

## Report on Corporate Governance

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

### 1. Corporate Governance Philosophy

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

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

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

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

Corporate governance has indeed been an integral part of the way we have done business for several decades. This emanates from our strong belief that strong governance is integral to creating value on a

sustainable basis. Since our IPO 31 years back, we have grown revenues and net profit by a Compounded Annual Growth Rate (CAGR) of 28% and 32% respectively. The financial markets have endorsed this sterling performance as is reflected in a 38% CAGR growth in our market capitalization in the past five years. In terms of distributing wealth to our shareholders, apart from having a track record of uninterrupted dividend payout, we have also delivered a consistent unmatched shareholder returns since listing. What epitomizes the impact of all that we do is the fact that our shareholder base has grown from 52,000 after the IPO to around 3.5 million now.

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

- **Independent Statutory Auditors.** The Company's accounts are audited by a panel of 3 leading independent audit firms as follows:
  - M/s Deloitte, Haskins and Sells, Chartered Accountants, member of Deloitte Touche Tohmatsu (DTT) has been the statutory auditors of the Company for the past several years. DTT is one of the world's leading accounting firms.
  - M/s Chaturvedi & Shah (C&S), Chartered Accountants, one of India's leading audit firms and a member of the Nexia's global network of independent accounting and consulting firms, is on the approved list (Category 1) of Comptroller and Auditor General of India and Reserve Bank of India conducting Statutory Audits for Public Sector Undertakings, Insurance Companies, Banks and Financial Institutions.
  - M/s Rajendra & Co., one of India's oldest firms was set up as an audit firm 40 years ago. Rajendra & Co. also renders corporate direct taxation advice to multinational firms and several public listed companies in India.
- **Guidelines for the Board/Committee Meetings.** The Company has defined Guidelines for the meetings of the Board and Board Committees. These Guidelines seek to systematise the decision



making process at the meeting of the Board and Board Committees in an informed and efficient manner.

- **Key Board activities during the year.** The Board provides and critically evaluates strategic direction of the Company, management policies and their effectiveness. Their remit is also to ensure that the long-term interests of the shareholders are being served. The agenda for Board reviews include strategic review from each of the Board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Additionally, the Board reviews financial reports from the CFO and business reports from each of the sector heads. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the future growth of the Company.
- **Corporate Social Responsibility (CSR).** Social welfare and community development is at the core of RIL's CSR philosophy and this continues to be a top priority for the Company. The CSR teams at the Company's manufacturing divisions interact with the neighbouring community on regular basis. RIL's contributions to the community are in areas of health, education, infrastructure development (drinking water, improving village infrastructure, construction of schools etc.), environment (effluent treatment, tree plantation, treatment of hazardous waste etc.), relief and assistance in the event of a natural disaster and contributions to other social development organisations. RIL also supports and partners with several NGOs in community development and health initiatives.
- **Reporting on Triple Bottom-Line Performance.** RIL commenced annual reporting on its *triple-bottom-line* performance from FY 2004-05. All its sustainability reports are externally assured and GRI checked. The maiden report received 'in-accordance' status from GRI and all subsequent reports are 'G3 Checked A+' application level reports. From FY 2006-07, in addition to referring GRI G3 sustainability reporting guidelines, RIL refers to The American Petroleum Institute / The International Petroleum Industry Environmental Conservation Association guidelines and The United Nations Global Compact principles. RIL has

also aligned its sustainability activities with the focus areas of The World Business Council for Sustainable Development.

- **Internal Checks and Balances.** At the heart of our processes is the wide use of technology that ensures robustness and integrity of financial reporting. Reliance deploys a robust system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and company policies.
- **Legal Compliance Unit.** A dedicated Legal Compliance Audit Cell within the Management Audit Cell ensures that the Company conducts its business with high standards of legal, statutory and regulatory compliances. The Company has instituted a legal compliance program in conformity with best international standards. Its compliance program is supported by a robust, on-line system that covers all manufacturing units of the Company as well as its subsidiary companies. The gamut of this system includes statutes, labour and industrial laws, HSE regulations and taxation laws.
- **Shareholders communications.** The Board recognizes the importance of two-way communication with shareholders and of giving a balanced report of results and progress and responds to questions and issues raised in a timely and consistent manner. Reliance's corporate website; [www.ril.com](http://www.ril.com) has information for institutional and retail shareholders alike. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask a question in person at the Annual General Meeting. Shareholders can contact RIL via dedicated shareholder contact points as provided with this report or through any of Investor Service Centres of the Company's Registrars and Transfer Agents spread in more than 80 cities across India, details of which are available on the Company's website [www.ril.com](http://www.ril.com). RIL ensure that queries, complaints and suggestions are responded to in a timely and consistent manner.
- **Employees Stock Option Scheme.** One of the widest programs of its kind in the Indian corporate

sector, the program was introduced in 2007 and covers more than 14,000 employee-owners. The program facilitates delegation of authority while maintaining integrity and governance. In addition, the program has ensured complete alignment of individual interests with the growth imperatives of the Company.

- **Best Governance Practices.** It is the Company's constant endeavour to adopt the best governance practices as laid down in international codes of Corporate Governance and as practised by well known global companies. Some of the best global governance norms put into practice at Reliance include the following -
  - The Company has designated Lead Independent Director with a defined role.
  - All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Shareholders'/Investors' Grievance Committee of Directors of the Company.
  - The Company has established policies and procedures for corporate communication and disclosures.
  - The Company has an independent Board Committee for matters related to Corporate Governance and Stakeholders' Interface and nomination of Board members.
- **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) is one of the premier professional bodies in

India. ICSI 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 Forfeiture of Shares. Although these standards are recommendatory in nature, the Company substantially adheres to the standards voluntarily.

