IMPORTANT NOTICE

THIS DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBs (AS DEFINED BELOW) OR (2) NON-US PERSONS (AS DEFINED BELOW) OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. If you are not the intended recipient of this message, please do not distribute or copy the information contained in this e-mail, but instead, delete and destroy all copies of this e-mail including all attachments. The following applies to the offering memorandum following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering memorandum. In accessing the offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your representation: In order to be eligible to view the following offering memorandum or make an investment decision with respect to the securities described herein, investors must be either (I) qualified institutional buyers ("QIBs") (within the meaning of Rule 144A under the Securities Act) or (II) certain persons outside of the United States (within the meaning of Regulation S under the Securities Act). By accepting the e-mail and accessing the following offering memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) not located in the United States and not a US Person (as defined in Regulation S under the Securities Act) and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions and (2) you consent to the delivery of such offering memorandum and any amendments or supplements thereto by electronic transmission.

You are reminded that the following offering memorandum has been delivered to you on the basis that you are a person into whose possession the following offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located, and you may not, nor are you authorized to, deliver or disclose the contents of the following offering memorandum to any other person. If this is not the case you must return this offering memorandum to us immediately.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers (as defined below) or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of the issuer in such jurisdiction.

The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the issuer of the Securities and Citigroup Global Markets Inc., The Hongkong and Shanghai Banking Corporation Limited, Merrill Lynch International, Standard Chartered Bank, Barclays Bank PLC, Deutsche Bank AG, Singapore Branch, J.P. Morgan Securities plc, Morgan Stanley & Co. International plc, Australia and New Zealand Banking Group Limited, BNP Paribas, Crédit Agricole Corporate and Investment Bank and The Royal Bank of Scotland plc (together, the "Initial Purchasers") or any of their respective directors, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. The issuer of the Securities will provide a hard copy version to you upon request.

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CONFIDENTIAL

OFFERING MEMORANDUM

US$1,000,000,000

Reliance Industries Limited

(incorporated in India with limited liability)

US$1,000,000,000 4.125% Senior Notes Due 2025

The 4.125% Senior Notes due 2025 (the "Notes") will be the unsecured senior obligations of Reliance Industries Limited (the "Company"). The Notes will bear interest at a rate of 4.125% per year. Interest will be paid on the Notes semi-annually and in arrears on January 28 and July 28 of each year, beginning on July 28, 2015. Unless previously repurchased, cancelled or redeemed, the Notes will mature on January 28, 2025.

The Notes will be unsecured and unsubordinated obligations of the Company, will rank *pari passu* with all of its other existing and future unsecured and unsubordinated obligations and will be effectively subordinated to its secured obligations and to the obligations of its subsidiaries.

The Company will have the option to redeem all or a portion of the Notes, subject to applicable laws, at any time at the redemption price set forth in this offering memorandum ("Offering Memorandum"). The Company may also redeem the Notes at any time in the event of certain changes in withholding tax law. Upon the occurrence of a change of control triggering event, the Company must offer to repurchase the Notes at a price equal to 101% of their principal amount plus accrued interest.

For a more detailed description of the Notes, see "The Offering" beginning on page 13 and "Description of the Notes" beginning on page 149.

Offering Price for the Notes: 98.998% plus accrued interest, if any, from January 28, 2015

Investing in the Notes involves risk. You should read "Risk Factors" beginning on page 17 before investing in the Notes.

The Notes have been assigned a rating of "Baa2" by Moody's Investors Service, Inc. ("Moody's") and a rating of "BBB+" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P"). A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by Moody's or S&P.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "Singapore Exchange") for the listing and quotation of the Notes on the Official List of the Singapore Exchange. Such approval will be granted when the Notes have been admitted to the Official List of the Singapore Exchange. The Singapore Exchange assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Offering Memorandum. Approval in-principle for the listing and quotation of the Notes on the Singapore Exchange are not to be taken as an indication of the merits of the Notes or the Company or its subsidiaries or associated companies (if any).

The Notes have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "Securities Act"), or any US state securities laws. Accordingly, the Notes are being offered and sold only (i) in the United States to qualified institutional buyers (as defined in Rule 144A under the Securities Act ("Rule 144A")) in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (ii) outside the United States to non-US Persons (as defined in Regulation S under the Securities Act ("Regulation S")) in compliance with Regulation S. Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. For a description of certain restrictions on resales and transfers, see "Transfer Restrictions". This document is not a prospectus for purposes of the (Indian) Companies Act, 2013 and the (Indian) Companies Act, 1956.

It is expected that delivery of the Notes will be made in book-entry form through the facilities of The Depository Trust Company on or about January 28, 2015.

Joint Global Coordinators

BofA Merrill Lynch   Citigroup   HSBC   Standard Chartered Bank

Joint Bookrunners

Barclays   BofA Merrill Lynch   Citigroup   Deutsche Bank   HSBC   J.P. Morgan   Morgan Stanley   Standard Chartered Bank

ANZ   BNP PARIBAS   Crédit Agricole CIB   The Royal Bank of Scotland

The date of this Offering Memorandum is January 21, 2015.

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NOTICE TO INVESTORS

In this Offering Memorandum, references to "Reliance" mean Reliance Industries Limited and its subsidiaries on a consolidated basis, and references to the "Company" are to Reliance Industries Limited on a non-consolidated basis.

In this Offering Memorandum, unless otherwise specified, all financial statements and financial data are of the Company on a non-consolidated basis. In this Offering Memorandum, unless otherwise specified or the context otherwise requires, references to "$", "US$" or "US Dollars" are to United States dollars, and references to "Rs.", "rupee", "rupees" or "Indian rupees" are to the legal currency of India. References to a particular "fiscal year" are to the fiscal year ended March 31 of such year. In this Offering Memorandum, references to "US" or "United States" are to the United States of America, its territories and its possessions. References to "India" are to the Republic of India.

Except as otherwise stated, the Indian rupee amounts in this Offering Memorandum as of March 31, 2014 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 59.915 and Indian rupee amounts as of December 31, 2014 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 63.035. These are the exchange rates published by the Foreign Exchange Dealers' Association of India ("FEDAI") for the applicable period end. FEDAI exchange rates are a widely followed benchmark for foreign exchange rates in India. For comparison purposes, the exchange rate as set forth in the H.10 statistical release of the United States Federal Reserve Board as at March 31, 2014 was Rs. 60.000 per US$1.00, as at December 31, 2014 was Rs. 63.0400 per US$1.00 and as at January 9, 2015 was Rs.62.340 per US$1.00. The translations into US Dollars set forth herein are for convenience only and are not audited. No representation is made that the Indian rupee amounts have been, could have been or could be converted into US Dollars at such rates or any other rate.

The Company, as well as The Hongkong and Shanghai Banking Corporation Limited, Merrill Lynch International, Standard Chartered Bank, Barclays Bank PLC, Citigroup Global Markets Inc., Deutsche Bank AG, Singapore Branch, J.P. Morgan Securities plc, Morgan Stanley & Co. International plc, Australia and New Zealand Banking Group Limited, BNP Paribas, Crédit Agricole Corporate and Investment Bank and The Royal Bank of Scotland plc (together, the "Initial Purchasers"), reserve the right to withdraw the offering of the Notes at any time or to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the Notes offered hereby.

This Offering Memorandum is personal to the prospective investor to whom it has been delivered by the Initial Purchasers and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the Notes. Distribution of this Offering Memorandum to any person other than the prospective investor and those persons, if any, retained to advise that prospective investor with respect thereto, is unauthorized, and any disclosure of its contents without the Company's prior written consent is prohibited. The prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing and agrees not to make any photocopies of this Offering Memorandum.

This Offering Memorandum is intended solely for the purpose of soliciting indications of interest in the Notes from qualified investors and does not purport to summarize all of the terms, conditions, covenants and other provisions contained in the Fiscal Agency Agreement and other transaction documents described herein. The information provided is not all-inclusive. The market information in this Offering Memorandum has been obtained by the Company from publicly available sources deemed by it to be reliable. Notwithstanding any investigation that the Initial Purchasers may have conducted with respect to the information contained herein, the Initial Purchasers do not accept any liability in relation to the information contained in this Offering Memorandum or its distribution or with regard to any other information supplied by or on the Company's behalf.

The Company confirms that, after having made all reasonable inquiries, this Offering Memorandum contains all information with regard to it and the Notes which is material to the offering and sale of the Notes, that the information contained in this Offering Memorandum is true and accurate in all material respects and is not misleading in any material respect and that there are no omissions of any other facts from this Offering Memorandum which, by their absence herefrom, make this Offering Memorandum misleading in any material respect. The Company accepts responsibility accordingly.

Prospective investors in the Notes should rely only on the information contained in this Offering Memorandum. Neither the Company nor any Initial Purchaser has authorized the provision of information different from that contained in this Offering Memorandum. The information contained in this Offering Memorandum is accurate in all material respects only as of the date of this Offering Memorandum, regardless of the time of delivery of this Offering Memorandum or of any sale of the Notes. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall under any circumstances imply that there has been no change in the Company's affairs and those of any of its subsidiaries or that the information set forth herein is correct in all material respects as of any date subsequent to the date hereof.

Prospective investors hereby acknowledge that (i) they have not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with any investigation of the accuracy of such information or their investment decision, and (ii) no person has been authorized to give any information or to make any representation concerning the Company or the Notes (other than as contained herein and information given by the Company's duly authorized officers and employees, as applicable, in connection with investors' examination of the Company and the terms of this offering) and, if given or made, any such other information or representation should not be relied upon as having been authorized by the Company or the Initial Purchasers.

In making an investment decision, prospective investors must rely on their examination of the Company, and the terms of this offering, including the merits and risks involved. The Notes offered hereby have not been approved or recommended by any United States federal or state securities commission or any other regulatory authority. Furthermore, the foregoing authorities have not passed upon or endorsed the merits of the offering or confirmed the accuracy or determined the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

This Offering Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any Notes offered hereby by any person in any jurisdiction in which it is unlawful for such person to make an offer or solicitation.

In connection with this issue, The Hongkong and Shanghai Banking Corporation Limited or any of its affiliates (or any person acting on behalf of any of them) may, to the extent permitted by applicable laws and regulations, over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there is no obligation on The Hongkong and Shanghai Banking Corporation Limited, or any of its affiliates (or any person acting on behalf of any of them), to do this. Such stabilization, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

None of the Initial Purchasers, the Company or their respective affiliates or representatives is making any representation to any offeree or purchaser of the Notes offered hereby regarding the legality of any investment by such offeree or purchaser under applicable legal investment or similar laws. The Initial Purchasers have not separately verified the information contained in this Offering Memorandum. None of the Initial Purchasers nor Citibank, N.A., London Branch (the "Fiscal Agent") makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Memorandum. To the fullest extent permitted by law, none of the Initial Purchasers or the Fiscal Agent accepts any responsibility for the contents of this Offering Memorandum or for any other statement made or purported to be made by the Initial Purchasers or on their behalf in connection with the Company or the issue and offering of the Notes. Each of the Initial Purchasers and the Fiscal Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Offering Memorandum or any such statement. Each prospective investor should consult with its own advisers as to legal, tax, business, financial and related aspects of a purchase of the Notes.

For this offering, the Company and the Initial Purchasers are relying upon exemptions from registration under the Securities Act for offers and sales of securities, which do not involve a public offering, including Rule 144A under the Securities Act. **Prospective investors are hereby notified that sellers of the Notes may be relying on the exemption from the provision of Section 5 of the**

Securities Act provided by Rule 144A. The Notes are subject to restrictions on transferability and resale. Purchasers of the Notes may not transfer or resell the Notes except as permitted under the Securities Act and applicable state securities laws. See "Transfer Restrictions". Prospective investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

The distribution of this Offering Memorandum and the offer and sale of the Notes may, in certain jurisdictions, be restricted by law. Each purchaser of the Notes must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this Offering Memorandum, and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes purchases, offers or sales. There are restrictions on the offer and sale of the Notes, and the circulation of documents relating thereto, in certain jurisdictions including the United States, the European Economic Area, the United Kingdom, India, Hong Kong, Japan and Singapore, and to persons connected therewith. See "Plan of Distribution".

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

ENFORCEABILITY OF CIVIL LIABILITIES

The Company is a public limited company incorporated under the laws of India. Most of its directors and key management personnel named herein reside in India, and all or a substantial portion of the assets of the Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon the Company or such persons outside India or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the "Civil Code") on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India which the Government of the Republic of India (the "Government") has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees, which are not amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalty and does not apply to arbitration awards.

The United Kingdom, Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A, but the United States has not been so declared.

A judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court would if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the Reserve Bank of India (the "RBI") to repatriate outside India any amount recovered pursuant to such award, and any such amount may be subject to income tax in accordance with applicable laws. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

The Company would not be entitled to immunity on the basis of sovereignty or otherwise from any legal proceedings in India to enforce the Notes or any liability or obligation of the Company arising thereunder.

As the Notes are obligations of a type which Indian courts would usually enforce, the Notes should be enforced against the Company in accordance with their terms by an Indian court, subject to the following exceptions:

- enforcement may be limited by general principles of equity, such as injunctions;
- Indian courts have the sole discretion to grant specific performance of the Notes and the same may not be available, including where damages are considered by the Indian court to be an adequate remedy, or where the court does not regard specific performance to be the appropriate remedy;
- actions may become barred under the Limitation Act, 1963, or may be or become subject to set-off or counterclaim, and failure to exercise a right of action within the relevant limitation period prescribed will operate as a bar to the exercise of such right;
- any certificate, determination, notification, opinion or the like will not be binding on an Indian court which will have to be independently satisfied on the contents thereof for the purpose of enforcement despite any provisions in the documents to the contrary; and
- all limitations resulting from the laws of reorganization, suretyship or similar laws of general application affecting creditors' rights.

AVAILABLE INFORMATION

For so long as the Company is neither subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Company will furnish to the holder of any Notes and to each prospective purchaser designated by any such holder, upon the request of such holder or prospective purchaser, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act. Any such request may be made to the Company at its registered office located at 3rd Floor, Maker Chambers IV, 222 Nariman Point, Mumbai 400 021, India. As of the date hereof, the Company is exempt from such reporting obligations under Rule 12g3-2(b) under the Exchange Act.

PRESENTATION OF FINANCIAL AND OTHER DATA

Financial Data

The audited financial statements of the Company, on a non-consolidated basis, as at and for the fiscal years ended March 31, 2014, 2013 and 2012 (the "Annual Financial Statements") included elsewhere in this Offering Memorandum, the unaudited financial information of the Company, on a non-consolidated basis, as at December 31, 2014 and for the nine months ended December 31, 2014 (the "9M FY2015 Financial Information") included elsewhere in this Offering Memorandum and the unaudited financial information of the Company, on a non-consolidated basis, as at December 31, 2013 and for the nine months ended December 31, 2013 (the "9M FY2014 Financial Information") not included in this Offering Memorandum have each been prepared in accordance with generally accepted accounting principles in India ("Indian GAAP") and reporting guidelines prescribed by Indian regulatory authorities.

Indian GAAP differs in certain respects from generally accepted accounting principles in the United States ("US GAAP") and International Financial Reporting Standards ("IFRS"). For a discussion of certain significant differences between Indian GAAP and US GAAP, see "Description of Certain Differences between Indian GAAP and US GAAP". In making an investment decision, investors must rely on their own examination of the Company, the terms of the offering and the financial information contained in this Offering Memorandum. Potential investors should consult their own professional advisers for an understanding of the differences between Indian GAAP and US GAAP or IFRS, and how these differences might affect their understanding of the financial information contained herein.

