



Report on Corporate Governance

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organisation. As stakeholders across the globe evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage.

Over the years, governance processes and systems have been strengthened at Reliance. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work-place have been institutionalised. Reliance recognises that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all the stakeholders. For implementing the Corporate Governance practices, Reliance has a well defined policy framework consisting of the following :

- Reliance's values and commitments policy
- Reliance's code of ethics
- Reliance's business policies
- Reliance's policy for prohibition of insider trading
- A detailed programme of ethics management

These policies and their effective implementation underpin the commitment of the Company to uphold the highest principles of Corporate Governance consistent with the Company's goal to enhance shareholder value.

Corporate Governance Monitoring and Review Process at Reliance :

Reliance continuously reviews its policies and practices of Corporate Governance with a clear goal not merely to comply with statutory requirements in letter and spirit but also constantly endeavours to implement the best international practices of Corporate Governance, in the overall interest of all stakeholders.

Some of the major initiatives taken by the Company towards strengthening its corporate governance systems and practices include the following :

(a) Corporate Governance and Stakeholders' Interface Committee :

The Corporate Governance and Stakeholders' Interface Committee consisting of independent directors examines various Corporate Governance practices from time to time and recommends to the Board for adoption.

Establishment of a dedicated independent Board Committee demonstrates the level of management's commitment in putting in place a pervasive governance framework flowing from the top.

The scope of the Corporate Governance and Stakeholders' Interface Committee was enhanced to act as **Nomination Committee** as well. Accordingly, the Committee evaluates and recommends to the Board the appointment of Directors on the Board. This move of the management aims at ensuring increased level of transparency, objective evaluation of the

Board strength and impartial selection of new Directors on the Board.

(b) Corporate Governance Manual :

The Corporate Governance Manual ('the Manual') of the Company sets out amongst others the procedures for effective functioning of the Board and its Committees. The Manual also incorporates the Code of Business Conduct and Ethics for Directors and Management Personnel, Code of Ethics for Employees, Code of Conduct for Prohibition of Insider Trading and key accounting policies. These policies are constantly monitored and reviewed by the Corporate Governance and Stakeholders' Interface Committee, from time to time.

(c) Secretarial Audit :

The Company has appointed an independent practicing Company Secretary to conduct secretarial audit. The quarterly audit reports are placed before the Board and the annual audit report placed before the Board is included in the Annual Report.

This audit has been introduced to report to the management as well as the shareholders of the status of compliance with various applicable corporate and securities laws.

(d) Guidelines for the Board / Committee Meetings :

The Company has defined guidelines for meetings of the Board and Board Committees. These Guidelines seek to systematise the decision making process at the meetings of the Board and Board Committees in an informed and efficient manner. The salient features of the guidelines have been dealt with in detail elsewhere in this report.

(e) 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 practiced by well known global companies.

Some of the best global governance norms put into practice at Reliance include the following -

- (i) The Company has a designated Lead Independent Director with a defined role.
- (ii) All securities related filings with Stock Exchanges and SEBI are reviewed on a quarterly basis by the Shareholders' / Investors' Grievance Committee.
- (iii) The Company has established policies and procedures for corporate communication and disclosures.

(f) 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.

(g) 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 and Transmission of Shares and Debentures. Though these standards are recommendatory in nature, the Company adheres to the standards voluntarily.

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. Company's Philosophy on Code of Governance

Reliance's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, lenders, Government and the society at large. Reliance is committed to achieve and maintain the highest standards of Corporate Governance. Reliance believes that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

Reliance is committed to the best governance practices that create long term sustainable shareholder value. Keeping in view the Company's size, complexity, global operations and corporate traditions, the Reliance Governance framework is based on the following main principles :

- Constitution of a Board of Directors of appropriate composition, size, varied expertise and commitment to discharge its responsibilities and duties.
- Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions effectively.
- Independent verification and safeguarding integrity of the Company's financial reporting.
- A sound system of risk management and internal control.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders.
- Transparency and accountability.
- Compliance with all the applicable rules and regulations.
- Fair and equitable treatment of all its stakeholders including employees, customers, shareholders and investors.

2. Board Composition and Particulars of Directors

Board Composition

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board consists of 13 Directors, out of which 8 are Independent Directors. Composition of the Board and category of Directors are as follows :

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

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 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 to determine independence, which are in line with the applicable legal requirements.

Lead Independent Director

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

- To preside over all meetings of Independent Directors.
- To ensure that there is adequate and timely flow of information to Independent Directors.
- To liaise between the Chairman & Managing Director, the Management and the Independent Directors.



- To advise on the necessity of retention or otherwise of consultants who report directly to the Board or the Independent Directors.
- To preside over meetings of the Board and Shareholders when the Chairman and Managing Director is not present or where he is an interested party.
- To perform such other duties as may be delegated to the Lead Independent Director by the Board / Independent Directors.

Directors' Profile

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

- a) **Shri Mukesh D. Ambani** is a Chemical Engineer from the University of Bombay and pursued MBA from Stanford University, USA. He is the son of Shri Dhirubhai H. Ambani, Founder Chairman of the Company. Shri Ambani joined Reliance in 1981 and initiated Reliance's backward integration from textiles into polyester fibres and further into petrochemicals, petroleum refining and oil and gas exploration and production. In this process, he directed the creation of 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.

Shri Ambani directed and 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.

Shri 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 Ambani is also steering Reliance's initiatives in a world scale, offshore, deep water oil and gas exploration and production program, setting up of a second petroleum refinery at Jamnagar, development of infrastructure facilities and implementation of a pan-India organized retail network spanning multiple formats and supply chain infrastructure.

Shri Ambani's accolades include:

- Bestowed the US-India Business Council (USIBC) 'Global Vision' 2007 Award for Leadership in 2007.
- Invited to be a member of the World Business Council for Sustainable Development (WBCSD). He is the only Indian CEO to be a Council Member of WBCSD.
- 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.
- 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 November, 2004.
- Conferred the World Communication Award for the 'Most Influential Person' in Telecommunications by Total Telecom, in October, 2004.
- Conferred the 'Asia Society Leadership Award' by the Asia Society, Washington D.C., USA, in May, 2004.