## 2. Board Composition and Particulars of Directors

### Board Composition

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board consists of 14 directors with effect from August 21, 2009, out of which 7 are Independent Directors. Composition of the Board and category of Directors are as follows:

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

<sup>1</sup>w.e.f. August 21, 2009

<sup>2</sup>w.e.f. September 1, 2009

<sup>3</sup>upto July 24, 2009

All the Independent Directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent as laid down under Clause

49. All such declarations are placed before the Board.

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

#### **What constitutes independence of Directors**

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

#### **Lead Independent Director**

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

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

#### **Directors' Profile**

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

- a) **Shri Mukesh D. Ambani** Shri Mukesh D. Ambani, Chairman & Managing Director, Reliance Industries Limited, is a Chemical Engineer from University Institute of Chemical Technology (earlier University Department of Chemical Technology), University of Mumbai (earlier University of Bombay). 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. An aggregate refining capacity of 1.24 million barrels of oil per day 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 these 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 :

- Conferred the 'Indian Corporate Citizen of the Year' by the India Leadership conclave 2009.
- 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.

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.

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

He is the Chairman, Board of Governors of the Indian Institute of Management, Bangalore, Chairman of Pandit Deendayal Petroleum University, Gandhinagar, Co-Chair of India-Russia CEO Council, Co-Chair of Japan-India Business Leader's Forum and a member of the Advisory Council of the Indian Institute of Technology, Mumbai.

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

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

Shri Mukesh D. Ambani is the Promoter of the Company and holds 18,07,923 shares of the Company in his name as on March 31, 2009.

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

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

He is primarily responsible for Petrochemicals Division and has contributed largely to Reliance to become a global leader in Petrochemicals. In addition, he continues to shoulder several other corporate responsibilities.

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

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

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

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

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

Shri Meswani holds 1,21,174 shares of the Company in his name as on March 31, 2009.

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

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

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

Shri Meswani holds 87,930 shares of the Company in his name as on March 31, 2009.

- d) **Shri Hardev Singh Kohli** has a Master Degree in Science. He has wide experience in implementation and operation of fertilizers and petrochemicals plants. Since 1991, he has been working at the Company's Hazira Manufacturing Division. He was appointed as a Wholetime Director of the Company designated as Executive Director with effect from April 1, 2000.

In recognition of his far reaching vision, management skills, innovative ideas, untiring efforts and dynamic leadership, he was conferred the prestigious The Wisitex Foundation Award - 1996 "Man of the Corporate Management".

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

Shri Kohli holds 1,155 shares of the Company in his name as on March 31, 2009.

- e) **Shri PMS Prasad** has been appointed as a Wholetime Director of the Company with effect from August 21, 2009. He holds a bachelor's degree in engineering and has been with the Company for 28 years. He has been recognized as one of the finest professionals in the energy industry. Presently, he heads 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 head of the Jamnagar refinery and petrochemicals complex. He was recently awarded an honorary doctorate degree by the

University of Petroleum Engineering Studies, Dehra Dun.

Shri PMS Prasad is a director of Reliance Jamnagar Infrastructure Limited, Reliance Petroinvestments Limited, Reliance Commercial Dealers Limited, Reliance Gas Corporation Limited, Reliance Gas Transportation and Infrastructure Limited and several Private Limited Companies. He is member of Audit Committee of Reliance Jamnagar Infrastructure Limited and Reliance Gas Transportation and Infrastructure Limited.

Shri Prasad holds in his name 17,433 shares of the Company.

- f) **Shri R. Ravimohan** is a Director of the Company since August 21, 2009. He is a Chemical Engineer and has completed the Advanced Management Program from Harvard Business School. He has been appointed as a Wholetime Director designated as Executive Director of the Company with effect from September 1, 2009. He is the former Chairman of CRISIL Limited and Managing Director and Region Head of Standard & Poor's for the South & South East Asia. He is credited with building CRISIL into the largest rating, financial and business research and advisory service company in India.

Shri Ravimohan has been closely involved with the modernization of Indian financial system and pioneered the era of electronic stock markets in the country. He has been involved in critical policy assignments including being a member of the Primary Market Advisory Committee of SEBI, Technical Advisory Committee and Financial Stability and Stern Test Assessment of Committee of Reserve Bank of India and Raghuram Rajan Committee on Financial Sector Reforms.

Shri Ravimohan is a member of the Audit Committee of the Company. He is a governing council member of Whistling Woods International foundation.

Shri Ravimohan does not hold any share of the Company.

- g) **Shri Ramniklal H. Ambani** has been one of the senior most Directors of the Company since January 11, 1977.

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

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

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

Shri Ambani holds 84,397 shares of the Company in his name as on March 31, 2009.

- h) **Shri Mansingh L. Bhakta** is a Director of the Company since September 27, 1977. He is a Senior Partner of Messers Kanga & Company, a leading firm of Advocates and Solicitors in Mumbai. He has been in practice for over 51 years and has vast experience in the legal field and particularly on matters relating to corporate laws, banking and taxation.

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

Shri Bhakta is a Director of Ambuja Cements Limited, Micro Inks Limited, The Indian Merchant's Chamber, Mumbai, JCB Manufacturing Limited, JCB India Limited and Lodha Developers Limited. He is the Lead Independent Director of the Company. He is the Chairman of the Shareholders'/ Investors' Grievance Committee and the Remuneration Committee of the Company. He is the Chairman



of the Audit Committee, the Shareholders' / Investors' Grievance Committee, the Compensation and Remuneration Committee and the Banking Matters Committee of Ambuja Cements Limited and a member of the Audit Committees of Micro Inks Limited and JCB India Limited. He is Recipient of Rotary Centennial Service Award for Professional Excellence from Rotary International. He has been listed as one of the Leading Lawyers of Asia by Asialaw, Hongkong for the fourth consecutive year from 2006.

Shri Bhakta holds 1,57,000 shares of the Company in his name as on March 31, 2009.

- i) **Shri Yogendra P. Trivedi** is a Director of the Company since April 16, 1992. Shri Trivedi is practicing as Senior Advocate, Supreme Court. He is a member of the Rajya Sabha. He is holding important positions in various fields viz., economic, professional, political, commercial, education, medical, sports and social fields. He has received various awards and merits for his contribution in various fields. He was a Director in Central Bank of India and Dena Bank amongst many other reputed companies. He is the past President of Indian Merchants' Chamber and presently is member of the Managing Committee. He was on the Managing Committee of ASSOCHAM and International Chamber of Commerce.

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

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

Club, Yachting Association of India and Yacht Club.

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

Shri Trivedi holds 12,500 shares of the Company in his name as on March 31, 2009.