In the Annual Financial Statements included herein, the income statement is headed "Statement of Profit and Loss". Furthermore, information in the Annual Financial Statements and the 9M FY2015 Financial Information is, unless otherwise stated therein, stated in rupees in "crore", whereas in the rest of this Offering Memorandum, financial information is stated in millions of rupees, unless otherwise specified. One crore is equal to 10 million.

The Annual Financial Statements have been audited by Deloitte Haskins & Sells LLP, Chaturvedi & Shah and Rajendra & Co., Chartered Accountants, as set forth in their audit reports included herein.

The presentation and disclosure requirements of the Annual Financial Statements and the Company's unaudited financial results published on a quarterly basis are separately governed by the Companies Act 2013 of India as defined hereinafter, with respect to the former, and the provisions of the Listing Agreements with the BSE Ltd. and the National Stock Exchange, with respect to the latter. As a result, they differ with respect to the various line items and terminology. For example, the half-yearly income statement does not include a total income line, "Other Income" is presented below the expenditure lines and "Interest and Finance Charges" are not presented as a component of expenditure but below the expenditure lines.

In this Offering Memorandum, references to "FY2014", "FY2013" and "FY2012" refer to the Company's fiscal years ended March 31, 2014, 2013 and 2012, respectively, and references to "9M FY2015" and "9M FY2014" are to the nine months ended December 31, 2014 and 2013, respectively.

Reporting Segments

The Company has four segments for financial reporting purposes, which are:

- the oil and gas segment ("Oil and Gas"), which includes exploration, development and production of crude oil and natural gas;
- the refining segment ("Refining"), which includes refining and marketing of petroleum products;
- the petrochemicals segment ("Petrochemicals"), which includes production and marketing of petrochemical products, including high- and low-density polyethylene, polypropylene, polyvinyl chloride, polyester yarn, polyester fibers, purified terephthalic acid, paraxylene, ethylene glycol, olefins, aromatics, linear alkyl benzene, butadiene, acrylonitrile, polybutadiene rubber, caustic soda and polyethylene terepthalate; and
- others ("Others"), which includes textiles and other smaller business segments that are not separately reportable and have been grouped together.

Rounding

Certain amounts and percentages included in this Offering Memorandum have been rounded. Accordingly, in certain instances, the sum of the numbers in a column may not equal the total figure for that column.

Non-GAAP Financial Measures

As used in this Offering Memorandum, a non-GAAP financial measure is one that purports to measure historical or future financial performance, financial position or cash flows but excludes or includes amounts that would not be so adjusted in the most comparable Indian GAAP measures. From time to time, reference is made in this Offering Memorandum to such "non-GAAP financial measures", primarily EBITDA, or earnings before interest, taxes and depreciation and amortization. The Company's management believes that EBITDA and other non-GAAP financial measures provide investors with additional information about the Company's performance, as well as ability to incur and service debt and make capital expenditures, and are measures commonly used by investors. For more detailed information concerning EBITDA, see "Summary Non-Consolidated Financial and Operating Data" and "Selected Non-Consolidated Financial and Operating Data". The non-GAAP financial measures described herein are not a substitute for Indian GAAP measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.

Oil and Gas Reserves

Oil and gas reserves are key elements in the Company's investment decision-making process. "Reserves" are those quantities of crude oil and natural gas anticipated to be economically producible by application of development projects to known accumulations from a given date forward under defined conditions. Reserves should satisfy four criteria: they are discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.

"Proved Reserves" are those quantities of oil and gas, which by analysis of geoscience and engineering data, are estimated with reasonable certainty to be economically producible, from a given date forward, from known reservoirs and under defined economic conditions, operating methods and government regulations. Where deterministic methods are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. Where probabilistic methods are used, there is at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

"Probable Reserves" are those additional reserves, which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves ("2P"). In this context, when probabilistic methods are used, there is at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.

"Possible Reserves" are those additional reserves, which analysis of geoscience and engineering data indicate are less likely to be recovered than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible Reserves ("3P"), which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there is at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.

The reserves are estimated and reported in line with the Petroleum Resources Management System, a set of definitions and guidelines approved by the Indian Society of Petroleum Engineers in 2007. More information about the definitions and guidelines can be found on The Society of Petroleum Engineers' website. The estimation of reserves involves a significant degree of judgment by the Company's management, engineers and technical personnel. See "Risk Factors—Risks Relating to the Business—Crude oil and natural gas reserve estimates involve some degree of uncertainty and may prove to be incorrect over time or may not accurately reflect actual growth levels, or even if accurate, technical limitations may prevent the Company from retrieving these reserves. In addition, the actual size of deposits may differ materially from such estimates".

Websites

Information stated to be from websites herein is from such websites as of January 20, 2015.

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods indicated, certain information concerning the exchange rates between Indian rupees and US Dollars. The exchange rates reflect the rates as reported by the RBI.

Fiscal Year Ended March 31,	Period End(1)	Average(1)(2)	High	Low
2010	45.14	47.42	50.53	44.94
2011	44.65	45.59	47.57	44.03
2012	51.16	47.95	54.24	43.95
2013	54.39	54.45	57.22	50.56
2014	60.10	60.50	68.36	53.74
2015 (to January 20, 2015)	61.85	60.90	63.75	58.43

Month	Period End(1)	Average(1)(2)	High	Low
July 2014	60.25	60.06	60.33	59.72
August 2014	60.47	60.90	61.56	60.43
September 2014	61.61	60.86	61.61	60.26
October 2014	61.41	61.34	61.75	61.04
November 2014	61.97	61.70	62.10	61.39
December 2014	63.33	62.75	63.75	61.85
January 2015 (to January 20, 2015)	61.85	62.56	63.45	61.70

(1) The exchange rate at each period end and the average rate for each period differ from the exchange rates used in the preparation of the Company's financial statements and financial information.

(2) The average rate for each period represents the average of the daily exchange rates for the period.

The exchange rate on January 20, 2015 as reported by the RBI was Rs. 61.85 per US$1.00.

Although certain rupee amounts in this Offering Memorandum have been translated into US Dollars for convenience, this does not mean that the rupee amounts referred to could have been, or could be, converted into US Dollars at any particular rate, the rates stated below or at all. Except as otherwise stated, the Indian rupee amounts in this Offering Memorandum as of March 31, 2014 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 59.915, and Indian rupee amounts as of December 31, 2014 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 63.035. These are the exchange rates as published by FEDAI for the applicable period end. FEDAI exchange rates are a widely followed benchmark for foreign exchange rates in India. For comparison purposes, the exchange rate as set forth in the H.10 statistical release of the United States Federal Reserve Board as at March 31, 2014 was Rs. 60.000 per US$1.00, as at December 31, 2014 was Rs. 63.040 per US$1.00 and as at January 9, 2015 was Rs.62.340 per US$1.00.

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS

Certain statements in this Offering Memorandum are not historical facts and are "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. This Offering Memorandum may contain words such as "believe", "could", "may", "will", "target", "estimate", "project", "predict", "forecast", "guideline", "should", "plan", "expect" and "anticipate" and similar expressions that are intended to identify forward-looking statements but are not the exclusive means of identifying these statements. In particular, the sections entitled "Summary", "Operating and Financial Review", "Unaudited Financial Results for the Nine Months Ended December 31, 2014" and "Business" contain forward-looking statements, including relating to production, refining, manufacturing and other activities, capital expenditure, market trends and other factors affecting the Company.

Forward-looking statements are subject to certain risks and uncertainties, including, but not limited to:

- changes in global economic, political and social conditions;

- cyclical downturns in the industry;
- changes in economic and political conditions and increases in regulatory burdens in India and other countries in which the Company operates, transacts business or has interests;
- accidents and natural disasters in India or in countries in the region or globally, including in India's neighboring countries;
- the availability and terms of external financing;
- variation in reserves data and estimates relating to contingent and prospective resources;
- production, equipment and transportation risks;
- changes in market environment, pricing of finished goods and cost of feedstock that may adversely impact margins of the Company's businesses, including in the Company's Refining and Petrochemicals business segments;
- ability to successfully compete with other integrated energy companies;
- cost overruns or delays in commencement of production from new projects;
- the Company's ability to obtain the permits and licenses necessary to operate and grow its and its joint ventures' businesses;
- the ability of the Company's joint venture partners to meet their obligations;
- changes in the Company's relationship with the Government;
- changes in exchange controls, import controls or import duties, levies or taxes, either in India or in international markets;
- changes in laws, regulations, taxation or accounting standards or practices;
- changes in prices or demand for products produced by the Company or any of its subsidiaries or affiliates, both in India and in international markets;
- the risks associated with the Company's interests located in politically and economically unstable areas;
- the risks of increased costs in technologies related to the Company's operations and the uncertainty of such technologies producing expected results;
- the risks associated with entering new areas of businesses in which the Company has no or limited prior experience;
- changes in the value of the rupee against major global currencies and other currency changes;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- the Company's ability to ensure continuity of senior management and ability to attract and retain key personnel;

- resource nationalization;
- acquisitions and divestitures; and
- other factors, including those discussed in “Risk Factors”.

Forward-looking statements involve inherent risks and uncertainties. If one or more of these or other uncertainties or risks materialize, actual results may vary materially from those estimated, anticipated or projected. Specifically, but without limitation, capital costs could increase, projects could be delayed, and anticipated improvements in capacity, performance or profit levels might not be fully realized. Although the Company believes that the expectations of its management as reflected by such forward-looking statements are reasonable based on information currently available to it, no assurances can be given that such expectations will prove to have been correct. Accordingly, you are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they are made. The Company does not undertake any obligation to update or revise any of them, whether as a result of new information, future developments or otherwise.

In addition, the expectations of the management of the Company with respect to exploration activities are subject to risks arising from the inherent difficulty of predicting the presence, yield and quality of oil and gas deposits, as well as unknown or unforeseen difficulties in extracting, transporting and processing any oil and gas found, and doing so on a commercial basis. See “Risk Factors—Risks Relating to the Business—Crude oil and natural gas reserve estimates involve some degree of uncertainty and may prove to be incorrect over time or may not accurately reflect actual growth levels, or even if accurate, technical limitations may prevent the Company from retrieving these reserves. In addition, the actual size of deposits may differ materially from such estimates”.

DEFINITIONS AND GLOSSARY

Units of Measurement

"acre"	approximately 0.4 hectares or 0.004 square kilometers;
"barrel"	approximately 42 US gallons;
"bbl"	a barrel, which is equivalent to approximately 42 US gallons;
"bBtu"	billion British Thermal Units;
"Bcf"	billion cubic feet of gas equivalent. Approximately equal to 1 trillion Btu;
"bpd"	barrel per day;
"Btu" or "British Thermal Unit"	the quantity of heat required to raise the temperature of one pound mass of water by one degree Fahrenheit;
"CAGR"	compounded annual growth rate;
"KT"	kilotons;
"Mmbbl"	million barrels;
"MMscfed"	million standard cubic feet of gas equivalent per day;
"MMscfd"	million standard cubic feet per day;
"MMSCM"	million standard cubic meters;
"MMSCMD"	million standard cubic meters per day;
"MT"	metric tons;
"net acres"	the sum of the fractional working interests owned in gross acres; and
"Tcfe"	trillion cubic feet of gas equivalent.

Technical Industry Terms

"BACT"	best available control technology;
"CBM"	coal bed methane;
"condensate"	a mixture of hydrocarbons that exists in the gaseous phase at original reservoir temperature and pressure, but that, when produced, is in the liquid phase at surface pressure and temperature;
"crude oil"	oil including condensate;
"exploitation"	a development or other project, which may target proven or unproven reserves (such as Probable Reserves or Possible Reserves), but which generally has a lower risk than that associated with exploration projects;

"field"	an area consisting of either a single reservoir or multiple reservoirs, all grouped on or related to the same individual geological structural feature and/or stratigraphic condition;
"LNG"	liquefied natural gas;
"mining lease"	a lease for the purpose of searching for, winning, working, getting, making merchantable, carrying away or disposing of mineral oils, including natural gas and petroleum;
"natural gas"	a mixture of hydrocarbons that originally exists in gaseous phase in natural underground reservoirs and is classified as either associated gas or non-associated gas;
"oilfields"	areas where any operation, for the purpose of obtaining natural gas and petroleum, crude oil, refined oil, partially refined oil and any of the products of petroleum in a liquid or solid state, is to be or is being carried on;
"play"	a group of fields or prospects in the same region that are controlled by the same set of geological circumstances;
"Possible Reserves"	possible reserves are those additional reserves, which analysis of geoscience and engineering data indicate are less likely to be recovered than Probable Reserves. The total quantities ultimately recovered from the project have a low probability of exceeding the sum of Proved plus Probable plus Possible Reserves ("3P"), which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there is at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate;
"Probable Reserves"	probable reserves are those additional reserves, which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves, but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves ("2P"). In this context, when probabilistic methods are used, there is at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate;
"prospect"	a specific geographic area, which, based on supporting geological, geophysical or other data and also preliminary economic analysis using reasonably anticipated prices and costs, is deemed to have potential for the discovery of commercial hydrocarbons;
"Proved Developed Reserves"	proved developed reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods, or in which the cost of the required equipment is relatively minor compared to the cost of a new well. The reserves must be produced through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well;

"Proved Reserves"	proved reserves are those quantities of oil and gas, which by analysis of geoscience and engineering data, are estimated with reasonable certainty to be economically producible, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. Where deterministic methods are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. Where probabilistic methods are used, there is at least a 90% probability that the quantities actually recovered will equal or exceed the estimates;
"Proved Undeveloped Reserves"	proved undeveloped reserves are reserves that are expected to be recovered from new wells on undrilled acreage in the laterally continuous part of known accumulations, or from existing wells where a relatively major expenditure is required for recompletion, deepening to a different known reservoir or infill drilling. Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic productibility at greater distances. Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time;
"reserves"...	those quantities of oil and gas anticipated to be economically producible by application of development projects to known accumulations from a given date forward under defined conditions; (Note: the Company has adopted Petroleum Resource Management System definitions for the estimation and reporting of reserves)
"reservoir"..	porous and permeable underground formation containing a natural accumulation of producible oil and/or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs; and
"resources".......................................	quantities of oil and gas estimated to exist in naturally occurring accumulations.

Products

"LAB"...	linear alkyl benzene;
"LPG"	liquefied petroleum gas;
"MEG"..	monoethylene glycol;
"NGL"...	natural gas liquids;
"PE"	polyethylene;
"PET"...	polyethylene terephthalate;
"PFY"	polyester filament yarn;

"PP"	polypropylene;
"PSF"	polyester staple fiber;
"PTA"	purified terephthalic acid;
"PVC"	polyvinyl chloride; and
"PX"	paraxylene.

