Reliance Digital Media Limited	
44	Reliance Food Processing Solutions Limited	
45	Reliance Home Store Limited	
46	Reliance Leisures Limited	
47	Reliance Loyalty & Analytics Limited	
48	Reliance Retail Securities and Broking Company Limited	
49	Reliance Supply Chain Solutions Limited	
50	Reliance Trade Services Centre Limited	
51	Reliance Vantage Retail Limited	
52	Wave Land Developers Limited	
53	Reliance-GrandOptical Private Limited	
54	Reliance Universal Commercial Limited	
55	Reliance Petroinvestments Limited	
56	Reliance Global Commercial Limited	
57	Reliance People Serve Limited	
58	Reliance Infrastructure Management Services Limited	
59	Reliance Global Business B.V.	
60	Reliance Gas Corporation Limited	
61	Reliance Global Energy Services Limited	
62	Reliance One Enterprises Limited	
63	Reliance Global Energy Services (Singapore) Pte. Limited	
64	Reliance Personal Electronics Limited	
65	Reliance Polymers (India) Limited	
66	Reliance Polyolefins Limited	
67	Reliance Aromatics and Petrochemicals Limited	
68	Reliance Energy and Project Development Limited	
69	Reliance Chemicals Limited	
70	Reliance Universal Enterprises Limited	
71	International Oil Trading Limited	
72	Reliance Review Cinema Limited	
73	Reliance Replay Gaming Limited	
74	Two Sisters Foods India Limited (Formerly Reliance Nutritional Food Processors Limited)	
75	RIL USA Inc.	
76	Reliance Commercial Land & Infrastructure Limited	

Notes on Financial Statements for the Year ended 31st March, 2012

Sr. No.	Name of the Related Party	Relationship
77	Reliance Corporate IT Park Limited	Subsidiary Companies
78	Reliance Eminent Trading & Commercial Private Limited	
79	Reliance Progressive Traders Private Limited	
80	Reliance Prolific Traders Private Limited	
81	Reliance Universal Traders Private Limited	
82	Reliance Prolific Commercial Private Limited	
83	Reliance Comtrade Private Limited	
84	Reliance Ambit Trade Private Limited	
85	Reliance Petro Marketing Limited	
86	LPG Infrastructure (India) Limited	
87	Reliance Corporate Centre Limited	
88	Reliance Convention and Exhibition Centre Limited	
89	Central Park Enterprises DMCC	
90	Reliance International B. V.	
91	Reliance Corporate Services Limited	
92	Reliance Oil and Gas Mauritius Limited	
93	Reliance Exploration and Production Mauritius Limited	
94	Indiawin Sports Private Limited	
95	Reliance Holding USA Inc.	
96	Reliance Marcellus LLC	
97	Infotel Broadband Services Limited	
98	Reliance Strategic (Mauritius) Limited	
99	Reliance Eagleford Midstream LLC	
100	Reliance Eagleford Upstream LLC	
101	Reliance Eagleford Upstream GP LLC	
102	Reliance Eagleford Upstream Holding LP	
103	Mark Project Services Private Limited	
104	Reliance Energy Generation and Distribution Limited	
105	Reliance Marcellus II LLC	
106	Reliance Security Solutions Limited	
107	Reliance Industries Investment and Holding Private Limited	
108	Reliance Office Solutions Private Limited	
109	Reliance Style Fashion India Private Limited	
110	GenNext Innovation Ventures Limited	
111	Reliance Home Products Limited	
112	Infotel Telecom Limited	
113	Reliance Styles India Limited	
114	Rancore Technologies Private Limited	
115	Omni Symmetry LLC	
116	Reliance Sibur Elastomers Private Limited	
117	GenNext Ventures LLP	

Notes on Financial Statements for the Year ended 31st March, 2012

Sr. No.	Name of the Related Party	Relationship
118	Reliance Industrial Infrastructure Limited	Associates
119	Reliance Europe Limited	
120	Reliance LNG Limited	
121	Indian Vaccines Corporation Limited	
122	Gujarat Chemicals Port Terminal Company Limited	
123	Reliance Utilities and Power Private Limited	
124	Reliance Utilities Private Limited	
125	Reliance Ports and Terminals Limited	
126	Reliance Gas Transportation Infrastructure Limited	
127	Shri Mukesh D. Ambani	Key Managerial Personnel
128	Shri Nikhil R. Meswani	
129	Shri Hital R. Meswani	
130	Shri P.M.S. Prasad	
131	Shri P.K.Kapil	
132	Dhirubhai Ambani Foundation	Enterprises over which Key Managerial Personnel are able to exercise significant influence
133	Jamnaben Hirachand Ambani Foundation	
134	Hirachand Govardhandas Ambani Public Charitable Trust	
135	HNH Trust and HNH Research Society	
136	Reliance Foundation	

(ii) Transactions during the year with related parties :

Sr. No.	Nature of Transactions (Excluding reimbursements)					(₹ in crore)
		Subsidiaries	Associates	Key Managerial Personnel	Others	Total
1.	Purchase of Fixed Assets	5	105	-	-	110
		-	-	-	-	-
2.	Purchase / Subscription of Investments	4,225	-	-	-	4,225
		7,541	52	-	-	7,593
3.	Sale / Transfer of Investments	3,265	-	-	-	3,265
		-	-	-	-	-
4.	Capital Advance given	42	-	-	-	42
		-	-	-	-	-
5.	Net Loans and advances given / (returned)	3,151	17	-	-	3,168
		5,400	19	-	-	5,419
6.	Revenue from Operations	19,661	312	-	-	19,973
		16,934	219	-	-	17,153
7.	Other Income	673	7	-	-	680
		1,037	6	-	-	1,043
8.	Purchases / Material Consumed	357	151	-	-	508
		506	1	-	-	507

Notes on Financial Statements for the Year ended 31st March, 2012

Sr. No.	Nature of Transactions (Excluding reimbursements)					(₹ in crore)
		Subsidiaries	Associates	Key Managerial Personnel	Others	Total
9.	Electric Power, Fuel and Water	-	1,140	-	-	1,140
		-	<i>917</i>	-	-	<i>917</i>
10.	Hire Charges	1	408	-	-	409
		-	<i>790</i>	-	-	<i>790</i>
11.	Employee Benefits Expense	29	-	-	-	29
		<i>41</i>	<i>21</i>	-	-	<i>62</i>
12.	Payment to Key Managerial Personnel	-	-	44	-	44
		-	-	<i>41</i>	-	<i>41</i>
13.	Sales and Distribution Expenses	53	2,381	-	-	2,434
		<i>50</i>	<i>2,572</i>	-	-	<i>2,622</i>
14.	Rent	29	-	-	-	29
		-	-	-	-	-
15.	Professional Fees	261	36	-	-	297
		<i>112</i>	<i>17</i>	-	-	<i>129</i>
16.	General Expenses	38	-	-	-	38
		<i>43</i>	<i>9</i>	-	-	<i>52</i>
17.	Donations	-	-	-	210	210
		-	-	-	<i>26</i>	<i>26</i>
18.	Finance Cost	18	-	-	-	18
		<i>19</i>	-	-	-	<i>19</i>
Balance as at 31st March, 2012						
19.	Investments	21,260	2,085	-	-	23,345
		<i>20,299</i>	<i>2,085</i>	-	-	<i>22,384</i>
20.	Trade Receivables	3,952	25	-	-	3,977
		<i>3,423</i>	<i>14</i>	-	-	<i>3,437</i>
21.	Capital Advance	42	-	-	-	42
		-	-	-	-	-
22.	Loans & Advances	14,400	12	-	-	14,412
		<i>9,478</i>	<i>32</i>	-	-	<i>9,510</i>
23.	Deposits	299	1442	-	-	1741
		<i>299</i>	<i>1,400</i>	-	-	<i>1,699</i>
24.	Trade and other payables	753	405	-	-	1,158
		<i>133</i>	<i>331</i>	-	-	<i>464</i>
25.	Finance Lease Obligations	187	1	-	-	188
		<i>206</i>	-	-	-	<i>206</i>
26.	Financial Guarantees	28,446	1137	-	-	29,583
		<i>20,922</i>	<i>716</i>	-	-	<i>21,638</i>
27.	Performance Guarantees	36	1	-	-	37
		<i>121</i>	<i>7</i>	-	-	<i>128</i>

Note :

Figures in italic represents Previous Year's amount.

Notes on Financial Statements for the Year ended 31st March, 2012

Disclosure in Respect of Material Related Party Transactions during the year :

1. Purchase of Fixed Assets include Reliance Fresh Limited ₹ 2 crore (Previous Year ₹ NIL), Reliance Industrial Infrastructure Limited ₹ 1 crore (Previous Year ₹ NIL), Reliance Jamnagar Infrastructure Limited ₹ 2 crore (Previous Year ₹ NIL), Reliance Digital Retail Limited ₹ 1 crore (Previous Year ₹ NIL), Reliance Ports and Terminals Limited ₹ 104 crore (Previous Year ₹ NIL).
2. Purchase / Subscription of Investments include Reliance Industries (Middle East) DMCC ₹ NIL (Previous Year ₹ 20 crore), Reliance Exploration & Production DMCC ₹ 558 crore (Previous Year ₹ 440 crore) (including conversion of share application money of ₹ 11 crore into Preference Shares), Reliance Global Business B.V. ₹ NIL (Previous Year ₹ 101 crore), Reliance Exploration & Production Mauritius Limited ₹ 348 crore (Previous Year ₹ 2,208 crore), Reliance Oil & Gas Mauritius Limited ₹ 95 crore (Previous Year ₹ 614 crore), Infotel Broadband Services Limited ₹ 642 crore (Previous Year ₹ 4,156 crore) (including conversion of share application money of ₹ 46 crore into Equity Shares), Reliance Retail Limited ₹ 2,580 crore (Previous Year ₹ NIL) (including conversion of share application money of ₹ 878 crore into Preference Shares), RIL (Australia) Pty Limited ₹ 2 crore (Previous Year ₹ 2 crore), Gujarat Chemicals Port Terminal Company Limited ₹ NIL (Previous Year ₹ 52 crore).
3. Sale / Transfer of Investments include to Reliance Energy Generation and Distribution Limited ₹ 3,265 crore (Previous Year ₹ NIL).
4. Capital Advances given include Reliance Haryana SEZ Limited ₹ 42 crore (Previous Year ₹ NIL).
5. Loans given during the year include Reliance Industrial Investments and Holdings Limited ₹ 2,625 crore (Previous Year ₹ 4,348 crore), Gujarat Chemicals Port Terminal Company Limited ₹ 17 crore (Previous Year ₹ 19 crore), Reliance Retail Limited ₹ 617 crore (Previous Year ₹ NIL). Loans returned during the year include Gapco Tanzania Limited ₹ 84 crore (Previous Year ₹ 180 crore), Reliance Exploration & Production DMCC ₹ 8 crore (Previous Year ₹ 15 crore), Reliance Gas Corporation Limited ₹ NIL (Previous Year ₹ 6 crore), Reliance Corporate IT Park Limited ₹ NIL (Previous Year ₹ 53 crore), Gujarat Chemicals Port Terminal Company Limited ₹ NIL (Previous Year ₹ 17 crore).
Advances in the nature of application / call money advances to Reliance Retail Limited ₹ NIL (Previous Year ₹ 726 crore), Infotel Broadband Services Limited ₹ NIL (Previous Year ₹ 46 crore), Reliance Exploration & Production DMCC ₹ NIL (Previous Year ₹ 11 crore), Reliance Prolific Traders Private Limited ₹ NIL (Previous Year ₹ 523 crore).
6. Revenue from Operations include to Reliance Jamnagar Infrastructure Limited ₹ 1 crore (Previous Year ₹ NIL), Reliance Retail Limited ₹ 6 crore (Previous Year ₹ 136 crore), Gapco Kenya Limited ₹ 4,559 crore (Previous Year ₹ 3,750 crore), Gapco Tanzania Limited ₹ 526 crore (Previous Year ₹ 750 crore), Recron (Malaysia) Sdn Bhd ₹ 124 crore (Previous Year ₹ 41 crore), Reliance Trends Limited ₹ 5 crore (Previous Year ₹ 3 crore), LPG Infrastructure (India) Limited ₹ 269 crore (Previous Year ₹ 226 crore), Reliance Petro Marketing Limited ₹ 216 crore (Previous Year ₹ 809 crore), RIL USA Inc. ₹ 12,572 crore (Previous Year ₹ 10,210 crore), Reliance Industrial Investments and Holdings Limited ₹ 733 crore (Previous Year ₹ 948 crore), Reliance Fresh Limited ₹ 6 crore (Previous Year ₹ 2 crore), Reliance Gems and Jewels Limited ₹ 504 crore (Previous Year ₹ 59 crore), Reliance Utilities Private Limited ₹ 145 crore (Previous Year ₹ NIL), Reliance Ports and Terminals Limited ₹ 20 crore (Previous Year ₹ 5 crore), Reliance Gas Transportation Infrastructure Limited ₹ 147 crore (Previous Year ₹ 213 crore), Reliance Corporate IT Park Limited ₹ 5 crore (Previous Year ₹ NIL), Reliance Industries (Middle East) DMCC ₹ 100 crore (Previous Year ₹ NIL), Infotel Broadband Services Limited ₹ 35 crore (Previous Year ₹ NIL).
7. Other Income from Reliance Industrial Investments and Holdings Limited ₹ 315 crore (Previous Year ₹ 884 crore), Reliance Ventures Limited ₹ 40 crore (Previous Year ₹ 19 crore), Reliance Strategic Investments Limited ₹ 71 crore (Previous Year ₹ 10 crore), Reliance Jamnagar Infrastructure Limited ₹ NIL (Previous Year ₹ 2 crore), Reliance Exploration & Production DMCC ₹ NIL (Previous Year ₹ 1 crore), Gapco Kenya Limited ₹ 4 crore (Previous Year ₹ 2 crore), Gapco Tanzania Limited ₹ 4 crore (Previous Year ₹ 8 crore), Recron (Malaysia) Sdn Bhd ₹ 7 crore (Previous Year ₹ 5 crore), Infotel Broadband Services Limited ₹ 39 crore (Previous Year ₹ 13 crore), Reliance Retail Limited ₹ 16 crore (Previous Year ₹ 3 crore), RIL USA Inc. ₹ 18 crore (Previous Year ₹ 13 crore), Reliance Holdings USA Inc. ₹ 132 crore (Previous Year ₹ 60 crore), Reliance Eagleford Upstream Holding LP ₹ 2 crore (Previous Year ₹ 2 crore), Reliance Marcellus LLC ₹ 10 crore (Previous Year ₹ 9 crore), Reliance Corporate IT Park Limited ₹ 3 crore (Previous Year ₹ 6 crore), Reliance Industrial Infrastructure Limited ₹ 2 crore (Previous Year ₹ 2 crore), Reliance Europe Limited ₹ 5 crore (Previous Year ₹ 3 crore), Gapco Uganda Limited ₹ 1 crore (Previous Year ₹ NIL), Reliance Gems and Jewels Limited ₹ 11 crore (Previous Year ₹ NIL).
8. Purchases / material consumed from Recron (Malaysia) Sdn Bhd ₹ 2 crore (Previous Year ₹ 6 crore), Reliance Petro Marketing Limited ₹ 3 crore (Previous Year ₹ 108 crore), Reliance Jamnagar Infrastructure Limited ₹ 350 crore (Previous Year ₹ 392 crore), Reliance Ports and Terminals Limited ₹ 138 crore (Previous Year ₹ 1 crore), Reliance