Shri 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. 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 and McKinsey Advisory Council.

He is the Chairman, Board of Governors of the Indian Institute of Management, Bangalore and a member of the Advisory Council of the Indian Institute of Technology, Mumbai. He is also a member of the Advisory Council for the Graduate School of Business of the Stanford University.

Shri Ambani is the Chairman of Reliance Petroleum Limited and Reliance Retail Limited and a Director of Reliance Europe Limited, KDA Enterprises Private Limited and Pratham India Education Initiative. He is the Chairman of the Finance Committee, a member of the Shareholders' / Investors' Grievance Committee and the Employees Stock Compensation Committee of the Company.

Shri Ambani is the Promoter of the Company and holds 18,07,923 shares of the Company in his name as on March 31, 2008.

- 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 Whole-time Director designated as Executive Director on the Board of Reliance.

He is responsible for the entire Petrochemicals and Polyester Businesses. He has contributed to the growth of the Petrochemicals and Polyester Divisions of Reliance to its present position as a market leader in India and one amongst the top ten Petrochemicals companies in the world. In addition, he handles several 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 a member on several committees of the Government of India connected with the Ministry of Textiles, Petrochemicals and Petroleum & Natural Gas.

Shri Meswani is the President of Association of Synthetic Fibre Industry. He was also the Chairman of Asian Chemical Fibre Industries Federation.

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

He was honoured by the Textile Association (India), Institute of Economic Studies, Ministry of Commerce & Industry and the University Institute of Chemical Technology (UICT), Mumbai.

Shri Meswani holds 1,21,174 shares of the Company in his name as on March 31, 2008.

- 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. 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 Whole-time Director designated as Executive Director since August 4, 1995, with overall responsibility of the Petroleum Business and all manufacturing and project activities of the group.

Shri Meswani is a Director of Reliance Industrial Investments and Holdings Limited, Reliance Petroleum Limited and Reliance Commercial Dealers Limited. He is the Chairman of the Audit Committee of Reliance Industrial Investments and Holdings Limited, member of the Shareholders'/Investors' Grievance Committee of Reliance Petroleum Limited. He is the Chairman of the Health, Safety & Environment Committee and 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, 2008.

- d) **Shri Hardev Singh Kohli** is a MSc. 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 Whole-time 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, 2008.

- e) **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 Yashraj Investments and Leasing Company Private Limited. 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, 2008.

- f) **Shri Mansingh L. Bhakta** is a Director of the Company since September 27, 1977. He is a Senior Partner of Messrs. Kanga & Company, a leading firm of Advocates and Solicitors in Mumbai. He has been in practice for over 50 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 and JCB India 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 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 is listed as one of the Leading Lawyers of Asia for 2006 and 2007 by Asialaw, Hongkong.

Shri Bhakta holds 1,57,000 shares of the Company in his name as on March 31, 2008.

- g) **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 was on the Managing Committee of ASSOCHAM and International Chamber of Commerce.

Shri Trivedi is the Chairman of The Zandu Pharmaceutical Works Limited, Sai Service Station Limited and Trivedi Consultants Private Limited. He is a Director of Reliance Petroleum Limited, Safari Industries (India) Limited, Birla Power Solutions Limited, Birla Cotsyn (India) Limited, The Supreme Industries Limited, Zodiac Clothing Company Limited, Seksaria Biswan Sugar Factory Limited, New Consolidated Construction Company Limited, Colosseum Sports and Recreation International, Metro Exporters Private Limited, Clare Mont Trading Private Limited and Monica Travels Private Limited.

Shri Trivedi is also a Member of Indian Merchants' Chamber, All India Association of Industries, Western India Automobile Association.

Shri Trivedi is the Chairman of the Audit Committees of Reliance Petroleum Limited, 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, Seksaria Biswan Sugar Factory Limited and New Consolidated Construction Company Limited. He is the Chairman of the Shareholders'/ Investors' Grievance Committee of Reliance Petroleum Limited. He is also the Chairman of the Audit Committee, Corporate Governance and Stakeholders' Interface Committee, the Employees Stock Compensation Committee and the Retail Business 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 12,200 shares of the Company in his name as on March 31, 2008.

- h) **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 but his most remarkable achievement was establishment of a fast growing systems oriented National Thermal Power Corporation (NTPC) of which he was the founder Chairman-cum-Managing Director. For the contribution to success and leadership of the fledgling organisation, he was described as 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 member of Boards of Directors of Honda Seil Power Products Limited, Zenith Birla (India) Limited, DLF Power Limited and DLF Limited. Earlier he was a Director on the Boards of Tata Chemicals Limited, L&T 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 Committee of Zenith Birla (India) Limited and DLF Limited and of the Remuneration Committee of Honda Seil Power Products Limited.

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

Dr. Kapur holds 6,799 shares of the Company in his name as on March 31, 2008

- i) **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.

At present, Shri Modi is a Director on the Boards of ICICI Prudential Life Insurance Company Limited and Reliance Petroleum Limited. He is the Chairman of the Audit Committee of ICICI Prudential Life Insurance Company Limited.

Shri Modi is a member of the Audit Committee and the Shareholders'/Investors' Grievance Committee of Reliance Petroleum Limited. He is also 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, 2008.

- j) **Shri S. Venkitaramanan** is a Director of the Company since June 27, 1997. He holds a Master's Degree in Physics from the University of Kerala and also a Masters Degree in Industrial Administration from Carnegie Mellon University, Pittsburgh, USA.

Shri Venkitaramanan is a former Governor of Reserve Bank of India and former Secretary to the Government of India, Ministry of Finance. He is a Director of Housing Development Finance Corporation Limited, New Tirupur Area Development Corporation Limited and Tamil Nadu Water Investment Company Limited.

Shri Venkitaramanan is a member of the Audit Committee and the Remuneration Committee of the Company.

Shri Venkitaramanan does not hold any shares of the Company.