Acts, Regulations and Codes

"Affiliate Code of Conduct Regulations"	Petroleum and Natural Gas Regulatory Board (Affiliate Code of Conduct for Entities engaged in Marketing of Natural Gas and Laying, Building, Operating or Expanding Natural Gas Pipeline as Common Carrier or Contract Carrier) Regulations, 2008;
"Bill"	115th Constitutional Amendment Bill, 2011;
"CAA"	United States Clean Air Act;
"CERCLA"	United States Comprehensive Environmental Response, Compensation, and Liability Act;
"Civil Code"	Code of Civil Procedure, 1908;
"Code"	United States Internal Revenue Code of 1986;
"ERDMP Regulations"	Petroleum and Natural Gas Regulatory Board (Codes of Practices for Emergency Response and Disaster Management Plan) Regulations, 2010;
"Exchange Act"	United States Securities Exchange Act of 1934, as amended;
"FEMA"	Foreign Exchange Management Act, 1999;
"FEMA Guarantees Regulations"	Foreign Exchange Management (Transfer or Issue of Security by Persons Resident Outside India) Regulations, 2000;
"FEMA ODI Regulations"	Foreign Exchange Management (Transfer or Issue of Foreign Security) Regulations, 2004;
"FUTP Regulations"	SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market), 2003;
"Gas Sale Guidelines"	Guidelines for the sale of natural gas by NELP contractors issued by the Indian Ministry of Petroleum and Natural Gas;
"Indian Companies Act"	Companies Act, 2013, to the extent notified, and the Companies Act, 1956, to the extent not repealed;
"Insider Trading Regulations"	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended;
"Offshore Operation Rules"	Petroleum and Natural Gas (Safety in Offshore Operations) Rules, 2008;
"Oilfields Act"	Oilfields (Regulation and Development) Act, 1948;

"OSH Act"	United States Occupational Safety and Health Act, 1970;
"P&NG Rules"	Petroleum and Natural Gas Rules, 1959;
"Petroleum Act"	Petroleum Act, 1934;
"Petroleum Rules"	Petroleum Rules, 2002;
"Pipeline Regulations"	Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008;
"PNGRB Act"	Petroleum and Natural Gas Regulatory Board Act, 2006;
"Prospectus Directive"	Directive 2003/71/EC of the European Commission and amendments hereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State, and includes any relevant implementing measure in the Relevant Member State;
"RCRA"	United States Resource Conservation and Recovery Act;
"Regulation S"	Regulation S under the Securities Act;
"Rule 144A"	Rule 144A under the Securities Act;
"Securities Act"	United States Securities Act of 1933, as amended;
"Tax Act"	Income Tax Act 1961; and
"2010 PD Amending Directive"	Directive 2010/73/EU of the European Commission.

Other Defined Terms

"$", "US$" or "US Dollars"	United States dollars, the legal currency of the United States;
"Atlas" or "Atlas/Chevron"	Atlas Energy Resources LLC (now Chevron AE Resources LLC) and/or certain of its affiliates, which is now an indirect wholly owned subsidiary of Chevron Corporation;
"Avista"	ACP II Marcellus LLC, an affiliate of Avista Partners;
"BP"	BP Plc;
"BG"	BG Exploration and Production India Limited;
"BOEMRE"	Bureau of Ocean Energy Management, Regulation and Enforcement, USA;
"CAG"	Comptroller and Auditor General of India;
"Carrizo"	Carrizo Oil & Gas, Inc. and/or certain of its affiliates;
"CGP"	central gathering point;
"Chevron"	Chevron Corporation;
"Clearstream"	Clearstream Banking, société anonyme;
"CRISIL"	CRISIL Limited;

"DGH"	Directorate General of Hydrocarbons;
"DOI"	United States Department of Interior;
"DoT"	Department of Telecom, Government of India;
"DTC"	The Depository Trust Company;
"ECAs"	export credit agencies;
"EEA"	European Economic Area;
"EPA"	United States Environmental Protection Agency;
"Euro" or "€"	Euro;
"Euroclear"	Euroclear Bank S.A./N.V.;
"FDI"	foreign direct investment;
"FEDAI"	Foreign Exchange Dealers' Association of India;
"Government"	Government of the Republic of India;
"GAIL"	GAIL (India) Limited;
"GAPCO"	Gulf Africa Petroleum Corporation Limited;
"GDP"	gross domestic product;
"GST"	Goods and Services Tax;
"Jamnagar Refinery I"	the Company's first refinery in Jamnagar, completed in 1999;
"Jamnagar Refinery II"	the Company's second refinery in Jamnagar, completed in 2009;
"IHS Chemical"	IHS Chemical;
"India"	the Republic of India;
"Indian GAAP"	generally accepted accounting principles in India;
"IPCL"	Indian Petrochemicals Corporation Limited;
"IRS"	United States Internal Revenue Service;
"LIBOR"	London Interbank Offering Rate;
"Listing Agreement"	an agreement between an issuer and a stock exchange in India regarding the listing of such issuer's securities thereon;
"MAT"	minimum alternate tax;
"Moody's"	Moody's Investors Service, Inc.;
"NACAS"	National Advisory Committee on Accounting Standards;
"NELP"	New Exploration Licensing Policy;
"NTPC"	National Thermal Power Corporation Limited;

"ONGC"	Oil and Natural Gas Corporation Limited;
"PCI"	Petrochemical International;
"Pioneer"	Pioneer Natural Resources Company and/or certain of its affiliates;
"PSC"	Production Sharing Contract;
"QIBs"	qualified institutional buyers;
"RBI"	Reserve Bank of India;
"R&D"	research and development;
"Recron"	Recron (Malaysia) Sdn Bhd;
"RGTIL"	Reliance Gas Transportation Infrastructure Limited;
"RIL-C"	Reliance Innovation Leadership Center;
"RPL"	Reliance Petroleum Limited;
"RRL"	Reliance Retail Limited;
"RRVL"	Reliance Retail Ventures Limited;
"RRTC"	Reliance Research and Technology Centre;
"Rs.", "rupee", "rupees" or "Indian rupees"	Indian rupees, the legal currency of India;
"RTG"	Reliance Technology Group;
"S&P"	Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.;
"SEBI"	Securities and Exchange Board of India;
"SEZ"	Special Economic Zone;
"SEZ Polypropylene Facility"	the Company's polypropylene facility in the SEZ at Jamnagar;
"SIBUR"	SIBUR, a petrochemical company in Russia;
"Singapore Exchange" or "SGX-ST"	Singapore Exchange Securities Trading Limited;
"United States" or "US"	the United States of America, its territories and its possessions;
"US GAAP"	Generally Accepted Accounting Principles in the United States;
"VAT"	Value Added Tax; and
"Yen" or "¥"	Japanese Yen.

In addition, certain terms taken from the Annual Financial Statements or the 9M FY2015 Financial Information are capitalized herein.

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SUMMARY

This overview highlights certain information contained in this Offering Memorandum. This overview does not contain all the information you should consider before investing in the Notes. You should read this entire Offering Memorandum carefully, including the sections entitled "Forward-Looking Statements and Associated Risks", "Risk Factors", "Operating and Financial Review", "Unaudited Financial Results for the Nine Months Ended December 31, 2014" and "Business" included elsewhere in this Offering Memorandum and the financial information and the notes thereto set forth herein.

Overview

The Company is an integrated energy company with business interests in the areas of oil and gas, petroleum refining and petrochemical manufacturing and operates principally in India. The Company was India's largest private sector enterprise based on Turnover and Profit After Tax for FY2014 with a turnover of Rs. 4,013.02 billion (US$66.98 billion), cash profit of Rs. 307.95 billion (US$5.1 billion) and net profit of Rs. 219.84 billion (US$3.7 billion) for FY2014. Its operations are divided into three principal business segments: (i) exploration, development, and production of oil and natural gas, ("Oil and Gas"), (ii) refining and marketing of petroleum products ("Refining") and (iii) petrochemicals, including the manufacturing and marketing of polymers, polyester, polyester intermediates and chemicals ("Petrochemicals").

In addition to being a leading player in the Indian economy, the Company also enjoys global leadership in its principal businesses. According to IHS Chemical, the Company is among the world's top five producers of paraxylene and polypropylene and top ten producers of purified terephthalic acid, and according to Petrochemical International ("PCI"), the Company, along with its subsidiaries, is the largest polyester yarn and fiber producer in the world and among the top ten producers of monoethylene glycol. The Company owns and operates the world's largest refining capacity at a single location, processing 1.4 MMBPD crude during the year.

The Company's primary manufacturing operations are in India. The Company has significant domestic sales in India and exports to 123 countries around the world. The Company has eight principal plants located in the Indian states of Maharashtra, Gujarat and Andhra Pradesh. In 2010, the Company, through its subsidiaries, entered into three joint ventures in the United States and thereby acquired interests in shale deposits in the Marcellus and Eagle Ford Shales.

In FY2014, the Company was the largest exporter in India with exports of Rs. 2,758 billion, representing 14.7% of India's total exports and 69% of the Company's Turnover for the relevant period. In 9M FY2015, the Company had exports of Rs. 1,912 billion, representing 13.05% of India's total exports and 68% of the Company's Turnover for the same period (source for India's total exports: www.commerce.nic.in).

In the last ten years, the Company expanded its operations and diversified into new business and geographic areas. Its Turnover has grown from Rs. 562 billion in the fiscal year ended March 31, 2004 to Rs. 4,013 billion in FY2014, representing a CAGR of approximately 22%. The Company has also seen Profit Before Tax rise during this period from Rs. 63 billion to Rs. 278 billion, representing a CAGR of approximately 16%.

The Company's core business segments of Refining and Petrochemicals accounted for 98% of Segment Revenue Before Eliminations for FY2014 (FY2013: 98%). Segment Result Before Interest and Tax for Petrochemicals, Refining and Oil and Gas segments was 36% (FY2013: 32%), 55% (FY2013: 55%) and 7% (FY2013: 12%), respectively, during these periods. As of December 31, 2014, the Company's foreign currency debt was rated Baa2 (Stable) by Moody's and BBB+ (Stable) by S&P, which are one notch and two notches above India's sovereign rating, respectively. The Company's long-term debt is rated AAA by CRISIL, India's leading credit agency and a subsidiary of S&P and AAA Ind by Fitch, the highest rating awarded by both these agencies. In respect of Indian domestic ratings, the Company's short-term debt is rated P1+ by CRISIL, the highest credit rating assigned in this category.

Competitive Strengths

The Company believes that the following factors contribute to its strong competitive position:

World-class business platforms and diversified portfolio

The Company believes in creating large-scale businesses that are built to be world-class operations, incorporating global best practices. This is integral to the Company's growth plans in all its existing businesses and new initiatives. The Company is a global integrated energy company with interests across the energy value chain and in recent years has diversified into new growth areas such as organized retail and telecommunications. In the Company's principal businesses of Oil and Gas, Refining and Petrochemicals, it has leading positions and a strong platform for future growth.

In the Oil and Gas business, the Company believes the Indian gas market provides significant opportunities given its long-term demand potential. Its KG-D6 oil and gas production facility is one of the world's largest and most complex deep-water gas production facilities. In the Refining business, according to the *Oil and Gas Journal* and based on Company estimates, the Company has the largest refining capacity at a single location in the world. In the Petrochemicals business, the Company is the market leader in India across most of the products in the petrochemical and polyester chain. According to PCI, the Company is the largest producer of polyester fiber and yarn and is the fifth largest producer of paraxylene according to IHS Chemical. According to IHS Chemical, the Company is the fifth largest producer of polypropylene in the world.

Outside India, the Company, through its subsidiaries, currently has significant shale gas operations in the United States and three blocks in two other countries. These operations and blocks are at various stages of exploration and development. Notwithstanding the strength of its core businesses, the Company is actively seeking new opportunities to diversify its operations and, through its subsidiaries, is currently expanding its operations into strategic and growing sectors in the organized retail sector and is in the process of setting up its telecommunication business.

Integration across the complete value chain

The Company has traditionally based its business model on vertical integration and sought to achieve control over the cost of key inputs, flexibility to maximize value across the entire value chain and the creation of value for shareholders in a dynamic global market and regulatory regime. The Company's Refining business produces substantially all the feedstocks used in its Petrochemicals business, which offers security of supply and the ability to minimize the impact of volatility in commodity prices.

Global competitiveness and leadership in chosen areas of business

The Company has achieved a leadership position in the domestic Indian petrochemical industry and significant market strength in the global refining industry. India is one of the fastest growing markets in the world for downstream petrochemicals and offers significant prospects for growth in the future. The Company's leadership positions in the domestic markets provide a strong platform for growth in these core areas of operations.

Stable and robust financial performance and strong cash position

The Company observes conservative financial policies and maintains significant cash balances in order to be able to complete projects on a timely basis, capitalize on opportunities, attract world-class project partners and carry out capital investment programs through industry cycles. In the past ten years, the Company has generated strong and steady cash flows and has traditionally maintained a strong balance sheet with conservative leverage. The Company believes that its integrated operations allow it to mitigate the impact of declines in commodity prices and reduce volatility in cash flows. This, in turn, enables the Company to access capital at attractive terms. As of December 31, 2014, the Company had total outstanding debt of Rs. 879,741 million, or US$14.0 billion, and Cash and Cash Equivalents of Rs. 750,224 million or US$11.9 billion (converted at the exchange rate of US$1.00 = Rs. 63.035).

According to *Fortune*, a leading international publication, the Company was ranked 114th among Fortune Global 500 companies in terms of revenues and 155th among Fortune Global 500 companies in terms of net earnings in 2013.

Strong project management skills

The Company has demonstrated its ability to manage large and complex projects across sectors. The Company's approach has been to ensure that projects achieve physical completion well within planned schedules and costs. During the fiscal years ended March 31, 2010 and 2009, the Company completed two of the largest projects (the Jamnagar Refinery II and the KG-D6 oil and gas projects) in the energy sector worldwide. The Company is currently in the process of expanding its petrochemical capacities and is also setting up a refinery off-gas cracker and one of the world's largest petcoke gasification projects. The Company has a track record of delivering world-class, large-scale projects on accelerated timelines, including the following:

- it began gas production within six and a half years of gas discovery at the Krishna Godavari Basin ("KG Basin") off the east coast of India, compared to the global average of nine to ten years for similar deepwater production facilities;

- the Jamnagar Refinery II was commissioned in only 36 months despite the fact that it was executed under challenging conditions of scarce engineering resources globally; and

- the Company built two of the world's largest and most complex refineries at the same location, in one decade, which it believes is unprecedented in the global refining sector. The Jamnagar complex has the largest refining capacity at a single location in the world.

Presently, the Company is expanding its petrochemical capacities and setting up a refinery off-gas cracker and petcoke gasification plant.

Strong and experienced management team

The Company is led by a highly experienced executive and operational management team, led by Mr. Mukesh D. Ambani, its Chairman and Managing Director. Most of the Company's key senior executives have more than 20 years of experience in the oil and gas and/or petrochemical industry. The Company's management team has successfully managed the Company's growth in recent years, executing its strategy of backward integration from textiles to oil and gas, as well as the diversification into other industry sectors that led to the formation of an integrated, world-class enterprise. The Company believes that an experienced and effective management team is an important competitive advantage in pursuing its growth strategy successfully in the future.

Strategy

The key elements of the Company's strategy are:

Enhancing competitive advantage of existing businesses through organic growth

The Company plans to continue to leverage its expertise in project execution, exploration and production skills and financial management to increase its international scale and expects to increase its production capacity through organic growth.

In the Oil and Gas business, the Company is committed to further strengthening its domestic exploration portfolio with a continuing focus on offshore assets, while simultaneously pursuing opportunities in the international markets. The Company has also, through its subsidiaries, embarked on a strategy to build a portfolio of quality assets in unconventional energy sources.

In Refining, the Company is building one of the largest coke gasification facilities in the world, which the Company expects would, combined with the refinery off-gas cracker, increase the complexity and profitability of the refineries at Jamnagar.

In Petrochemicals, the Company is exploring opportunities for organic growth, expansion of capacities, acquisitions and improved efficiencies. In particular, the Company is expanding its existing petrochemical capacities.