- j) **Dr. Dharam Vir Kapur** is a Director of the Company since March 28, 2001. He is an honours Graduate in Electrical Engineering with wide experience in Power, Capital Goods, Chemicals and Petrochemicals Industries.

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

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

Governors, IIT Bombay; Member, Board of Governors, IIM Lucknow and Chairman, National Productivity Council.

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

Dr. Kapur is Chairman (Emeritus) of Jacobs H&G (P) Limited and Chairman, GKN Driveline (India) Limited and Drivetech Accessories Limited. He is also a Director on the Boards of Honda Seil Power Products Limited, Zenith Birla (India) Limited and DLF Limited. Earlier he was a Director on the Boards of Tata Chemicals Limited, Larsen & Toubro Limited and Ashok Leyland Limited. He is 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 and Corporate Governance Committee of DLF Limited. He is a member of Audit Committees of Zenith Birla (India) Limited and DLF Limited and Remuneration Committee of Honda Seil Power Products Limited.

He is also a member of the Corporate Governance and Stakeholders' Interface Committee, the Remuneration Committee and the Health, Safety and Environment Committee of the Company.

Dr. Kapur holds 6,772 shares of the Company in his name as on March 31, 2009.

- k) **Shri Mahesh P. Modi**, M.Sc. (Econ.) (London), is a Director of the Company since March 28, 2001. He held high positions in Government of India as Chairman of Telecom Commission; Secretary, Ministry of Coal; Special Secretary, Insurance and Joint Secretary, Ministry of Petroleum, Chemicals and Fertilizers. He has considerable management experience, particularly in the fields of energy, insurance, petrochemicals and telecom.

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

Shri Modi holds 562 shares of the Company in his name as on March 31, 2009.

- l) **Prof. Ashok Misra** is a Director of the Company since April 27, 2005. He obtained his Ph.D. in Polymer Science & Engineering from University of Massachusetts, M.S. in Chemical Engineering from Tufts University and B.Tech. in Chemical Engineering from IIT Kanpur. He has also completed the 'Executive Development Programme' and 'Strategies for Improving Directors' Effectiveness Programme' at the Kellogg School of Management, Northwestern University.

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

Prof. Misra holds 220 shares of the Company in his name as on March 31, 2009.



- m) **Prof. Dipak C. Jain** is a Director of the Company since August 4, 2005. He is a Ph.D. in Marketing and M.S. in Management Science from the University of Texas and M.S. in Mathematical Statistics from Gauhati University. Prof. Jain is a distinguished teacher and scholar. He has been Dean of the Kellogg School of Management, Northwestern University, Evanston, Illinois, USA since July, 2001. He has more than 20 years experience in management and education. He has published several articles in international journals on marketing and allied subjects.

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

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

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

- n) **Dr. Raghunath Anant Mashelkar**, an eminent scientist is a Director of the Company since June 9, 2007. He is a Ph.D. in Chemical Engineering. He is the President of Global Research Alliance, a network of publicly funded R&D institutes from Asia-Pacific, Europe and USA with over 60,000 scientists.

Formerly, Dr. Mashelkar was the Director General of the Council of Scientific and

Industrial Research (CSIR) for over eleven years. He was also the President of Indian National Science Academy (INSA).

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

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

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

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

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

Dr. Mashelkar is a member of the Audit committees of Tata Motors Limited, Hindustan Unilever Limited and the Company.

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

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

#### A. Institutionalised decision making process

The Board of Directors is the apex body constituted by the shareholders for overseeing

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

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

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

#### **B. Scheduling and selection of Agenda Items for Board meetings**

- (i) Minimum six pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- (ii) The meetings are usually held at the Company's Registered Office at Maker Chambers IV, 222, Nariman Point, Mumbai - 400 021.
- (iii) All divisions/departments of the Company are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion / approval / decision at the Board / Committee meetings. All such matters are communicated to the Company Secretary in advance so that the

same could be included in the Agenda for the Board / Committee meetings.

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

The information required to be placed before the Board includes :

- General notices of interest of Directors.
- Appointment, remuneration and resignation of Directors.
- Formation/Reconstitution of Board Committees.
- Terms of reference of Board Committees.
- The minutes of the Board meetings of unlisted subsidiary companies.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Appointment or resignation of Chief Financial Officer and Company Secretary.
- Annual operating plans of businesses, capital budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Dividend declaration.
- Quarterly summary of all long-term borrowings made, bank guarantees issued, loans and investments made.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Statement of significant transactions and arrangements entered by unlisted subsidiary companies.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

- Internal Audit findings and External Audit Reports (through the Audit Committee).
  - Proposals for investment, mergers and acquisitions.
  - Details of any joint venture, acquisitions of companies or collaboration agreement.
  - Status of business risk exposures, its management and related action plans.
  - Making of loans and investment of surplus funds.
  - Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer (if any), etc.
  - Show cause, demand, prosecution notices and penalty notices which are materially important.
  - Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
  - Any material default in financial obligations to and by the Company, or substantial non payment for goods sold by the Company.
  - Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
  - Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like implementation of Voluntary Retirement Scheme etc.
  - Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
  - Brief on statutory developments, changes in Government policies etc. with impact thereof, directors' responsibilities arising out of any such developments.
- Brief on clarifications made to the press.
- (v) The Chairman of the Board and the Company Secretary in consultation with other concerned members of the senior management, finalise the agenda for the Board meetings.
- C. Board Material distributed in advance**
- Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted.
- D. Recording Minutes of proceedings at Board and Committee meetings**
- The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board / Committee for their comments. The minutes are entered in the Minutes Book within 30 days from conclusion of the meeting.
- E. Post Meeting Follow-up Mechanism**
- The Guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the decisions taken by the Board and Committees thereof. The important decisions taken at the Board / Committee meetings are communicated to the departments / divisions concerned promptly. Action taken report on the decisions/ minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board / Committee for noting by the Board / Committee.
- F. Compliance**
- The Company Secretary while preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), is responsible for and is required to

ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 read with the Rules issued thereunder and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

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

Seven 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 and the maximum time gap between any two meetings was not more than four months. The details of the Board meetings are as under:

Sl. No.	Date	Board Strength	No. of Directors Present
1	April 21, 2008	13	12
2	July 24, 2008	13	10
3	October 23, 2008	13	12
4	November 24, 2008	13	13
5	January 22, 2009	13	13
6	March 2, 2009	13	12
7	March 27, 2009	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 2008-09		No. of Other Directorship (s) <sup>1</sup>	No. of Membership(s)/ Chairmanship(s) of Board Committees in Other Companies <sup>2</sup>
	Board Meetings	Last AGM		
Mukesh D. Ambani	7	Yes	1	Nil
Nikhil R. Meswani	6	Yes	1	1 (as Chairman)
Hital R. Meswani	6	Yes	2	2 (including 1 as Chairman)
Hardev Singh Kohli	7	Yes	Nil	Nil
P.M.S. Prasad <sup>3</sup>	N.A.	N.A.	5	3
R. Ravimohan <sup>3</sup>	N.A.	N.A.	Nil	Nil
Ramnklal H. Ambani	7	No	2	1 (as Chairman)
Mansingh L. Bhakta	7	Yes	5	4 (including 2 as Chairman)
Yogendra P. Trivedi	7	Yes	9	6 (including 2 as Chairman)
Dr. Dharam Vir Kapur	7	Yes	5	6 (including 4 as Chairman)
Mahesh P. Modi	7	Yes	Nil	Nil
S. Venkitaramanan <sup>4</sup>	7	No	2	Nil
Prof. Ashok Misra	7	Yes	1	Nil
Prof. Dipak C. Jain	5	Yes	1	Nil
Dr. Raghunath A. Mashelkar	5	Yes	6	2

<sup>1</sup>The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Section 25 Companies and Private Limited Companies.

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

<sup>3</sup>w.e.f. August 21, 2009

<sup>4</sup>upto July 24, 2009

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

## 6. Board Committees :

### A. Standing Committees

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

#### (i) Audit Committee

**Composition:** During the financial year the Audit Committee of the Board comprised three Independent Non-Executive Directors namely Shri Yogendra P. Trivedi, Chairman, Shri S. Venkitaramanan, Vice Chairman, Shri Mahesh P. Modi. Subsequent to the resignation of Shri S. Venkitaramanan, the Audit Committee has been reconstituted w.e.f. August 21, 2009 to comprise Shri Yogendra P. Trivedi, Chairman, Shri Mahesh P. Modi, Dr. Raghunath A. Mashelkar and Shri R. Ravimohan. All the members of the Audit Committee possess financial / accounting expertise/exposure. The composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

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

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

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

### A. Powers of the Audit Committee:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### B. The role of the Audit Committee includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgement by the management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions.
  - Qualifications in draft audit report.

5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
8. Discussion with Internal Auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism.
13. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and / or other Committees of Directors of the Company.
14. To review the following information :
  - The management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of Internal Auditors.
15. Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of Company.
16. Review of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.).

**Meetings :** Five meetings of the Audit Committee were held during the year ended March 31, 2009, as against the minimum requirement of four meetings.

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

Name of the Committee Member	No. of meetings held	No. of meetings attended
Yogendra P. Trivedi, Chairman	5	5
S. Venkitaramanan <sup>1</sup>	5	5
Mahesh P. Modi	5	5
Raghunath A. Mashelkar <sup>2</sup>	N.A.	N.A.
R. Ravimohan <sup>2</sup>	N.A.	N.A.

<sup>1</sup>upto July 24, 2009.

<sup>2</sup>w.e.f. August 21, 2009.

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

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

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

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

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

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

**Selection of Independent Directors :**

Considering the requirement of the skill-sets on the Board, eminent persons having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Corporate Governance and Stakeholders' Interface Committee, which also acts as Nomination Committee, for appointment inter alia of independent directors on the Board. The number

of directorships and memberships held in various committees of other companies by such persons is also considered. The Board considers the recommendations of the Committee and takes appropriate decision.

**Meetings :** Two meetings of the Corporate Governance and Stakeholders' Interface Committee were held during the year ended March 31, 2009.

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

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

**(iii) Employees Stock Compensation Committee**

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

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

1. the quantum of options to be granted under Employees Stock Option Scheme per employee and in aggregate;
2. the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
3. the exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period;
4. the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

5. the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
6. the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others;
7. the grant, vest and exercise of option in case of employees who are on long leave; and
8. the procedure for cashless exercise of options, if any.

**Meetings :** Two meetings of the Employees Stock Compensation Committee was held during the year ended March 31, 2009.

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

Name of the Committee Member	No. of meetings held	No. of meetings attended
Yogendra P. Trivedi, Chairman	2	2
Mahesh P. Modi	2	1
Prof. Dipak C. Jain	2	2
Mukesh D. Ambani	2	2

**(iv) Finance Committee**

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

**Terms of Reference :**

1. Review the Company's financial policies, risk assessment and minimisation procedures, strategies and capital structure, working capital and cash flow management and make such reports and

recommendations to the Board with respect thereto as it may deem advisable.

2. Review banking arrangements and cash management.
3. Exercise all powers to borrow moneys (otherwise than by issue of debentures), and taking necessary actions connected therewith including refinancing for optimisation of borrowing costs.
4. Giving of guarantees / issuing letters of comfort / providing securities within the limits approved by the Board.
5. Borrow monies by way of loan and / or issuing and allotting Bonds / Notes denominated in one or more foreign currencies in international markets, for the purpose of refinancing the existing debt, capital expenditure, general corporate purposes including working capital requirements and possible strategic investments within the limits approved by the Board.
6. Provide corporate guarantee / performance guarantee by the Company within the limits approved by the Board.
7. Approve opening and operation of Investment Management Accounts with Foreign Banks and appoint them as Agents, establishment of representative / sales offices in or outside India etc.
8. Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.
9. Other transactions or financial issues that the Board may desire to have them reviewed by the Finance Committee.
10. Delegate authorities from time to time to the Executives / Authorised persons to implement the decisions of the Committee.