- k) **Prof. Ashok Misra** is a Director of the Company since April 27, 2005. He is a Ph.D. and M.S. in Polymer Science & Engineering from the University of Massachusetts, USA and M.S. in Chemical Engineering from Tufts University, USA and B. Tech. in Chemical Engineering from IIT, Kanpur. He has also completed the Executive Development Program in 1999 and the programme on "Strategies for Improving Directors' Effectiveness" in 2003 at the Kellogg School of Management, Northwestern University, Evanston, Illinois, USA.

Prof. Misra authored one book on Polymers and published several articles in international journals and has been awarded six patents. He is on the editorial boards of four scientific journals.

Prof. Misra is Director of Indian Institute of Technology Powai, Mumbai, since May 2000. He is a member of several professional scientific societies. He is the President of the Indian National Academy of Sciences India (NASI); Fellow of the National Academy of Engineering, Indian Institute of Chemical Engineers, Indian Plastics Institute and the Maharashtra Academy of Sciences. He is a member of the Scientific Advisory Committee to the Cabinet, Government of India. He is a Member of the International Academic Advisory Panel,

Government of Singapore; International Advisory Board, College of Engineering, University of California, Santa Barbara, USA and Member, Independent Scientific Advisory Board of the World Bank for the African Institutes of Science & Technology. He is a Director on the Boards of National Thermal Power Corporation Limited (NTPC) and Rashtriya Chemicals & Fertilizers Limited (RCF). He is the Chairman of the Management Controls Committees of NTPC and Management Committee of RCF. He is on the Board / Council of several national educational institutions and serves as Member on a number of national committees for research and development programmes.

Prof. Misra holds 220 shares of the Company in his name as on March 31, 2008.

- l) **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 Retail Business Committee and the Employees Stock Compensation Committee of the Company.

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

- m) **Dr. Raghunath Anant Mashelkar**, an eminent scientist was appointed as 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-six 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 ICICI Knowledge Park, Thermax Limited, Tata Motors Limited, Piramal Life Sciences Limited, Indigene Pharmaceuticals Private Limited, GeneMedix Biological Private Limited and Hindustan Unilever Ltd.

Dr. Mashelkar is a member of the Audit committee of Tata Motors Limited.

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

3. Board Meetings, its 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.
- 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, as also resolutions passed by circulation.
- 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 papers 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 papers 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 final 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 / 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 such 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 26, 2007	12	12
2	July 28, 2007	13	13
3	September 10, 2007	13	11
4	October 18, 2007	13	13
5	November 19, 2007	13	12
6	January 17, 2008	13	12
7	March 27, 2008	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 2007-08		No. of Other Directorship (s)*	No. of Membership(s)/ Chairmanship(s) Board Committees of Other Companies**
	Board Meetings	Last AGM		
Mukesh D. Ambani	7	Yes	2	Nil
Nikhil R. Meswani	7	Yes	1	Nil
Hital R. Meswani	6	Yes	3	2 (including 1 as Chairman)
Hardev Singh Kohli	6	Yes	Nil	Nil
Ramniklal H. Ambani	7	Yes	2	1 (as Chairman)
Mansingh L. Bhakta	7	Yes	4	3 (including 1 as Chairman)
Yogendra P. Trivedi	7	Yes	11	8 (including 4 as Chairman)
Dr. Dharam Vir Kapur	7	No	6	6 (including 4 as Chairman)
Mahesh P. Modi	7	Yes	2	3 (including 1 as Chairman)
S. Venkitaramanan	7	Yes	3	Nil
Prof. Ashok Misra	7	Yes	2	Nil
Prof. Dipak C. Jain	7	No	1	Nil
Dr. Raghunath A. Mashelkar	4	Yes	4	1

* The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

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

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

6. Board Committees :

A. Standing Committees

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

(i) Audit Committee

Composition : The Audit Committee of the Board comprises three Independent Non-Executive Directors, namely Shri Yogendra P. Trivedi, Chairman, Shri S. Venkitaramanan, Vice Chairman, and Shri Mahesh P. Modi. All the members of the Audit Committee possess financial / accounting expertise. The composition of the Audit Committee meets 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 : Six meetings of the Audit Committee were held during the year ended March 31, 2008, as against the minimum requirement of four meetings.

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

Name of the Committee Member	No. of meetings held	No. of meetings attended
Yogendra P. Trivedi, Chairman	6	6
S. Venkitaramanan, Vice-Chairman	6	6
Mahesh P. Modi	6	6

Executives of Accounts Department, Finance Department, Secretarial Department and Management Audit Cell and Representatives of the Statutory and Internal Auditors were invited to attend the Audit Committee Meetings. The Cost Auditors appointed by



the Company under Section 233B of the Companies Act, 1956 were also invited to attend the Audit Committee Meetings, where cost audit reports were 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 of independent directors on the Board. The number of directorships and memberships held on various committees of other companies by such persons is also considered. The Board considers the recommendations of the Committee and takes appropriate decision.

Meetings : Four meetings of the Corporate Governance and Stakeholders' Interface Committee were held during the year ended March 31, 2008.

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	4	4
Dr. Dharam Vir Kapur	4	4
Mahesh P. Modi	4	4

(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 were held during the year ended March 31, 2008

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	2
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

Finance Committee held one meeting during the year, which was attended by all its members.

(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, 2008.

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	4
Hardev Singh Kohli	4	4
Dr. Dharam Vir Kapur	4	4

**(vi) Remuneration Committee**

Composition : The Remuneration Committee of the Board comprises four Independent Directors, namely, Shri Mansingh L. Bhakta, Chairman, Shri Yogendra P. Trivedi, Shri S. Venkitaramanan and Dr. Dharam Vir Kapur.

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

Meetings : There was no meeting of the Remuneration Committee during the year.