Pursue value accretive growth opportunities in core businesses through targeted acquisitions inside and outside India

The Company has traditionally focused on organic growth by pursuing green-field and brown-field expansion opportunities in India. With a view to growing the Company into a truly global organization, the Company has decided to pursue value accretive opportunities in promising growth markets outside India. In recent years, the Company has pursued several significant opportunities in the growth markets in Asia and also in North America. For example, in Oil and Gas, the Company has acquired, through its subsidiaries, substantial shale gas assets in the United States by entering into three joint venture agreements, which are an integral part of the Company's strategy of expanding its global operations. The Company plans to continue to evaluate potential acquisition opportunities.

Capitalize on strong domestic market growth opportunities in existing and new business areas

Domestic demand for many of the Company's products has increased for the past several years as has the size of the Indian economy. The Company expects the trend of long-term demand growth in India to continue given current low per capita consumption as well as domestic economic growth. In particular, significant growth is expected in the domestic demand for petrochemicals, refining and natural gas, partly as a result of recent actions of the Government that have partially deregulated the market for natural gas and refining products.

The Company has achieved strong growth by identifying businesses in emerging areas of growth and building them into global-size, world-class operations by leveraging its core competitive strengths for sustained superior value. The Company's entry into the new growth area of organized retail and telecommunications are integral to this strategy, and the Company will continue to seek out other growth opportunities in new business areas.

Integrate vertically to fully participate in the value chain and achieve economies of scale

The Company will continue to seek to improve its competitive position by securing stable low-cost supplies of key raw materials by focusing on appropriate vertical integration and achieving a balanced product portfolio in its existing operations. Accordingly, the Company will continue to strive to identify opportunities for capacity expansion and debottlenecking of production capacity for the raw materials used in the Company's operations. The Company believes that continuing this strategy will help to reduce the impact of business cycles on overall earnings in the future.

Highest standards for health, safety and environment

"Safety of person overrides all production targets" is the essence of the Company's Health, Safety and Environmental Policy. Well-equipped occupational health centers are available to cater for preventive and curative health care. The Company has an employee training program to improve safety conditions at its operations. The Company places great emphasis in developing greenery and landscaping as an in-built environmental protection measure.

Continue to focus on process and management innovation

The Company has traditionally focused on innovation in all areas of its activities and has had success in the areas of process innovation, business model innovation and management innovation. The Company's innovation efforts are led by Reliance Innovation Council, which includes some of the leading global thought leaders, including Nobel laureates. The Company seeks to make innovation a way of life to ensure that the next generation of growth is innovation-led.

Recent Developments

Commissioning of Polyester Filament Yarn facility at Silvassa

In April 2014, the Company commissioned its new Polyester Filament Yarn ("PFY") facility at Silvassa. The entire production from this facility has been successfully placed in the domestic and international markets.

With the commissioning of this PFY facility, the Company's total PFY capacity, including capacity from its Malaysian PFY facilities, is in excess of 1.5 MMTPA. This expansion further strengthens the Company's position as the world's largest producer of polyester fiber and yarn.

The new PFY plant at Silvassa is one of the most automated and environment-friendly plants globally. It is co-located with the Company's existing texturizing facility at Silvassa, thereby eliminating the packaging and logistics costs. This, coupled with integration with PTA, will make the Silvassa facility amongst the lowest cost PFY producing sites globally.

Acquisition of control of Network 18

In July 2014, the Company announced that Independent Media Trust ("IMT"), of which the Company is the sole beneficiary, completed the acquisition of control of Network 18 Media and Investments Limited ("NW18") including its subsidiary TV18 Broadcast Limited ("TV18").

With the completion of this transaction, IMT and the Company have become promoters of NW18 and TV18. The open offers to the public shareholders for acquisition of equity shares of NW18, TV18 and Infomedia Press Ltd., as announced on May 29, 2014 by IMT, have been completed in accordance with SEBI (Acquisition of Shares and Takeovers) Regulations, 2011. This acquisition will differentiate the Company's 4G business by providing a unique amalgamation at the intersection of telecom, web and digital commerce via a suite of premier digital properties.

Expansion of feedstock supply options from North America

The Company's investments in shale gas and its existing cracker portfolio in India are a natural fit for sourcing Ethane from North America and shipping it to India to attain long-term feedstock competitiveness. The Company is implementing a project to source 1.5 MMTPA of ethane from North America to feed its crackers in India.

The Company has now executed storage and capacity agreements for liquefaction and export of ethane with a North American terminal, which is expected to commence operations in the second half of 2016.

For the purpose of transporting liquefied ethane to India in a safe and cost efficient manner, the Company has ordered six state-of-the-art Very Large Ethane Carriers (VLECs), which will be the largest vessels ever built in the world. The ships are expected to be delivered starting last quarter of 2016 in synchronization with the readiness of the North American terminal.

The Company is also building a world-scale receiving and storage facility in India for liquefied ethane and pipeline to deliver ethane to its crackers.

The Company will be upgrading its crackers to expand its ethane cracking capacity and enhance its control over the supply chain by maximizing its operational flexibility and capability to optimize feedstock supply. The project will significantly improve the long-term competitiveness of the Company's cracker portfolio through dedicated feedstock, enhanced margins, higher capacity and end-to-end integration.

In December 2014, the Company announced that it has signed shipping agreements with Mitsui O.S.K. Lines, Ltd. ("MOL") for transporting liquefied ethane from North America to India. MOL will supervise the construction of six very large ethane carriers ("VLECs") ordered by the Company. MOL will also operate and manage the vessels after they are built and delivered.

Reliance Haryana SEZ

In August 2014, Reliance Haryana SEZ Limited ("RHSL") returned 1383.68 acres of land in Gurgaon, which was acquired from the Haryana State Industrial & Infrastructure Development Corporation Limited (the "HSIIDC") for setting up SEZs, due to changes in strategic priorities. RHSL was a joint venture between Reliance Ventures Limited ("RVL"), the Company's wholly-owned subsidiary, and the Government of Haryana through HSIIDC.

The joint venture was established to develop SEZs, the Model Economic Township ("MET") project and other infrastructure facilities in Haryana. HSIIDC has also exited the joint venture and the project, and the joint venture has since been dissolved.

Further in September 2014, the Company announced the mutual and amicable termination of the agreement for the strategic partnership between RVL and Infrastructure Leasing and Financial Services Limited ("IL&FS") to co-promote the MET project of RHSL. IL&FS became a strategic partner in this project in January 2011.

The MET project will continue to be developed in the Industrial Model Township framework on the directly purchased land. Development work has been started over 290 acres of land as an industrial area. Some Japanese corporations have established their manufacturing units in the MET Project.

Telecommunication Business

In October 2013, Reliance Jio Infocomm Limited ("RJIL"), a subsidiary of the Company, received a unified license for all 22 service areas across India, becoming the first telecom operator in the country to get a pan-India Unified License. The Unified License allows RJIL to offer all telecom services (except global mobile personal communications by satellite ("GMPCS")) including voice telephony under a single license.

In February 2014, RJIL successfully acquired the right to use spectrum in 14 key circles across India in the 1800 MHz band in the spectrum auction conducted by the Department of Telecommunications ("DoT"), Government of India. RJIL plans to use this spectrum, ranging from 2x5 MHz to 2x7 MHz in each of these 14 circles, in conjunction with its pan-India 2300 MHz spectrum to address the expected surge in demand for digital services as well as to enhance in-building coverage. RJIL plans to provide seamless 4G services using FDD-LTE on 1800 MHz and TDD-LTE on 2300 MHz through an integrated ecosystem.

Partnerships in the Telecommunication Business

In June 2013, the Company's subsidiary RJIL entered into a definitive agreement with Reliance Infratel Ltd. ("RITL") for the use of RITL's nationwide telecom tower infrastructure. RJIL will utilize up to 45,000 ground and rooftop based towers across RITL's network to accelerate the rollout of its 4G services. The agreement provides for joint working arrangements to configure the scope of additional towers to be built at new locations to ensure deep penetration and seamless delivery of next generation telecommunication services. This agreement follows the inter-city optic fiber sharing agreement already signed in April 2013 as part of a comprehensive framework of business cooperation between Infotel Telecom Limited (since merged with RJIL), RITL and RCOM. RJIL and RCOM have also signed an agreement for sharing of RCOM's extensive intra-city optic fiber infrastructure.

In December 2013, RJIL and Bharti Airtel Limited ("Bharti") announced a comprehensive telecom infrastructure sharing arrangement under which they will share infrastructure created by both parties. This will include both inter- and intra-city optic fiber networks, submarine cable networks, towers and internet broadband services and other such opportunities identified in the future. The cooperation is aimed at avoiding duplication of infrastructure, wherever possible, and preserving capital and protecting the environment. This will also provide redundancy in order to ensure seamless services to customers of the respective parties.

In March 2014, RJIL signed an agreement to use Viom Networks' pan-India passive telecom infrastructure having a footprint of over 42,000 telecom towers.

RJIL has also entered into tower sharing agreements through separate contracts with ATC India, BSNL, Railtel, MTNL, Videocon, Tower Vision and Ascend Telecom Infrastructure Pvt. Ltd., with an aggregate portfolio of more than 20,000 towers across India.

In September 2014, RJIL and GTL Infrastructure Limited ("GTL Infra"), a Global Group enterprise, engaged in the business of Shared Passive Telecom Infrastructure in India, entered into a Master Services Agreement ("MSA") for tower infrastructure sharing. GTL Infra, together with Chennai Network Infrastructure Limited ("CNIL"), has a combined tower portfolio of more than 27,800 towers spread across 22 telecom Circles in India and serves all the major telecom operators.

Also in September 2014, RJIL and Indus Towers entered into an MSA for tower infrastructure sharing. Under the agreement, RJIL would utilize the telecom tower infrastructure services being provided by Indus Towers to launch its services across the country.

Memorandum of Understanding with Petroleos Mexicanos ("PEMEX")

In December 2014, the Company and the Mexican state-owned company PEMEX entered into a Memorandum of Understanding ("MOU") whereby they plan to jointly explore upstream oil and gas business opportunities in Mexico. The Company and PEMEX plan to share expertise relating to various areas of the oil and gas industry, including the Company's experience in deep-water development in the east coast of India and its shale gas activities in the United States. The Company will also provide technical support and share experience with PEMEX regarding refining value maximization and other technical optimization strategies.

Joint Venture in the Textile Business

In December 2014, the Company and Shandong Ruyi Science and Technology Group Co. Ltd. ("Ruyi") (through its wholly owned subsidiary) executed definitive agreements for a joint venture in textiles. As per the definitive agreements, the Company will transfer its existing textile business into a newly incorporated joint venture for which the Company will receive cash consideration. The Company will own 51% of the proposed joint venture, and Ruyi will hold the remaining 49%. The proposed transaction is subject to obtaining the requisite approvals.

The Company's existing textile business is its founding business and operates under the *Vimal* brand. Ruyi also operates in India under the *Georgia Gullini* brand in the worsted suiting segment of the market. The joint venture will build on the Company's existing textile business and wide distribution network in India, as well as Ruyi's state-of-the-art technology and its global reach. The Company expects the joint venture to benefit from the strength of the *Vimal* and *Georgia Gullini* brands and plans to introduce some of Ruyi's well-known global brands.

SUMMARY NON-CONSOLIDATED FINANCIAL AND OPERATING DATA

The summary non-consolidated financial data for the Company as of March 31, 2014 and 2013 and for each of FY2014, FY2013 and FY2012, respectively, set forth below has been derived or calculated from the Annual Financial Statements included elsewhere in this Offering Memorandum and is qualified thereby. The summary non-consolidated financial data for the Company as of December 31, 2014 and 2013, and for 9M FY2015 and 9M FY2014, respectively, set forth below has been derived or calculated from the 9M FY2015 Financial Information included elsewhere in this Offering Memorandum and is qualified thereby. This financial information should be read in conjunction with "Selected Non-Consolidated Financial and Operating Data", "Operating and Financial Review", "Unaudited Financial Results for the Nine Months Ended December 31, 2014", the Annual Financial Statements and the 9M FY2015 Financial Information set forth in this Offering Memorandum. In the Annual Financial Statements included herein, the income statement is headed "Statement of Profit and Loss". Furthermore, information in the Annual Financial Statements and the 9M FY2015 Financial Information is, unless otherwise stated therein, stated in rupees in "crore" (one crore is equal to 10 million) and in "lakh" (one lakh is equal to one hundred thousand), whereas financial information is shown below in millions of rupees, unless otherwise specified. Rounding off differences arising due to the above presentation have been adjusted appropriately.

The FY2013 financial statements include amounts of Reliance Jamnagar Infrastructure Limited, which was a wholly owned subsidiary of the Company until the Honorable High Court of Gujarat ordered its merger into the Company in an order dated October 22, 2012. Although the order took effect retroactively from April 1, 2011, the FY2012 financial statements were not restated. Consequently, the financial information for FY2013 and FY2012 may not be directly comparable.

The Annual Financial Statements and the 9M FY2015 Financial Information have been prepared in accordance with Indian GAAP and reporting guidelines prescribed by Indian regulatory authorities.

Indian GAAP differs in certain respects from US GAAP. For a discussion of certain significant differences between Indian GAAP and US GAAP, see "Description of Certain Differences Between Indian GAAP and US GAAP".

The Annual Financial Statements have been audited by Deloitte Haskins & Sells LLP, Chaturvedi & Shah and Rajendra & Co., Chartered Accountants, as set forth in their audit reports included herein.

See "Presentation of Financial and Other Data" for further information regarding the presentation of financial information and "Operating and Financial Review" for a description of certain line items in the Income Statement.

	Year Ended March 31,			
	2014	2014	2013	2012
	(US$ in millions)(1) (Unaudited)	(Rs. in millions) (Audited)		
Income Statement Data:				
Revenue from Operations(2)	65,112	3,901,168	3,602,966	3,299,040
Total Revenue/Income(3)	66,603	3,990,527	3,682,945	3,360,961
Depreciation and Amortization Expense	1,467	87,896	94,653	113,937
Finance Costs	535	32,059	30,361	26,671
Profit after tax for the Year	3,669	219,841	210,035	200,403

(1) Rupee amounts from the Annual Financial Statements as at March 31, 2014 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 59.915. The translation into US Dollars is for convenience only.

(2) Revenue from Operations comprises revenue from the sale of goods and services and sales during a facility's pre-commission trial period, net of sales tax, service tax, and excise duty recovered on sale, discounts and VAT and adjusted for gain/loss on hedge contracts corresponding to sales (commodity and/or exchange hedges).

(3) Total Revenue/Income is defined as Revenue from Operations plus Other Income; Other Income includes primarily dividends from investments, interest from investments/fixed deposit with banks, profit/loss from sale of investments (net) and fixed assets and miscellaneous income.

	As at March 31,			
	2014	2014	2013	2012
	(US$ in millions)(1) (Unaudited)	(Rs. in millions) (Audited)		
Balance Sheet Data:				
Cash and Cash Equivalents(2)	14,719	881,899	829,748	702,521
Total Assets	61,351	3,675,835	3,185,112	2,951,398
Total Secured Debt(3)	1,870	112,027	66,252	100,122
Total Unsecured Debt(4)	13,146	787,653	658,017	584,345
Total Equity(5)	32,892	1,970,740	1,799,942	1,660,957

(1) Rupee amounts from the Annual Financial Statements as at March 31, 2014 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 59.915. The translation into US Dollars is for convenience only.

(2) Cash and Cash Equivalents includes cash, bank balances, fixed maturity plan ("FMP"), government securities, current investments and fixed deposits with banks.

(3) Secured debt (including current maturities) includes short-term and long-term indebtedness from banks and others that is secured by assets of the Company.

(4) Unsecured debt (including current maturities) includes short-term and long-term indebtedness from banks and others that is not secured by assets of the Company.