11. Regularly review and make recommendations about changes to the charter of the Committee

**Meetings :** Four meetings of the Finance Committee were held during the year ended March 31, 2009

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

Name of the Committee Member	No. of meetings held	No. of meetings attended
Mukesh D Ambani	4	4
Nikhil R Meswani	4	4
Hital R Meswani	4	4

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

**Composition :** The Health, Safety and Environment Committee of the Board comprises three Directors, namely, Shri Hital R. Meswani, Chairman, Shri Hardev Singh Kohli and Dr. Dharam Vir Kapur.

**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 Plants of the Company and compliance with the relevant statutory provisions.

**Meetings :** Four meetings of the Health, Safety and Environment Committee were held during the year ended March 31, 2009.

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

Name of the Committee Member	No. of meetings held	No. of meetings attended
Hital R. Meswani, Chairman	4	3
Hardev Singh Kohli	4	4
Dr. Dharam Vir Kapur	4	4

(vi) **Remuneration Committee Meetings :**

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

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

**Meetings:** One meeting of the Remuneration committee was held during the year in which all the members were present.

**Remuneration policy, details of remuneration and other terms of appointment of Directors :**

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis.

The remuneration policy is in consonance with the existing Industry practice.

**Remuneration paid to the Chairman & Managing Director and the Wholetime Directors, including Stock Options granted during 2008-09:**

Rs. in crore

Name of the Director	Salary	Perquisites and allowances	Retiral benefits	Commission payable	Total	Stock Options granted Nos.
Mukesh D. Ambani	0.60	0.48	0.51	13.41	15.00	Nil
Nikhil R. Meswani	0.15	0.24	0.13	10.41	10.93	Nil
Hital R. Meswani	0.15	0.24	0.13	10.41	10.93	Nil
Hardev Singh Kohli	0.44	0.70	0.21	-	1.35	Nil

The Chairman and Managing Director's compensation has been set at Rs. 15 crore as against Rs. 43.24 crore that he is eligible as per the shareholders' approval, reflecting his desire to set a personal example for moderation in managerial compensation levels.

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

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

**Sitting fee and commission to the Non-Executive Directors, for 2008-09 are as detailed below :**

Rs. in lacs

Name of the Non-Executive Director	Sitting Fee	Commission	Total
Ramniklal H. Ambani	1.40	21.00	22.40
Mansingh L. Bhakta	2.40	21.00	23.40
Yogendra P. Trivedi	4.00	21.00	25.00
Dr. Dharam Vir Kapur	2.80	21.00	23.80
Mahesh P. Modi	2.80	21.00	23.80
S.Venkitaramanan	2.60	21.00	23.60
Prof. Ashok Misra	1.40	21.00	22.40
Prof. Dipak C. Jain	1.20	21.00	22.20
Dr. Raghunath A. Mashelkar	1.00	21.00	22.00
<b>Total</b>	<b>19.60</b>	<b>189.00</b>	<b>208.60</b>

During the year, the Company has paid Rs.1.52 crore as professional fees to M/s. Kanga & Co., a firm in which Shri M.L. Bhakta, Director of the Company, is a partner. There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors.

**(vii) Shareholders’ / Investors’ Grievance Committee**

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

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

**Meetings :** Four meetings of the Shareholders’/ Investors’ Grievance Committee (SIGC) were held during the year ended March 31, 2009.

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

Name of the Committee Member	No. of meetings held	No. of meetings attended
Mansingh L. Bhakta, Chairman	4	4
Yogendra P. Trivedi	4	4
Mukesh D. Ambani	4	3
Nikhil R. Meswani	4	4
Hital R. Meswani	4	1

**Compliance Officer**

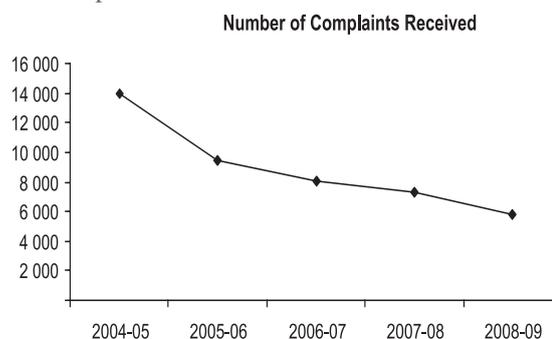
Shri Vinod M. Ambani, Company Secretary, is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India.

**Investor Grievance Redressal**

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

Types of Complaints	Number of Complaints
Non-Receipt of Annual Reports	202
Non-Receipt of Dividend Warrants	4115
Non-Receipt of Interest / Redemption Warrants	968
Non-Receipt of Certificates	493
Total	5778

There were no outstanding complaints as on March 31, 2009. 103 requests for transfers and 583 requests for dematerialisation were pending for approval as on March 31, 2009, which were approved and dealt with by April 3, 2009. Given below is a chart showing reduction in investor’s complaints.



**B. Functional Committees:**

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

### Procedure at Committee Meetings

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

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

The Code of Business Conduct and Ethics for Directors and management personnel ('the Code'), as recommended by the Corporate Governance and Stakeholders' Interface Committee and adopted by the Board, is a comprehensive Code applicable to all Directors and management personnel. The Code while laying down, in detail, the standards of business conduct, ethics and governance, centres around the following theme :

"The Company's Board of Directors and Management Personnel are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit."

A copy of the Code has been put on the Company's website [www.ril.com](http://www.ril.com).

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

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

I hereby confirm that the Company has obtained from all the members of the Board and management personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and management personnel in respect of the financial year 2008-09.

Mukesh D. Ambani  
Chairman & Managing Director

### 8. Subsidiary Monitoring Framework

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

- (a) Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company
- (b) All minutes of Board meetings of the unlisted subsidiary companies are placed before the Company's Board regularly.
- (c) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

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

### 9. General Body Meetings

#### (A) Annual General Meetings:

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

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

#### 2007-08

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

Special Resolutions passed Nil

#### 2006-07

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

Special Resolution passed

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

**2005-06**

Date and Time : June 27, 2006 11.00 a.m.

Special Resolutions passed

For approving the Employees Stock Option Scheme for granting stock options to the employees of the Company.

For extension of the Employees Stock Option Scheme to the directors and employees of the Company's subsidiaries.

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

No special resolution was passed through Postal Ballot during 2008-09. None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

**10. a. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or 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 disclosures of transactions with the related parties set out in Notes on Accounts - Schedule 'O', forming part of the Annual Report.