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

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

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

Remuneration paid to the Chairman & Managing Director and the Whole-time Directors, including the number of Stock Options granted during 2007-08:

Name of the Director	Salary	Perquisites and allowances	Retiral benefits	Commission payable	Total	Stock Options granted
						Nos.
Rs. in lacs						
Mukesh D. Ambani	60.00	48.00	18.75	4,275.44	4,402.19	Nil*
Nikhil R. Meswani	15.00	24.00	4.54	1,068.86	1,112.40	7,00,000
Hital R. Meswani	15.00	24.00	4.51	1,068.86	1,112.37	7,00,000
Hardev Singh Kohli	41.67	67.09	17.34	Nil	126.10	50,000

The tenure of office of the Managing Director and Whole-time 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 Chairman and Managing Director, Shri Mukesh D. Ambani, being the Promoter of the Company, has not been granted any stock option in compliance with the SEBI Guidelines. The other relevant details of stock options, including exercise period, vesting period etc. are covered elsewhere in this Report.

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, provided that 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 2007-08 are as detailed below :

Name of the Non-Executive Director	Sitting Fee	Commission	Rs. in lacs
			Total
Ramnklal H. Ambani	1.40	21.00	22.40
Mansingh L. Bhakta	2.60	21.00	23.60
Yogendra P. Trivedi	5.00	21.00	26.00
Dr. Dharam Vir Kapur	3.00	21.00	24.00
Mahesh P. Modi	3.80	21.00	24.80
S.Venkitaramanan	2.60	21.00	23.60
Prof. Ashok Misra	1.40	21.00	22.40
Prof. Dipak C. Jain	1.80	21.00	22.80
Dr. Raghunath A. Mashelkar	0.80	17.50	18.30
Total	22.40	185.50	207.90

During the year, the Company has paid Rs.86.09 lacs 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, comprises 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.

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 dividends, etc. The Committee oversees performance of the Registrar and Transfer Agents of the Company, and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992. The Board has delegated the power of approving transfer of securities to the Managing Director and / or the Company Secretary.

Meetings : Six meetings of the Shareholders'/Investors' Grievance Committee (SIGC) were held during the year ended March 31, 2008.

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

Name of the Committee Member	No. of meetings held	No. of meetings attended
Mansingh L. Bhakta, Chairman	6	6
Yogendra P. Trivedi	6	6
Mukesh D. Ambani	6	5
Nikhil R. Meswani	6	4
Hital R. Meswani	6	3

Compliance Officer

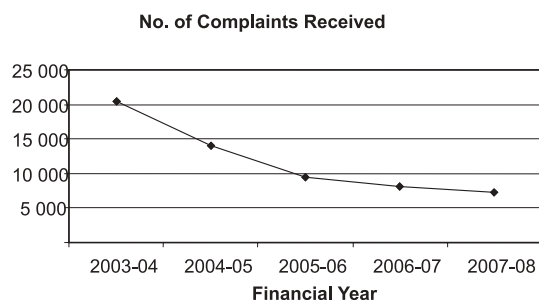
Shri Vinod M. Ambani is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India.

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 :

Type of Complaints	Number of Complaints
Non-Receipt of Annual Reports	320
Non-Receipt of Dividend Warrants	4476
Non-Receipt of Interest / Redemption Warrants	1506
Non-Receipt of Certificates	1045
Total	7347

There were no outstanding complaints as on March 31, 2008. 136 requests for transfers and 876 requests for dematerialisation were pending for approval as on March 31, 2008, which were approved and dealt with by April 2, 2008



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.

The Retail Business Committee, comprising Shri Yogendra P. Trivedi, Chairman, Dr. Dharam Vir Kapur and Prof. Dipak C. Jain, was constituted to study the retail business opportunity.

Procedure at Committee Meetings

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

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

The Code of Business Conduct and Ethics for Directors and management personnel ('the Code'), as recommended by the Corporate Governance and Stakeholders' Interface Committee and adopted by the Board, is a comprehensive Code applicable to all Directors and management personnel. The Code while



laying down, in detail, the standards of business conduct, ethics and governance, centres around the following theme :

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

A copy of the Code has been put on the Company’s website www.ril.com.

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

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

I hereby confirm that the Company has obtained from all the members of the Board and management personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and management personnel in respect of the financial year 2007-08.

Mukesh D. Ambani
Chairman & Managing Director

8. Whistle Blower Mechanism

The Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour. Employees may report violations of laws, rules, regulations or unethical conduct to their immediate supervisor / notified person. The reports received from

employees will be reviewed by the Ethics Office and the Corporate Governance and Stakeholders’ Interface Committee. The Directors and management personnel are obligated to maintain confidentiality of such reportings and ensure that the whistle blowers are not subjected to any discriminatory practices.

9. Subsidiary Monitoring Framework

All the 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. As a majority shareholder, the Company nominates its representatives on the Boards of subsidiary companies and monitors the performance of such companies, inter alia, by the following means -

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

Shri Yogendra P. Trivedi and Shri Mahesh P. Modi, Independent Directors of the Company have been appointed as Independent Directors on the Board of Reliance Petroleum Limited, a listed subsidiary of the Company. 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.

10. General Body Meetings

(A) Annual General Meetings:

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed thereat are as follows:

Year	Location	Date and Time	Special Resolutions passed
2004-05	Birla Matushri Sabhagar, 19 Marine Lines, Mumbai-400 020	August 3, 2005 11.00 a.m.	1. For re-appointment of Shri Hardev Singh Kohli as the Executive Director of the Company. 2. For payment of commission to the Directors of the Company other than the Managing Director and Wholetime Directors.
2005-06	Birla Matushri Sabhagar, 19 Marine Lines, Mumbai- 400 020	June 27, 2006 11.00 a.m.	1. For approving the Employees Stock Option Scheme for granting stock options to the employees of the Company. 2. For extension of the Employees Stock Option Scheme to the directors and employees of the Company’s subsidiaries.
2006-07	Birla Matushri Sabhagar, 19 Marine Lines, Mumbai-400 020	October 12, 2007 11.00 a.m.	1. For payment of enhanced commission to the Directors of the Company other than the Managing Director and Wholetime Directors.

(B) Special Resolution passed through Postal Ballot:

No special resolution was passed through Postal Ballot during 2007-08.

A Special Resolution was passed on March 29, 2007, by the Company's members through postal ballot for preferential issue of 12,00,00,000 warrants @ Rs.1,402 per warrant to entities in the Promoter Group, convertible into an equal number of equity shares of the Company.