(5) Total Equity comprises Paid-up Equity and Reserves and Surplus.

	As at and for the Year Ended March 31,		
	2014	2013	2012
		(Unaudited)	
Other Financial Data and Ratios:			
EBITDA(1) (Rs. in millions)	398,136	387,858	398,113
EBITDA(1)(2)(3) (US$ in millions)	6,645	—	—
EBITDA Margin(4)	10.2%	10.8%	12.1%
Net Profit Margin(5)	5.6%	5.8%	6.1%
EBITDA/Interest	12.4	12.8	14.9
Total Debt(8)/EBITDA	2.3	1.9	1.7
Total Debt(8)/Equity(6)	0.45	0.40	0.41
Long-term Secured Debt(8)/Total Fixed Assets(7)	0.02	0.06	0.08
Total Secured Debt(8)/Total Assets	0.03	0.02	0.03

(1) EBITDA is calculated as Total Income less the sum of Cost of Material Consumed, Purchases of stock-in-trade, Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade, Employee Benefit Expenses and Other Expenses. See "Presentation of Financial and Other Data—Non-GAAP Financial Measures".

(2) Rupee amounts converted to US Dollars at the exchange rate of US$1.00 = Rs. 59.915. The translation into US Dollars is for convenience only.

(3) US Dollar conversion of EBITDA is provided for FY2014 only.

(4) EBITDA Margin is calculated by dividing EBITDA by Revenue from Operations.

(5) Net Profit Margin is calculated by dividing Profit After Tax by Revenue from Operations.

(6) Equity comprises Paid-up Equity and Reserves and Surplus.

(7) Total Fixed Assets are defined as Tangible Assets and Intangible Assets.

(8) Includes current maturities of Debt.

Financial Information as at and for 9M FY2015 and 9M FY2014

The following tables set forth the summary unaudited non-consolidated financial information of the Company as at and for 9M FY2015 and 9M FY2014. This financial information has been prepared in accordance with Indian GAAP and reporting guidelines prescribed by Indian regulatory authorities, and should be read in conjunction with "Unaudited Financial Results for the Nine Months Ended December 31, 2014" and "Selected Non-Consolidated Financial and Operating Data".

	Nine Months Ended December 31,		
	2014[(1)]	2014	2013
	(US$ in millions)	(Rs. in millions)	
		(Unaudited)	
Income Statement Data:			
Revenue from Operations	43,315	2,730,333	2,949,242
Total Revenue/Income[(2)]	44,360	2,796,211	3,018,238
Depreciation and Amortization Expense	1,008	63,565	65,136
Finance Costs	311	19,635	24,068
Profit after tax for the Period	2,614	164,759	163,535

(1) Rupee amounts from the 9M FY2015 Financial Information as at December 31, 2014 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 63.035. The translation into US Dollars is for convenience only.

(2) Total Revenue/Income is defined as Net Turnover plus Other Income. Other Income primarily includes dividends from investments, interest from investments/fixed deposit with banks, profit from sale of investments (net) and fixed assets and miscellaneous income.

	As at December 31,		
	2014[(1)]	2014	2013
	(US$ in millions)	(Rs. in millions)	
		(Unaudited)	
Balance Sheet Data:			
Cash and Cash Equivalents[(2)]	11,902	750,224	887,047
Total Assets	60,113	3,789,197	3,588,554
Total Secured Debt[(3)]	999	62,989	30,951
Total Unsecured Debt[(4)]	12,957	816,752	782,346
Total Equity[(5)]	33,834	2,132,711	1,951,237

(1) Rupee amounts from the 9M FY2015 Financial Information as at December 31, 2014 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 63.035. The translation into US Dollars is for convenience only.

(2) Cash and Cash Equivalents includes cash, bank balances, FMP, government securities and current investments, fixed deposits with banks.

(3) Secured Debt (including current maturities) includes short-term and long-term indebtedness from banks and others that are secured by assets of the Company.

(4) Unsecured Debt (including current maturities) includes short-term and long-term indebtedness from banks and others that are not secured by assets of the Company.

(5) Total Equity includes paid up equity and reserves and surplus.

	As at or Nine Months Ended December 31,	
	2014	2013
	(Unaudited)	
Other Financial Data and Ratios:		
EBITDA(1) (Rs. in millions)	295,614	294,458
EBITDA(1) (2) (3) (US$ in millions)	4,690	—
EBITDA Margin(4)	10.8%	10.0%
Net Profit Margin(5)	6.0%	5.5%
EBITDA/Interest	15.1	12.2
Total Debt(9)/Annualized EBITDA(6)	2.2	2.1
Total Debt(9)/Equity(7)	0.41	0.42
Long-term Secured Debt(9)/Long-term Debt(9)	0.02	0.03
Long-term Secured Debt(9)/Total Fixed Assets(8)	0.01	0.02
Total Secured Debt(9)/Total Assets	0.02	0.01

(1) EBITDA is calculated as Total Income less the sum of Cost of Material Consumed, Purchases of stock-in-trade, Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade, Employee Benefit Expenses and Other Expenses. See "Presentation of Financial and Other Data—Non-GAAP Financial Measures".

(2) Rupee amounts converted to US Dollars at the exchange rate of US$1.00 = Rs. 63.035. The translation into US Dollars is for convenience only.

(3) US Dollar conversion of EBITDA is provided for 9M FY2015 only.

(4) EBITDA Margin is calculated by dividing EBITDA by Revenue from Operations.

(5) Net Profit Margin is calculated by dividing Profit after tax by Revenue from Operations.

(6) Annualized EBITDA is equal to EBITDA for the relevant nine-month period divided by nine and multiplied by twelve.

(7) Equity is comprised of Paid-up-Equity and Reserves and Surplus.

(8) Total Fixed Assets are defined as Tangible Assets and Intangible Assets.

(9) Includes current maturities of Debt.

Summary Reserves and Production Data

The Company's engineers estimate the Company's proved oil and gas reserve quantities based on its internal surveys and data collected from third-party operators of production facilities in which the Company has a working interest. The following tables set forth the estimated net quantities of the Company's interest (on gross basis) in Proved Reserves and Proved Developed Reserves as at the dates indicated and the Company's production as at and for FY2014, FY2013 and FY2012, respectively:

	Proved Reserves			Proved Developed Reserves		
	As at and for the Year Ended March 31,			As at and for the Year Ended March 31,		
	2014	2013	2012	2014	2013	2012
	(Audited) (Million MT)					
Oil:(1)						
Beginning of the year	2.46	3.06	8.29	1.82	2.42	7.66
Reduction on transfer of participating interest	—	—	(1.69)	—	—	(1.65)
Revision of Estimates(2)	0.47	—	(2.61)	0.73	—	(2.66)
Production	(0.46)	(0.60)	(0.93)	(0.46)	(0.60)	(0.93)
Closing balance	**2.47**	**2.46**	**3.06**	**2.09**	**1.82**	**2.42**

	Proved Reserves			Proved Developed Reserves		
	As at and for the Year Ended March 31,			As at and for the Year Ended March 31,		
	2014	2013	2012	2014	2013	2012
	(Audited) (Million cubic meters)[3]					
Gas:[1]						
Beginning of the year	97,285	103,958	185,821	18,470	25,159	107,362
Reduction on transfer of participating interest	—	—	(56,621)	—	—	(30,543)
Revision of Estimates[2]	(7,195)	59	(12,418)	834	43	(38,836)
Production	(3,860)	(6,732)	(12,824)	(3,860)	(6,732)	(12,824)
Closing balance	86,230	97,285	103,958	15,444	18,470	25,159

(1) See "Risk Factors—Risks Relating to the Business—Crude oil and natural gas reserve estimates involve some degree of uncertainty and may prove to be incorrect over time or may not accurately reflect actual growth levels, or even if accurate, technical limitations may prevent it from retrieving these reserves. In addition, the actual size of deposits may differ materially from such estimates".

(2) Revision of estimates in oil and gas reserves was due to the reworking of geological models using complete field data sets such as information from additional wells drilled, reprocessing of seismic data, geological understanding and petro-physics interpretation of Panna-Mukta, Tapti and KG-D6 fields.

(3) One cubic meter is equivalent to 35.315 cubic feet.

The reserves data in this Offering Memorandum are estimates, and the Company's actual production, revenues and expenditure with respect to its reserves may differ from these estimates. See "Presentation of Financial and Other Data—Oil and Gas Reserves" and "Risk Factors—Risks Relating to the Business—Crude oil and natural gas reserve estimates involve some degree of uncertainty and may prove to be incorrect over time or may not accurately reflect actual growth levels, or even if accurate, technical limitations may prevent the Company from retrieving these reserves. In addition, the actual size of deposits may differ materially from such estimates".

THE OFFERING

The following is a brief summary of the terms of this offering and is qualified in its entirety by the remainder of this Offering Memorandum. Terms used in this summary and not otherwise defined shall have the meanings given to them in "Description of the Notes".

Issuer	Reliance Industries Limited (the "Company")
Notes	US$1,000,000,000 aggregate principal amount of 4.125% Senior Notes due 2025.
Issue Price	98.998% of principal amount, plus accrued interest, if any, from January 28, 2015.
Maturity Date	January 28, 2025.
Interest	The Notes will bear interest from January 28, 2015 at the rate of 4.125% per annum, payable semi-annually in arrears.
Interest Payment Dates	January 28 and July 28 of each year, commencing on July 28, 2015.
Status of the Notes	The Notes will be unsecured and unsubordinated obligations of the Company, will rank *pari passu* with all of its other existing and future unsecured and unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of its subsidiaries. See "Description of the Notes—Rank".
Restrictive Covenants	The Company has agreed to observe certain covenants, including, among other things, limitations on the incurrence of any Security Interest (as defined herein) to secure payment obligations under any Securities. "Securities" are generally defined as non-rupee denominated securities, which are traded on a market outside India. The Company has also agreed not to enter into any consolidation, merger or sale of assets, unless certain conditions are met. See "Description of the Notes—Certain Covenants".
Additional Amounts	All payments in respect of the Notes will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within India or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If such withholding or deduction is required by law, subject to certain exceptions, the Company will pay additional amounts as will result in receipt by the holders of the Notes of such amounts as would have been received by them had no such withholding or deduction been required. See "Description of the Notes—Taxation".

Optional Redemption	The Notes may be redeemed, subject to applicable laws, at the option of the Company, at any time in whole or from time to time in part, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to the greater of (1) the principal amount of the Notes to be redeemed and (2) the sum of the present values of the Remaining Scheduled Payments of the Notes to be redeemed, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 40 basis points, in each case plus accrued and unpaid interest thereon to the redemption date. See "Description of the Notes—Redemption—Optional Redemption".
Tax Redemption	Upon certain changes in the tax laws of India or any political subdivision or taxing authority thereof or therein (including the execution or amendment of any treaty), or certain changes in the official application or interpretation thereof, the Notes may be redeemed at the option of the Company, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date fixed for redemption and any additional amounts payable with respect thereto. See "Description of the Notes—Redemption—Tax Redemption."
Repurchase upon a Change of Control Triggering Event	Upon a Change of Control Triggering Event, the Company will be required to make an offer to repurchase all or, at the option of the holder, any part of such holder's Notes at a price in cash equal to 101% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest on the principal amount of Notes to be repurchased to, but excluding, the date of repurchase. See "Description of the Notes—Repurchase Upon a Change of Control Triggering Event".
Denomination, Form and Registration of Notes	The Notes will be issued in minimum denominations of US$250,000 and in integral multiples of US$1,000 in excess thereof. Notes offered in the United States to QIBs in reliance on Rule 144A will be represented by one or more permanent global Notes in definitive, fully registered form without interest coupons (the "Rule 144A Global Notes") deposited with Citibank, N.A., London Branch, as custodian for and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Notes offered outside the United States in reliance on Regulation S will be represented by one or more permanent global Notes in definitive, fully registered form without interest coupons (the "Regulation S Global Notes" and, together with the Rule 144A Global Notes, the "Global Notes") deposited with Citibank, N.A., London Branch, as custodian for and registered in the name of a nominee of DTC for the respective accounts of the purchasers, or to other accounts as they may direct, at Euroclear Bank S.A./N.V. ("Euroclear") or Clearstream Banking société anonyme ("Clearstream"), each of which is a participant in DTC.

	DTC will credit the account of each of its participants, including Euroclear and Clearstream, with the principal amount of Notes being purchased by or through such participant. Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, including Euroclear and Clearstream. See "Description of the Notes—Notes; Delivery and Form".
Transfer Restrictions.........................	The Notes (including beneficial interests in the Global Notes) will be subject to certain restrictions on transfer and will bear a legend regarding such restrictions as set forth under "Transfer Restrictions". A transfer of a beneficial interest in the Notes, other than Notes represented by the Regulation S Global Notes to a person that takes delivery through an interest in the Regulation S Global Notes, is subject to certain certification requirements as set forth in the Fiscal Agency Agreement. A transfer of a beneficial interest in the Regulation S Global Notes to a person that takes delivery through an interest in the Rule 144A Global Notes or individual certificated Notes is also subject to certification requirements. See "Transfer Restrictions".
Further Issues...................................	The Company may, from time to time, without notice to or the consent of the Holders of the Notes, "reopen" the Notes and create and issue additional notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, the issue price, the first payment of interest on such additional notes and, to the extent necessary, certain temporary securities laws transfers restrictions). Upon issuance, such additional notes will be consolidated and form a single series of notes with the Notes, and will be deemed to be Notes for the purpose of, and subject to the terms of, the Fiscal Agency Agreement; provided that any notes issued as a part of a further issue that are consolidated and form a single series with the Notes must be fungible with the Notes for US federal income tax purposes. See "Description of the Notes—Further Issues".
Listing and Trading...........................	Approval in-principle has been received from the Singapore Exchange for the listing and quotation of the Notes on the Official List of the Singapore Exchange. Subject to the approval of the Singapore Exchange, the Notes will be traded on the Singapore Exchange in a minimum board lot size of US$250,000 for so long as the Notes are listed on the Singapore Exchange and the rules of the Singapore Exchange so require.

Paying Agent	For so long as the Notes are listed on the Singapore Exchange and the rules of the Singapore Exchange so require, the Company will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a global certificate is exchanged for definitive Notes. In addition, in the event that a global certificate is exchanged for definitive Notes, an announcement of such exchange shall be made by or on behalf of the Company through the Singapore Exchange and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore, so long as the Notes are listed on the Singapore Exchange and the rules of the Singapore Exchange so require.
Fiscal Agent	Citibank, N.A., London Branch
Use of Proceeds	The Company estimates that the net proceeds to it from its sale of Notes pursuant to this Offering Memorandum will be approximately US$985,615,000 after deducting the underwriting discount and its offering expenses. The net proceeds of this offering will be used by the Company to fund its capital expenditure in compliance with end-use guidelines set forth in the circulars on external commercial borrowings issued by the RBI issued from time to time and in compliance with all laws and regulations of India applicable to the Company. The RBI has by its letters dated December 3, 2014 and December 4, 2014 granted its approval to the Company for the Offering.
Governing Law	The Notes and the Fiscal Agency Agreement will be governed by and construed in accordance with the laws of the State of New York.
Risk Factors	See "Risk Factors" and the other information in this Offering Memorandum for a discussion of factors that should be carefully considered before deciding to invest in the Notes.

RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties described below and the information contained elsewhere in this Offering Memorandum before making an investment in the Notes. The risks described below are not the only ones relating to the Company or investments in India in general. The Company's business, financial condition and results of operations could be materially adversely affected by any of these risks. There are a number of factors, including those described below, that may adversely affect the Company's ability to make payments on the Notes. Additional risks not presently known to the Company or that the Company currently deems immaterial may also impair its business, financial condition and/or results of operations.