A total of 12,00,00,000 warrants were allotted on preferential basis on April 12, 2007, to entities in the Promoter Group, in accordance with the SEBI (Disclosure and Investor Protection) Guidelines, 2000. These warrants were exercisable within a maximum period of 18 months from the date of allotment, into an equal number of fully paid-up equity shares of the Company. As per the entitlement, the warrant holders have applied for acquisition of equity shares and the Company, on October 3, 2008, allotted 12,00,00,000 equity shares to them.

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 specialisation 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. Disclosure of Accounting Treatment**

In accordance with the Scheme of Amalgamation of Reliance Petroleum Limited with the Company (the Scheme) excess of the fair value of net assets taken over by the Company over the paid up value of equity shares issued and allotted pursuant to the Scheme has been credited to Securities Premium Account and investments in Reliance Petroleum Limited prior to the Amalgamation and the stamp duty / other expenditure payable on Amalgamation is written off and charged to the profit and loss account and an equivalent amount has been withdrawn from General Reserve and credited to the profit and loss account. Had the Scheme not prescribed this accounting treatment, the said amounts would have been adjusted to the Capital Reserve. Refer note no. 3 of schedule 'O' Notes on Accounts.

**c. 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.

**11. Means of Communication**

- (a) **Quarterly Results** : Quarterly Results are published in 'The Economic Times' / 'Financial Express' and 'Maharashtra Times' / 'Loksatta'

- and are displayed on the Company's website www.ril.com.
- (b) **News Releases, Presentations, etc. :** Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website www.ril.com. Official Media Releases are sent to the Stock Exchanges.
  - (c) **Website :** The Company's website www.ril.com contains a separate dedicated section 'Investor Relations' where shareholders information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.
  - (d) **Annual Report :** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website www.ril.com.
  - (e) **Chairman's Communique :** Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings. The same is also placed on the website of the Company.
  - (f) **Reminder to Investors :** Reminders for unpaid dividend / unpaid interest or redemption amount on debentures are sent to the shareholders / debentureholders as per records every year.
  - (g) **Corporate Filing and Dissemination System (CFDS) :** The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed companies. All disclosures and communications to BSE & NSE are filed electronically through the CFDS portal and hard copies of the said disclosures and correspondence are also filed with the stock exchanges.
  - (h) **Designated Exclusive email-id :** The Company has designated the following email-ids exclusively for investor servicing.

- (a) For queries on Annual Report - Investor\_relations@ril.com
- (b) For queries in respect of shares in physical mode - rilinvestor@karvy.com
- (i) **Shareholders' Feedback Survey :** The Company sent feedback form seeking shareholders' views on various matters relating to investor services and the Annual Report 2007-08. The feedback received from the shareholders was placed before the Shareholders' / Investors' Grievance Committee.

## 12. General Shareholder Information

### 12.1 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.

### 12.2 Annual General Meeting

(Day, Date, Time and Venue):  
Tuesday, 17th November, 2009 at 11.00 a.m.  
Birla Matushri Sabhagar,  
19, Marine Lines, Mumbai 400020

### 12.3 Financial Calendar (tentative)

**Financial Year :** April 1, 2009 to March 31, 2010

#### Results for the quarter ending :

**June 30, 2009** - Fourth week of July, 2009

**September 30, 2009** - Fourth week of October, 2009

**December 31, 2009** - Third week of January, 2010

**March 31, 2010** - Third week of April, 2010

**Annual General Meeting - June, 2010**

### 12.4 Date of Book Closure

Wednesday, October 21, 2009 for payment of dividend.

### 12.5 Dividend Payment Date

Before October 31, 2009.

## 12.6 Listing on Stock Exchanges

### Equity Shares

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

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

**ISIN** INE002A01018

### GDRs

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

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

### Overseas Depository

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

### Domestic Custodian

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

### Debt Securities

The Wholesale Debt Market (WDM)  
Segment of NSE.

### Debenture Trustees

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

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

**Payment of Listing Fees :** Annual listing fee  
for the year 2009-10 (as applicable) has been  
paid by the Company to BSE and NSE.  
Annual maintenance and listing agency fee  
for the calendar year 2009 has been paid by  
the Company to the Luxembourg Stock  
Exchange.

## 12.7 Stock Market Price Data

Month	Bombay Stock Exchange (BSE) (In Rs.per share)		National Stock Exchange (NSE) (In Rs.per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2008	2,690.00	2,245.50	2,718.00	2,243.50
May 2008	2,706.60	2,391.00	3,026.00	2,390.25
June 2008	2,442.30	1,984.05	2,444.00	1,956.25
July 2008	2,329.00	1,922.50	2,338.45	1,920.00
August 2008	2,375.00	2,057.00	2,376.00	2,052.80
September 2008	2,224.90	1,764.00	2,250.00	1,765.00
October 2008	1,986.50	930.00	1,963.00	930.00
November 2008	1,500.00	1,021.00	1,505.20	1,032.10
December 2008	1,408.00	1,033.00	1,407.00	1,025.00
January 2009	1,384.00	1,067.10	1,390.00	1,065.00
February 2009	1,414.20	1,201.10	1,414.10	1,201.35
March 2009	1,582.00	1,118.05	1,583.40	1,115.30

### 12.8 Share Price Performance in comparison to broad based indices – BSE Sensex and NSE Nifty as on March 31, 2009

	Percentage Change in		
	RIL	BSE Sensex	NSE Nifty
FY 2008-09	-33%	-38%	-36%
2 years	11%	-26%	-21%
3 years	91%	-14%	-11%
5 years	268%	74%	70%

### 12.9 Registrars and Transfer Agents

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

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

### 12.10 Share Transfer System

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

### 12.11 Distribution of Shareholding as on March 31, 2009

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group <sup>1</sup>			
(1)	Indian	44	77 16 98 164	49.03
(2)	Foreign	0	0	0.00
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>44</b>	<b>77 16 98 164</b>	<b>49.03</b>
(B)	Public Shareholding <sup>2</sup>			
(1)	Institutions	2 109	39 69 06 694	25.22
(2)	Non-institutions	21 55 941	35 12 85 920	22.32
	<b>Total Public Shareholding</b>	<b>21 58 050</b>	<b>74 81 92 614</b>	<b>47.54</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	1	5 39 07 455	3.43
	<b>TOTAL (A) + (B) + (C)</b>	<b>21 58 095</b>	<b>157 37 98 233</b>	<b>100.00</b>