Notes on Financial Statements for the Year ended 31st March, 2012

- Industrial Infrastructure Limited ₹ 11 crore (Previous Year ₹ NIL), Reliance Footprint Limited ₹ 2 crore (Previous Year ₹ NIL), Gujarat Chemicals Port Terminal Company Limited ₹ 2 crore (Previous Year ₹ NIL).
9. Electric Power, Fuel and Water charges paid to Reliance Utilities and Power Private Limited ₹ 369 crore (Previous Year ₹ 292 crore), Reliance Utilities Private Limited ₹ 771 crore (Previous Year ₹ 625 crore).
 10. Hire Charges paid to Reliance Industrial Infrastructure Limited ₹ 21 crore (Previous Year ₹ 22 crore), Gujarat Chemicals Port Terminal Company Limited ₹ 66 crore (Previous Year ₹ 44 crore), Reliance Gas Transportation Infrastructure Limited ₹ 235 crore (Previous Year ₹ 652 crore), Reliance Ports and Terminals Limited ₹ 86 crore (Previous Year ₹ 72 crore), Reliance Corporate IT Park Limited ₹ 1 crore (Previous Year ₹ NIL).
 11. Employee Benefits Expense to Reliance Retail Limited ₹ NIL (Previous Year ₹ 33 crore), Reliance People Serve Limited ₹ 3 crore (Previous Year ₹ 2 crore), Strategic Manpower Solutions Limited ₹ NIL (Previous Year ₹ 4 crore), Reliance Fresh Limited ₹ 20 crore (Previous Year ₹ 2 crore), Reliance Industrial Infrastructure Limited ₹ NIL (Previous Year ₹ 21 crore), Reliance Polyolefins Limited ₹ 5 crore (Previous Year ₹ NIL), Reliance Trends Limited ₹ 1 crore (Previous Year ₹ NIL).
 12. Payment to Key Management Personnel include to Shri Mukesh D. Ambani ₹ 15 crore (Previous Year ₹ 15 crore), Shri Nikhil R. Meswani ₹ 11 crore (Previous Year ₹ 11 crore), Shri Hital R. Meswani ₹ 11 crore (Previous Year ₹ 11 crore), Shri P.M.S. Prasad ₹ 5 crore (Previous Year ₹ 2 crore), Shri P.K. Kapil ₹ 2 crore (Previous Year ₹ 2 crore).
 13. Sales and Distribution Expenses include to Reliance Fresh Limited ₹ 43 crore (Previous Year ₹ 49 crore), Reliance Netherlands B.V. ₹ NIL (Previous Year ₹ 1 crore), Reliance Ports and Terminals Limited ₹ 2,370 crore (Previous Year ₹ 2,562 crore), Gujarat Chemicals Port Terminal Company Limited ₹ 11 crore (Previous Year ₹ 10 crore), Reliance Jamnagar Infrastructure Limited ₹ 7 crore (Previous Year ₹ NIL), Gapco Kenya Limited ₹ 3 crore (Previous Year ₹ NIL).
 14. Rent paid to Reliance Jamnagar Infrastructure Limited ₹ 29 crore (Previous Year ₹ NIL).
 15. Professional Fees paid to Reliance Supply Chain Solutions Limited ₹ 18 crore (Previous Year ₹ 9 crore), Reliance Corporate IT Park Limited ₹ 240 crore (Previous Year ₹ 102 crore), Reliance Netherlands B.V. ₹ 1 crore (Previous Year ₹ NIL), Reliance Europe Limited ₹ 27 crore (Previous Year ₹ 17 crore), GenNext Ventures LLP ₹ 2 crore (Previous Year ₹ NIL), Reliance Industrial Infrastructure Limited ₹ 9 crore (Previous Year ₹ NIL).
 16. General Expenses include to Reliance Hypermart Limited ₹ NIL (Previous Year ₹ 2 crore), Reliance Retail Limited ₹ NIL (Previous Year ₹ 8 crore), Reliance Footprint Limited ₹ NIL (Previous Year ₹ 2 crore), Reliance Fresh Limited ₹ 11 crore (Previous Year ₹ 20 crore), Reliance Polyolefins Limited ₹ NIL (Previous Year ₹ 4 crore), Reliance Trends Limited ₹ 3 crore (Previous Year ₹ 3 crore), Reliance Gems and Jewels Limited ₹ 7 crore (Previous Year ₹ 2 crore), Reliance Industrial Infrastructure Limited ₹ NIL (Previous Year ₹ 9 crore), Reliance Digital Retail Limited ₹ 3 crore (Previous Year ₹ NIL), Indiawin Sports Private Limited ₹ 14 crore (Previous Year ₹ NIL).
 17. Donations to Dhirubhai Ambani Foundation ₹ 86 crore (Previous Year ₹ 18 crore), Jamnaben Hirachand Ambani Foundation ₹ 8 crore (Previous Year ₹ 6 crore), HNH Trust and HNH Research Society ₹ 3 crore (Previous Year ₹ 2 crore), Hirachand Govardhandas Ambani Public Charitable Trust ₹ 1 crore (Previous Year ₹ NIL), Reliance Foundations ₹ 112 crore (Previous Year ₹ NIL).
 18. Finance Costs include to Reliance Corporate IT Park Limited ₹ 18 crore (Previous Year ₹ 19 crore).
 19. Loans and Advances include Reliance Industrial Investments and Holdings Limited ₹ 9,905 crore (Previous Year ₹ 7,792 crore), Reliance Retail Limited ₹ 621 crore (Previous Year ₹ 879 crore), Reliance Strategic Investments Limited ₹ 22 crore (Previous Year ₹ NIL), Gapco Kenya Limited ₹ 2 crore (Previous Year ₹ NIL), Gapco Tanzania Limited ₹ 2 crore (Previous Year ₹ 85 crore), Gapco Uganda Limited ₹ 1 crore (Previous Year ₹ NIL), Infotel Broadband Services Limited ₹ 10 crore (Previous Year ₹ 59 crore), Recron (Malaysia) Sdn Bhd ₹ 7 crore (Previous Year ₹ 5 crore), Reliance Europe Limited ₹ 12 crore (Previous Year ₹ 7 crore), RIL USA Inc. ₹ 2 crore (Previous Year ₹ 1 crore), Reliance Holding USA Inc. ₹ 18 crore (Previous Year ₹ 60 crore), Reliance Eagleford Upstream Holding LP ₹ NIL (Previous Year ₹ 2 crore), Reliance Marcellus LLC ₹ 2 crore (Previous Year ₹ 9 crore), Reliance Energy Generation and Distribution Limited ₹ 3,265 crore (Previous Year ₹ NIL), Reliance Exploration and Production DMCC ₹ NIL (Previous Year ₹ 19 crore), Gujarat Chemicals Port Terminal Company Limited ₹ NIL (Previous Year ₹ 25 crore), Reliance Corporate IT Park Limited ₹ 20 crore (Previous Year ₹ 44 crore), Reliance Prolific Traders Private Limited (Application Money) ₹ 523 crore (Previous Year ₹ 523 crore).
 20. Deposits includes Reliance Jamnagar Infrastructure Limited ₹ 299 crore (Previous Year ₹ 299 crore), Gujarat Chemicals Port Terminal Company Limited ₹ 42 crore (including conversion of loan given) (Previous Year ₹ NIL), Reliance Utilities and Power Private Limited ₹ 200 crore (Previous Year ₹ 200 crore), Reliance Ports and Terminals Limited ₹ 1,050 crore (Previous Year ₹ 1,050 crore), Reliance Utilities Private Limited ₹ 150 crore (Previous Year ₹ 150 crore).

Notes on Financial Statements for the Year ended 31st March, 2012

31. (a) Disclosure of the Company's Interest in Oil and Gas Joint Ventures:

Sr. No.	Name of the Fields in the Joint Ventures	% Interest	Sr. No.	Name of the Fields in the Joint Ventures	% Interest
1	Panna Mukta	30% (30%)	11	KK-DWN-2001/2	70% (100%)
2	Tapti	30% (30%)	12	CY-DWN-2001/2	70% (100%)
3	NEC - OSN - 97/2	60% (90%)	13	CB-ONN-2003/1	70% (100%)
4	KG - DWN - 98/3	60% (90%)	14	KG-DWN-2004/4	70% (100%)
5	GS - OSN - 2000/1	90% (90%)	15	KG-DWN-2004/7	70% (100%)
6	KG-DWN-2003/1	60% (90%)	16	MN-DWN-2004/1	70% (100%)
7	MN-DWN-2003/1	55% (85%)	17	MN-DWN-2004/2	70% (100%)
8	KG-DWN-2005/2	50% (50%)	18	MN-DWN-2004/3	70% (100%)
9	CY-PR-DWN-2001/3	70% (100%)	19	MN-DWN-2004/4	70% (100%)
10	KK-DWN-2001/1	70% (100%)	20	MN-DWN-2004/5	70% (100%)

Figures in bracket represent Previous Year's (%) Interest.

(b) During the year the company received regulatory approvals for transfer of 30% Participating Interest (PI) in 21 Oil & Gas production sharing contracts including KG D6 to Ms BP Exploration (Alpha) Limited (BP). Consequently, the proceeds, net of adjustments for revenue and costs from 1st January 2011 to 30th August 2011 (closing date) amounting to ₹ 32,198 crore have been netted off from the cost incurred against the said blocks appearing in the Intangible Assets - Development Rights and Intangible Assets under Development forming a part of Fixed Assets.

(c) Disclosure of the blocks surrendered during the year:

Sr. No.	Name of the Fields	% Interest	Sr. No.	Name of the Fields	% Interest
1	GK - OSJ - 3	60%	6	MN - DWN 98/2	70%
2	AS-ONN-2000/1	90%	7	KG-OSN-2001/2	100%
3	KG-DWN-2001/1	60%	8	KG-OSN-2001/1	100%
4	NEC-DWN-2002/1	100%	9	PR-DWN-2001/1	70%
5	KG - DWN -98/1	70%	10	CY-PR-DWN-2001/4	70%

(d) Net Quantities of Company's interest (on gross basis) in proved reserves and proved developed reserves :

	Proved Reserves (Million MT)		Proved Developed Reserves (Million MT)	
	2011-12	2010-11	2011-12	2010-11
Oil:				
Beginning of the year	8.29	11.11	7.66	8.62
Reduction on transfer of participating interest	(1.69)	-	(1.65)	-
Revision of estimates	(2.61)	(1.44)	(2.66)	0.42
Production	(0.93)	(1.38)	(0.93)	(1.38)
Closing balance for the year	<u>3.06</u>	<u>8.29</u>	<u>2.42</u>	<u>7.66</u>
	Proved Reserves (Million M ³)		Proved Developed Reserves (Million M ³)	
	2011-12	2010-11	2011-12	2010-11
Gas:				
Beginning of the year	1,85,821	2,11,214	1,07,362	1,30,823
Reduction on transfer of participating interest	(56,621)	-	(30,543)	-
Revision of estimates	(12,418)	(5,771)	(38,836)	(3,839)
Production	(12,824)	(19,622)	(12,824)	(19,622)
Closing balance for the year	<u>1,03,958</u>	<u>1,85,821</u>	<u>25,159</u>	<u>1,07,362</u>

* 1 cubic meter (M3) = 35.315 cubic feet and 1 cubic feet = 1000 BTU

Notes on Financial Statements for the Year ended 31st March, 2012

32. As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.
33. Reliance Jamnagar Infrastructure Limited, a wholly owned subsidiary of the Company has on 26th March 2012 filed a Scheme for amalgamation with the Company with the Hon'ble High Court of Gujarat at Ahmedabad. The Scheme shall be given effect to in the Books with effect from the Appointed Date of 1st April, 2011, upon receipt of the necessary approvals.

34. CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
(I) Contingent Liabilities		
(A) Claims against the company / disputed liabilities not acknowledged as debts		
(a) In respect of joint ventures	-	-
(b) In respect of others	1,343	1,617
(B) Guarantees		
(i) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties		
(a) In respect of joint ventures	-	-
(b) In respect of others	29,583	21,638
(ii) Performance Guarantees		
(a) In respect of joint ventures	-	-
(b) In respect of others	159	236
(iii) Outstanding guarantees furnished to Banks and Financial Institutions including in respect of Letters of Credits		
(a) In respect of joint ventures	228	24
(b) In respect of others	5,167	3,473
(C) Other Money for which the company is contingently liable		
(i) Liability in respect of bills discounted with Banks (Including third party bills discounting)		
(a) In respect of joint ventures	-	-
(b) In respect of others	631	2,296
(II) Commitments		
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
(a) In respect of Joint Ventures	340	10
(b) In respect of others	9,923	9,578
(B) Uncalled Liability on Shares and other investments partly paid [₹ 37,19,139]	-	4,912
(C) Other commitments		
(a) Sales tax deferral liability assigned	3,560	4,468
(b) Guarantee against future cash calls *	3,141	8,053

* The Company has issued guarantees against future cash calls to be made by JV Partners of its wholly owned subsidiary Reliance Marcellus LLC.

Notes on Financial Statements for the Year ended 31st March, 2012

- (III) The Income-Tax assessments of the Company have been completed up to Assessment Year 2009-10. The disputed demand outstanding up to the said Assessment Year is ₹ 1,292 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.

35. FINANCIAL AND DERIVATIVE INSTRUMENTS

a) Derivative contracts entered into by the Company and outstanding as on 31st March, 2012

(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 ₹ 86,561 crore (Previous Year ₹ 98,586 crore). Category wise break up is given below:

Sr. No.	Particulars	As at 31st March, 2012		As at 31st March, 2011	
1	Interest Rate Swaps	32,193		34,254	
2	Currency Swaps	4,199		4,567	
3	Options	25,138		28,181	
4	Forward Contracts	25,031		31,584	

(ii) For hedging commodity related risks :

Category wise break up is given below :

Sr. No.	Particulars	As at 31st March, 2012		As at 31st March, 2011	
		Petroleum product sales	Crude Oil purchases	Petroleum product sales	Crude oil purchases
1	Forward swaps	16,722	18,842	14,757	21,420
2	Futures	2,309	5,879	2,194	9,453
3	Spreads	25,193	81,337	33,768	51,227
4	Options	2,720	8,875	-	-

In addition the Company has net margin hedges outstanding for contracts relating to petroleum product sales of 81,869 kbbbl (Previous Year 79,308 kbbbl).

- b) Foreign currency exposures that are not hedged by derivative instruments as on 31st March, 2012 amount to ₹ 82,198 crore (Previous Year ₹ 65,893 crore).

36. 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.

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 20, 2012

K. Sethuraman
Company Secretary

For and on behalf of the Board

M.D. Ambani	-	Chairman & Managing Director
N.R. Meswani	}	Executive Directors
H.R. Meswani		
P.M.S. Prasad		
R.H. Ambani		
M.L. Bhakta	}	Directors
Y.P. Trivedi		
Dr. D.V. Kapur		
M.P. Modi		
Prof. Ashok Misra		

Consolidated Financial Statements & Notes

Auditors' Report on Consolidated Financial Statements

To The Board of Directors Reliance Industries Limited

We have audited the attached Consolidated Balance Sheet of Reliance Industries Limited (the Company) and its subsidiaries (collectively referred to as "the Group") as at 31st March, 2012, and the Consolidated Statement of Profit and Loss 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 ₹ 56,679 crore as at 31st March, 2012, total revenue of ₹ 39,496 crore and net cash flows amounting to ₹ 51 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 ₹ 11 crore have been audited by one of us.
2. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹ 2,213 crore as at 31st December, 2011/ 31st March, 2012, total revenue of ₹ 91 crore and cash flows amounting to ₹ (2) crore for the year then ended and financial statements of an associate in which the share of profit of the Group is ₹ 0.15 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 ₹ 19,624 crore as at 31st December, 2011 / 31st March 2012, total revenue of ₹ 8,526 crore, cash flows amounting to ₹ (1,920) crore for the year then ended and on the unaudited financial statements of certain associates wherein the Group's share of profit aggregates ₹ 30 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 and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2012;
 - (ii) in the case of the Consolidated Statement of Profit and Loss, 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)
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D. Chaturvedi Partner Membership No.: 5611	A. Siddharth Partner Membership No.: 31467	A. R. Shah Partner Membership No.: 47166
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Mumbai
April 20, 2012

Reliance Industries Limited

Consolidated Balance Sheet as at 31st March, 2012

	Note	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	2,979	2,981
Reserves and Surplus	2	1,66,466	1,51,112
		1,69,445	1,54,093
Share Application Money Pending Allotment			
		-	9
Minority Interest			
		799	802
Non-Current Liabilities			
Long Term Borrowings	3	65,352	66,236
Deferred Tax Liability (net)	4	11,567	11,071
Long Term Provisions	5	421	214
		77,340	77,521
Current Liabilities			
Short Term Borrowings	6	17,283	13,752
Trade Payables	7	40,368	36,107
Other Current Liabilities	8	17,553	20,493
Short Term Provisions	9	4,403	4,742
		79,607	75,094
TOTAL		3,27,191	3,07,519
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	1,03,169	1,07,149
Intangible Assets	10	35,645	50,951
Capital Work-in-Progress	10	6,495	5,339
Intangible Assets under Development	10	18,868	22,835
Non-Current Investments	11	11,423	6,911
Long Term Loans and Advances	12	6,741	6,839
Other Non-Current Assets	13	1	1
		1,82,342	2,00,025
Current Assets			
Current Investments	14	27,173	14,685
Inventories	15	46,692	38,520
Trade Receivables	16	16,939	15,696
Cash and Bank Balance	17	40,731	30,139
Short-Term Loans and Advances	18	9,754	5,891
Other Current Assets	19	3,560	2,563
		1,44,849	1,07,494
TOTAL		3,27,191	3,07,519
Significant Accounting Policies			
Notes on Financial Statements			
	1 to 38		

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 20, 2012**K. Sethuraman**
Company Secretary

For and on behalf of the Board

M.D. Ambani	-	Chairman & Managing Director
N.R. Meswani	}	Executive Directors
H.R. Meswani		
P.M.S. Prasad		
R.H. Ambani	}	Directors
M.L. Bhakta		
Y.P. Trivedi		
Dr. D.V. Kapur		
M.P. Modi		
Prof. Ashok Misra		

Reliance Industries Limited Consolidated Statement of Profit and Loss for the year ended 31st March, 2012

	Note	2011-12	(₹ in crore) 2010-11
INCOME			
Revenue from Operations	20	3,58,501	2,65,811
Other Income	21	6,194	2,543
Total Revenue		3,64,695	2,68,354
EXPENDITURE :			
Cost of Materials Consumed		2,91,800	2,01,850
Purchases of Stock-in-Trade		9,235	7,032
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	22	(2,844)	(4,458)
Employee Benefits Expense	23	3,955	3,324
Finance Costs	24	2,893	2,411
Depreciation and Amortisation Expense	25	12,401	14,121
Other Expenses	26	21,847	20,019
Total Expenses		3,39,287	2,44,299
Profit before Tax		25,408	24,055
Tax Expenses			
Current Tax		5,226	4,412
Deferred Tax		465	371
Profit for the year (before adjustment for Minority Interest)		19,717	19,272
Add: Share of Loss transferred to Minority Interest		7	22
Profit for the year (after adjustment for Minority Interest)		19,724	19,294
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	27	66.15	64.75
Basic and Diluted (in ₹) (Before exceptional items)	27	67.18	67.83
Significant Accounting Policies			
Notes on Financial Statements	1 to 38		

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 20, 2012

K. Sethuraman
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 } Directors
Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra

Reliance Industries Limited

Consolidated Cash Flow Statement for the year 2011-12

	2011-12	2010-11
		(₹ in crore)
A: CASHFLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax as per Profit and Loss Statement	25,408	24,055
Adjusted for:		
Miscellaneous Expenditure written off	13	3
Share in Income of Associates	(70)	59
Net Prior Year Adjustments	1	3
Impairment of Assets	-	1
Loss on Sale / Discard of Assets (net)	32	168
Depreciation and Amortisation Expense	14,827	16,820
Transferred from Revaluation Reserve	(2,356)	(2,634)
Transferred from Capital Reserve	(70)	(65)
Effect of Exchange Rate Change	1,010	(848)
Net gain on Sale of Investments	(1,696)	(531)
Exceptional Item	309	917
Dividend Income	(30)	(5)
Interest Income	(4,167)	(1,742)
Finance Costs	2,893	2,411
	10,696	14,557
Operating Profit before Working Capital Changes	36,104	38,612
Adjusted for:		
Trade and Other Receivables	(1,068)	(7,103)
Inventories	(7,724)	(4,092)
Trade and Other Payables	2,044	10,156
	(6,748)	(1,039)
Cash Generated from Operations	29,356	37,573
Net Prior Year Adjustments	(1)	(3)
Taxes Paid	(4,881)	(4,243)
Net Prior Year Adjustments on Account of Subsidiaries	9	11
Net Cash from Operating Activities	24,483	33,338
B: CASHFLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(16,381)	(33,865)
Sale of Fixed Assets / Transfer of Participating Interest	23,317	261
Advance for Transfer of Participating Interest	-	9,004
Purchase of Investments	(3,32,414)	(2,56,162)
Sale of Investments	3,17,422	2,48,060
Movement in Loans and Advances	676	(1,345)
Interest Income	1,052	2,000
Dividend Income	27	3
Net Cash (used in) Investing Activities	(6,301)	(32,044)

Consolidated Cash Flow Statement for the year 2011-12 (Contd.)