Risks Relating to the Business

The global macroeconomic environment may adversely affect the Company's business.

The Company's business and performance are influenced by local and global economic conditions. A significant portion of the Company's revenue is generated by export sales of petroleum and petrochemical products to global markets. A slowdown in global economic growth could exert downward pressure on the demand for these products, which could have an adverse effect on the Company's export potential for its finished products and in turn adversely impact business, financial condition and results of operations of the Company. Furthermore, a prolonged weakness in the global financial and economic situation may have a negative impact on third parties with whom the Company does, or may do, business. Any of these factors could adversely affect the Company's business, financial condition and results of operations.

Cyclical downturns in the refining and petrochemical industry may adversely affect the Company's margins and operating results.

A significant portion of the Company's revenue is attributable to sales of petroleum, crude oil, natural gas and petrochemical products in India, the prices of which are affected by worldwide prices of feedstock, such as crude oil and natural gas and end products such as diesel, gasoline, jet fuel, naphtha, paraxylene, benzene, purified terephthalic acid, monoethylene glycol, polyester fiber, polyester yarns, polyethylene, polypropylene, polyvinyl chloride, polybutadiene rubber, linear alkyl benzene and other chemicals. Historically, the prices of feedstock and end products have been cyclical and sensitive to relative changes in supply and demand, the availability of feedstock and general economic conditions. For example, the price of Brent crude fell by approximately 40% during the period October 1, 2014 to December 31, 2014, which resulted in a decrease in the Company's revenues in the quarter ended December 31, 2014. A continued low price environment could impact revenues during the quarter ended March 31, 2015. From time to time, the markets for the Company's petroleum and petrochemical products have experienced periods of increased imports or capacity additions, which have resulted in oversupply and declines in product prices and margins in the domestic market. In such situations in the past, the Company was forced to export these products. Exports may result in lower margins as export prices are lower than domestic prices. This is because domestic prices have historically been supported to a degree by the existence of import tariffs in the Indian market and the fact that, in exporting products, the Company faces higher freight charges and tariffs imposed by other countries. The withdrawal or lessening of import tariffs in India would have an adverse effect on the Company's margins and operating results. Any downturn resulting from existing or future excess industry capacity or otherwise may have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's operations are affected by the volatility in the prices and availability of supply of crude oil and other feedstock.

The Company's operations largely depend on the supply of crude oil, one of the Company's principal raw materials. In FY2014 the Company's imports of crude oil amounted to Rs. 2,715.86 billion (FY2013: Rs. 2,603.46 billion). The Company is capable of processing a wide range of crude oil, including crude oil from the Middle East, South America, the Far East, West Africa and India, although its choice of feedstock at any time depends on relative prices and yields. The Company acquires substantial portions of its requirements of crude oil from foreign sources through a combination of term purchase contracts and spot market purchases. The Company typically stocks approximately 10 to 15 days of crude oil in its storage tanks. In recent years, the Company has sourced a substantial part of its crude oil requirement from the Middle East region. Events, such as hostilities, strikes, natural disasters, protests and political developments in petroleum-producing regions (particularly in or affecting the Middle East), domestic and foreign government regulations and other events could interrupt the supply of crude oil, which could have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, these events or other events, such as changes in the fiscal and regulatory environment in India, may adversely affect prices of crude oil generally or the price at which the Company is able to obtain a supply of crude oil, which may, under some circumstances, adversely affect the Company's gross refining margin. The price of crude oil has been, and is expected to continue to be, volatile. A significant increase in the price of crude oil would have an adverse effect on the Company's business, financial condition and results of operations if the Company were unable to pass on any such higher costs to the Company's customers.

Volatile margins and crude oil prices in the refining industry may negatively affect the Company's future operating results and decrease its cash flow.

The Company's performance in the Refining business is primarily affected by the relationship, or margin, between refined petroleum product prices and the prices for crude oil and other feedstock. The cost of purchasing the required quantities of crude oil and other feedstock and the price at which the Company can ultimately sell refined petroleum products depend upon a variety of factors beyond its control. Historically, refining margins have been volatile, and they are likely to continue to be volatile in the future. Future volatility may negatively affect the Company's results of operations, since the margin between refined petroleum product prices and feedstock prices may decrease below the amount needed for the Company to generate positive net cash flow from operations. Specific factors that may affect the Company's refining margins and financial performance include:

- Change in aggregate demand of crude oil and refined petroleum products, which is influenced by factors such as general economic conditions, weather patterns, including seasonal fluctuations, and demand for specific products such as gasoline, diesel and jet fuel, which are themselves influenced by external factors beyond the Company's control;

- Reduction in the availability or increases in the cost of crude oil and other feedstock and associated transportation costs without corresponding increases in the price of refined products;

- Increase in aggregate global refining capacity and the extent of growth in global refining capacity;

- Global geo-political conditions, including political conditions in oil-producing regions, such as the Middle East and the Far East;

- Accidents, interruptions in transportation, inclement weather or other events that cause unscheduled shutdowns or otherwise adversely affect the Company's plants, machinery, pipelines or equipment, or those of the Company's suppliers or customers;

- Changes in fuel specifications required by environmental and other laws in the target markets of India, the Asia-Pacific region and globally;

- Changes in the domestic regulatory environment, with respect to import and export duties on crude and refined products;

- The Company's ability to execute capital projects that may be developed in the future or to realize the benefits expected from those projects;

- Price, availability and acceptance of substitute petroleum products, such as biodiesel;

- Currency fluctuations; and

- Significant loss of critical talent to run the refining business.

As crude oil prices provide a benchmark for petroleum and petrochemical feedstock prices, changes in crude oil prices are likely to also have an impact on petroleum and petrochemical prices. Recently, the price of Brent crude fell by approximately 40% from the period October 1, 2014 to December 31, 2014, which resulted in a decrease in the Company's revenues in the quarter ended December 31, 2014. A continued low price environment could impact revenues during the quarter ended March 31, 2015. Substantial or extended declines in crude oil prices and petroleum and petrochemical product margins may have a material adverse effect on the Company's business, revenues, results of operations and financial condition.

Crude oil and natural gas reserve estimates involve some degree of uncertainty and may prove to be incorrect over time or may not accurately reflect actual growth levels, or even if accurate, technical limitations may prevent the Company from retrieving these reserves. In addition, the actual size of deposits may differ materially from such estimates.

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

Crude oil and natural gas exploration and production activities are subject to various uncertainties, including those relating to the physical characteristics of crude oil and natural gas fields. These physical characteristics, including the proportion of reserves that can ultimately be produced, the rate of production and the costs of developing the fields, are difficult to estimate and, as a result, actual production may be materially different from current estimates of reserves. Factors affecting the Company's reserve estimates include: new production or drilling activities; assumptions regarding future performance of wells and surface facilities; field reviews; the addition of new reserves from discoveries or extensions of existing fields; the application of improved recovery techniques; and changed economic conditions.

The reliability of reserve estimates depends on the quality and quantity of technical and economic data, the production performance of the fields, and consistency in oil and gas policies of the Government, as well as the governments of other countries where the Company has operations. In addition, changes in the price of crude oil and natural gas may also materially adversely affect the estimates of the Company's Proved Reserves, because the reserves are evaluated based on prices and costs as of the appraisal date. The quantities of crude oil and natural gas that are ultimately recovered could be materially different from the Company's reserve estimates, and downward revisions of such estimates could affect its results of operations and business plan. Published reserves estimates may also be subject to correction due to the application of published rules and guidance.

Oil and gas reserves reporting requirements for filings with the US Securities and Exchange Commission (the "SEC") are specified in Industry Guide 2 under the Securities Act ("Guide 2"). The Company's reporting policy is not, and is not required to be, derived from, or consistent with, Guide 2 and differs from Guide 2 in certain material respects. The Company's reserves may differ from those described herein if determined in accordance with Guide 2.

The Company can give no assurance that the reserves estimates upon which it has made investment decisions accurately reflect actual reserve levels, or even if accurate, that technical limitations will not prevent it from retrieving these reserves. Further, the Company has provided certain estimates regarding oil and gas initially in place in this Offering Memorandum. These estimates are based solely on volumetric analysis of the Company's various license areas and are not used by the Company as the primary basis for development of capital expenditure decisions. Accordingly, investors should not rely on this data as the primary basis for their decision whether to invest in the Notes.

Hydrocarbon exploration is risky, capital intensive and may involve cost overruns that may adversely impact the Company's business, financial condition in the future and results of operations.

Finding oil and gas is an uncertainty in any exploration venture. Generally, only a few of the properties that are explored are ultimately developed into hydrocarbon producing fields. There is no assurance that hydrocarbons will be discovered or, even if discovered, that commercial quantities of hydrocarbons will be recovered from the Company's existing or future fields and blocks.

In addition, the business of hydrocarbon exploration involves a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to prevent. These risks include, but are not limited to, encountering unusual or unexpected geological formations or pressures, seismic shifts, unexpected reservoir behavior, unexpected or different fluids or fluid properties, premature decline of reservoir, uncontrollable flow of oil, natural gas or well fluids, equipment failures, extended interruptions due to, among others, inclement or adverse weather conditions, environmental hazards, industrial accidents, occupational and health hazards, mechanical and technical failures, explosions, pollution, oil seepage, industrial action and shortages of manpower necessary to implement the Company's development plans. These risks and hazards could also result in damage to, or in the destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses, and possible legal liability as well as delays in other construction, fabrication, installation or commissioning activities.

Hydrocarbon exploration is also capital intensive and the Company has limited financial resources. Exploration and development of the existing assets and acquisition of new assets may be dependent upon the Company's ability to obtain suitable financing or ability to generate sufficient cash from operations. There can be no assurance that such funding will be available and, if such funding is made available, that it will be offered on economical terms. Any of the foregoing may have a material adverse effect on the Company's business, financial condition and results of operations.

If the Company fails to discover, otherwise acquire or develop additional reserves, the reserves within fields in production and under development, and production from these fields, will decline materially from their current levels.

As at March 31, 2014, a major part of the Company's estimates of the Proved Reserves in the Company's oil and gas interests were in the KG-D6 block, and the balance related to the Panna-Mukta, Tapti and CBM blocks. These Proved Reserves have declined and will decline further as crude oil and natural gas are extracted. Likewise, Proved Reserves in other fields in which the Company has an interest will also decline as its extraction activities deplete existing reserves, and as reserves are depleted, the volume of production in the depleted fields generally declines as well.

The Company holds exploration licenses for various geographic areas off the east and west coasts of India, on land in eastern and western India and across various overseas blocks. Environmental, geological and infrastructural conditions in many of these areas are challenging, and exploration and development costs can be high; however, future production of crude oil and natural gas is dependent on the Company finding or acquiring and developing additional reserves.

If the Company is unsuccessful at finding or acquiring and developing additional assets holding Proved Reserves, it may not meet its production targets, and the total Proved Reserves in the fields in which it has an interest, and production from those fields, will continue decline, which may adversely affect its results of operations and financial condition. See "Operating and Financial Review—Results of Operations by Segment for FY2014 and FY2013—Segment Revenue—Oil and Gas".

The Company has limited experience in developing oil and gas reserves, including offshore and deepwater projects, which may affect the Company's ability to successfully develop its reserves.

Some of the projects that the Company is or may be developing are offshore and deepwater projects, where environmental conditions are challenging, limited data is available and exploration and development costs can be high. The Company's management team has relatively limited experience in such development activities. In addition, the Company's offshore and deepwater projects require the use of high-resolution surveys and infrastructure for interpretation and involve greater exploration expenditures than onshore exploration practices. The Company has limited experience in deepwater exploration, which is a particularly high-risk and capital-intensive activity. Furthermore, the deepwater operations generally lack the physical service infrastructure present at onshore developments. As a result, a significant amount of time may pass between a deepwater discovery and the commercial production of the associated oil or gas, increasing both the financial and operational risk involved in such operations. As a consequence of the lack of, and the high cost of, infrastructure, some reserve discoveries may never be capable of being produced economically. If the Company is unable to develop its offshore and deepwater projects economically or in a timely manner, or at all, the Company's business, financial condition and results of operations may be adversely affected.

The Company's growth plans have significant capital expenditure requirements, and its capital expenditure plans are subject to various risks.

The Company and certain of its subsidiaries, require significant capital expenditure in order to implement their strategy. The Company must continue to invest capital to maintain the amounts of oil and gas that it produces and processes and to maintain or increase its levels of oil and gas reserves. The Company is investing in new projects in its core business areas, including a new refinery off-gas cracker, a petcoke gasification project and expansion of its petrochemical capacities. The Company is also investing, through its subsidiaries, in new growth areas such as telecommunication services and its organized retail business. The maintenance of existing plant, machinery and equipment also requires significant capital expenditure. In addition, the Company must continue to invest capital to improve the reliability and productivity of its infrastructure. The Company's capital expenditure in FY2014 amounted to Rs. 352.10 billion (FY2013: Rs. 190.41 billion).

The Company's capital expenditure plans and requirements are subject to a number of risks, contingencies and other factors, some of which are beyond its control, including:

- the ability to generate sufficient cash flows from operations or to provide debt and/or equity contributions to its subsidiaries;
- the availability and terms of external financing;
- new investment opportunities, such as international investment opportunities and new findings of oil and natural gas; and
- cost overruns and/or delays in commencement of commercial production from a new project.

Therefore, the Company's actual future capital expenditure and investments may differ significantly from its current planned amounts. In addition, the Company cannot assure investors that it will be able to generate sufficient cash flow or that it will have access to sufficient external financing to continue its business activities at present levels.

Inability to obtain adequate financing to meet the Company's liquidity and capital resource requirements may have an adverse effect on its results of operations.

The Company has had, and expects to continue to have, substantial liquidity and capital resource requirements for meeting its working capital requirements as well as capital expenditures. The Company will be required to supplement its cash flow from operations with external sources of financing to meet these requirements. The inability of the Company to obtain such financing may impair its business, results of operations, financial condition or prospects. Such inability could result from, among other causes, the Company's then-current or prospective financial condition or results of operations or its inability for any reason (including reasons applicable to Indian companies generally) to issue securities in the capital markets. There can be no assurance that financing from external sources will be available at the time or in the amounts necessary or at competitive rates to meet the Company's requirements.

The Company's exploration, development and production operations are subject to various risks and natural disasters, and resulting losses may cause material liabilities that are not covered by insurance.

Exploration and production of oil and natural gas is hazardous, and man-made and natural disasters, operator error or other accidents can result in oil spills, blow-outs, fires, equipment failure and loss of well control, which can result in the suspension of drilling operations, injure or kill people, damage or destroy wells and production facilities and damage property and the environment. Offshore operations are subject to adverse weather conditions and vessel collisions, as well as interruptions or termination by governmental authorities based on environmental and other governmental considerations. The events relating to the Deepwater Horizon oil spill in the Gulf of Mexico during 2010 illustrate the magnitude of the operational risks inherent in oil and gas exploration and production activities, as well as the potential to incur substantial financial liabilities if those risks are not effectively managed. Such incidents have resulted or may, in the future, result in changes to environmental and other laws and regulations, which could result in operational delays and have the effect of increasing the cost of, and reducing available opportunities for, offshore exploration and production. Operational and other failures can also have a significant effect on an oil and gas company's reputation.