11. 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 are 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.

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

The Company has continued to adjust the foreign currency exchange differences on amounts borrowed for acquisition of fixed assets, to the carrying cost of fixed assets in compliance with Schedule VI to the Companies Act, 1956 as per legal advice received, which is at variance to the treatment prescribed in Accounting Standard (AS11) on "Effects of Changes in Foreign Exchange Rates" notified in the Companies (Accounting Standards) Rules, 2006. Had the treatment as per AS 11 been followed, the net profit after tax for the year would have been higher by Rs. 30 crore (\$ 7.5 million).

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.

12. Means of Communication

- (a) **Half Yearly Reports :** Half Yearly Reports covering financial results are sent to members at their registered addresses.
- (b) **Quarterly Results :** Quarterly Results are published in 'The Economic Times' and 'Maharashtra Times'.
- (c) **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.
- (d) **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.
- (e) **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.
- (f) **Chairman's Communique :** Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings. It is also sent to all shareholders who do not attend the Annual General Meeting. The same is also placed on the website of the Company.
- (g) **Reminder to Investors :** Reminders for Unpaid Dividend / Unpaid Interest on Debentures are sent to the Shareholders / Debentureholders as per records every year.
- (h) **SEBI EDIFAR :** Annual Report, Quarterly Results, Shareholding Pattern, etc. of the Company were also posted on the SEBI EDIFAR website www.sebiedifar.nic.in till the quarter ended September 2007, after which the same was replaced with Corporate Filing and Dissemination System.

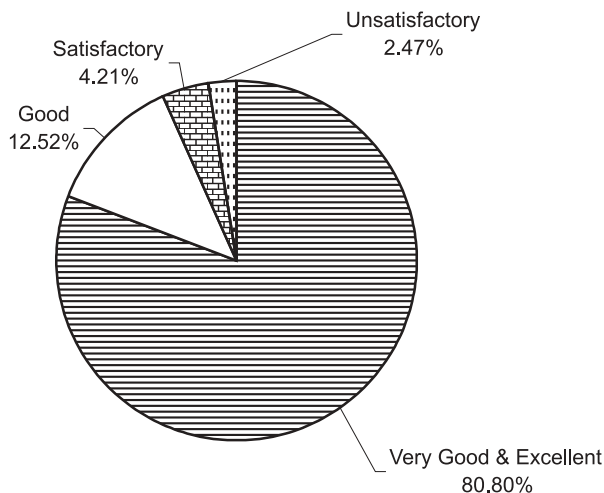


- (i) **Corporate Filing and Dissemination System (CFDS) :** The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed companies. From the quarter beginning October 2007, all disclosures and communications to BSE & NSE are filed electronically through the CFDS portal. Hard copies of the said disclosures and correspondence are also filed with the Exchanges.
- (j) **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
- (k) **Shareholders' Feedback Survey :** The Company sent feedback form seeking shareholders' views on various matters relating to investor services and the Annual Report 2006-07.

The shareholders were requested to rate the services on five parameters, viz., (1) Excellent, (2) Very Good, (3) Good, (4) Satisfactory and (5) Unsatisfactory.

Many shareholders participated and sent their feedback to the Company. The feedback received from the shareholders was placed before the Shareholders' / Investors' Grievance Committee.

An analysis of the feedback received from the shareholders is given hereunder:



13. General Shareholder Information

13.1 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.

13.2 Annual General Meeting (Day, Date, Time and Venue):

Thursday, June 12, 2008 at 11.00 a.m.
Birla Matushri Sabhagar, 19, New Marine Lines,
Mumbai 400020

13.3 Financial Calendar (tentative)

Financial Year : April 1, 2008 to March 31, 2009

Results for the quarter ending :

- **June 30, 2008** - Third week of July, 2008
- **September 30, 2008** - Third week of October, 2008
- **December 31, 2008** - Third week of January, 2009
- **March 31, 2009** - Third week of April, 2009

Annual General Meeting - June, 2009

13.4 Book Closure Period - Saturday, May 10, 2008 to Saturday, May 17, 2008 (both days inclusive), for payment of dividend.

13.5 Dividend Payment Date - On or after June 12, 2008

13.6 Listing of Equity Shares, Debt Securities and Global Depository Receipts (GDRs) on Stock Exchanges, Payment of Listing Fee, Stock Codes etc.

Exchange	Code/Trading Symbol	ISIN/ CUSIP
A Equity Shares		
Bombay Stock Exchange Limited, (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	500325 RELIANCE EQ	INE002A01018
National Stock Exchange of India Limited (NSE), “Exchange Plaza”, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.		
B GDRs		
Luxembourg Stock Exchange, 11, Avenue de la Porte-Neuve, L-2227 Luxembourg. Also traded on PORTAL System (NASDAQ, USA) and IOB System (London Stock Exchange)	RILYP	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 st Floor, 414, Senapati Bapat Marg, Lower Parel, Mumbai 400013.		
Payment of Listing Fees : Annual listing fee for the year 2008-09 (as applicable) has been paid by the Company to BSE and NSE. Annual maintenance and listing agency fee for the calendar year 2008 has been paid by the Company to the Luxembourg Stock Exchange.		
C Debt Securities		
The Wholesale Debt Market(WDM) Segment of NSE.		
Debenture Trustees		
(1) Axis Bank Limited Maker Tower F, 13th Floor, Cuffe Parade, Colaba, Mumbai 400 005.		
(2) IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 023.		