	(₹ in crore)	
	2011-12	2010-11
C: CASHFLOWFROMFINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital	87	193
Proceeds from Issue of Share Capital to Minority	7	3
Buyback of Equity Shares	(279)	-
Proceeds from Long Term Borrowings	6,108	20,475
Repayment of Long Term Borrowings	(9,545)	(6,025)
Short Term Borrowings (net)	2,389	6,252
Dividends Paid (including dividend distribution tax)	(2,772)	(2,431)
Interest Paid	(3,585)	(3,517)
Net Cash (used in) / from Financing Activities	<u>(7,590)</u>	<u>14,950</u>
Net Increase in Cash and Cash Equivalents	10,592	16,244
Opening Balance of Cash and Cash Equivalents	30,139	13,891
Add: Upon addition of Subsidiaries	-	4
	<u>30,139</u>	<u>13,895</u>
Closing Balance of Cash and Cash Equivalents	<u>40,731</u>	<u>30,139</u>

Note :

Share application money given to Associates aggregating to ₹ NIL (Previous Year ₹ 17 crore) 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 20, 2012

K. Sethuraman
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 } Directors

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

A. Principles of consolidation

The consolidated financial statements relate to Reliance Industries Limited ('the Company') and its subsidiary companies, associates and joint ventures. 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 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 Statement of Profit and Loss to the extent such change is attributable to the associates' Profit or Loss 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.
- B. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".
- C. Other significant accounting policies
- These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

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

1. SHARE CAPITAL

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Authorised Share Capital		
500,00,00,000 Equity Shares of ₹ 10 each (500,00,00,000)	5,000	5,000
100,00,00,000 Preference Shares of ₹ 10 each (100,00,00,000)	1,000	1,000
	<u>6,000</u>	<u>6,000</u>
Issued, Subscribed and Paid up:		
297,87,04,713 Equity Shares of ₹ 10 each fully (298,10,19,381) paid up	2,979	2,981
Less: Calls in arrears - by others [₹ 3,653 (Previous Year ₹ 3,653)]	-	-
	<u>2,979</u>	<u>2,981</u>
TOTAL	<u>2,979</u>	<u>2,981</u>

- 1.1 145,94,41,214 Shares out of the issued, subscribed and paid up share capital were allotted as Bonus Shares in the last five (145,94,41,214) years by capitalisation of Securities Premium and Reserves.
- 1.2 12,93,92,979 Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the various Schemes of amalgamation without payments being received in cash.
- 1.3 45,04,27,345 Shares out of the issued, subscribed and paid up share capital were allotted on conversion / surrender of (45,04,27,345) Debentures and Bonds, conversion of Term Loans, exercise of warrants, against Global Depository Shares (GDS) and re-issue of forfeited equity shares, since inception.
- 1.4 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2012	As at 31st March, 2011
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	298,10,19,381	297,80,19,733
Add : Shares issued on exercise of Employee Stock Options	13,48,763	29,99,648
Less : Shares cancelled on buy back of Equity Shares	36,63,431	-
Equity Shares at the end of the year	<u>297,87,04,713</u>	<u>298,10,19,381</u>

- 1.5 The Company has reserved issuance of 13,39,30,481 (Previous Year 13,52,79,244) Equity Shares of ₹ 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 68,817 [Previous Year 35,200] Options to the eligible employees which includes 4,100 options at a price of ₹ 972/- per option, 18,000 options at a price of ₹ 871/- per option, 23,717 options at a price of ₹ 847 per option, 15,000 options at a price of ₹ 765 per option and 8,000 options at a price of ₹ 715 per option (Previous Year, 16,000 options at a price of ₹ 995 per option and 19,200 options at a price of ₹ 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.
- 1.6 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.
- 1.7 The Board of Directors of the Company approved the buyback of upto 12 crore fully paid up equity shares of ₹ 10/- each, at a price not exceeding ₹ 870/- payable in cash, upto an aggregate amount not exceeding ₹ 10,440 crore from the open market through Stock Exchange(s). During the year the company has bought back and extinguished 36,63,431 Equity Shares of ₹ 10/- each.

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

2. RESERVES AND SURPLUS

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Revaluation Reserve		
As per last Balance Sheet	6,085	9,414
Add: On Revaluation	9	12
	<u>6,094</u>	<u>9,426</u>
Less: Transferred to Profit and Loss Account (Refer Note No. 10.8)	2,356	2,634
Less: Transferred to / (from) Minority Interest	(2)	3
Less: Utilised on Demerger Adjustments	-	704
	<u>3,740</u>	<u>6,085</u>
Capital Reserve		
As per last Balance Sheet	697	817
Add: On Consolidation of Subsidiaries (Net)	(24)	(55)
	<u>673</u>	<u>762</u>
Less: Transferred to Profit and Loss Account	70	65
	<u>603</u>	<u>697</u>
Exchange Fluctuation Reserve	1,069	(142)
Capital Redemption Reserve		
As per last Balance Sheet	9	9
Add : Transferred from Profit and Loss Account on buy back of Equity Shares	4	-
	<u>13</u>	<u>9</u>
Securities Premium Reserve		
As per last Balance Sheet	45,459	45,394
Add : On issue of shares	85	190
	<u>45,544</u>	<u>45,584</u>
Less : On Redemption / buy back of Debentures/Bonds	11	-
Less : On buy back of Equity Shares	275	-
Less : Elimination on Consolidation	-	125
	<u>45,258</u>	<u>45,459</u>
Less : Calls in arrears - by others (₹ 2,21,548; Previous Year ₹ 2,21,548)	-	-
	<u>45,258</u>	<u>45,459</u>
Debentures Redemption Reserve		
As per last Balance Sheet	1,117	1,117

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Statutory Reserve		
As per last Balance Sheet	72	55
Less : Transferred to Minority Interest (₹ 1,72,043; Previous Year ₹ 28,387)	-	-
Add : Transferred from Profit and Loss Account	6	17
	78	72
General Reserve*		
As per last Balance Sheet	84,004	68,004
Add: Transferred from Profit and Loss Account	16,000	16,000
	1,00,004	84,004
Share in Reserves of Associates		
Revaluation Reserve		
As per last Balance Sheet	10	10
Profit and Loss Account		
As per last Balance Sheet	13,801	13,297
(Short) Provision for Tax for earlier years [(₹ 28,34,742); Previous Year (₹ 36,78,049)]	-	-
Excess Provision for Tax for earlier years - Minority Interest [₹ NIL; Previous Year ₹ 4,40,334]	-	-
Add: Profit for the year	19,724	19,294
	33,525	32,590
Less: Appropriations		
Transferred to Statutory Reserve	6	17
Transferred to General Reserve	16,000	16,000
Transferred to Capital Redemption Reserve on buy back of Equity Shares	4	-
Proposed Dividend on Equity Shares [Dividend per Share ₹ 8.5/-; (Previous Year ₹ 8/-)]	2,531	2,385
Tax on Dividend	410	387
Proposed Dividend on Preference Shares (Minority Interest ₹ 19,880/-; Previous Year ₹ 19,880/-)	-	-
Tax on Dividend on Preference Shares (Minority Interest ₹ 3,225/-; Previous Year ₹ 3,225/-)	-	-
	14,574	13,801
TOTAL	1,66,466	1,51,112

* Cumulative amount withdrawn on account of Depreciation on Revaluation is ₹ 2,563 crore.

- 2.1 In view of the loss for the year, the subsidiary Company Infotel Broadband Services Limited has not created the Debenture Redemption Reserve of ₹ 152 crore (Previous Year ₹ 52 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.

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

3. LONG TERMBORROWINGS

(₹ in crore)

	As at 31st March, 2012		As at 31st March, 2011	
	Non Current	Current	Non Current	Current
Secured				
Non Convertible Debentures	6,024	3,044	9,353	655
Term Loans from Banks	5	2	3	3
Long Term Maturities of Finance Lease Obligation	38	10	42	4
	6,067	3,056	9,398	662
Unsecured				
Bonds / Debentures	14,376	-	12,542	-
Term Loans- from Banks	44,900	6,753	44,284	3,499
Deferred Payment Liabilities	9	3	12	3
	59,285	6,756	56,838	3,502
TOTAL	65,352	9,812	66,236	4,164

3.1 Non Convertible Debentures referred above to the extent of:

- ₹ 1,593 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.
- ₹ 5,000 crore are secured by way of first mortgage / charge on the immovable properties situated at Jamnagar Complex (other than SEZ unit) of the Company.
- ₹ 1,720 crore are secured by way of first mortgage / charge on all the properties situated at Hazira Complex and at Patalganga Complex of the Company.
- ₹ 110 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.
- ₹ 50 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.
- ₹ 44 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.
- ₹ 51 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.
- ₹ 500 crore are secured by way of first mortgage / charge on the immovable properties situated at Jamnagar Complex (SEZ unit) of the Company.

3.2 Secured Term Loans from banks are secured by hypothecation of vehicles and are repayable over a period of 3 to 5 years.

3.3 Finance Lease Obligations are secured against leased assets

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

4. DEFERRED TAX LIABILITY (Net)	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Deferred Tax Liability		
Related to Fixed Assets	14,336	12,479
Deferred Tax Assets		
Related to Fixed Assets	1,577	318
Disallowance under the Income Tax Act, 1961	93	189
Carried Forward Loss of Subsidiaries	1,099	901
	<u>2,769</u>	<u>1,408</u>
TOTAL	<u><u>11,567</u></u>	<u><u>11,071</u></u>

5. LONG TERM PROVISIONS	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Provisions for Annuities	236	207
Others #	185	7
TOTAL	<u><u>421</u></u>	<u><u>214</u></u>

Includes provision for Decommissioning, Assets retirement obligations and Liability for derivative transaction.

6. SHORT TERM BORROWINGS	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Secured		
Working Capital Loans		
From Banks		
Foreign Currency Loans	1,004	312
Rupee Loans	19	252
	<u>1,023</u>	<u>564</u>
Unsecured		
A. Other Loans and Advances		
From Banks		
Foreign Currency Loans *	14,627	13,158
Rupee Loans	1,580	8
	<u>16,207</u>	<u>13,166</u>
B. Loans from related parties (Refer Note No. 28)	53	22
TOTAL	<u><u>17,283</u></u>	<u><u>13,752</u></u>

* Includes Buyers Credit

- 6.1. Working Capital Loans referred above to the extent of :
- ₹ 863 crore (Previous Year ₹ 563 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.
 - ₹ 160 crore (Previous Year ₹ NIL) is secured by hypothecation of Plant and Machinery.
 - ₹ NIL (Previous Year ₹ 1 crore) are secured by way of lien against term deposits with banks.
- 6.2 Other loans and advances from banks include commercial paper of ₹ NIL (Previous Year ₹ NIL). Maximum balance outstanding at any time during the year being ₹ NIL (Previous Year ₹ 4,825 crore).

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

7. TRADE PAYABLES

(₹ in crore)

	As at 31st March, 2012	As at 31st March, 2011
Micro, Small and Medium Enterprises	33	8
Others	40,335	36,099
TOTAL	40,368	36,107

8. OTHER CURRENT LIABILITIES

(₹ in crore)

	As at 31st March, 2012	As at 31st March, 2011
Current maturities of long term debt (Refer Note No. 3)	9,802	4,160
Current maturities of finance lease obligations (Refer Note No. 3)	10	4
Interest accrued but not due on borrowings	523	615
Unclaimed Dividend #	129	111
Application money received and due for refund #	1	1
Unpaid matured debentures and interest accrued thereon #	1	1
Creditors for Capital Expenditure	1,375	2,825
Advance for Transfer of Participating Interest	-	9,004
Other Payables *	5,712	3,772
TOTAL	17,553	20,493

* Includes statutory dues, security deposits, Interest Accrued, advance from customers and Income received in advance.

These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 9 crore (Previous Year ₹ 8 crore) which is held in abeyance due to legal cases pending.

9. SHORT TERM PROVISIONS

(₹ in crore)

	As at 31st March, 2012	As at 31st March, 2011
Provisions for Superannuation/Gratuity/Leave Encashment	235	276
Proposed Dividend	2,531	2,385
Tax on Dividend	410	387
Provision for Wealth Tax	79	64
Provision for Income Tax	50	43
Other Provisions *	1,098	1,587
TOTAL	4,403	4,742

* Includes primarily provision for customs duty, Excise Duty on Finished Goods, Other duties and taxes.

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

10. FIXED ASSETS

(₹ in crore)

Description	Gross Block			As at 31-03-2012	Depreciation / Amortisation				Net Block	
	As at 01-04-2011	Additions/ Adjustments	Deductions/ Adjustments		As at 01-04-2011	For the Year	Deductions/ Adjustments	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011
TANGIBLE ASSETS :										
OWN ASSETS :										
Leasehold Land	2,396	200	12	2,584	272	117	(4)	393	2,191	2,124
Freehold Land	5,884	360	22	6,222	-	-	-	-	6,222	5,884
Buildings	10,905	639	86	11,458	2,728	343	(11)	3,082	8,376	8,177
Plant & Machinery	1,36,573	4,113	722	1,39,964	55,674	8,321	397	63,598	76,366	80,899
Electrical Installations	4,125	208	19	4,314	1,432	203	2	1,633	2,681	2,693
Equipments \$	7,790	385	34	8,141	1,405	404	4	1,805	6,336	6,385
Furniture & Fixtures	863	129	12	980	364	69	3	430	550	499
Vehicles	341	82	39	384	172	50	25	197	187	169
Ships	386	-	-	386	240	14	-	254	132	146
Aircrafts & Helicopters	68	-	23	45	28	5	10	23	22	40
Sub-Total	1,69,331	6,116	969	1,74,478	62,315	9,526	426	71,415	1,03,063	1,07,016
LEASED ASSETS :										
Plant & Machinery	270	4	-	274	137	31	-	168	106	133
Ships	10	-	-	10	10	-	-	10	-	-
Sub-Total	280	4	-	284	147	31	-	178	106	133
Total (A)	1,69,611	6,120	969	1,74,762	62,462	9,557	426	71,593	1,03,169	1,07,149
INTANGIBLE ASSETS* :										
Technical Knowhow fees	3,266	203	-	3,469	1,565	160	-	1,725	1,744	1,701
Software	616	6	1	621	444	43	(8)	495	126	172
Development Rights	61,195	20,165	30,513	50,847	14,961	4,957	(59)	19,977	30,870	46,234
Others	3,605	171	-	3,776	761	110	-	871	2,905	2,844
Total (B)	68,682	20,545	30,514	58,713	17,731	5,270	(67)	23,068	35,645	50,951
Total (A+B)	2,38,293	26,665	31,483	2,33,475	80,193	14,827	359	94,661	1,38,814	1,58,100
Previous Year	2,24,126	15,251	1,084	2,38,293	63,934	16,820	561	80,193	1,58,100	
Capital Work-in-Progress									6,495	5,339
Intangible Assets under Development									18,868	22,835

\$ Includes Office Equipments

* Other than internally generated

10.1 Leasehold Land includes ₹ 203 crore (Previous Year ₹ 203 crore) in respect of which lease-deeds are pending execution.

10.2 Buildings include :

- i) Cost of shares in Co-operative Housing Societies ₹ 1 crore (Previous Year ₹ 1 crore).
- ii) ₹ 5 crore (Previous Year ₹ 5 crore) in respect of which conveyance is pending.
- iii) ₹ 93 crore (Previous Year ₹ 93 crore) in shares of Companies / Societies with right to hold and use certain area of Buildings.

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

10.3 Intangible assets - Others include :

- i) Jetties amounting to ₹ 812 crore (Previous Year ₹ 647 crore), the Ownership of which vests with Gujarat Maritime Board. However, under an agreement with Gujarat Maritime Board, the Company has been permitted to use the same at a concessional rate.
- ii) ₹ 2,919 crore (Previous Year ₹ 2,919 crore) in shares of companies and lease premium paid with right to hold and use Land and Buildings.

10.4 Capital Work-in-Progress and Intangible Assets under Development include:

- i) ₹ 3,948 crore (Previous Year ₹ 2,460 crore) on account of project development expenditure.
- ii) ₹ 1,406 crore (Previous Year ₹ 1,594 crore) on account of cost of construction materials at site.

10.5 Gross Block includes ₹ 11 crore added on revaluation of Buildings, Plant & Machinery and Storage Tanks as at 31.12.2010, ₹ 12,901 crore added on revaluation of Buildings, Plant & Machinery and Equipments as at 01.01.2009, ₹ 238 crore added on revaluation of Buildings, Plant & Machinery and Storage Tanks as at 31.12.2009 and ₹ 155 crore added on revaluation of Buildings, Plant & Machinery and Storage Tanks as at 22.12.2008, based on reports issued by international valuers.

10.6 Additions in Plant and Machinery, Intangible Assets - Development Rights and Intangible Assets under Development include ₹ 7,924 crore (net loss) [Previous Year ₹ 41 crore (net gain)] on account of exchange difference during the year.