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

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

**12.12 Shareholding Pattern by Size as on March 31, 2009**

Sl. No.	Category (Shares)	Holders	Shares	% of Total Shares
1	1 - 500	21 09 191	11 46 96 426	7.29
2	501 - 1000	30 462	2 13 57 369	1.36
3	1001 - 2000	11 061	1 52 69 540	0.97
4	2001 - 3000	2 786	68 20 837	0.43
5	3001 - 4000	1 170	40 78 783	0.26
6	4001 - 5000	705	31 84 896	0.20
7	Above - 5000	2 863	140 83 90 382	89.49
	<b>TOTAL</b>	<b>21 58 238</b>	<b>157 37 98 233</b>	<b>100.00</b>

**12.13 Build up of Equity Share Capital**

Sl. No.	Particulars	Allotment Date	No. of Shares
1	Subscribers To Memorandum	October 19, 1975	1 100
2	Shareholders of Reliance Textile Industries Limited (Merged with the Company)	May 9, 1977	59 50 000
3	Conversion of Loan	September 28, 1979	9 40 000
4	Rights Issue - I	December 31, 1979	6 47 832
5	Bonus Issue - I	September 19, 1980	45 23 359
6	Debenture Series I Conversion	December 31, 1980	8 40 575
7	Consolidation of Fractional Coupon Shares	May 15, 1981	24 673
8	Conversion of Loan	June 23, 1981	2 43 200
9	Conversion of Loan	September 22, 1981	1 40 800
10	Rights Issue II	October 6, 1981	23 80 518
11	Debenture Series II Conversion	December 31, 1981	8 42 529
12	Debenture Series I Conversion Phase II	December 31, 1981	27 168
13	Shareholders of Sidhpur Mills Co Limited (Merged with the Company)	April 12, 1982	81 059
14	Rights Issue II NRI	June 15, 1982	774
15	Debenture Series III Conversion	August 31, 1982	19 20 000
16	Rights Issue II	September 9, 1982	41
17	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) II	December 29, 1982	1 942
18	Bonus Issue- II	September 30, 1983	1 11 39 564

Sl. No.	Particulars	Allotment Date	No. of Shares
19	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) III	September 30, 1983	371
20	Debenture Series IV Conversion	September 30, 1983	64 00 000
21	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) IV	April 5, 1984	617
22	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) V	June 20, 1984	50
23	Debenture Series I Conversion	October 1, 1984	97 66 783
24	Debenture Series II Conversion	December 31, 1984	2 16 571
25	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) VI	January 31, 1985	91
26	Consolidation of Fractional Coupon Shares	April 30, 1985	45 005
27	Debenture Series E Conversion	April 30, 1985	53 33 333
28	Debenture Series III Conversion	July 5, 1985	52 835
29	Debenture Series IV Conversion	December 17, 1985	42 871
30	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) VII	December 31, 1985	106
31	Consolidation of Fractional Coupon Shares	December 31, 1985	610
32	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) VIII	November 15, 1986	40 284
33	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) IX	April 1, 1987	169
34	Debenture Series G Conversion	August 1, 1987	6 60 30 100
35	Right Issue III	February 4, 1988	3 15 71 695
36	Debenture Series G Conversion	February 4, 1988	29 35 380
37	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) X	June 2, 1988	25
38	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) XI	October 31, 1988	10
39	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) XII	November 29, 1990	322
40	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) XIII	May 22, 1991	46
41	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) XIV	October 10, 1991	25
42	Euro Issue GDR-I	June 3, 1992	1 84 00 000
43	Shareholders of Sidhpur Mills Co Limited (Merged with the Company)		4 060
44	Shareholders of Reliance Petrochemicals Limited (Merged with the Company)	December 4, 1992	7 49 42 763
45	Loan Conversion	July 7, 1993	3 16 667
46	Debenture Series H Conversion	August 26, 1993	3 64 60 000

Sl. No.	Particulars	Allotment Date	No. of Shares
47	Warrant Conversion (Debenture Series F)	August 26, 1993	1 03 16 092
48	Euro Issue GDR II	February 23, 1994	2 55 32 000
49	Loan Conversion	March 1, 1994	18 38 950
50	Warrant Conversion (Debenture Series J)	August 3, 1994	87 40 000
51	Private Placement of Shares	October 21, 1994	2 45 45 450
52	Conversion of Reliance Petrochemicals Limited Debentures	December 22, 1994	75 472
53	Shareholders of Reliance Polypropylene Limited and Reliance Polyethylene Limited (Merged with the Company)	March 16, 1995	9 95 75 915
54	Warrants Conversion	March 10, 1995	74 80 000
55	Conversion of 3.5% ECB Due 1999 I	May 24, 1997	544
56	Conversion of 3.5% ECB Due 1999 II	July 11, 1997	13 31 042
57	Conversion of 3.5% ECB Due 1999 III	July 22, 1997	6 05 068
58	Conversion of 3.5% ECB Due 1999 IV	September 13, 1997	18 64 766
59	Conversion of 3.5% ECB Due 1999 V	October 22, 1997	18 15 755
60	Conversion of 3.5% ECB Due 1999 VI	November 4, 1997	1 03 475
61	Bonus Issue III	December 20, 1997	46 60 90 452
62	Conversion of 3.5% ECB Due 1999 VII	December 4, 1997	15 68 499
63	Conversion of 3.5% ECB Due 1999 VIII	September 27, 1999	7 624
64	Conversion of Warrants	January 12, 2000	12 00 00 000
65	Shareholders of Reliance Petroleum Limited (Merged with the Company)	October 23, 2002	34 26 20 509
66	Shareholders of Indian Petrochemicals Corporation Limited (Merged with the Company)	October 13, 2007	6 01 40 560
67	Exercise of Warrants	October 3, 2008	12 00 00 000
68	ESOS - Allotment	Various dates in 2008-09	1,49, 632
			<b>1 57 66 67 728</b>
	Less : Shares Bought Back and extinguished on January 24, 2005		<b>- 28 69 495</b>
	<b>Total Equity as on March 31, 2009</b>		<b>1 57 37 98 233</b>

**12.14. 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*

\*Subject to shareholders' approval

**b. Dividend Declared for the last 10 Years**

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

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

**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.

**12.15 Dematerialisation of Shares**

Electronic / Physical	%
NSDL	94.74
CDSL	1.72
Physical	3.54

96.46 % of Company's Paid up Equity Share Capital has been dematerialised upto March 31, 2009 (95.91 % upto March 31, 2008). Trading in Equity Shares of the Company is permitted only in dematerialised form.