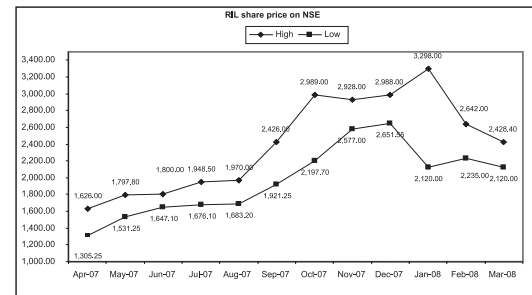
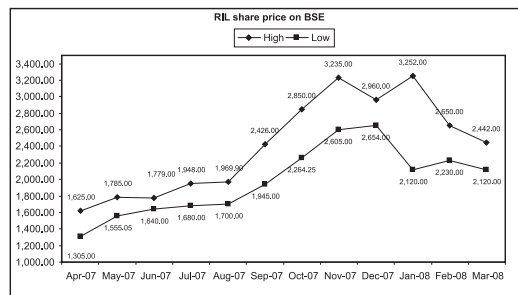


13.7 Stock Market Data

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	(In Rs. per share)		(In Rs. per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2007	1,625.00	1,305.00	1626.60	1305.25
May, 2007	1,785.00	1,555.05	1797.80	1,531.25
June, 2007	1,779.00	1,640.00	1,800.00	1,647.10
July, 2007	1,948.00	1,680.00	1,948.50	1,676.10
August, 2007	1,969.90	1,700.00	1970.00	1,683.20
September, 2007	2,426.00	1,945.00	2,426.00	1,921.25
October, 2007	2,850.00	2,264.25	2,989.00	2,197.70
November, 2007	3,235.00	2,605.00	2,928.00	2,577.00
December, 2007	2,960.00	2,654.00	2,988.00	2,651.55
January, 2008	3,252.10	2,120.00	3,298.00	2,120.00
February, 2008	2,650.00	2,230.00	2,642.00	2,235.00
March, 2008	2,442.00	2,120.00	2,428.40	2,120.00

Source: BSE & NSE websites

The closing market price per equity share on April 21, 2008 is Rs.2642.15 on BSE and Rs. 2643.60 on NSE.



13.8 Share price performance in comparison to broad based indices - BSE Sensex and NSE Nifty as on March 31, 2008

Financial Year	Percentage Change in	
	RIL Share price	Sensex
2007-08	65.49	19.68
2 years	184.40	38.69
3 years	438.09	140.95
5 years	962.66	413.15
10 years	1560.67	301.89

Financial Year	Percentage Change in	
	RIL Share price	Nifty
2007-08	65.35	23.89
2 years	184.88	39.15
3 years	438.31	132.58
5 years	956.96	384.00
10 years	1579.67	323.00

13.9 Registrars and Transfer Agents :

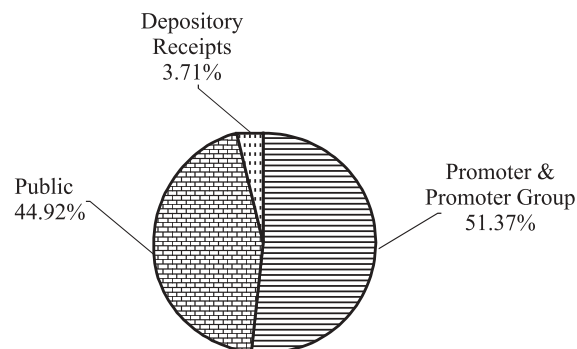
Karvy Computershare Private Limited
46, Avenue 4, Street No.1
Banjara Hills Hyderabad 500 034
E-Mail: riinvestor@karvy.com
Telephone Nos. : +91-40-23320666 /
23320711/ 3323037
Fax No.: +91 40 2332 3058

List of Investor Service Centres of Karvy Computershare Private Limited forms part of the Annual Report.

13.10 Share Transfer System :

Presently, the share transfers which are received in physical form are processed and the 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.

13.11 Distribution of Shareholding as on March 31, 2008**13.12 Shareholding Pattern as on March 31, 2008**

Category code	Category of Shareholder	Number of Shareholders	Total number of Shares	As a percentage of (A+B+ C)
(A)	Shareholding of Promoter and Promoter Group¹			
(1)	Indian			
(a)	Individuals / Hindu Undivided Family	6	1 05 86 013	0.73
(b)	Central Government / State Government(s)	0	0	0.00
(c)	Bodies Corporate	45	63 14 58 707	43.44
(d)	Financial Institutions / Banks	0	0	0.00
(e)	Any other (specify)			
	i. Petroleum Trust (through Trustees for sole beneficiary-M/s. Reliance Industrial Investments and Holdings Limited.)	1	10 46 60 154	7.20
	Sub - Total (A) (1)	52	74 67 04 874	51.37
(2)	Foreign			
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0.00
(b)	Bodies Corporate	0	0	0.00
(c)	Institutions	0	0	0.00
(d)	Any other (specify)			
	Sub - Total (A) (2)	0	0	0.00



Cate - gory code	Category of Shareholder	Number of Shareholders	Total number of Shares	As a percentage of (A+B+ C)
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	52	74 67 04 874	51.37
(B)	Public Shareholding²			
(1)	Institutions			
(a)	Mutual Funds / UTI	498	3 95 50 061	2.72
(b)	Financial Institutions / Banks	455	17 51 103	0.12
(c)	Central Government / State Government(s)	73	37 42 983	0.26
(d)	Venture Capital Funds	0	0	0.00
(e)	Insurance Companies	29	8 36 53 619	5.75
(f)	Foreign Institutional Investors	1 058	25 91 36 306	17.83
(g)	Foreign Venture Capital Investors	0	0	0.00
(h)	Any other (specify)			
	Sub - Total (B) (1)	2 113	38 78 34 072	26.68
(2)	Non-institutions			
(a)	Bodies Corporate	10 939	7 22 05 802	4.97
(b)	Individuals			
	i. Individual shareholders holding nominal share capital up to Rs. 1 lac	20 90 530	16 17 01 166	11.12
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lac	463	1 96 20 455	1.35
(c)	Any other (specify)			
	i. NRIs/OCBs	26 151	1 16 27 417	0.80
	ii. Pending Confirmation	0	0	0.00
	Sub - Total (B) (2)	21 28 083	26 51 54 840	18.24
	Total Public Shareholding (B) = (B)(1) + (B)(2)	21 30 196	65 29 88 912	44.92
	TOTAL (A) + (B)	21 30 248	139 96 93 786	96.29
(C)	Shares held by Custodians and against which Depository Receipts have been issued	1	5 39 54 815	3.71
	GRAND TOTAL (A) + (B) + (C)	21 30 249	145 36 48 601	100.00