10.7 Project Development Expenditure:

(in respect of Projects upto 31st March, 2012, included under Capital Work-in-Progress and Intangible Assets under Development)

	2011-12	2010-11
		(₹ in crore)
Opening Balance	2,460	2,005
Add: Transferred from Profit and Loss Statement (Refer Note No. 26)	123	30
Expenses on Project under Construction	255	8
Interest Capitalised	1,208	1,024
In respect of Subsidiary acquired during the year	-	16
	1,586	1,078
Less: Project Development Expenses Capitalised during the year	98	623
Closing Balance	3,948	2,460

10.8 The Gross Block of Fixed Assets includes ₹ 38,517 crore (Previous Year ₹ 38,517 crore) on account of revaluation of Fixed Assets. Consequent to the said revaluation, there is an additional charge of depreciation of ₹ 2,356 crore (Previous Year ₹ 2,634 crore) and an equivalent amount, has been withdrawn from Revaluation Reserve and credited to the Statement of Profit and Loss. This has no impact on profit for the year.

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

11. NON-CURRENT INVESTMENTS

(Long Term Investments)

(₹ in crore)

A. INVESTMENTS IN ASSOCIATES

In Equity Shares - Quoted, fully paid up

68,60,064	Reliance Industrial Infrastructure Limited	125	114
(68,60,064)	of ₹ 10 each		

As at
31st March, 2012

As at
31st March, 2011

125

114

In Equity Shares - Unquoted, fully paid up

11,08,500	Reliance Europe Limited of Sterling Pound 1 each	28	28
(11,08,500)			
22,500	Reliance LNG Limited of ₹ 10 each	-	-
(22,500)	(₹ 2,22,012 ; Previous Year ₹ 2,22,012)		
5,000	Reliance Commercial Trading Private Limited	-	-
(5,000)	of ₹ 10 each (₹ NIL ; Previous Year ₹ NIL)		
74,99,990	Reliance Commercial Dealers Limited of ₹ 10 each	10	7
(49,99,990)			
10,40,000	Delta Hydrocarbons S.A. Luxembourg	27	22
(10,40,000)			
7,12,47,314	Delta Corp East Africa Limited of KES 10 each	93	64
(7,12,47,314)			
62,63,125	Indian Vaccines Corporation Limited of ₹ 10 each	1	1
(62,63,125)			
64,29,20,000	Gujarat Chemicals Port Terminal Company Limited	68	58
(64,29,20,000)	of ₹ 1 each		
26,00,000	Reliance Utilities Private Limited Class 'A' Shares	-	-
(22,50,000)	of ₹ 1 each (₹ 20,50,000 ; Previous Year ₹ 22,50,000)		
26,00,000	Reliance Utilities and Power Private Limited Class 'A' Shares	-	-
(22,70,000)	of ₹ 1 each (₹ 19,90,000 ; Previous Year ₹ 22,70,000)		
5,000	Gaurav Overseas Private Limited of ₹ 10 each	-	-
(5,000)			
2,000	Reliance Investments Holdings B.V.	1	1
(2,000)	of Euro 50 each		
25,000	Paradise Global Enterprises B.V. of Euro 1 each	-	-
(25,000)	(₹ 17,16,688 ; Previous Year ₹ 14,93,750)		
250	Reliance Investments Sarl of Euro 25 each	-	-
(250)	(₹ 69 ; Previous Year ₹ 60)		
37,24,971	Deccan Cargo & Express Logistics Private Limited	-	-
(37,24,971)	of ₹ 100 each		
	EFS Midstream LLC	1,133	527
49,04,372	Algenol LLC	503	-
(-)			
2,20,00,000	Aurora Algae Inc.	117	-
(-)			
46,87,500	Extramarks Education Private Limited of ₹ 10 each	125	-
(-)			

2,106

708

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
In Preference Shares - Unquoted, Fully paid up		
50,00,00,000 9% Non Cumulative Redeemable Preference Shares of (50,00,00,000) Reliance Gas Transportation Infrastructure Limited of ₹ 10 each	2,000	2,000
	<u>2,000</u>	<u>2,000</u>
In Debentures - Unquoted, Fully Paid Up		
4,22,335 Zero Coupon Secured Optionally Fully (4,22,335) Convertible Debentures of Reliance Commercial Trading Private Limited of ₹ 1,000 each.	42	42
30,47,704 Compulsorily Convertible Debentures of (30,47,704) Deccan Cargo & Express Logistics Private Limited of ₹ 100 each.	3	51
	<u>45</u>	<u>93</u>
Total Investment in Associates (A)	4,276	2,915
B. INVESTMENTS IN OTHERS		
In Government and other Securities - Unquoted		
6 Years National Savings Certificate (Includes deposited with Sales Tax Department and other Govt. Authorities) (₹ 19,43,420 ; Previous Year ₹ 10,66,420)	-	-
	<u>-</u>	<u>-</u>
Trade Investments		
In Equity Shares-Unquoted, fully paid up		
1,00,00,000 Petronet India Limited of ₹ 10 each (1,00,00,000)	10	10
25 The Colaba Central Co-operative Consumer's (25) Wholesale and Retail Stores Limited. (Sahakari Bhandar) of ₹ 200 each (₹ 5,000 ; Previous Year ₹ 5,000)	-	-
5,000 Retailers Association's Skill Council of India of ₹ 10 each (-) (₹ 1,00,000 ; Previous Year ₹ NIL)	-	-
	<u>10</u>	<u>10</u>
Other Investments		
In Equity Shares-Quoted, fully paid up		
14,87,160 Den Networks Limited of ₹ 10 each (19,84,860)	13	17
10,59,07,273 EIH Limited (8,45,92,273) of ₹ 2 each	1,433	1,241
4,85,32,764 Himachal Futuristic Communications Limited (4,85,32,764) of ₹ 1 each	57	57

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
8,72,011 (-) HDFC Bank Limited of ₹ 2 each	39	-
1,44,00,500 (-) HDFC Limited of ₹ 2 each	949	-
2,28,232 (-) Axis Bank Limited of ₹ 10 each	26	-
2,67,751 (-) Canara Bank Limited of ₹ 10 each	12	-
9,12,919 (-) ICICI Bank Limited of ₹ 10 each	79	-
1,80,258 (-) Punjab National Bank of India of ₹ 10 each	16	-
5,40,727 (-) State Bank of India of ₹ 10 each	112	-
	2,736	1,315
In Equity Shares-Unquoted, fully paid up		
85,000 (85,000) National Stock Exchange of India Limited of ₹ 10 each	28	28
1,000 (1,000) Air Control and Chemical Engineering Company Limited of ₹ 1 each (₹ 1,500 ; Previous Year ₹ 1,500)	-	-
1,500 (1,500) Reliance Research and Development Services Private Limited of ₹10 each (₹ 15,000 ; Previous Year ₹ 15,000)	-	-
18 (18) Parabol Enterprises B.V. of Euro 100 each	47	43
2,53,800 (1,800) Shinano Retail Private Limited of ₹10 each (₹ 25,38,000 ; Previous Year ₹ 18,000)	-	-
- (1,800) Sharanya Trading Private Limited of ₹ 10 each (₹ NIL ; Previous Year ₹ 18,000)	-	-
1,800 (1,800) Teesta Retail Private Limited of ₹10 each (₹ 18,000 ; Previous Year ₹ 18,000)	-	-
5,000 (-) Reliance Apparel India Private Limited of ₹10 each (₹ 1,00,000 ; Previous Year ₹ NIL)	-	-
33,78,378 (-) Terra Power LLC	10	-
	85	71
In Preference Shares - Unquoted, Fully paid up		
- (14,00,000) 10% Non Cumulative Optionally Convertible Preference Shares of Shinano Retail Private Limited of ₹ 10 each	-	700
	-	700

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
In Debentures - Quoted, fully paid up		
- Citi Corporation Finance (India) Limited (5,000) - Secured Non Convertible Redeemable Debentures of ₹ 1,00,000 each - Series 324	-	50
- Citi Corporation Finance (India) Limited (5,000) - Secured Non Convertible Redeemable Debentures of ₹ 1,00,000 each - Series 325	-	50
- Citi Corporation Finance (India) Limited (5,000) - Secured Non Convertible Redeemable Debentures of ₹ 1,00,000 each - Series 331	-	50
- Citifinancial Consumer Finance India Limited (40,000) - Non Convertible Redeemable Debentures of ₹ 1,00,000 each - Series 428	-	400
	-	550
In Debentures - Unquoted, fully paid up		
1,00,00,000 Zero Coupon Unsecured Optionally Fully (1,00,00,000) Convertible Debentures of Reliance KG Exploration & Production Private Limited of ₹ 10 each	10	10
	10	10
In Units of Fixed Maturity Plan - Quoted, fully paid up (Face Value of ₹ 10 each)		
5,00,00,000 Axis Fixed Term Plan - (Series 21/22) - Growth (-)	50	-
47,00,00,000 Birla Sunlife Fixed Term Plan (-) - (Series ES/EV/EY/FC) - Growth	470	-
40,50,00,000 DSP Blackrock Fixed Maturity Plan (15,00,00,000) - (Series 18/37/38/43) - Growth	405	150
20,30,00,000 DWS Fixed Maturity Plan (-) - (Series 6/7/9/10) - Growth	203	-
54,70,00,000 HDFC Fixed Maturity Plan (17,50,00,000) - (Series XVI/XXI) - Growth	547	175
4,50,00,000 HSBC Fixed Term Plan - Series 86 - Growth (-)	45	-
71,50,00,000 ICICI Prudential Fixed Maturity Plan - Cumulative (3,00,00,000) (Series 62/63/54)	715	30
19,20,00,000 IDFC Fixed Maturity Plan - (Series 7/8/65) - Growth (-)	192	-
3,50,00,000 India Bulls Fixed Maturity Plan - Growth (-)	35	-
15,00,00,000 JP Morgan Fixed Maturity Plan - Series VI - Growth (-)	150	-
27,00,00,000 Kotak Fixed Maturity Plan - (Series 76/80/82) - Growth (-)	270	-
3,50,00,000 LIC Nomura MF Fixed Maturity Plan (-) - Series 52 - Growth	35	-

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

		(₹ in crore)	
		As at 31st March, 2012	As at 31st March, 2011
17,30,00,000	Religare Fixed Maturity Plan (-) - (Series XIII/XIV) - Growth	173	-
16,00,00,000 (40,00,00,000)	SBI Debt Fund - (Series 11/12/13) - Growth	160	400
4,00,00,000 (-)	Sundaram Fixed Term Plan - Growth	40	-
13,50,00,000 (-)	Tata Fixed Maturity Plan - (Series 39/40) - Growth	134	-
- (6,00,00,000)	- Canara Robeco Fixed Maturity Plan - Series 6 - Growth Plan	-	60
		3,624	815
In Units-Unquoted, fully paid up			
1,15,35,485 (-)	DWS Insta Cash Plus Fund - Institutional - Bonus Option of ₹ 10 each	11	-
3,37,19,111 (-)	DWS Insta Cash Plus Fund - Bonus Option of ₹ 10 each	33	-
		44	-
In Public Sector Undertakings / Public Financial Institutions & Corporate Bonds - Quoted, fully paid up			
1,287 (-)	11.80% TISCO Perpetual Bonds of ₹ 10,00,000 each	131	-
		131	-
In Others			
7,20,000 (4,50,000)	Faering Capital India Evolving Fund of ₹ 1,000 each	72	45
4,05,950 (8,85,476)	HDFC India Real Estate of ₹ 1,000 per unit	43	95
50,000 (50,000)	JM Financial Property Fund - I of ₹ 9,722.59 per unit (Previous Year ₹ 10,000 per unit)	49	50
	MPM Bioventure IV - QP, LP, USA	101	92
5,000 (5,000)	Multiples Private Equity Fund Scheme 1 of ₹ 1,00,000 each (₹ 25,700 paid up)	13	3
2,000 (2,000)	Peninsula Realty Fund of ₹ 1,00,000 each.	23	21
21,600 (20,000)	Urban Infrastructure Opportunities Fund of ₹ 91,500 per unit (Previous Year ₹ 1,00,000 per unit)	201	200
- (8,000)	- Urban Infrastructure Opportunities Fund of ₹ 1,00,000 per unit (₹ 20,000 paid up)	-	19
25,000 (-)	LICHFL Urban Development Fund of ₹ 10,000 each (₹ 2,000 paid up)	5	-
	Sundaram Mutual Fund (₹ 5,000 ; Previous Year ₹ NIL)	-	-
		507	525
	Total Investments in Others (B)	7,147	3,996
	Total Long Term Investments (A + B)	11,423	6,911

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

12. LONG-TERM LOANS AND ADVANCES

(Unsecured Considered Good)

Capital Advances

Deposits#

Loans and Advances to Related Parties (Refer Note No. 28)

Advance Income Tax (Net of Provision)

Other Loans and Advances*

TOTAL

Includes ₹ 1,873 crore (Previous Year ₹ 1,705 crore) relating to Deposits with related parties (Refer Note No. 28)

* Includes claims receivable from statutory authorities, loans to employees etc.

(₹ in crore)

	As at 31st March, 2012	As at 31st March, 2011
Capital Advances	2,260	1,568
Deposits#	2,453	2,141
Loans and Advances to Related Parties (Refer Note No. 28)	277	146
Advance Income Tax (Net of Provision)	1,329	1,428
Other Loans and Advances*	422	1,556
TOTAL	6,741	6,839

13. OTHER NON CURRENT ASSETS

Miscellaneous Expenditure (to the extent not written off or adjusted)

TOTAL

(₹ in crore)

	As at 31st March, 2012	As at 31st March, 2011
Miscellaneous Expenditure (to the extent not written off or adjusted)	1	1
TOTAL	1	1

14. CURRENT INVESTMENTS

Investments in Debentures - Quoted, fully paid up

5,000 Citi Corporation Finance (India) Limited -
(-) Secured Non Convertible Redeemable
Debentures of ₹ 1,00,000 each - Series 331

Investments in Equity Shares-Quoted, fully paid up

4,61,520 Den Networks Limited of ₹ 10 each
(-)

Investments in Government Securities - Quoted, fully paid up

7.59 % GOI 2016

7.99 % GOI 2017

6.35 % GOI 2020

8.53 % MHA SDL 2020 (₹ 30,000)

8.13 % OIL MKT COS SB 2021
(₹ 14,80,000 ; Previous Year ₹ NIL)

8.13% GOI 2022 (₹ 48,000 ; Previous Year ₹ NIL)

7.80% GOI 2020 (₹ 7,91,000 ; Previous Year ₹ NIL)

8.65% WB 2021 (₹ 1,00,000 ; Previous Year ₹ NIL)

8.75% SAIL

9.64% PGC 2016 Bond

9.35% PGC 2016 Bond

8.08% GOI 2022

8.97% Kerala GS 2022

9.48% REC SR 101

(₹ in crore)

	As at 31st March, 2012	As at 31st March, 2011
Investments in Debentures - Quoted, fully paid up		
5,000 Citi Corporation Finance (India) Limited - (-) Secured Non Convertible Redeemable Debentures of ₹ 1,00,000 each - Series 331	47	-
Investments in Equity Shares-Quoted, fully paid up		
4,61,520 Den Networks Limited of ₹ 10 each (-)	4	-
Investments in Government Securities - Quoted, fully paid up		
7.59 % GOI 2016	5	5
7.99 % GOI 2017	-	1
6.35 % GOI 2020	1	1
8.53 % MHA SDL 2020 (₹ 30,000)	-	3
8.13 % OIL MKT COS SB 2021 (₹ 14,80,000 ; Previous Year ₹ NIL)	-	-
8.13% GOI 2022 (₹ 48,000 ; Previous Year ₹ NIL)	-	-
7.80% GOI 2020 (₹ 7,91,000 ; Previous Year ₹ NIL)	-	-
8.65% WB 2021 (₹ 1,00,000 ; Previous Year ₹ NIL)	-	-
8.75% SAIL	3	-
9.64% PGC 2016 Bond	1	-
9.35% PGC 2016 Bond	1	-
8.08% GOI 2022	2	-
8.97% Kerala GS 2022	2	-
9.48% REC SR 101	3	-
	18	10

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Investments in Units of Fixed Maturity Plan - Quoted, fully paid up (Face Value of ₹ 10 each)		
6,50,00,000 Axis Fixed Term Plan - (Series 13/15/16) - Growth (6,00,00,000)	65	60
1,20,00,000 Baroda Pioneer Fixed Maturity Plan - (Series 1/2) (1,50,00,000) - Growth	12	15
61,00,00,000 Birla Sun Life Fixed Term Plan - (1,38,00,00,000) (Series CM CO to CW/DB/DL/DN/DO/DQ/DS/EW/FA) Growth	610	1,380
10,00,00,000 Canara Robeco Fixed Maturity Plan - (Series 6 -13/ 7) (5,00,00,000) - Growth	100	50
41,00,00,000 DSP Blackrock Fixed Maturity Plan (75,00,00,000) - (Series 7/10/11 to18/39) - Growth	410	750
14,30,00,000 DWS Fixed Maturity Plan - (Series 11/90/92) - Growth (-)	143	-
- Fidelity Mutual Fund - Series 5, Plan F - Growth (3,50,00,000)	-	35
44,00,00,000 HDFC Fixed Maturity Plan (13,80,00,000) - (Series XIV/XVI/XVIII/XXI/XIX) - Growth	440	138
- HSBC Fixed Term (Series 79) - Growth (10,00,00,000)	-	100
39,00,00,000 ICICI Prudential Fixed Maturity Plan (1,26,50,00,000) - Series 51/54/55/56/59/63 - Cumulative	390	1,265
5,00,00,000 ICICI Prudential Fixed Maturity Plan (-) - Series 55 - Dividend	50	-
12,04,25,008 ICICI Prudential Interval Fund (-) - Institutional Cumulative	130	-
- IDBI Fixed Maturity Plan (Series I) - Growth (7,50,00,000)	-	75
15,50,00,000 IDFC Fixed Maturity Plan (47,00,00,000) - Yearly (Series 37/38/40/41/42/52/64/66) - Growth	155	470
10,50,00,000 JPM Fixed Maturity Plan - (Series 8) - Growth (-)	105	-
- JPMorgan India Fixed Maturity Plan (Series 1) (18,00,00,000) - Growth	-	180
23,00,00,000 Kotak Fixed Maturity Plan (Series 57/60/62/83) (-) - Growth	230	-
6,00,00,000 Religare Fixed Maturity Plan (Series- IX/VIII) (-) - Growth Plan	60	-
7,650,00,000 SBI Debt Fund (Series- 6/7/9/10/11/12/17/18/19) (32,50,00,000) - Growth	765	325
2,20,00,000 Sundaram Fixed Term Plan - Growth (2,50,00,000)	22	25
24,00,00,000 Tata Fixed Maturity Plan (Series 31/34/36/37) - Growth (6,40,00,000)	240	64
6,66,98,706 UTI Fixed Income Interval Fund (Series II/III/IX-I) (15,00,00,000) - Growth	83	150
2,61,12,073 UTI Fixed Income Interval Fund (Series IX-IV) (-) - Dividend - Reinvestment	26	-
	4,036	5,082