In addition, the Company's operations are subject to certain risks generally associated with oil and gas, petroleum refining and petrochemicals operations and the related receipt, distribution, storage and transportation of feedstocks, products and wastes. These risks are particularly significant for the Company, as most of the Company's operations are integrated and interdependent. These risks include certain production, equipment and transportation risks, such as:

- the risks of explosions in pipelines (oil and gas), refineries, plants, drilling wells and other facilities;
- other natural or geological disasters;
- fires, accidents and mechanical failures;
- suspension of refinery operations for scheduled and unscheduled maintenance and repairs;
- spills, leaks and other releases of oil, natural gas, and other hazardous materials;
- unexpected geological formations or pressures resulting in blow-outs (sudden, violent explosions of oil, natural gas or water from a drilling well, followed by an uncontrolled flow from the well) or cratering (the caving in and collapse of the earth's structure around a blown-out well);
- collapsed holes, particularly in horizontal well bores; and
- sabotage and terrorism risks.

The occurrence of any of these events or other accidents could result in personal injuries, loss of life, environmental damage with the resulting containment, clean up and repair expenses, equipment damage and damage to the Company's facilities and the imposition of civil and criminal liabilities. A shutdown of the affected facilities could disrupt the Company's production and significantly increase its production costs. This risk is particularly significant for the Company due to the importance of the operations that are conducted at a single location in Jamnagar and its reliance on a single pipeline to transport KG-D6 gas. The occurrence of such events or accidents may also have reputational consequences and affect the Company's ability to conduct its business in the affected areas in the future.

The Company maintains insurance coverage for a significant range of onshore and offshore risks, including business interruption at certain of its businesses and certain accidents at the Company's customers' and suppliers' premises affecting the Company's operations. However, the insurance policies may not cover all liabilities and insurance may not be available for all risks or on commercially reasonable terms. The Company may also be unable to successfully assert its claims for any liability or loss under such insurance policies. There can be no assurance that accidents or acts of terror will not occur in the future, that insurance will adequately cover the entire scope or extent of the Company's losses or that it may not be found directly liable in connection with claims arising from these and other events. The occurrence of any of these events may have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, the Company's policy of covering third-party risks through contractual limitations of liability, indemnities and insurance may not always be effective. The Company's third-party contractors may not have adequate financial resources to meet their indemnity obligations to the Company and may derive from risks not addressed in the Company's indemnity agreements or insurance policies.

The areas in which the Company's principal facilities are located have experienced severe natural disasters in the past, and the occurrence of any further natural disasters in these areas could have a material adverse effect on the Company's business, results of operations and financial condition.

The State of Gujarat in India, where the Company's refinery and petrochemicals complex is located, has experienced severe earthquakes and cyclones in the past. The State of Andhra Pradesh, where the Company's onshore gas processing and terminal facility is located, and the east coast of India, where the Company's offshore oil and gas production are located, have experienced severe cyclones, tsunamis and extreme weather conditions in the past.

The Company's operations depend upon its ability to protect its principal production facilities against damage from fire, earthquakes, floods, storms, power loss and similar events and to construct facilities that are not vulnerable to the effects of such events. The occurrence of a natural disaster or other unanticipated problems at its facilities or work sites could cause interruptions in the normal operation of its principal production facilities. Any damage or failure that causes interruptions to operations of the principal production facilities may have a material adverse effect on the Company's business, financial condition and results of operations.

The oil and natural gas industry in India is highly competitive.

The oil and natural gas industry in India is highly competitive. The Company competes principally with leading Government-controlled companies engaged in oil and natural gas exploration and production, as well as private sector Indian companies and international oil and gas companies. Some of the competitors are well capitalized and have Government shareholding and therefore they may be able to compete more effectively than the Company.

The key activities in which the Company faces, or may face, competition are:

- acquisition of exploration and production licenses at auctions or sales run by the Government, particularly in the NELP rounds;
- joint ventures and other types of strategic relationships with companies that may already own exploration licenses or existing hydrocarbon producing assets in India;
- engagement of leading third-party service providers;
- purchase of capital equipment;
- employment of qualified and experienced staff; and
- access to offtake arrangements.

In addition, the continued deregulation and liberalization of industries in India, combined with reductions in customs duties and import tariffs, could lead to increased competition from international companies in the Company's domestic market, which may have a material adverse effect on the Company's business, financial condition and results of operations.

The Company also faces significant competition in the development of innovative products and solutions, including the development of new technologies for its core upstream and downstream businesses. In addition, other competitive sources of energy are expected to become available in the future. Accordingly, the Company expects competition in the oil and gas and refining industries to increase, which could have a material adverse effect on its business, financial condition and results of operations.

The Company and its business operations are impacted by extensive regulation in India and other countries in which the Company operates.

The Company's operations, including exploration of oil and gas, the operation of a refinery and petrochemical plants, the distribution of petroleum, petrochemical products and the related production of by-products and wastes entail environmental risks. The Company is subject to extensive regulations including regulations relating to worker health and safety and environmental laws and regulations concerning land use, air emissions, discharge of hazardous materials into the environment, waste materials and abandonment of installations or otherwise relating to the protection of the environment in connection with its operations, including the design and operation of its upstream and downstream oil and gas facilities in India and the other countries in which the Company operates, transacts business or has interests. Numerous government agencies and departments issue rules, ordinances and regulations, which are often difficult and costly to comply with and which carry substantial penalties for non-compliance. In the ordinary course of business, the Company is subject to environmental inspections and monitoring by government enforcement authorities. The Company may incur substantial costs, including fines, damages and criminal or civil sanctions, or experience interruptions or suspensions in the Company's operations for actual or alleged violations arising under applicable environmental laws.

The Company's operations involve the generation, use, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. From time to time, these operations may result in violations under environmental laws and regulations, including spills or other releases of hazardous substances into the environment. In the event of such an incident, the Company could incur material costs as a result of addressing the impact thereof and implementing measures to prevent such incidents.

In addition, the Company's production facilities and operations require numerous governmental permits and approvals that are subject to renewal, modification and, in some circumstances, revocation. Violations of, or the inability to obtain, such permits or approvals can also result in restrictions to, or prohibitions on, refinery, plant or other operations, substantial fines and civil or criminal sanctions. If the authorities require the Company to shut down all or a portion of a refinery, plant or other operations or to implement costly compliance measures, whether pursuant to existing or new laws and regulations, such measures could have an adverse effect on the Company's business, financial condition and results of operations.

Further, the adoption of new safety, health and environmental laws and regulations, new interpretations of existing laws, increased governmental enforcement of environmental laws or other developments in the future may require that the Company make additional capital expenditures or incur additional operating expenses in order to maintain the Company's current or future operations or take other actions that could have a material adverse effect on its financial condition, results of operations and cash flow. The measures the Company implements to comply with these new laws and regulations may not be deemed sufficient by governmental authorities, and compliance costs may significantly exceed the Company's current estimates.

If the Company fails to meet environmental requirements or has a major accident or disaster, it may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines, penalties and damages against the Company as well as orders that could limit or halt or even cause closure of the Company's operations, any of which may have a material adverse effect on its business, financial condition and results of operations.

Operational failures and associated reputational consequences may lead to an increasingly stringent regulatory environment.

Operational failures of companies operating in oil and gas exploration, development and production, together with associated reputational consequences, may lead to increasingly stringent environmental, health, safety and other regulations and permitting requirements. Changes in regulations and environmental, health and safety laws and regulations, or their interpretation, may require the Company or its subsidiaries to incur significant unforeseen expenditures to comply with such requirements, add significantly to operating costs, or significantly limit or delay drilling activity. For example, following the fire and explosion onboard the semisubmersible drilling rig Deepwater Horizon leading to the oil spill affecting the Gulf of Mexico during 2010, the Bureau of Ocean Energy Management, Regulation and

Enforcement ("BOEMRE") of the US Department of Interior ("DOI") implemented a moratorium on deepwater drilling operations. Although this moratorium has been lifted, the DOI and the BOEMRE (as well as the two successor agencies of the BOEMRE, the Bureau of Safety and Environmental Enforcement ("BSEE") and the Bureau of Ocean Energy Management ("BOEM")) have also implemented, and the DOI, BSEE and BOEM are expected to issue further, new safety and environmental regulations, guidance and clarifications for the Gulf of Mexico and potentially for other geographic regions, and may take other steps that could increase the costs of exploration and production, reduce the area of operations and result in delays in obtaining, or the inability to obtain, the required permits. This incident could also result in drilling suspensions or other regulatory initiatives in other areas of the United States and it is possible that similar measures may be implemented outside the United States as a result of the Deepwater Horizon or similar future incidents. Such initiatives and changes in regions where the Company operates may have an adverse effect on the Company's business, financial condition and results of operations.

Given the possibility of unanticipated regulatory or other developments, including more stringent environmental, health and safety laws and regulations, the amount and timing of future environmental, health and safety compliance expenditures could vary substantially from their current levels. The Company cannot predict what additional environmental, health and safety laws or regulations will be enacted in the future or the potential effects on its financial position and results of operations, and potentially significant expenditures could be necessary in order to comply with future environmental, health and safety laws and regulations. Also, such capital expenditures and operating expenses relating to environmental, health and safety matters will be subject to evolving regulatory requirements and will depend on the timing of the promulgation and enforcement of specific standards which impose requirements on the Company's operations. Accordingly, the Company cannot assure you that it will not be subject to stricter enforcement or interpretation of existing environmental, health and safety laws and regulations, or that such laws and regulations will not become more stringent in the future.

The sale of gas produced from the NELP blocks is regulated by the gas utilization policy adopted by the Government.

According to *International Energy Outlook 2013*, natural gas accounted for about 10% of India's overall energy consumption in 2010, and India's natural gas consumption is expected to grow at 2.0% per year on average, from 2010 to 2040. The Company has made significant investments in gas exploration and production over the last few years, and gas remains an important element of its growth strategy; however, the price of gas is a material factor in assessing the commercial value of planned exploration and development.

In 2008, the Government adopted a gas utilization policy that requires contractors to sell gas produced from the NELP blocks to consumers who are engaged in industry sectors prioritized by the Government for the supply of gas. Under the NELP PSC, the Company is required to sell all gas produced at arm's-length prices for the benefit of the PSC parties. The formula or basis on which prices are determined needs to be approved by the Government prior to the sale of gas.

The order of priority and the Government's allocation of specified quantities to customers may restrict the Company's ability to freely market the gas it produces. Further, the Government's decisions with regard to the price of gas may prevent the Company from realizing market price of gas. This may result in a lower profit margin for the Company compared to the profit margin that it would have earned at prevailing market price if such market price is higher than the price approved by the Government.

The Company is required to seek the approval of the Government for certain decisions under its PSCs, which may limit its ability to take certain actions under those contracts.

The upstream segment of the Indian oil and gas industry is highly regulated and requires the Company to obtain several consents and approvals from the Government at various stages of exploration, development and production under the NELP PSC. The PSC requires the Company to obtain authorizations and approvals from the Government, the operating committee (represented by constituents of the contractor under the PSC) and the management committee (represented by the contractor parties and the Government). While the PSC has well-defined procedures and timelines for obtaining such approvals, any delays in critical approvals by the Government will limit the Company's ability to take certain actions under those contracts or may cause a delay in taking such actions, which could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company's inability to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate its business may have a material adverse effect on its business.

The Company requires certain statutory and regulatory permits and approvals for its business. For example, laws or regulations in some countries may require it to obtain licenses or permits in order to bid for contracts or otherwise conduct its operations. In some jurisdictions, activities related to construction of its projects may be subject to the prior granting of environmental licenses or permits or to prior notification. In the future, the Company will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any such permits or approvals in the time frame anticipated by the Company, or at all. Failure by the Company to renew, maintain or obtain the required permits or approvals may result in the interruption of its operations and may have a material adverse effect on its business, financial condition and results of operations.

Demand for natural gas may occur at a slower pace than the Company's expectation, which could adversely affect the Company's growth.

Over the past few years, demand for energy has risen in India along with India's economic growth, registering a growth of 3.7% in 2013 over 2012. Coal has been the dominant fuel in the Indian energy sector, representing 54.5% of the total primary energy consumption in 2013. Oil's share of the energy mix has remained relatively stable, representing 29.5% of the total primary energy consumption in 2013. However, gas's share, which had increased from 8.4% in 2008 to 9.8% in 2011, decreased to 7.8% in 2013 primarily on account of lower availability of gas, indicating large pent up demand for gas subject to availability and competitiveness. (Data Source: BP Statistical Reviews—2014).

The rate of growth of India's economy and of the demand for energy in India may not be as high as the Company anticipates and may not be sustainable in the long term. During periods of robust economic growth, energy demand may grow at rates as great as, or even greater than, that of the gross domestic product ("GDP"). On the other hand, during periods of slow growth, such demand may exhibit slow or even negative growth.

In addition, the Company's expansion of natural gas production in India is constrained by a lack of natural gas transmission and supply infrastructure and an underdeveloped natural gas market. Development of the natural gas market depends on the establishment of long-term natural gas supply contracts with natural gas consumers, the construction of transmission and supply pipelines and other infrastructure, and growth in demand from large end users. In the event that there is no significant price differential between natural gas and alternate fuels, new major industrial customers may choose to consume alternative fuels.

The Company may have some limited activities with persons and/or entities from certain countries that are the subject of economic embargoes and/or sanctions.

The Company does not have any investment in any of the countries that are currently the subject of any international economic embargoes and/or sanctions or any sanctions administered by the US Department of the Treasury's Office of Foreign Assets Control (collectively, "Sanctions"). The Company may have some limited activities with persons and/or entities from certain countries that are the subject of Sanctions, but, even if such activities exist, they are not significant in the context of the Company's financial conditions and results of operations.

There can be no assurance however that persons and/or entities with whom the Company may engage in transactions in the future will not become the subject of Sanctions or that the countries with which the Company currently may have some limited activities will not be the subject of further and more restrictive Sanctions in the future. In addition, there can be no assurance that Sanctions will not be imposed on other countries, persons, or entities with which the Company currently operates or may in the future operate.

Some of the Company's international interests are located in politically and economically unstable areas, which create security risks that may disrupt its operations.

The Company has interests in assets located in Yemen, and as a result, it is subject to the jurisdiction of their respective governments and judicial systems. These countries and regions have experienced instability in the recent past, or may experience instability in the future, which may have an adverse effect on the Company's operations within these countries and regions. The Company may also acquire new exploration or production acreage in these or other countries and regions that are subject to instability or have underdeveloped infrastructure to support the Company's operations, as compared to India. The oil and gas industry has, in the past, been subjected to regulation and intervention by governments around the world, including in the countries and regions in which the Company operates, relating to matters such as environmental protection, controls, restrictions on production and trade, and potentially, nationalization, expropriation or cancellation of contract rights, as well as restrictions imposed by other governments on entities conducting business in such countries and regions. In the event that such adverse events, which are beyond the Company's control, occur in the areas of its operations overseas, contractual provisions and bilateral agreements between countries may not be sufficient to safeguard the Company's interests, and its operations in those areas may be adversely affected.

The Company operates internationally and expects to continue to expand its international activities, making it increasingly susceptible to political and economic conditions outside India.

The Company derives a significant portion of its revenues from sales outside India. In FY2014, FY2013 and FY2012, the Company's export sales (including deemed exports) constituted 69%, 64% and 61%, respectively, of its Turnover. The Company's financial condition and results of operations are expected to be increasingly affected by international and local political, economic and operating conditions in or affecting countries where it operates, transacts business or has interests.

The Company's ability to sell gas and/or receive market prices may be adversely affected by pipeline capacity constraints and various transportation interruptions.