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

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

13.13 Top 10 Shareholders as on March 31, 2008

Sl.No.	Name of the Shareholder(s)	No. of Shares	% of Total Shareholding
1	Petroleum Trust (through Trustees for sole beneficiary- M/s Reliance Industrial Investments and Holdings Ltd.)	10 46 60 154	7.20
2	Life Insurance Corporation of India	7 11 54 778	4.89
3	Ekansha Enterprise Private Limited	6 22 86 240	4.28
4	Bhumika Trading Private Limited	6 14 15 983	4.22
5	Eklavya Mercantile Private Limited	6 13 37 013	4.22
6	The Bank of New York Mellon as Depository (for GDRs)	5 39 54 815	3.71
7	Farm Enterprises Limited	4 60 38 645	3.17
8	Bahar Trading Private Limited	4 41 47 728	3.04
9	Anumati Mercantile Private Limited	4 39 18 407	3.02
10	Madhuban Merchandise Private Limited	3 42 33 723	2.36
	TOTAL	58 31 47 486	40.12

13.14 Shareholding Pattern by Size as on March 31, 2008

Sl. No.	Category (Shares)	Electronic			Physical			Total		
		Holder	Shares	% to total Shares	Holder	Shares	% to total Shares	Holder	Shares	% to total Shares
1	1 - 500	10 13 995	6 94 81 772	4.78	10 64 925	4 71 94 874	3.25	20 78 920	11 66 76 646	8.03
2	501 - 1000	25 733	1 81 57 016	1.25	5 901	40 66 460	0.28	31 634	2 22 23 476	1.53
3	1001 - 2000	10 006	1 38 71 937	0.95	1 689	23 05 895	0.16	11 695	1 61 77 832	1.11
4	2001 - 3000	2 634	64 65 103	0.44	358	8 81 713	0.06	2 992	73 46 816	0.51
5	3001 - 4000	1 107	38 61 004	0.27	152	5 35 160	0.04	1 259	43 96 164	0.30
6	4001 - 5000	660	29 92 866	0.21	88	4 02 063	0.03	748	33 94 929	0.23
7	5001 - 10000	1 048	73 28 168	0.50	101	7 25 290	0.05	1 149	80 53 458	0.55
8	10001 - 20000	570	81 76 865	0.56	45	6 17 073	0.04	615	87 93 938	0.60
9	Above 20000	1 341	126 39 09 315	86.95	34	26 76 027	0.18	1 375	126 65 85 342	87.13
	TOTAL	10 57 094	139 42 44 046	95.91	10 73 293	5 94 04 555	4.09	21 30 387	145 36 48 601	100.00

**13.15 Geographical Distribution of Shareholders as on March 31, 2008**

Sl. No	Name of the City	Electronic				Physical				Total			
		Holders	% age	Shares	% age	Holders	% age	Shares	% age	Holders	% age	Shares	% age
1	Mumbai	2 49 420	11.71	129 77 33 558	89.27	1 84 114	8.64	1 59 98 391	1.10	4 33 534	20.35	131 37 31 949	90.37
2	Delhi	84 113	3.95	1 47 87 495	1.02	94 843	4.45	52 87 418	0.36	1 78 956	8.40	2 00 74 913	1.38
3	Ahmedabad	60 180	2.82	1 43 63 651	0.99	63 485	2.98	29 07 069	0.20	1 23 665	5.80	1 72 70 720	1.19
4	Kolkata	48 134	2.26	74 58 385	0.51	44 837	2.10	23 48 397	0.16	92 971	4.36	98 06 782	0.67
5	Bengaluru	42 694	2.00	53 73 067	0.37	31 201	1.46	17 12 655	0.12	73 895	3.47	70 85 722	0.49
6	Chennai	35 017	1.64	57 25 753	0.39	29 161	1.37	14 84 418	0.10	64 178	3.01	72 10 171	0.50
7	Pune	36 808	1.73	48 62 690	0.33	21 922	1.03	12 71 944	0.09	58 730	2.76	61 34 634	0.42
8	Hyderabad	25 590	1.20	25 32 567	0.17	26 034	1.22	11 74 138	0.08	51 624	2.42	37 06 705	0.25
9	Vadodara	30 344	1.42	37 18 186	0.26	22 617	1.06	10 60 420	0.07	52 961	2.49	47 78 606	0.33
10	Others	4 44 794	20.88	3 76 88 694	2.59	5 55 079	26.06	2 61 59 705	1.80	9 99 873	46.93	6 38 48 399	4.39
	TOTAL	10 57 094	49.62	139 42 44 046	95.91	10 73 293	50.38	5 94 04 555	4.09	21 30 387	100.00	145 36 48 601	100.00

13.16 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 NRIs	June 15, 1982	774
15	Debenture Series III Conversion	August 31, 1982	19 20 000
16	Rights Issue II	September 9, 1982	41
17	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) II	December 29, 1982	1 942
18	Bonus Issue-II	September 30, 1983	1 11 39 564
19	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) III	September 30, 1983	371
20	Debenture Series IV Conversion	September 30, 1983	64 00 000
21	Shareholders of Sidhpur Mills Co Limited (Merged with the Company) IV	April 5, 1984	617

Sl. No.	Particulars	Allotment Date	No. of Shares
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	Rights 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
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



Sl. No.	Particulars	Allotment Date	No. of Shares
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
			145 65 18 096
	Less : Shares Bought Back and extinguished on January 24, 2005		- 28 69 495
	Total Equity as on March 31, 2008		145 36 48 601

13.17. 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

b. Dividend Declared for the last 10 Years

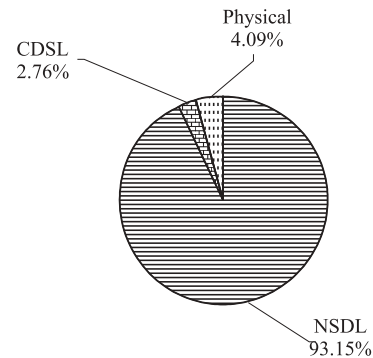
Financial Year	Dividend Declaration Date	Dividend Rate (%)
2006-07	March 10, 2007	110.00
2005-06	June 27, 2006	100.00
2004-05	August 03, 2005	75.00
2003-04	June 24, 2004	52.50
2002-03	June 16, 2003	50.00
2001-02	October 31, 2002	47.50
2000-01	June 15, 2001	42.50
1999-00	June 13, 2000	40.00
1998-99	June 24, 1999	37.50
1997-98	June 26, 1998	35.00

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 1 equity share of each of the companies for every equity share held by the 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.