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Investment in Units - Quoted		
41,19,71,606 Birla Sunlife Dynamic Bond Fund - Retail - Growth (-)	730	-
2,48,38,796 DWS Premium Bond Fund - Premium Plus Growth Plan (-)	25	-
3,77,86,469 DWS Short Maturity Fund - Premium Plus Growth Plan (-)	40	-
3,99,55,814 ICICI Prudential Institutional Short Term Plan (-) - Cumulative Option	85	-
7,37,24,677 LIC Nomura MF Liquid Fund - Growth Plan (-)	141	-
	1,021	-
Investments in certificate of deposits with Scheduled Banks - Quoted	15,720	4,632
Investments in Debentures/Bonds - Quoted, fully paid up		
250 Axis Bank Limited (-)	25	-
1,000 CitiFinancial Consumer Finance (1,000) India Limited	98	98
1,250 EXIM Bank of India (2,250)	120	220
18,387 Housing Development Finance (15,187) Corporation Limited	1,822	1,531
10,750 Infrastructure Development Finance (5,000) Company Limited	1,060	483
15,095 India Infrastructure Finance Company Limited (-)	149	-
32,62,862 Indian Railway Finance Corporation Limited (1,450)	350	139
5,550 LIC Housing Finance Limited (12,500)	545	1,218
3,500 National Bank for Agriculture and Rural Development (-)	349	-
49,44,752 National Highways Authority of India (-)	494	-
42,76,093 Power Finance Corporation Limited (5,500)	858	552
920 Power Grid Corporation of India Limited (920)	112	112
450 Rural Electrification Corporation Limited (1,350)	44	131
550 Steel Authority of India Limited (1,500)	53	146
1,370 Tata Power Company Limited (-)	142	-
250 Tata Steel Limited (-)	26	-
	6,247	4,630

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Investments in Commercial Paper - Quoted		
Housing Development Finance Corporation Limited	-	94
	-	94
Investments in Units-Unquoted		
15,00,000 Birla Sun Life Short Term Fixed Maturity Plan Series I (10,00,000) of ₹ 10 each	2	1
- DWS Insta Cash Plus Fund - Institutional	-	11
(1,15,35,485) - Bonus Option of ₹ 10 each	-	33
- DWS Insta Cash Plus Fund	-	10
(3,37,19,111) - Bonus of ₹ 10 each	1	1
7,94,199 HDFC Cash Management Fund - Saving Plan (96,14,297) - Daily Dividend Reinvestment of ₹ 10 each	-	3
- HDFC Mutual Fund - Cash Management Fund (86,548) of ₹ 10 each	-	150
- HDFC Liquid Fund - Growth (17,52,359) of ₹ 10 each	42	-
1,27,72,028 HDFC Liquid Fund Premium - Daily Dividend (12,26,39,186) re-investment of ₹ 10 each	-	-
- HDFC Floating Rate Income Fund-Short Term Plan (2,328) - Wholesale Option - Daily Dividend Reinvestment of ₹10 each (₹ NIL ; Previous Year ₹ 23,466)	26	22
26,04,607 ICICI Prudential Institutional Liquid Plan (20,79,483) - Super Institutional Daily Dividend of ₹ 100 each	-	1
4,50,000 Kotak Fixed Maturity Plan 6M Series 9 (7,50,000) of ₹ 10 each (₹ 25,00,000)	-	1
- Reliance Regular Saving Fund - Debt Plan	-	1
(1,54,91,563) Institutional Dividend of ₹ 12 each	-	1
- SBI-Magnum Insta Cash Fund - Cash Option (6,44,967) of ₹ 10 each	-	3
- SBI MF SDFC 90D (2,75,10,915) of ₹ 10 each	-	-
1,41,586 JM High Liquidity Fund (-) (₹ 25,00,000 ; Previous Year ₹ NIL)	1	-
5,00,120 Reliance Fixed Horizon Fund XXI - Series 3 - Growth (-)	7	-
39,140 SBI Premier Liquid Fund - Super Institutional - Growth (-)	1	-
9,09,761 Tata Fixed Income Portfolio Fund - B2 (-)	80	237
	<u>27,173</u>	<u>14,685</u>
Total Current Investments		

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

15. INVENTORIES

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Raw Materials	8,446	6,200
Raw Materials in Transit	11,008	8,446
Stock-in-Process	10,535	9,879
Stock-in-Trade	1,935	1,158
Finished Goods	11,218	9,807
Stores, Chemicals and Packing Materials	3,550	3,030
TOTAL	46,692	38,520

16. TRADE RECEIVABLES

(Unsecured and Considered Good)

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Over six months	50	29
Others	16,889	15,667
TOTAL	16,939	15,696

17. CASH AND BANK BALANCES

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Balance with Banks #	1,412	845
Cash on hand	34	30
Fixed deposits with banks *	39,285	29,264
TOTAL	40,731	30,139

Balance with Banks includes Unclaimed Dividend of ₹ 129 crore (Previous Year ₹ 111 crore)

* Fixed deposits with banks include deposits of ₹ 6,891 crore (Previous Year ₹ 14,611 crore) with maturity of more than 12 months.

18. SHORT-TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
Loans and Advances to Related Parties (Refer Note No. 28)	12	7
Balance with Customs, Central Excise Authorities	1,861	1,484
Deposits	378	394
Others*#	7,503	4,006
TOTAL	9,754	5,891

* Netted off for Loans and Advances considered doubtful ₹ 72 crore (Previous Year ₹ 72 crore)

Includes primarily Interest Receivable on Fixed Deposits with banks, Bond Application Money, Advance to sundry creditors, Forward Premium on derivatives contracts and advance to employees.

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

19. OTHER CURRENT ASSETS

(₹ in crore)

	As at 31st March, 2012	As at 31st March, 2011
Interest accrued on Investment	261	227
Share Application Money	3,143	2,274
Others *	156	62
TOTAL	3,560	2,563

* Includes Interest Receivables and Contract Revenue Receivables.

20. REVENUE FROM OPERATIONS

(₹ in crore)

	2011-12	2010-11
Sale of Products	3,67,560	2,76,079
Income from Services	1,011	293
TOTAL	3,68,571	2,76,372
Less: Excise Duty/ Service Tax Recovered	10,070	10,561
	3,58,501	2,65,811

21. OTHER INCOME

(₹ in crore)

	2011-12	2010-11
Interest		
From Current Investments	751	487
From Long Term Investments	129	2
From Others	3,287	1,253
	4,167	1,742
Dividend		
From Current Investments	15	3
From Long Term Investments	15	3
	30	6
Net Gain on Sale of Investments		
From Current Investments	1,026	512
From Long Term Investments	670	131
Adjustment to the carrying amount of investments (₹ 14,64,610)	-	(112)
	1,696	531
Share in Associates	70	(60)
Other non operating income	231	324
TOTAL	6,194	2,543

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

22. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE	2011-12	2010-11
(₹ in crore)		
Inventories (at close)		
Finished Goods / Stock-in-Trade	13,153	10,965
Stock-in-Process	10,535	9,879
	23,688	20,844
Inventories (at commencement)		
Finished Goods / Stock-in-Trade	10,965	9,553
Stock-in-Process	9,879	6,827
	20,844	16,380
Opening Stock of Subsidiaries acquired during the year	-	6
	20,844	16,386
TOTAL	(2,844)	(4,458)
(₹ in crore)		
23. EMPLOYEE BENEFITS EXPENSE	2011-12	2010-11
Salaries and Wages	3,378	2,781
Contribution to Provident and Other Funds	295	308
Staff Welfare Expenses	282	235
TOTAL	3,955	3,324
(₹ in crore)		
24. FINANCE COSTS	2011-12	2010-11
Interest Expenses	2,187	2,208
Other borrowing costs	23	20
Applicable loss on foreign currency transactions and translation	683	183
TOTAL	2,893	2,411
(₹ in crore)		
25. DEPRECIATION AND AMORTISATION EXPENSE	2011-12	2010-11
Depreciation and Amortisation	14,827	16,820
Less: Transferred from Revaluation Reserve (Refer Note No. 10.8)	2,356	2,634
Less: Transferred from Capital Reserve	70	65
TOTAL	12,401	14,121

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

	(₹ in crore)	
	2011-12	2010-11
26. OTHER EXPENSES		
Manufacturing expenses		
Stores, Chemicals and Packing Materials	3,943	3,796
Electric Power, Fuel and Water	4,740	2,834
Labour, Processing, Production Royalty and Machinery Hire Charges	1,876	2,421
Repairs to Building	115	101
Repairs to Machinery	849	752
Exchange Difference (Net)	255	(248)
Excise Duty #	(28)	95
Lease Rent	1	3
	11,751	9,754
Land Development and Construction Expenditure	104	190
Selling and distribution expenses		
Warehousing and Distribution Expenses	4,747	4,636
Sales Tax /VAT/Service Tax	824	761
Other Selling and Distribution Expenses	458	493
	6,029	5,890
Establishment expenses		
Professional Fees	749	557
General Expenses *	1,216	1,671
Rent	574	455
Insurance	557	553
Rates & Taxes	117	98
Other Repairs	306	292
Travelling Expenses	149	124
Payment to Auditors	22	18
Loss on Sale / Discard of Assets	55	193
Investments Written Off ^	51	110
Charity and Donations	290	144
	4,086	4,215
Less: Transfer to Project Development Expenditure (Net)	123	30
TOTAL	21,847	20,019

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, Oman- Block 41 and East Timor-Block K amounting to ₹ 258 crore (Previous Year ₹ 807 crore), an exceptional item.

^ An exceptional item

26.1 A sum of ₹ 1 crore (net debit) [Previous Year ₹ 3 crore (net debit)] is included under establishment expenses representing Net Prior Period Items.

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

27. EARNINGS PER SHARE (EPS)	2011-12	2010-11
i) Net Profit after tax (after adjusting Minority Interest) as per Statement of Profit and Loss (₹ in crore)	19,724	19,294
ii) (Short) provision for tax for earlier years (₹ in crore) [(₹ 28,34,742); Previous Year (₹ 32,37,715)]	-	-
iii) Net profit attributable to equity shareholders (₹ in crore)	19,724	19,294
iv) Net Profit before Exceptional item (₹ in crore)	20,033	20,211
v) Weighted Average number of equity shares used as denominator for calculating EPS	298,18,71,615	297,94,96,405
vi) Basic and Diluted Earnings per share (₹)	66.15	64.75
vii) Basic and Diluted Earnings (before exceptional items) per share (₹)	67.18	67.83
viii) Face Value per equity share (₹)	10.00	10.00

28. 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	

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

Sr No.	Name of the Related Party	Relationship
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 Commercials Private Limited	
36.	Chander Commercials Private Limited	
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	Associate Companies / Joint Ventures
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 Investments Holdings B.V.	
49.	Reliance Investments 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.	Basis Point Securities Private Limited	
56.	India Gas Solutions Private Limited	
57.	Algenol LLC	
58.	Aurora Algae Inc.	
59.	Extramarks Education Private Limited	

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

Sr No.	Name of the Related Party	Relationship
60.	Shri Mukesh D. Ambani	Key Managerial Personnel
61.	Shri Nikhil R. Meswani	
62.	Shri Hital R. Meswani	
63.	Shri P.M.S. Prasad	
64.	Shri P. K. Kapil	
65.	Dhirubhai Ambani Foundation	Enterprises over which Key Managerial Personnel are able to exercise significant influence
66.	Jamnaben Hirachand Ambani Foundation	
67.	Hirachand Govardhandas Ambani Public Charitable Trust	
68.	HNH Trust and HNH Research Society	
69.	Reliance Foundation	

(ii) Transactions during the year with related parties :

Sr. No.	Nature of Transactions (Excluding reimbursements)	(₹ in crore)			
		Associates	Key Managerial Personnel	Others	Total
1.	Purchase of Fixed Assets	248	-	-	248
		144	-	-	144
2.	Purchase / Subscription of Investments	1,106	-	-	1,106
		693	-	-	693
3.	Net Loans and advances given / (returned)	221	-	-	221
		(9)	-	-	(9)
4.	Unsecured Loans (taken) / repaid	(27)	-	-	(27)
		310	-	-	310
5.	Revenue from Operations	321	-	-	321
		233	-	-	233
6.	Other Income	7	-	-	7
		6	-	-	6
7.	Purchases / Material Consumed	151	-	-	151
		1	-	-	1
8.	Electric Power, Fuel and Water	1,140	-	-	1,140
		917	-	-	917
9.	Hire Charges	408	-	-	408
		790	-	-	790
10.	Employee Benefits Expense	5	-	-	5
		21	-	-	21
11.	Payment to Key Managerial Personnel	-	44	-	44
		-	41	-	41
12.	Sales and Distribution Expenses	2,381	-	-	2,381
		2,573	-	-	2,573
13.	Professional Fees	36	-	-	36
		17	-	-	17
14.	General expenses	-	-	-	-
		12	-	-	12
15.	Donations	-	-	210	210
		-	-	26	26

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

(₹ in crore)

Sr. No.	Nature of Transactions (Excluding reimbursements)	Associates	Key Managerial Personnel	Others	Total
16.	Finance Cost	33 24	-	-	33 24
17.	Investment written off (net)	51 -	-	-	51 -
Balance as at 31st March, 2012					
18.	Investments	4,097 2,860	-	-	4,097 2,860
19.	Trade Receivables	26 14	-	-	26 14
20.	Loans & Advances	289 153	-	-	289 153
21.	Deposits	1,873 1,705	-	-	1,873 1,705
22.	Unsecured Loan	53 22	-	-	53 22
23.	Trade and Other Payables	498 354	-	-	498 354
24.	Financial Guarantees	1,137 716	-	-	1,137 716
25.	Performance Guarantees	1 7	-	-	1 7

Note :

- Figures in Italic represents Previous Year's amount.

Disclosure in respect of Material Related Party Transactions during the year :

- Purchase of Fixed Assets include Reliance Ports and Terminals Limited ₹ 248 crore (Previous Year ₹ 144 crore).
- Purchase / Subscription of Investments include Gujarat Chemicals Port Terminal Company Limited ₹ NIL (Previous Year ₹ 52 crore), Deccan Cargo & Express Logistics Limited ₹ NIL (Previous Year ₹ 114 crore), EFS Midstream LLC ₹ 474 crore (Previous Year ₹ 527 crore), Reliance Commercial Dealers Limited ₹ 2 crore (Previous Year ₹ NIL), Delta Corp East Africa Limited ₹ 9 crore (Previous Year ₹ NIL), Algenol LLC ₹ 504 crore (Previous Year ₹ NIL), Aurora Algae LLC ₹ 117 crore (Previous Year ₹ NIL).
- Loans given during the year include Reliance Commercial Dealers Limited ₹ 67 crore (Previous Year ₹ NIL), Reliance Commercial Trading Private Limited ₹ 4 crore (Previous Year ₹ NIL), Delta Corp East Africa Limited ₹ 8 crore (Previous Year ₹ NIL), Gujarat Chemicals Ports Terminal Company Limited ₹ 17 crore (Previous Year ₹ NIL), Loans returned during the year include Gujarat Chemicals Ports Terminal Company Limited ₹ NIL (Previous Year ₹ 17 crore).
- Deposits given include Einsten Commercials Private Limited ₹ 1 crore (Previous Year ₹ NIL), Carin Commercials Private Limited ₹ 86 crore (Previous Year ₹ NIL), Kaniska Commercials Private Limited ₹ 23 crore (Previous Year ₹ NIL), Gaurav Overseas Private Limited ₹ 15 crore (Previous Year ₹ 1 crore), Honeywell Properties Private Limited ₹ NIL (Previous Year ₹ 7 crore).
- Unsecured Loan taken during the year include Reliance Europe Limited ₹ 27 crore (Previous Year ₹ NIL), Unsecured loans repaid during the year include Reliance Ports and Terminals Limited ₹ NIL (Previous Year ₹ 310 crore).
- Revenue from Operations includes Reliance Ports and Terminals Limited ₹ 22 crore (Previous Year ₹ 9 crore), Reliance Gas Transportation and Infrastructure Limited ₹ 153 crore (Previous Year ₹ 220 crore), Reliance Utilities Private Limited ₹ 145 crore (Previous Year ₹ 3 crore).