**Liquidity**

The Company's Equity Shares are among the most liquid and actively traded shares on the Indian Stock Exchanges. RIL shares consistently rank among the top few frequently traded shares, both in terms of the number of shares traded, as well as value. The highest trading activity is witnessed on the BSE and NSE. Relevant data for the average daily turnover for the financial year 2008-2009 is given below:

	BSE	NSE	Total
Shares(nos)	1,680,810	4,967,294	6,648,104
Value (in Rs. crore)	270.96	816.62	1,087.58

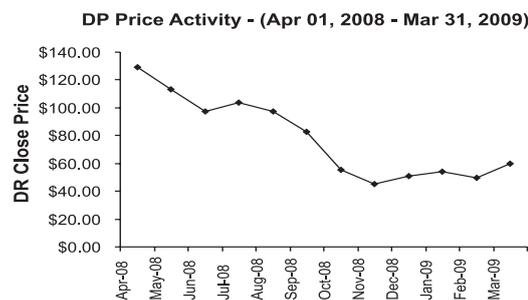
[Source : This information is compiled from the data available from the websites of BSE and NSE]

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

- (a) **GDRs** : Outstanding GDRs as on March 31, 2009 represent 5,39,07,455 equity shares constituting 3.43% of the Paid up Equity Share Capital of the Company. Each GDR represents two underlying equity shares in the Company. GDR is not a specific time-bound instrument and can be surrendered any time and converted into the underlying equity shares in the Company. The shares so released in favor of the investors upon surrender of GDRs can either be held by the investors concerned in their name or sold off in the Indian secondary markets for cash. To the extent of the shares so sold in Indian markets, GDRs can be reissued under the available head room.

**RIL GDR Program - Important Information**

- RIL GDRs are listed at Luxembourg Stock Exchange. GDRs are traded on International Order Book (IOB) of London Stock Exchange. GDRs are also traded amongst Qualified Institutional investors in the Portal System of NASD, USA.
- RIL GDRs are exempted securities under US Securities Law. RIL GDR program has been established under Rule 144A and Regulation S of the US Securities Act, 1933. Reporting is done under the exempted route of Rule 12g3-2(b) under the US Securities Exchange Act, 1934.
- The Bank of New York Mellon is the Depository and ICICI Bank Limited is the Custodian of all the Equity Shares underlying the GDRs issued by the Company.

**RIL GDR Price Movement over last 1 year**

Source : Bank of New York Mellon website

- (b) **Employee Stock Options :** A total of 50,100 Options have been granted in the financial year 2008-09 (previous years 2,97,63,000). Each Option, upon exercise of the same, would give rise to one equity share of Rs. 10/- each fully paid up. The exercise is made at the market price prevailing as on the dates of the grant plus applicable taxes as may be levied on the Company in this regard. The details of Options granted during the year are as follows:

Date of Grant	February 6, 2009
Total options granted	50,100
Price per share	Rs.1289/- *

\* 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.

**12.17 Locations of Manufacturing Divisions****Allahabad**

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

**Barabanki**

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

**Dahej**

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

**Hazira**

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

**Hoshiarpur**

Dharmshala Road, V.P.O. Chohal  
District Hoshiarpur  
Punjab - 146 014, India.

**Jamnagar**

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

**Jamnagar SEZ**

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

**Nagothane**

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

**Nagpur**

Village Dahali, Mouda Ramtek Road  
Tehsil Mouda - 441104, District Nagpur,  
Maharashtra, India.

**Naroda**

103/106, Naroda Industrial Estate Naroda,  
Ahmedabad - 382 320  
Gujarat, India.

**Patalganga**

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

**Silvassa**

342, Kharadpada, Near Silvassa  
Union Territory of Dadra &  
Nagar Haveli - 396 235, India.

**Vadodara**

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

**12.18 Address for Correspondence****(i) Investor Correspondence****For Shares/Debentures held in Physical form**

Karvy Computershare Private Limited  
46, Avenue 4, Street No. 1, Banjara Hills  
Hyderabad - 500 034.  
E-Mail: rilinvestor@karvy.com

**For Shares/Debentures held in Demat form**

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

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

Shri Atul Tandon  
Asst. Company Secretary  
Reliance Industries Limited,  
3rd Floor, Maker Chambers IV,  
222, Nariman Point, Mumbai 400 021.  
Email: investor\_relations@ril.com

**12.19 Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund**

During the year under review, the Company has credited Rs. 4.91 crore to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. Details of the aforesaid transfer are as under:

Type of Transfer	Amount transferred (Rs. in crore)
Dividend	4.78
Interest on Debentures	0.04
Redemption of Debentures	0.09
Total amount transferred during the year	4.91

The cumulative amount transferred to IEPF upto March 31, 2009 is Rs. 77.60 crore.

**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 Wholtime Directors based on their performance and defined assessment criteria.

**Training of Board Members**

New Directors appointed by the Board are given formal induction and orientation with respect to the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters and business operations. The new appointee is also facilitated with a tour of the Company's key manufacturing facilities to get familiar with the Company's operations.



The Board members are also provided with the necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

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

#### **Meetings of Independent Directors**

The Independent Directors of the Company meet from time to time as they deem appropriate without the presence of Executive Directors or management personnel. These meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to the affairs of the company and put forth their views to the Lead Independent Director. The Lead Independent Director takes appropriate steps to present such views to the Chairman and Managing Director.

#### **Whistle Blower policy**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. Such reports received are reviewed by the Corporate Governance and Stakeholders Interface Committee from time to time. 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.