13.18 Dematerialisation of Shares



95.91% of the Company's Paid up Equity Share Capital has been dematerialised upto March 31, 2008 (95.34% upto March 31, 2007). 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 2007-2008 is given below:

	BSE	NSE	Total
No. of Shares	9,03,232	31,53,793	40,57,025
Amount (in Rs. crore)	201.98	718.42	920.40

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

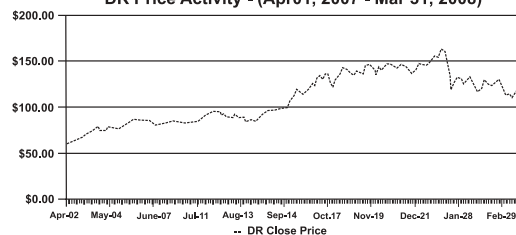
13.19 Outstanding GDRs / Warrants and Convertible Bonds, Conversion Date and likely impact on equity

- (a) **GDRs** : Outstanding GDRs as on March 31, 2008 represent 5,39,54,815 equity shares constituting 3.71% 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.

RIL GDR Program - Important Information

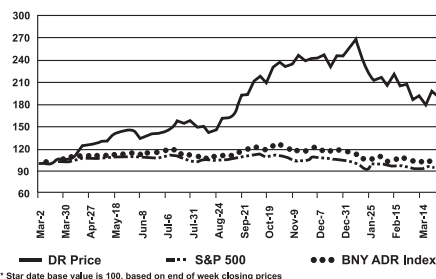
- RIL GDRs are listed at Luxembourg Stock Exchange. GDRs are traded amongst Qualified Institutional investors in the Portal System of NASD. GDRs are also traded on International Order Book (IOB) of London Stock Exchange.
- RIL GDRs are exempted securities under US Securities Law. RIL GDR program has 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 DR Price Activity - (Apr01, 2007 - Mar 31, 2008)



Source : Bank of New York Mellon website

RIL GDR Performance in comparison to broad based indices – S&P 500 and BNY ADR Index DR Price Versus Indices (3/07-3/08)



* Star date base value is 100, based on end of week closing prices

Source : Bank of New York Mellon website

- (b) **Employee Stock Options** : A total of 2,97,63,000 Options have been granted. Each Option, upon exercise of the same, would give rise to one equity share of Rs. 10/- each fully paid up. The exercise would be 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 are as follows:

Date of Grant	March 16, 2007	July 2, 2007	October 1, 2007
Total options granted	2,87,28,000	27,000	10,08,000
Price per share	Rs.1,284/-*	Rs.1,684/-*	Rs.2,292/-*

* plus applicable taxes as may be levied on the Company in this regard.

These 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 grant. The Options unexercised during the exercise period would lapse.

- (c) **Equity Share Warrants** : 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 SEBI (Disclosure and Investor Protection) Guidelines, 2000. Such warrants are 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.

13.20 Locations of Manufacturing Divisions

Allahabad

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

Barabanki

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

Dhenkanal

Village Baulpur, District Dhenkanal
Orissa - 759 031, 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 Motikhavdi, P.O. Digvijay Gram
Dist. Jamnagar - 361 140
Gujarat, India.

Kurkumbh

D-1, M.I.D.C. Kurkumbh
Taluka Daund
Dist. Pune - 413 801
Maharashtra, 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
Off Bombay - Pune Road
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.

13.21 Address for Correspondence**(i) Investor Correspondence**

For transfer / dematerialisation of shares, payment of dividend on shares, interest and redemption of debentures and any other query relating to the shares and debentures of the Company.

For Shares 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

To the investors' Depository Participant(s) and/or Karvy Computershare Private Limited.

(ii) Any query on Annual Report

Shri S. Sudhakar
Vice President - Corporate Secretarial
Reliance Industries Limited,
3rd Floor, Maker Chambers IV,
222, Nariman Point,
Mumbai 400 021.
Email:investor_relations@ril.com

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

During the year under review, the Company has credited Rs. 3.86 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	3.74
Interest on Debentures	0.12
Redemption of Debentures	0
Total amount transferred during the year	3.86

The Cumulative amount transferred to IEPF upto March 31, 2008 is Rs. 72.69 crore (including Rs. 3.71 crore of erstwhile IPCL).

14. 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.

15. Adoption of Mandatory and Non-Mandatory Requirements of Clause 49

The Company has complied with all the mandatory requirements and has adopted the following non-mandatory requirements of Clause 49.

Remuneration Committee:

The Company has constituted Remuneration Committee to recommend / review remuneration of the Managing Director and Whole-time Directors based on their performance and defined assessment criteria.

Shareholder Rights:

Half yearly financial Reports are sent to the Members at their address registered with the Company.

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 will be reviewed by the Corporate Governance and Stakeholders Interface Committee from time to time. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practice.

16. 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.

17. Secretarial Audit Report

The Company has appointed Dr. K.R. Chandratre, Practicing Company Secretary, to conduct Secretarial Audit of the Company for the financial year ended March 31, 2008, who has submitted his report confirming the compliance with all the applicable provisions of various corporate laws. The Secretarial Audit Report is annexed.

18. Capital Integrity Audit

The Audit Report, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the Stock Exchanges in India where the securities of the Company are listed.

19. Fee to Statutory Auditors

The fee paid to the Statutory Auditors for the year was Rs. 9.18 crore (previous year Rs. 8.77 crore), including Rs. 4.05 crore (previous year Rs. 3.20 crore) as fee paid for certification in finance and tax matters.