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

7. Other Income includes Interest from Reliance Industrial Infrastructure Limited ₹ 2 crore (Previous Year ₹ 2 crore), Guarantee Commission from Reliance Europe Limited ₹ 5 crore (Previous Year ₹ 3 crore).
8. Purchases / Material Consumed includes Reliance Ports and Terminals Limited ₹ 138 crore (Previous Year ₹ 1 crore), Reliance Industrial Infrastructure Limited ₹ 11 crore (Previous Year ₹ NIL), Gujarat Chemicals Ports Terminal Company Limited ₹ 2 crore (Previous Year ₹ NIL).
9. Electric Power, Fuel and Water charges paid to Reliance Utilities and Power Private Limited ₹ 369 crore (Previous Year ₹ 292 crore), Reliance Utilities Private Limited ₹ 771 crore (Previous Year ₹ 625 crore).
10. Hire Charges paid to Reliance Industrial Infrastructure Limited ₹ 21 crore (Previous Year ₹ 21 crore), Gujarat Chemicals Port Terminal Company Limited ₹ 66 crore (Previous Year ₹ 44 crore), Reliance Gas Transportation Infrastructure Limited ₹ 235 crore (Previous Year ₹ 652 crore), Reliance Ports and Terminals Limited ₹ 86 crore (Previous Year ₹ 72 crore).
11. Payment to Key Management Personnel include to Shri Mukesh D. Ambani ₹ 15 crore (Previous Year ₹ 15 crore), Shri Nikhil R. Meswani ₹ 11 crore (Previous Year ₹ 11 crore), Shri Hital R. Meswani ₹ 11 crore (Previous Year ₹ 11 crore), Shri P.M.S. Prasad ₹ 5 crore (Previous Year ₹ 2 crore), Shri P.K. Kapil ₹ 2 crore (Previous Year ₹ 2 crore).
12. Sales and Distribution Expenses include Reliance Ports and Terminals Limited ₹ 2,370 crore (Previous Year ₹ 2,563 crore), Gujarat Chemicals Ports Terminal Company Limited ₹ 11 crore (Previous Year ₹ 10 crore).
13. Professional Fees include Reliance Europe Limited ₹ 27 crore (Previous Year ₹ 17 crore), Reliance Industrial Infrastructure Limited ₹ 9 crore (Previous Year ₹ NIL).
14. Employee Benefits Expense include Reliance Industrial Infrastructure Limited ₹ NIL (Previous Year ₹ 21 crore), Reliance Gas Transportation Infrastructure Limited ₹ 5 crore (Previous Year ₹ NIL).
15. General expenses include Reliance Industrial Infrastructure Limited ₹ NIL (Previous Year ₹ 9 crore).
16. Donations to Dhirubhai Ambani Foundation ₹ 86 crore (Previous Year ₹ 18 crore), Jamnaben Hirachand Ambani Foundation ₹ 8 crore (Previous Year ₹ 6 crore), HNH Trust and HNH Research Society ₹ 3 crore (Previous Year ₹ 2 crore), Hirachand Govardhandas Ambani Public Charitable Trust ₹ 1 crore (Previous Year ₹ NIL), Reliance Foundation ₹ 112 crore (Previous Year ₹ NIL).
17. Finance Cost include Reliance Ports and Terminals Limited ₹ 24 crore (Previous Year ₹ 24 crore), Reliance Europe Limited ₹ 1 crore (Previous Year ₹ NIL), Reliance Industrial Infrastructure Limited ₹ 8 crore (Previous Year ₹ NIL).
18. Investment written off (net) includes Deccan Cargo and Express Logistics Private Limited ₹ 51 crore (Previous Year ₹ NIL).
19. Loans and Advances include Gujarat Chemicals Port Terminal Company Limited ₹ NIL (Previous Year ₹ 25 crore), Reliance Europe Limited ₹ 12 crore (Previous Year ₹ 7 crore), Reliance Commercial Dealers Limited ₹ 145 crore (Previous Year ₹ NIL), Shree Salasar Bricks Private Limited ₹ 31 crore (Previous Year ₹ 31 crore), Atri Exports Private Limited ₹ 18 crore (Previous Year ₹ 18 crore), Jaipur Enclave Private Limited ₹ 4 crore (Previous Year ₹ 4 crore), Marugandha Land Developers Private Limited ₹ 5 crore (Previous Year ₹ 5 crore), Reliance Commercial Trading Private Limited ₹ 9 crore (Previous Year ₹ 6 crore) and Delta Corp East Africa Limited ₹ 65 crore (Previous Year ₹ 57 crore).
20. Deposits include Reliance Utilities and Power Limited ₹ 200 crore (Previous Year ₹ 200 crore), Reliance Ports and Terminals Limited ₹ 1,050 crore (Previous Year ₹ 1,050 crore), Reliance Utilities Private Limited ₹ 150 crore (Previous Year ₹ 150 crore), Rocky Farms Private Limited ₹ 29 crore (Previous Year ₹ 29 crore), Chander Commercials Private Limited ₹ 33 crore (Previous Year ₹ 33 crore), Honeywell Properties Private Limited ₹ 50 crore (Previous Year ₹ 50 crore), Parinita Commercials Private Limited ₹ 6 crore (Previous Year ₹ 6 crore), Creative Agrotech Private Limited ₹ 15 crore (Previous Year ₹ 15 crore), Ashwani Commercials Private Limited ₹ 36 crore (Previous Year ₹ 36 crore), Einstein Commercials Private Limited ₹ 43 crore (Previous Year ₹ 41 crore), Vishnumaya Commercials Private Limited ₹ 9 crore (Previous Year ₹ 9 crore), Netravati Commercials Private Limited ₹ 6 crore (Previous Year ₹ 6 crore), Fame Agro Private Limited ₹ 3 crore (Previous Year ₹ 3 crore), Centura Agro Private Limited ₹ 8 crore (Previous Year ₹ 8 crore), Noveltech Agro Private Limited ₹ 3 crore (Previous Year ₹ 3 crore), Rakshita Commercials Private Limited ₹ 6 crore (Previous Year ₹ 6 crore), Carin Commercials Private Limited ₹ 95 crore (Previous Year ₹ 9 crore), Prakhar Commercials Private Limited ₹ 48 crore (Previous Year ₹ 48 crore), Pepino Farms Private Limited ₹ 1 crore (Previous Year ₹ 1 crore), Kaniska Commercials Private Limited ₹ 23 crore (Previous Year ₹ NIL), Gaurav Overseas Private Limited ₹ 17 crore (Previous Year ₹ 2 crore) and Gujarat Chemicals Port Terminal Company Limited ₹ 42 crore (including conversion of loan given) (Previous Year ₹ NIL).
21. Unsecured loan include Reliance Europe Limited ₹ 53 crore (Previous Year ₹ 22 crore).

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

29. CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31st March, 2012	(₹ in crore) As at 31st March, 2011
(I) Contingent Liabilities		
(A) Claims against the company / disputed liabilities not acknowledged as debts		
(a) In respect of joint ventures	-	1
(b) In respect of others	1,396	1,666
(B) Guarantees		
(i) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties		
(a) In respect of joint ventures	-	-
(b) In respect of others	1,159	833
(ii) Performance Guarantees		
(a) In respect of joint ventures	-	-
(b) In respect of others	123	236
(iii) Outstanding guarantees furnished to Banks and Financial Institutions including in respect of Letters of Credits		
(a) In respect of joint ventures	228	24
(b) In respect of others	5,314	3,658
(C) Other Money for which the company is contingently liable		
(i) Liability in respect of bills discounted with Banks (Including third party bills discounting)		
(a) In respect of joint ventures	-	-
(b) In respect of others	631	2,296
(II) Commitments		
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
(a) In respect of Joint Ventures	344	14
(b) In respect of others	18,092	10,462
(B) Uncalled Liability on Shares and Other Investments Partly paid	294	408
(C) Other commitments		
(a) Sales tax deferral liability assigned	3,560	4,468
(b) Guarantee against future cash calls *	-	8,053

* The Company has issued guarantees against future cash calls to be made by JV partners of its wholly owned subsidiary Reliance Marcellus LLC.

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

(III) The Income-Tax assessments of the Company have been completed up to Assessment Year 2009-10. The disputed demand outstanding up to the said Assessment Year is ₹ 1,292 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.

30. During the year the Company received regulatory approvals for transfer of 30% Participating Interest (PI) in 21 Oil & Gas production sharing contracts including KG D6 to Ms BP Exploration (Alpha) Limited (BP). Consequently, the proceeds, net of adjustments for revenue and costs from 1st January 2011 to 30th August 2011(closing date) amounting to ₹ 32,198 crore have been netted off from the cost incurred against the said blocks appearing in the Intangible Assets - Development Rights and Intangible Assets under Development forming a part of Fixed Assets.
31. Reliance Jamnagar Infrastructure Limited, a wholly owned subsidiary of the Company has on 26th March 2012 filed a Scheme for amalgamation with the Company with the Hon'ble High Court of Gujarat at Ahmedabad. The Scheme shall be given effect to in the Books with effect from the Appointed Date of 1st April, 2011, upon receipt of the necessary approvals.
32. On 14 February 2012 and 28 February 2012, Reliance Holding USA, Inc. a wholly owned subsidiary of the Company, has issued \$1,000 million and \$500 million, respectively, of 5.40% Guaranteed Senior Notes due on 2022. Proceeds from the issues were partly utilized to repay \$921 million outstanding short-term loans, and the remainder is being used to make other business investments and for general corporate purposes.

33. FINANCIAL AND DERIVATIVE INSTRUMENTS

a) Derivative contracts entered into by the Company and outstanding as on 31st March, 2012.

(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, 2012 amount to ₹ 88,598 crore (Previous Year ₹ 1,00,715 crore).

Category wise break up is given below :

Sr. No.	Particulars	As at 31st March, 2012		As at 31st March, 2011	
				(₹ in crore)	
1	Interest Rate Swaps	34,068		36,254	
2	Currency Swaps	4,199		4,567	
3	Options	25,138		28,181	
4	Forward Contracts	25,193		31,713	

(ii) For hedging commodity related risks :

Category wise break up is given below :

Sr. No.	Particulars	As at 31st March, 2012			As at 31st March, 2011		
		Petroleum product sales	Crude Oil purchases	Other products	Petroleum product sales	Crude oil purchases	Other products
		(in Kbbbl)	(in Kbbbl)	(in Kg)	(in Kbbbl)	(in Kbbbl)	(in Kg)
1	Forward swaps	16,722	18,842	1,214	14,757	21,420	592
2	Futures	4,809	5,879	-	2,194	9,453	-
3	Spreads	25,193	81,337	-	33,768	51,227	-
4	Options	2,720	8,875	-	-	1,800	-

In addition the Company has net margin hedges outstanding for contracts relating to petroleum product sales of 81,869 kbbbl (Previous Year 79,308 kbbbl).

- b) Foreign currency exposures that are not hedged by derivative instruments as on 31st March 2012 amount to ₹ 89,892 crore (Previous Year ₹ 72,650 crore).

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

34. 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	(₹ in crore)	
	As at 31st March, 2012	As at 31st March, 2011
(i) Assets		
Fixed Assets	126	112
Non-Current Investments	25	-
Current Investments	39	53
Current Assets	139	115
Non-Current Assets	29	4
(ii) Liabilities		
Short Term Borrowings	20	8
Current Liabilities and Provisions	73	74
Non-Current Liabilities and Provisions	14	-
Deferred Tax	-	(2)
(iii) Income	277	175
(iv) Expenses	338	222

35. 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, 2012 to 31st March, 2012 in respect of subsidiaries having financial year ended 31st December, 2011.

36. 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.

- 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".
- 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".

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

(i) Primary Segment Information :

(₹ in crore)

	Petrochemicals		Refining		Oil and Gas		Others		Unallocable		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1 Segment Revenue												
External Turnover	86,338	67,648	2,58,697	1,86,542	13,896	15,706	9,640	6,476	-	-	3,68,571	2,76,372
Inter Segment Turnover	124	44	67,835	48,633	278	1,620	523	215	-	-	-	-
Gross Turnover	86,462	67,692	3,26,532	2,35,175	14,174	17,326	10,163	6,691	-	-	3,68,571*	2,76,372*
Less: Excise duty / Service Tax recovered	5,388	4,468	4,496	6,010	59	3	127	80	-	-	10,070	10,561
Net Turnover	81,074	63,224	3,22,036	2,29,165	14,115	17,322	10,036	6,611	-	-	3,58,501	2,65,811
2 Segment Result before Interest and Taxes	9,060	9,540	9,847	9,182	5,555	6,717	(130)	(460)	111	662	24,443	25,641
Less: Interest Expense	-	-	-	-	-	-	-	-	2,893	2,411	2,893	2,411
Add: Interest Income	-	-	-	-	-	-	-	-	4,167	1,742	4,167	1,742
Add: Exceptional Item	-	-	-	-	(258)	(917)	-	-	(51)	-	(309)	(917)
Profit Before Tax	9,060	9,540	9,847	9,182	5,297	5,800	(130)	(460)	1,334	(7)	25,408	24,055
Current Tax	-	-	-	-	-	-	-	-	5,226	4,412	5,226	4,412
Deferred Tax	-	-	-	-	-	-	-	-	465	371	465	371
Profit after Tax (before adjustment for Minority Interest)	9,060	9,540	9,847	9,182	5,297	5,800	(130)	(460)	(4,357)	(4,790)	19,717	19,272
Add: Share of (Profit) / Loss transferred to Minority	-	-	(37)	(25)	-	-	44	47	-	-	7	22
Profit after Tax (after adjustment for Minority Interest)	9,060	9,540	9,810	9,157	5,297	5,800	(86)	(413)	(4,357)	(4,790)	19,724	19,294
3 Other Information												
Segment Assets	42,432	45,695	1,09,523	1,05,470	43,048	64,917	32,347	26,245	99,841	65,190	3,27,191	3,07,517
Segment Liabilities	7,213	5,932	35,040	32,145	3,162	4,120	1,392	1,319	6,174	13,930	52,981	57,446
Capital Expenditure	2,197	548	2,746	1,328	15,859	10,592	3,098	13,589	669	819	24,569	26,876
Depreciation and Amortisation	2,137	2,215	4,398	3,967	5,191	7,377	439	312	236	250	12,401	14,121
Non Cash Expenses other than depreciation and Amortisation	-	-	-	-	258	918	-	-	51	112	309	1,030

*Total Gross Turnover is after elimination of inter segment turnover of ₹ 68,760 crore (Previous Year ₹ 50,511 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

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

(iv) Secondary Segment Information:

	(₹ in crore)	
	2011-12	2010-11
1. Segment Revenue – External Turnover		
- Within India	1,21,618	1,05,348
- Outside India	2,46,953	1,71,024
Total Revenue	3,68,571	2,76,372
2. Segment Assets		
- Within India	2,98,786	2,88,353
- Outside India	28,405	19,165
Total Assets	3,27,191	3,07,517
3. Segment Liability		
- Within India	50,749	55,863
- Outside India	2,232	1,584
Total Liability	52,981	57,447
4. Capital Expenditure		
- Within India	14,810	19,974
- Outside India	9,759	6,902
Total Expenditure	24,569	26,876

37. The Subsidiary companies considered in the consolidated financial statements are:

Name of the Subsidiaries	Country of Incorporation	Proportion of ownership interest
Reliance Industrial Investments and Holdings Limited (including Petroleum Trust)	India	100.00%
Reliance Ventures Limited	India	100.00%
Reliance Strategic Investments Limited	India	100.00%
Reliance Industries (Middle East) DMCC *	U.A.E.	100.00%
Reliance Jamnagar Infrastructure Limited	India	100.00%
Reliance Retail Limited	India	91.01%
Reliance Netherlands B.V. *	Netherlands	100.00%
Reliance Haryana SEZ Limited	India	92.50%
Reliance Fresh Limited	India	91.01%
Retail Concepts and Services (India) Limited	India	91.01%
Reliance Retail Insurance Broking Limited	India	91.01%
Reliance Dairy Foods Limited	India	91.01%
Reliance Exploration & Production DMCC *	U.A.E.	100.00%
Reliance Retail Finance Limited	India	91.01%

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

Name of the Subsidiaries	Country of Incorporation	Proportion of ownership interest
RESQ Limited	India	91.01%
Reliance Commercial Associates Limited	India	100.00%
Reliance Digital Retail Limited	India	91.01%
Reliance Financial Distribution and Advisory Services Limited	India	91.01%
RIL (Australia) Pty Limited	Australia	100.00%
Reliance Hypermart Limited	India	100.00%
Gapco Kenya Limited *	Kenya	76.00%
Gapco Rwanda Limited *	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	91.01%
Reliance Brands Limited	India	91.01%
Reliance Footprint Limited	India	91.01%
Reliance Trends Limited	India	91.01%
Reliance Wellness Limited	India	100.00%
Reliance Lifestyle Holdings Limited	India	91.01%
Reliance Universal Ventures Limited	India	91.01%
Delight Proteins Limited	India	91.01%
Reliance Autozone Limited	India	91.01%
Reliance F&B Services Limited	India	91.01%
Reliance Gems and Jewels Limited	India	91.01%
Reliance Integrated Agri Solutions Limited	India	91.01%
Strategic Manpower Solutions Limited	India	91.01%
Reliance Agri Products Distribution Limited	India	91.01%
Reliance Digital Media Limited	India	91.01%
Reliance Food Processing Solutions Limited	India	91.01%
Reliance Home Store Limited	India	91.01%
Reliance Leisures Limited	India	91.01%
Reliance Loyalty & Analytics Limited	India	91.01%
Reliance Retail Securities and Broking Company Limited	India	91.01%
Reliance Supply Chain Solutions Limited	India	91.01%

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

Name of the Subsidiaries	Country of Incorporation	Proportion of ownership interest
Reliance Trade Services Centre Limited	India	91.01%
Reliance Vantage Retail Limited	India	100.00%
Wave Land Developers Limited	Kenya	100.00%
Reliance-GrandOptical Private Limited	India	91.01%
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	91.01%
Reliance Infrastructure Management Services Limited	India	91.01%
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	100.00%
Reliance Global Energy Services (Singapore) Pte. Limited	Singapore	100.00%
Reliance Personal Electronics Limited	India	91.01%
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	91.01%
Reliance Replay Gaming Limited	India	91.01%
Two Sisters Foods India Limited (Formerly Reliance Nutritional Food Processors Limited)	India	45.51%
RIL USA Inc.*	U.S.A	100.00%
Reliance Commercial Land & Infrastructure Limited	India	100.00%
Reliance Corporate IT Park Limited	India	100.00%
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%

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

Name of the Subsidiaries	Country of Incorporation	Proportion of ownership interest
Reliance Ambit Trade Private Limited	India	100.00%
Reliance Petro Marketing Limited	India	91.01%
LPG Infrastructure (India) Limited	India	91.01%
Reliance Corporate Centre Limited	India	100.00%
Reliance Convention and Exhibition Centre 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%
Reliance Oil and Gas Mauritius Limited	Mauritius	100.00%
Reliance Exploration and Production Mauritius Limited	Mauritius	100.00%
Indiawin Sports Private Limited	India	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	91.01%
Reliance Style Fashion India Private Limited	India	91.01%
GenNext Innovation Ventures Limited	India	100.00%
GenNext Ventures LLP	India	100.00%
Reliance Home Products Limited	India	91.01%
Infotel Telecom Limited	India	95.00%
Reliance Styles India Limited	India	91.01%
Rancore Technologies Private Limited	India	95.00%
Omni Symmetry LLC *	U.S.A.	100.00%
Reliance Sibur Elastomers Private Limited	India	74.90%

* Subsidiary Company having 31st December as a reporting date.

Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

38. 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	45.51%
Reliance-Grandvision India Supply Private Limited	India	45.51%
Reliance Vornado Management Private Limited	India	45.51%
Reliance Vornado Development Private Limited	India	45.51%
Marks and Spencer Reliance India Private Limited	India	44.59%
Reliance Innovative Building Solutions Private Limited	India	50.00%
Diesel Fashion India Reliance Private Limited	India	44.59%
Office Depot Reliance Supply Solutions Private Limited	India	45.51%
Zegna South Asia Private Limited	India	44.59%
Reliance Paul and Shark Fashions Private Limited	India	45.51%
IMG Reliance Private Limited	India	50.00%
EFS Midstream LLC #	U.S.A	50.00%
Basis Point Securities Private Limited	India	50.00%
Delta Corp East Africa Limited	Kenya	43.61%
India Gas Solutions Private Limited	India	50.00%
Extramarks Education Private Limited	India	38.46%
Supreme Tradelink Private Limited	India	44.59%
Gaurav Overseas Private Limited	India	50.00%
Reliance Commercial Trading Private Limited	India	50.00%
Deccan Cargo and Express Logistics Private Limited	India	30.89%
Delta Hydrocarbons S.A.,	Luxembourg	23.15%

Associate Company having 31st December as a reporting date.

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 20, 2012

K. Sethuraman
Company Secretary

For and on behalf of the Board

M.D. Ambani	-	Chairman & Managing Director
N.R. Meswani	}	Executive Directors
H.R. Meswani		
P.M.S. Prasad		
R.H. Ambani	}	Directors
M.L. Bhakta		
Y.P. Trivedi		
Dr. D.V. Kapur		
M.P. Modi		
Prof. Ashok Misra		

Financial Information of Subsidiary Companies

												₹ 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	670.07	12,152.98	12,152.98	2,210.03	733.09	(102.68)	-	(102.68)	-	India
2	Reliance Ventures Limited	INR	2.69	2,355.98	2,368.36	2,368.36	791.67	41.43	1.02	0.10	0.92	-	India
3	Reliance Strategic Investments Limited	INR	2.34	1,151.62	1,230.39	1,230.39	372.20	108.92	36.75	7.50	29.25	-	India
4	Reliance Industries (Middle East) DMCC	INR	572.31	(63.04)	554.04	554.04	-	565.36	(58.73)	-	(58.73)	-	U.A.E
		USD MN	107.77	(11.87)	104.33	104.33	-	106.46	(11.06)	-	(11.06)	-	
5	Reliance Jamnagar Infrastructure Limited	INR	101.85	2,103.28	2,549.10	2,549.10	-	395.37	235.18	-	235.18	-	India
6	Reliance Retail Limited	INR	8,315.90	(38.33)	8,920.70	8,920.70	766.39	94.45	(1.03)	(0.52)	(0.51)	-	India
7	Reliance Netherlands B. V.	INR	1.65	(0.89)	1.51	1.51	0.89	28.50	(0.27)	-	(0.27)	-	Netherlands
		EUR MN	0.24	(0.13)	0.22	0.22	0.13	4.15	(0.04)	-	(0.04)	-	
8	Reliance Haryana SEZ Limited	INR	0.05	(35.19)	4,610.52	4,610.52	-	96.84	(28.38)	-	(28.38)	-	India
9	Reliance Fresh Limited	INR	1.05	(1,295.09)	5,007.73	5,007.73	245.04	3,860.37	(422.53)	(148.77)	(273.76)	-	India
10	Retail Concepts & Services (India) Limited	INR	0.05	(0.03)	0.03	0.03	-	0.06	(0.06)	-	(0.06)	-	India
11	Reliance Retail Insurance Broking Limited	INR	4.00	0.39	4.75	4.75	-	16.82	2.88	0.91	1.97	-	India
12	Reliance Dairy Foods Limited	INR	0.05	(39.10)	214.96	214.96	0.01	427.74	(24.61)	(8.36)	(16.25)	-	India
13	Reliance Exploration & Production DMCC	INR	3,841.88	(1,754.43)	2,204.55	2,204.55	26.55	112.74	(384.96)	-	(384.96)	-	U.A.E
		USD MN	723.45	(330.37)	415.13	415.13	5.00	21.23	(72.49)	-	(72.49)	-	
14	Reliance Retail Finance Limited	INR	2.02	99.82	101.91	101.91	101.82	0.05	(0.01)	-	(0.01)	-	India
15	RESQ Limited	INR	0.05	(5.93)	8.78	8.78	0.00	14.51	(3.00)	0.95	(3.95)	-	India
16	Reliance Commercial Associates Limited	INR	0.05	(0.02)	36.04	36.04	0.01	0.03	(0.00)	-	(0.00)	-	India
17	Reliance Digital Retail Limited	INR	1.05	(105.31)	751.87	751.87	0.01	1,234.04	(82.46)	(27.33)	(55.13)	-	India
18	Reliance Financial Distribution and Advisory Services Limited	INR	0.05	(28.72)	16.44	16.44	-	3.20	(0.43)	7.15	(7.58)	-	India
19	RIL (Australia) Pty Limited	INR	31.22	(18.31)	13.70	13.70	-	0.00	(0.21)	-	(0.21)	-	Australia
		AUD MN	5.90	(3.46)	2.59	2.59	-	0.00	(0.04)	-	(0.04)	-	
20	Reliance Hypermart Limited	INR	0.05	(0.43)	176.34	176.34	1.15	0.00	(0.15)	-	(0.15)	-	India
21	Gapco Kenya Limited	INR	91.03	216.38	1,013.63	1,013.63	-	5,765.20	119.87	37.98	81.89	-	Kenya
		KSH MN	1,459.54	3,469.35	16,251.81	16,251.81	-	92,435.48	1,921.87	608.89	1,312.98	-	
22	Gapco Rwanda Limited	INR	3.94	2.36	18.73	18.73	-	125.98	3.15	1.11	2.05	-	Rwanda
		FRW MN	448.50	267.96	2,130.97	2,130.97	-	14,331.70	358.65	125.74	232.91	-	
23	Gapco Tanzania Limited	INR	99.30	262.01	936.78	936.78	-	2,075.35	107.83	32.42	75.42	-	Tanzania
		TZS MN	29,910.00	78,919.00	2,82,164.00	2,82,164.00	-	6,25,104.00	32,480.00	9,764.00	22,716.00	-	
24	Gapco Uganda Limited	INR	18.55	80.51	148.40	148.40	-	672.08	26.64	5.53	21.11	-	Uganda
		USH MN	8,750.10	37,978.33	69,998.64	69,998.64	-	3,17,016.80	12,566.93	2,610.52	9,956.41	-	
25	Gapoil (Zanzibar) Limited	INR	1.66	(1.15)	7.21	7.21	-	0.06	0.02	-	0.02	-	Zanzibar
		TZS MN	500.00	(345.44)	2,171.04	2,171.04	-	19.18	4.96	-	4.96	-	
26	Gulf Africa Petroleum Corporation *	INR	116.83	(42.17)	315.07	315.07	-	-	(7.12)	-	(7.12)	-	Mauritius
		USD MN	22.00	(7.94)	59.33	59.33	-	-	(1.34)	-	(1.34)	-	
27	Transenergy Kenya Limited	INR	7.48	(7.89)	0.11	0.11	-	0.20	0.11	-	0.11	-	Kenya
		KSH MN	120.00	(126.53)	1.77	1.77	-	3.27	1.73	-	1.73	-	
28	Recron (Malaysia) Sdn Bhd	INR	4.19	1,588.39	3,634.45	3,634.45	-	6,377.76	74.20	13.82	60.38	-	Malaysia
		RM MN	2.50	948.15	2,169.50	2,169.50	-	3,807.05	44.29	8.25	36.04	-	

As on 31.12.2011: 1 Euro = ₹ 68.6675, 1 US \$ = ₹ 53.1050, 1 RM = ₹ 16.7525, 1 KSH = ₹ 0.6237, 1 FRW = ₹ 0.0879, 1 TZS = ₹ 0.0332, 1 USH = ₹ 0.0212; Exchange Rate as on 31.3.2012, 1 Euro = ₹ 67.8675, 1 US \$ = ₹ 50.8750, 1 Aus \$ = ₹ 52.9100, 1 KSH = ₹ 0.6126, 1 SGD = ₹ 40.4775, 1 GBP = ₹ 81.4575.

Financial Information of Subsidiary Companies

₹ 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
29	Reliance Retail Travel & Forex Services Limited	INR	1.00	(1.33)	0.06	0.06	-	0.01	(0.02)	-	(0.02)	-	India
30	Reliance Brands Limited	INR	80.86	(24.93)	150.91	150.91	40.04	30.85	(27.45)	(8.76)	(18.69)	-	India
31	Reliance Footprint Limited	INR	1.05	(15.95)	203.24	203.24	0.01	155.36	(0.15)	0.45	(0.60)	-	India
32	Reliance Trends Limited	INR	1.05	(27.37)	875.55	875.55	0.01	489.09	(16.46)	(5.11)	(11.35)	-	India
33	Reliance Wellness Limited	INR	0.05	(0.22)	1.17	1.17	1.15	-	(0.10)	-	(0.10)	-	India
34	Reliance Lifestyle Holdings Limited	INR	0.05	(5.17)	23.41	23.41	-	28.19	(2.61)	-	(2.61)	-	India
35	Reliance Universal Ventures Limited	INR	0.05	(8.37)	0.90	0.90	-	0.01	(0.06)	-	(0.06)	-	India
36	Delight Proteins Limited	INR	0.05	(12.72)	24.40	24.40	0.01	41.10	(7.07)	(2.39)	(4.68)	-	India
37	Reliance Autozone Limited	INR	0.05	(8.10)	33.08	33.08	0.01	26.92	(5.45)	(1.89)	(3.56)	-	India
38	Reliance F&B Services Limited	INR	0.05	(2.65)	1.32	1.32	0.00	1.66	(0.34)	-	(0.34)	-	India
39	Reliance Gems and Jewels Limited	INR	1.01	(16.81)	689.01	689.01	0.01	475.49	(0.59)	(1.43)	0.84	-	India
40	Reliance Integrated Agri Solutions Limited	INR	0.05	(0.32)	0.01	0.01	-	0.02	(0.05)	-	(0.05)	-	India
41	Strategic Manpower Solutions Limited	INR	0.05	(22.42)	7.54	7.54	-	190.31	(5.07)	5.66	(10.73)	-	India
42	Reliance Agri Products Distribution Limited	INR	0.05	(0.12)	0.06	0.06	-	0.02	(0.00)	-	(0.00)	-	India
43	Reliance Digital Media Limited	INR	0.05	(3.37)	3.11	3.11	-	3.06	(0.37)	0.96	(1.33)	-	India
44	Reliance Food Processing Solutions Limited	INR	0.05	(56.11)	82.43	82.43	0.01	0.34	(11.45)	(3.87)	(7.58)	-	India
45	Reliance Home Store Limited	INR	0.05	(0.07)	0.07	0.07	-	0.11	(0.03)	-	(0.03)	-	India
46	Reliance Leisures Limited	INR	1.05	(21.43)	159.06	159.06	0.01	96.76	(16.12)	(5.19)	(10.93)	-	India
47	Reliance Loyalty & Analytics Limited	INR	0.05	(10.51)	0.64	0.64	-	0.01	(0.07)	-	(0.07)	-	India
48	Reliance Retail Securities and Broking Company Limited	INR	0.05	(1.20)	0.04	0.04	-	0.11	(0.03)	-	(0.03)	-	India
49	Reliance Supply Chain Solutions Limited	INR	1.01	3.02	25.73	25.73	7.58	131.88	(0.42)	-	(0.42)	-	India
50	Reliance Trade Services Centre Limited	INR	0.05	(16.75)	0.67	0.67	-	3.11	(3.76)	-	(3.76)	-	India
51	Reliance Vantage Retail Limited	INR	0.56	(38.42)	87.98	87.98	-	0.01	(2.39)	-	(2.39)	-	India
52	Wave Land Developers Limited	INR	142.87	(1.10)	141.91	141.91	72.93	0.43	0.41	0.13	0.28	-	Kenya
		KSH MN	2,332.11	(17.99)	2,316.58	2,316.58	1,190.54	7.05	6.67	2.11	4.55		
53	Reliance-GrandOptical Private Limited	INR	0.05	(0.02)	0.04	0.04	-	-	(0.00)	-	(0.00)	-	India
54	Reliance Universal Commercial Limited	INR	0.05	0.01	4.49	4.49	4.48	0.01	0.00	0.00	0.00	-	India
55	Reliance Petroinvestments Limited	INR	8.88	175.18	185.57	185.57	184.47	0.03	0.02	-	0.02	-	India
56	Reliance Global Commercial Limited	INR	0.05	0.01	4.49	4.49	4.48	0.01	0.00	0.00	0.00	-	India
57	Reliance People Serve Limited	INR	0.05	(2.31)	0.53	0.53	-	2.65	(0.29)	0.63	(0.92)	-	India
58	Reliance Infrastructure Management Services Limited	INR	0.05	(0.02)	0.03	0.03	-	-	(0.00)	-	(0.00)	-	India
59	Reliance Global Business B. V.	INR	448.60	16.76	465.77	465.77	465.64	0.34	0.14	-	0.14	-	Netherlands
		EURO MN	66.10	2.47	68.63	68.63	68.61	0.05	0.02	-	0.02	-	
60	Reliance Gas Corporation Limited	INR	0.05	(0.01)	6.14	6.14	0.01	-	(0.00)	-	(0.00)	-	India
61	Reliance Global Energy Services (Singapore) Pte. Ltd.	INR	6.07	0.85	7.04	7.04	-	2.02	0.20	0.04	0.16	0.61	Singapore
		SGD MN	1.50	0.21	1.74	1.74	-	0.50	0.05	0.01	0.04	0.15	
62	Reliance One Enterprises Limited	INR	0.05	(0.38)	0.44	0.44	-	0.02	(0.33)	-	(0.33)	-	India

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Financial Information of Subsidiary Companies

₹ 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
63	Reliance Global Energy Services Limited *	INR	4.07	1.63	10.02	10.02	-	18.08	1.38	0.33	1.06	-	U K
		GBP MN	0.50	0.20	1.23	1.23	-	2.22	0.17	0.04	0.13	-	
64	Reliance Personal Electronics Limited	INR	0.05	(0.91)	0.33	0.33	-	0.01	(0.07)	-	(0.07)	-	India
65	Reliance Polymers (India) Limited	INR	4.41	2,180.51	2,184.97	2,184.97	0.01	0.00	(0.00)	-	(0.00)	-	India
66	Reliance Polyolefins Limited	INR	13.26	2,574.59	2,609.28	2,609.28	2,608.29	5.00	1.38	0.48	0.90	-	India
67	Reliance Aromatics and Petrochemicals Limited	INR	4.11	2,503.44	2,781.38	2,781.38	2,781.36	0.01	0.01	0.00	0.01	-	India
68	Reliance Energy and Project Development Limited	INR	1.01	951.81	1,256.32	1,256.32	1,255.99	0.03	0.03	0.01	0.02	-	India
69	Reliance Chemicals Limited	INR	7.58	2,598.64	2,606.23	2,606.23	2,604.91	0.01	0.01	0.00	0.01	-	India
70	Reliance Universal Enterprises Limited	INR	13.26	3,403.42	3,416.69	3,416.69	3,416.56	0.02	0.01	0.00	0.01	-	India
71	Reliance Review Cinema Limited	INR	0.05	(0.85)	0.22	0.22	0.01	1.26	(0.29)	0.18	(0.47)	-	India
72	Reliance Replay Gaming Limited	INR	0.05	(0.64)	0.12	0.12	-	0.49	(0.37)	0.09	(0.46)	-	India
73	Two Sisters Foods India Limited (Formerly Reliance Nutritional Food Processors Limited)	INR	7.50	(5.95)	2.81	2.81	0.15	0.05	(4.05)	-	(4.05)	-	India
74	Reliance Commercial Land & Infrastructure Limited	INR	46.90	1,940.74	3,057.62	3,057.62	0.01	-	(0.00)	-	(0.00)	-	India
75	Reliance Corporate IT Park Limited	INR	2,634.83	(123.51)	2,925.65	2,925.65	25.00	969.98	0.87	0.14	0.73	-	India
76	Reliance Eminent Trading & Commercial Private Limited	INR	14.67	2,056.78	2,205.18	2,205.18	-	0.02	(4.55)	-	(4.55)	-	India
77	Reliance Progressive Traders Private Limited	INR	13.96	1,753.08	1,965.17	1,965.17	-	0.84	(8.41)	-	(8.41)	-	India
78	Reliance Universal Traders Private Limited	INR	10.12	43.23	84.93	84.93	-	-	(0.33)	-	(0.33)	-	India
79	Reliance Prolific Traders Private Limited	INR	12.87	1,424.69	2,224.78	2,224.78	-	0.08	(1.35)	0.01	(1.37)	-	India
80	Reliance Prolific Commercial Private Limited	INR	1.66	331.25	336.57	336.57	-	0.03	0.02	0.01	0.01	-	India
81	Reliance Comtrade Private Limited	INR	1.48	241.46	243.08	243.08	-	0.00	(0.00)	-	(0.00)	-	India
82	Reliance Ambit Trade Private Limited	INR	1.93	465.76	472.46	472.46	-	0.21	0.20	0.06	0.14	-	India
83	Reliance Petro Marketing Limited	INR	4.11	106.43	162.90	162.90	0.04	300.54	0.06	0.02	0.04	-	India
84	LPG Infrastructure (India) Limited	INR	0.05	7.57	106.78	106.78	(0.00)	305.46	1.96	1.66	0.30	-	India
85	RIL USA inc.	INR	15.93	39.46	2,700.81	2,700.81	-	27,801.95	6.16	0.05	6.11	-	U S A
		USD MN	3.00	7.43	508.58	508.58	-	5,235.28	1.16	0.01	1.15	-	
86	International Oil Trading Limited	INR	0.25	0.46	0.71	0.71	-	-	(0.00)	-	(0.00)	-	British Virgin Island
		USD MN	0.05	0.09	0.14	0.14	-	-	(0.00)	-	(0.00)	-	
87	Central Park Enterprises DMCC	INR	0.53	(0.42)	0.11	0.11	-	-	(0.21)	-	(0.21)	-	U.A.E
		USD MN	0.10	(0.08)	0.02	0.02	-	-	(0.04)	-	(0.04)	-	
88	Reliance Corporate Services Limited	INR	0.06	(0.01)	56.53	56.53	54.51	-	(0.00)	-	(0.00)	-	India
89	Reliance Corporate Centre Limited	INR	0.05	-	88.83	88.83	-	-	-	-	-	-	India
90	Reliance Convention and Exhibition Centre Limited	INR	0.05	-	111.90	111.90	-	-	-	-	-	-	India

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Financial Information of Subsidiary Companies

₹ 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
91	Reliance International B.V.	INR	0.14	0.95	1.29	1.29	-	3.26	0.34	0.07	0.27	-	Netherlands
		EURO MN	0.02	0.14	0.19	0.19	-	0.48	0.05	0.01	0.04	-	
92	Indiawin Sports Private Limited	INR	2.65	(90.61)	134.10	134.10	0.34	170.72	(0.39)	-	(0.39)	-	India
93	Reliance Exploration and Production Mauritius Limited *	INR	2,839.59	(0.05)	2,839.33	2,839.33	2,828.34	-	(0.25)	-	(0.25)	-	Mauritius
		USD MN	558.15	(0.01)	558.10	558.10	555.94	-	(0.05)	-	(0.05)	-	
94	Reliance Oil and Gas Mauritius Limited *	INR	797.77	(1.78)	806.93	806.93	499.13	-	(1.53)	-	(1.53)	-	Mauritius
		USD MN	156.81	(0.35)	158.61	158.61	98.11	-	(0.30)	-	(0.30)	-	
95	Reliance Holdings USA, Inc.	INR	0.27	3,323.15	16,214.07	16,214.07	630.67	-	(55.87)	100.85	(156.66)	-	USA
		USD MN	0.05	625.77	3,053.21	3,053.21	118.76	-	(10.52)	18.99	(29.50)	-	
96	Reliance Marcellus LLC	INR	980.05	(52.89)	4,668.51	4,668.51	-	137.33	(41.69)	-	(41.69)	-	USA
		USD MN	184.55	(9.96)	879.11	879.11	-	25.86	(7.85)	-	(7.85)	-	
97	Infotel Broadband Services Limited	INR	5,175.20	(11.13)	15,109.58	15,109.58	5.56	0.13	(5.32)	-	(5.32)	-	India
98	Reliance Strategic (Mauritius) Limited *	INR	0.20	(0.15)	0.05	0.05	-	-	(0.10)	-	(0.10)	-	Mauritius
		USD MN	0.04	(0.03)	0.01	0.01	-	-	(0.02)	-	(0.02)	-	
99	Reliance Eagleford Midstream LLC	INR	248.53	(27.30)	1,133.69	1,133.69	1,133.42	-	(14.71)	-	(14.71)	-	USA
		USD MN	46.80	(5.14)	213.48	213.48	213.43	-	(2.77)	-	(2.77)	-	
100	Reliance Eagleford Upstream LLC	INR	1,212.71	(0.06)	7,229.24	7,229.24	-	-	(0.05)	-	(0.05)	-	USA
		USD MN	228.36	(0.01)	1,361.31	1,361.31	-	-	(0.01)	-	(0.01)	-	
101	Reliance Eagleford Upstream GP LLC	INR	0.16	(0.01)	0.16	0.16	0.11	-	(0.00)	-	(0.00)	-	USA
		USD MN	0.03	(0.00)	0.03	0.03	0.02	-	(0.00)	-	(0.00)	-	
102	Reliance Eagleford Upstream Holding LP	INR	1,212.65	453.41	8,156.98	8,156.98	-	1,216.85	434.45	-	434.45	-	USA
		USD MN	228.35	85.38	1,536.01	1,536.01	-	229.14	81.81	-	81.81	-	
103	Mark Project Services Private Limited	INR	0.05	(0.32)	0.01	0.01	-	-	(0.10)	-	(0.10)	-	India
104	Reliance Energy Generation and Distribution Private Limited	INR	0.05	(0.01)	3,264.59	3,264.59	-	0.03	(0.00)	-	(0.00)	-	India
105	Reliance Marcellus II LLC	INR	534.29	(6.00)	2,724.66	2,724.66	-	3.77	(5.84)	-	(5.84)	-	USA
		USD MN	100.61	(1.13)	513.07	513.07	-	0.71	(1.10)	-	(1.10)	-	
106	Reliance Security Solutions Limited	INR	0.05	0.01	0.77	0.77	-	3.50	0.02	0.01	0.01	-	India
107	Reliance Industries Investment and Holding Limited	INR	2.52	1,238.69	1,433.41	1,433.41	1,433.38	9.47	7.72	-	7.72	-	India
108	Reliance Office Solutions Private Limited	INR	5.12	(1.35)	6.06	6.06	-	5.36	(0.95)	0.14	(1.09)	-	India
109	Reliance Style Fashion India Private Limited	INR	1.01	(4.06)	11.72	11.72	-	4.56	(4.03)	-	(4.03)	-	India
110	Gennext Innovation Ventures Limited	INR	0.05	(0.00)	0.05	0.05	-	-	(0.00)	-	(0.00)	-	India
111	Gennext Ventures LLP	INR	0.02	-	0.59	0.59	-	1.79	0.02	0.01	0.01	-	India
112	Reliance Home Products Limited	INR	0.05	(15.06)	15.22	15.22	-	40.77	(9.11)	(2.97)	(6.14)	-	India
113	Reliance Styles India Limited	INR	0.05	(0.01)	0.04	0.04	-	-	(0.01)	-	(0.01)	-	India
114	Infotel Telecom Limited	INR	6.05	(0.08)	5.97	5.97	0.96	0.28	(0.00)	-	(0.00)	-	India
115	Rancore Technologies Private Limited	INR	0.05	(0.07)	39.68	39.68	-	-	(0.01)	(0.03)	0.02	-	India
116	Omni Symmetry LLC	INR	6.48	(1.27)	5.36	5.36	-	-	(1.27)	-	(1.27)	-	USA
		USD MN	1.22	(0.24)	1.01	1.01	-	-	(0.24)	-	(0.24)	-	

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* Financial Information is based on Unaudited Results.

Shareholders' Referencer

AT A GLANCE

- Presently, the Company has around 3.4 million folios of shareholders holding Equity Shares in the Company.
- The Company's Equity Shares are listed on BSE 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.
- 97.49% 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 therefrom is examined by the Internal Securities Auditors.

COMPANY'S RECOMMENDATIONS TO THE SHAREHOLDERS / INVESTORS

The following are the Company's recommendations to shareholders/investors:

Open Demat Account and Dematerialise your shares

Investors should convert their physical holdings of securities into demat holdings. Holding securities in demat form helps investors to get immediate transfer of securities. No stamp duty is payable on transfer of shares held in demat form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided. More benefits and procedure involved in dematerialisation are covered later in this Referencer.

Consolidate Multiple Folios

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

Register NECS Mandate and furnish correct bank account particulars with Company/Depository Participant (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. Investors must update their new bank account numbers 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 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 the 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, order time, trade number, trade time, security descriptions, bought and sold quantity, price, brokerage, service tax and securities transaction tax. In case the investors have any doubt about the details contained in the contract note, they can avail the facility provided by BSE/NSE to verify the trades on BSE/NSE websites. It is recommended that this facility be availed in respect of a few trades on random basis, even if there is no doubt as to the authenticity of the trade/transaction.

Monitor holdings regularly

Demat account should not be kept dormant for long period of time. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified. Where the investor is likely to be away for a long period of time and where the securities 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 shares 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 inform the investors of transaction in the demat account by sending SMS. Investors will be informed about debits and credits to their demat account without having to call-up their DPs and investors need not wait for receiving Transaction Statements from DPs to know about the debits and credits.

Register e-mail address:

To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with Karvy, if shares are held in physical mode or with their DP, if the holding is in electronic mode.

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 shareholder 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

Intimate your mobile number 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 in 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 securities 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 needs 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 the 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.

- 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 an 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-in" 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 is a nation-wide payment system facilitating electronic transfer of funds from one account to another. Dividend payment through NEFT denotes payment of dividend electronically through RBI clearing to selected bank branches which have implemented Core Banking Solutions (CBS). This extends to all over the country, and is not necessarily restricted to the 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 51,000 branches of 116 banks participate in NECS.

How to avail of NECS Facility?

Investors holding shares in physical form may send their NECS Mandate Form, duly filled in, to the Company's R&TA. The Form may be downloaded from the Company's website www.ril.com under the section "Investor Relations".

However, if shares are held in dematerialised form, NECS mandate has to be sent to the concerned 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 the Company cannot take on record bank details in case of dematerialised shares?

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

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. Validity of Dividend warrant is three months from the date of issue of the 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 opened by the Company

with one of the depository participants, 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 transfer all such unclaimed shares into one folio in the name of "Unclaimed Suspense Account" and shall dematerialise such shares with one of the depository participants.

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 the aggregate number of shareholders along with number of unclaimed shares lying in the suspense account at the beginning of the year, number of shareholders who had approached the Company claiming the unclaimed shares, number of shareholders, to whom the said unclaimed shares were transferred from the suspense account during the year and the aggregate number of shareholders along with number of unclaimed shares lying in the suspense account at the end of the year, are published in the Corporate Governance Report.

In terms of Clause 5A(II) of the Listing Agreement, details relating to the aggregate number of shareholders along with the number of unclaimed shares issued in physical form and transferred in dematerialised form to the "Unclaimed Suspense Account", are published in the Corporate Governance Report.

UNCLAIMED/UNPAID DIVIDEND

What are the Statutory provisions governing unclaimed dividend?

With effect from October 31, 1998, any money 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 2003-2004	Dividend for 2004-2005 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 2004-05 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
31.03.2005	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		
31.03.2011	03.06.2011	02.06.2018		

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 in a depository by way of electronic balances.

Why dematerialise shares? Trading in Compulsory Demat Form

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

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 the 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 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 appointed as a 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 the rights of a 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 submission of Permanent Account Number (PAN) mandatory for transfer / transmission / transposition of shares in physical form?

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

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 ₹ 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) shall 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 Will probated by the Court, 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.

What is the 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?

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

INITIATIVES TAKEN BY THE COMPANY

Setting new benchmarks in Investor Service

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

(A) Registrations

Sl. No.	Particulars	Service Standards (No. of working days)
1.	Transfers	7
2.	Transmission	4
3.	Transposition	4
4.	Deletion of Name	3
5.	Folio Consolidation	3
6.	Change of Name	3
7.	Demat	3
8.	Remat	3
9.	Issue of Duplicate Certificate	35
10.	Replacement of Certificate	3
11.	Certificate Consolidation	3
12.	Certificate Split	3

(B) Correspondence

Sl. No.	Particulars	Service Standards (No. of working days)
Queries / Complaints		
1.	Non-receipt of Annual Reports	2
2.	Non-receipt of Dividend Warrants	4
3.	Non-receipt of Interest/ Redemption Warrants	4
4.	Non-receipt of Certificate	2
Event Based		
1.	TDS Certificate	2
2.	Allotment / call money	4
3.	Others	2
Requests		
1.	Change of Address	2
2.	Revalidation of Dividend Warrants	3
3.	Revalidation of Redemption Warrants	3
4.	Bank Mandate / Details	2
5.	Nomination	2
6.	Power of Attorney	2
7.	Multiple Queries	4
8.	IEPF Letters	3

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 BSE / NSE;
- 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 @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 (@0.10% w.e.f. July 1, 2012);
 - @ 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): One of the key benefits of this initiative includes timely redressal of investor grievances. MCA 21 system accepts complaints under the eForm prescribed, which has to be filed online.

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

Securities and Exchange Board of India (SEBI)

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

SEBI Complaints Redress System (SCORES)

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

Stock Exchanges

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

BSE Limited (BSE) - BSE provides an opportunity to the investors to file their complaints electronically through its website www.bseindia.com 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 under the “Investors” section or an email can be marked mentioning the query to relations@nsdl.co.in.

Central Depository Services (India) Limited (CDSL) - Investors who wish to seek general information on depository services may mail their queries to investors@cdslindia.com. With respect to the complaints / grievances of the demat account holders relating to the services of the DP, mails may be addressed to complaints@cdslindia.com

Other Information

Permanent Account Number (PAN)

It has become mandatory to quote PAN before entering into any transaction in the securities market. The Income Tax Department of India has highlighted the importance of PAN on its website: 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 (3), any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company in Form C, the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds 2% of total shareholding or voting rights in the company.

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 contribute to the Greener Environment and accordingly register email addresses to enable the Company to send all documents / notices including Annual Reports electronically.
- To register nominations, which would help the nominees to get the shares transmitted in their favour without any hassles.

- To respond to communications seeking shareholders' approval through Postal Ballot.
- To respond to communications of SEBI / Depository / DP / Brokers / Sub-brokers / Other Intermediaries / Company, seeking investor feedback / comments.

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
2011-2012**

Name : e-mail id :

Address :

DP ID. :

Client ID. :

Folio No. :
(in case of physical holding)

No. of equity shares held :

Signature of member

		Excellent	Very Good	Good	Satisfactory	Unsatisfactory
Directors' Report and Management's Discussion and Analysis	Contents					
	Presentation					
Report on Corporate Governance	Contents					
	Presentation					
Shareholders' Referencer	Contents					
	Presentation					
Quality of Financial and non- financial information in the Annual Report	Contents					
	Presentation					
Information on Company's Website	Contents					
	Presentation					
INVESTOR SERVICES						
Turnaround time for response to shareholder query						
Quality of response						
Timely receipt of Annual Report						
Conduct of Annual General Meeting						
Timely receipt of dividend warrants / payment through ECS						
Promptness in confirming demat / remat requests						
Overall rating						

Views/Suggestions for improvement, if any

.....

.....



Members are requested to send this feedback form to the address given overleaf.

BUSINESS REPLY INLAND LETTER

Postage
will be
paid by the
Addressee

Business Reply Permit No.
MBI-S-1363
Nariman Point
Mumbai - 400 021

No postage
stamp
necessary if
posted in
INDIA

To,
Shri S. Sudhakar
Vice President - Corporate Secretarial
Reliance Industries Limited
Registered Office: 3rd Floor, Maker Chambers IV
222, Nariman Point
Mumbai 400 021

Fold



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*	
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Master Folio No.	
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Client Id*	
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No. of Shares	
---------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **38TH ANNUAL GENERAL MEETING** of the Company held on Thursday, June 7, 2012 at 11.00 a.m. at Birla Matushri Sabhagar, 19, New 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*	
--------	--

Master Folio No.	
------------------	--

Client Id*	
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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 **38th Annual General Meeting** of the Company to be held on Thursday, June 7, 2012 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 M.L. Bhakta		
b) Shri Hital R. Meswani		
c) Prof. Dipak C. Jain		
d) Shri P.M.S. Prasad		
4. Appointment of Auditors		
5. Re-appointment of and remuneration payable to Shri Nikhil R. Meswani as a Whole-time Director		
6. Re-appointment of and remuneration payable to Shri Pawan Kumar Kapil as a Whole-time Director		

Signed this.....day of.....2012

 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.

Nation Building - The Reliance Way

You can give the visually impaired a white cane and they will not fall. Or give them knowledge and they will lead.



Reliance Drishti, an initiative of Reliance Foundation, aims to help the visually impaired acquire skills that will make them independent and relevant in society. It has also made it a mission to bring the gift of sight to the visually impaired, especially those who are underprivileged. Till date, over 10,000 cornea transplant surgeries have been performed and lakhs of children have been provided free eye check-ups.

Reliance Foundation, envisaged to become one of the foremost professional philanthropic organisations in the world, focuses on five core pillars: rural transformation, education, health, urban renewal and arts, culture & heritage.

Our way of thinking is clear... when we transform the lives of people, we transform India.





Reliance Drishti Art Competition 2011

Theme: India - Cricketing Champions Of The World

Paintings by National Gold Winners



Srijan Shekhar
(Age Group: 5-7 years)



Swapnil Agrawal
(Age Group: 5-7 years)



Nimish Nair
(Age Group: 5-7 years)



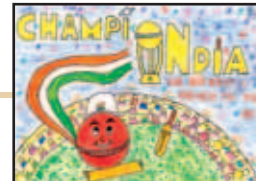
Priyanshu Patel
(Age Group: 5-7 years)



Sakcham Gupta
(Age Group: 5-7 years)



Hemal Mahavar
(Age Group: 8-10 years)



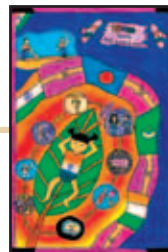
Aryam Bhadauria
(Age Group: 8-10 years)



Shrey Patel
(Age Group: 11-13 years)



Dhwani Sonawane
(Age Group: 11-13 years)



Poonjee Gupta
(Age Group: 11-13 years)



Pranay Sharma
(Age Group: 8-10 years)



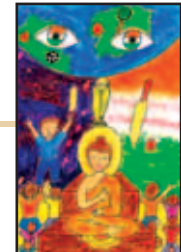
Dev Chauhan
(Age Group: 8-10 years)



Sarth Patel
(Age Group: 8-10 years)



T V Sreesh
(Age Group: 11-13 years)



Tanya Bhatia
(Age Group: 11-13 years)