The Company's ability to exploit, in a cost-effective manner, any reserves discovered will depend upon, among other things, the availability of necessary infrastructure to transport oil and gas to potential buyers at commercially acceptable prices. Oil is usually transported by pipelines to refineries, and gas is usually transported by pipelines to end users and gas distribution companies. Although sufficient spare pipeline capacity exists in the country for transportation of gas, there can be no assurance that the Company will be successful in its efforts to arrange suitable infrastructure for cost-effective transportation of its gas and oil production.

The Company is dependent on dedicated service providers for certain of its key operational requirements, such as power, port and marine infrastructure, as well as storage and transportation at its principal facilities.

The Company is currently dependent on certain service providers for each of the specialized services such as power, port and marine infrastructure (including the provision of single point mooring for movement of crude oil and refined products between storage tanks and transportation vessels) as well as transportation and logistics infrastructure required for its refinery and petrochemical plants.

The Company's ability to continue to use the port and related facilities at Jamnagar, through which the Company receives crude oil and evacuates petroleum and petrochemical products, is critical to the Company's business. The Company is also dependent on the pipelines from Vadinar to Kandla, and from Kandla to North West India, as well as rail and road links for the transportation of the Company's liquid products. Any damage to or blockage at these facilities could interrupt the supply of crude oil and the evacuation of the Company's petroleum products. Such damage or blockage could result from a variety of factors, including natural disasters, ship accidents, deliberate attacks on pipelines or operating problems.

If one or more of such events were to occur, it could have a material adverse effect on the Company's business, financial condition and results of operations, including the temporary or permanent cessation of certain operations.

The Company is dependent on the continued operation of a single pipeline to transport substantial portions of the Company's gas produced from KG-D6.

The Company has based its estimated production forecast from KG-D6 on the assumption that the transmission pipeline infrastructure with sufficient capacity will continue to be available. KG-D6 gas customers have entered into a gas transmission agreement with Reliance Gas Transportation Infrastructure Limited ("RGTIL") to use its pipeline to transport gas from the east coast of Andhra Pradesh to Gujarat, where a substantial portion of gas production from KG-D6 is sold. RGTIL's pipeline will require regular upgrades and maintenance to remain operational. Additionally, the pipeline traverses difficult terrain and could be subject to acts of destruction resulting from insurgency, terrorism and civil strife in the regions through which it passes. In the event of an interruption, the Company may need to use other third-party pipelines, which may have a limited capacity to accommodate the Company's projected gas production volumes. Therefore, a significant interruption in gas transportation infrastructure may have an adverse effect on the Company's business, financial condition and results of operations.

Recovery of the Company's costs incurred toward exploration, development and production are subject to Government approval.

Under the NELP PSC and the Panna-Mukta and Tapti PSCs (to which the Company is a party), the Company may recover all costs incurred towards exploration, development and production of oil and gas from petroleum produced from the blocks, before sharing profits among the parties to the PSC.

In 2010, the Comptroller and Auditor General of India ("CAG"), at the request of the Government, conducted a special audit for the block KG-D6 for the financial years 2006-07 and 2007-08. In June and July 2011, the Director General of Hydrocarbons shared with the Company the audit observations made by CAG in their draft audit report. The Company made detailed responses to all the observations. The CAG tabled its final report before the Parliament on September 8, 2011. The final report submitted by the CAG contains findings, which suggest that the terms of PSC were contravened by the Government and the partners to the PSCs. Following the final report of the CAG, the Government issued Audit Exceptions in November 2011 under the provisions of the PSC, which the Company responded to in March 2012. The final report is under examination by the Public Accounts Committee.

On November 23, 2011, the Company served an arbitration notice on the Government seeking to resolve a dispute relating to the PSC with respect to the KG-D6 block. Both the Company and the Government have appointed arbitrators. On September 23, 2014, the Supreme Court nominated the Honorable Michael Kirby AC CMG as the presiding third arbitrator. Justice Kirby is corresponding with the parties.

Any failure to recover the Company's costs or the imposition of other remedies may have a material adverse effect on the Company's business, results of operations and financial condition. For an update on the Company's cost recovery under the PSC for KG-D6, see "Business—Litigation—Cost Recovery Arbitration".

The existing and further CAG audits/reports may contain adverse findings that could impact the Company's business, results of operations and financial condition.

In 2010, the CAG, at the request of the Government, conducted a special audit for the blocks KG-D6, Panna-Mukta and Tapti for the financial years 2006-07 and 2007-08. In November 2011, the Government communicated certain findings of the CAG, including certain audit exceptions under the applicable accounting procedures. The Company responded to these audit exceptions in March 2012.

A further audit was conducted by the CAG for the fiscal years 2008-2012. The final report of this audit was tabled before the Parliament on November 28, 2014. The CAG's audit report may contain findings that could impact the Company's business, results of operations and financial condition, and any disagreements regarding any of the CAG's audit reports may result in additional legal proceedings.

The cyclicality and overcapacity of the global petrochemicals industry may impact the Company's business, results of operations and financial condition.

The global petrochemicals industry is highly cyclical and volatile due to the nature of the supply-demand balance. The industry historically has experienced alternating periods of inadequate capacity and tight supply, causing prices and profit margins to increase, followed by periods when substantial capacity is added, resulting in oversupply, declining capacity utilization rates and declining prices and profit margins.

Currently, there is overcapacity in the global petrochemicals industry, and particularly in the polyester chain, as a number of the Company's competitors in various segments have added capacity. The price of Brent crude fell by approximately 40% from the period October 1, 2014 to December 31, 2014, primarily due to oversupply in the global markets, which resulted in a decrease in the Company's revenues in the quarter ended December 31, 2014. A continued low price environment could impact revenues during the quarter ended March 31, 2015. There can be no assurance that future growth in product demand will be sufficient to utilize current or additional capacity. The global economic and political environment continues to be uncertain, contributing to low industry operating rates, adding to the volatility of raw material and energy costs, and forestalling the industry's recovery from difficult conditions, all of which may place pressure on the Company's results of operations. As a result of excess industry capacity and weak demand for products, as well as rising energy costs and raw material prices, the Company's operating income may decline or be volatile.

The Company announced a strategic partnership with BP aimed at leveraging each partner's mutual strengths to develop the Oil and Gas business. Any failure to realize significant benefits from the partnership may impact the Company's Oil and Gas business, results of operations and financial condition.

The Company announced a strategic partnership with BP in its Oil and Gas business in February 2011. On August 30, 2011, the Company transferred a 30% interest in 21 oil and gas production sharing contracts that the Company operates in India, including the producing KG-D6 block, to BP. The partnership combines BP's world-class deepwater exploration and development capabilities with the Company's project management and operations expertise and is expected to accelerate the growth of the Company's Oil and Gas business in the future; however, there can be no assurance that the partnership will be able to achieve significant benefits as initially envisaged, or at all. As of December 31, 2014, as part of a reassessment of its portfolio, the Company has relinquished to the Government 17 of the exploration blocks included in the 21 oil and gas production sharing contracts that are the subject of BP's 30% interest. Any failure to realize benefits from the partnership may adversely impact the Company's Oil and Gas business, results of operations and financial condition.

The Company may invest significant amounts in new ventures, and it may be difficult to assess the timing and quantum of likely returns.

The Company from time to time seeks to diversify its operations through new growth initiatives, organic growth opportunities as well as acquisitions, both in India and overseas. For example, the Company, through a subsidiary, has established a retail network of supermarkets, convenience stores and other retail outlets throughout India. It has also invested through its subsidiary, RJIL, for provision of telecommunication services. The Company may also consider expansion into other growth areas in the future.

New ventures may require significant investments by the Company, including by way of debt and equity contributions to subsidiaries or affiliated companies. Such subsidiaries or affiliated companies may also incur significant debt that could affect the Company's total consolidated indebtedness. There can be no assurances as to the timing and amount of any returns that the Company may receive on its investments in organized retail or telecommunication services or any other new sectors in which the Company enters or attempts to enter.

The Company has made and may continue to make certain capital investments, loans, advances and other commitments to support certain of its subsidiaries, associates and joint ventures. These investments and commitments have included capital contributions to enhance the financial condition or liquidity position of the subsidiaries of the Company, its associates and joint ventures. If the business and operations of these subsidiaries, associates or joint ventures deteriorate, the Company may be required to write down or write off investments or make further capital injections. Additionally, certain loans or advances may not be repaid or may need to be restructured, or the Company may be required to outlay capital under the Company's commitments to support such companies.

The Company is subject to risks arising from interest rate fluctuations, which could adversely affect its business, results of operations and financial condition.

The Company borrows funds in the domestic and international markets from various banks and financial institutions to meet the long-term and short-term funding requirements for its operations and funding its growth initiatives. A majority of the Company's borrowings are floating rate debt and hence are exposed to interest rate risk on such floating rate debt. Upward fluctuations in interest rates may increase the cost of any floating rate debt that the Company incurs. In addition, the interest rate that the Company will be able to secure in any future debt financing will depend on market conditions at the time, and may differ from the rates on its existing debt. If the interest rates are high when the Company needs to access the markets for additional debt financing, the Company's results of operations, planned capital expenditures and cash flows may be adversely affected.

The Company has incurred significant indebtedness, and the Company must service this debt and comply with its covenants to avoid refinancing risk.

The Company has incurred significant indebtedness in connection with the Company's operations and has indebtedness that is substantial in relation to the Company's shareholders' equity. As of March 31, 2014, the Company's long-term indebtedness was approximately Rs. 672 billion (March 31, 2013: Rs. 609 billion). Furthermore, the Company may incur additional indebtedness in the future, including indebtedness incurred to fund capital contributions to its subsidiaries, subject to limitations imposed by the Company's financing arrangements and applicable law. Although the Company believes that its current levels of cash flows from operations and working capital borrowings are sufficient to service existing debt, the Company may not be able to generate sufficient cash flow from operations in the future and future working capital borrowings may not be available in an amount sufficient to enable the Company to do so.

In addition, certain of the Company's loan agreements contain covenants, which restrict certain activities and require the Company to obtain lenders' consent before, among other things, undertaking new projects, declaring dividends in the event of any non-payment under the respective relevant agreements and making certain investments beyond certain thresholds. These agreements also allow those lenders to sell assets of a certain value in the event of non-payment of their dues. Such provisions are standard in loan agreements with Indian lenders and are imposed on Indian borrowers, including the Company, with little or no variation.

The Company's loan agreements also require it to maintain certain financial ratios. If the Company is in breach of any financial or other covenants contained in any of its financing agreements, it may be required to immediately repay its borrowings either in whole or in part, together with any related costs. The Company may be forced to sell some or all of the assets in its portfolio if it does not have sufficient cash or credit facilities to make repayments. Furthermore, the Company's financing arrangements may contain cross-default provisions, which could automatically trigger defaults under other financing arrangements, in turn magnifying the effect of an individual default.

The Company's failure to comply with any of the covenants contained in the Company's financing arrangements could result in a default thereunder, which would permit the acceleration of the maturity of the indebtedness under such agreements and, if the Company is unable to refinance in a timely fashion or on acceptable terms, would have a material adverse effect on the Company's business, financial condition and results of operations.

A failure of the Company's internal controls over financial reporting may have an adverse effect on the Company's business and results of operations.

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes, including with respect to record keeping and transaction authorization. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of the Company's financial statements would be prevented or detected. Any failure to maintain an effective system of internal control over financial reporting could limit the Company's ability to report its financial results accurately and in a timely manner, or to detect and prevent fraud.

Failure to effectively manage acquisitions that the Company makes may adversely impact the Company's growth and profitability.

The Company has made acquisitions of assets in recent years and continues to evaluate merger and acquisition opportunities as part of its growth strategy and may commit itself to mergers or acquisitions in the future if suitable opportunities arise. These may require significant investments, which may not result in favorable returns. Acquisitions involve additional risks, including:

- unforeseen contingent risks or latent liabilities relating to these businesses that may become apparent only after the merger or acquisition is completed;
- integration and management of the operations and systems;
- retention of select personnel;
- co-ordination of sales and marketing efforts; and
- diversion of management's attention from other ongoing business concerns.

If the Company is unable to integrate the operations of an acquired business successfully or manage such future acquisitions profitably, its growth plans may not be met and the Company's cash generation and profitability may decline.

The Company is involved in certain legal proceedings that, if determined against it, could have an adverse effect on its business, results of operations, financial condition and cash flows.

The Company is involved, and may in the future be involved, in a number of legal and regulatory proceedings that, if determined against it, could have an adverse effect on its business, results of operations, financial condition and cash flows.

A number of legal proceedings in which the Company is involved relate primarily to the Company's ordinary course of business. The Company is also subject to claims against it arising from securities regulation, excise duty, sales tax, service tax, income tax and other disputed demands. See "Business—Litigation".

The Company's ability to operate its business effectively could be impaired if it fails to attract and retain key personnel.

The Company's ability to operate its business and implement its strategies depends, in part, on the continued contributions of the Company's executive officers and other key employees. The loss of any of the Company's key senior executives could have an adverse effect on the Company's business unless and until a replacement is found. A limited number of persons exist with the requisite experience and skills to serve in the Company's senior management positions. The Company may not be able to locate or employ qualified executives on acceptable terms. In addition, the Company believes that its future success will depend on its continued ability to attract and retain highly skilled personnel with experience in the key business areas of the Company. Competition for these persons is intense, and the Company may not be able to successfully recruit, train or retain qualified managerial personnel.

There can be no assurance that the Company will attract and retain skilled and experienced employees, and should the Company fail to do so, or lose any of its key personnel, its business and growth prospects may be harmed and its results of operations and financial condition could be adversely affected.

Changes in the exchange rate between the US Dollar and the rupee may have a negative impact on the Company's results of operations and financial condition.

Most of the Company's revenue and costs are either linked to or denominated in US Dollars. The Company maintains its accounts and reports its financial results in rupees. Further, the Company makes substantial purchases of services and equipment in foreign currencies, and the prices of oil and gas are linked to the international prices of such products, which are traditionally denominated in US Dollars. As such, the Company is exposed to risks relating to exchange rate fluctuations, particularly US Dollars. The Company uses various derivative instruments to manage the risks arising from fluctuations in exchange rates and interest rates. The Company's total nominal amount of outstanding derivative instruments as at March 31, 2014 was US$17 billion (converted at the exchange rate of US$1.00 = Rs. 59.915), arising from hedging transactions undertaken by it for its foreign currency and interest-related exposures. See "Operating and Financial Review—Factors Affecting Results of Operations" and "Operating and Financial Review—Market Risk—Exchange Rate Risk". Unfavorable fluctuations in exchange rates, particularly between the US Dollar and the rupee, could have an adverse effect on the Company's cash flows, results of operations and future financial performance.

Risks Relating to the Company's Shale Gas Operations in the United States

The Company has limited experience in the development of shale plays in the United States and is aiming to build its management and organizational capability in a very competitive market.

Since 2010, the Company, through its subsidiaries, has been a partner in various joint ventures to develop shale plays in the United States. Though the Company has certain rights to operatorship in these joint developments and some of the Company's oil and gas operation skills are transferrable to the shale operations, the Company has so far not directly operated any actual shale operation in the United States. As a participant in each of its joint developments, the Company is seeking to build organically the management and organizational capability to become a successful developer and operator of shale plays in the United States and also effectively manage its joint venture operations. The Company's ability to do so may be adversely impacted by events outside its control, such as competition in the market for experienced and high quality human resources with relevant experience in the United States. Any delays or any failure in its efforts to build organizational capability to successfully manage its joint ventures and/or develop and operate United States shale plays by exercising its right to become operator in portions of the joint development acreages may have a significant adverse effect on the Company's business, results of operations and financial condition.

The Company has limited experience in drilling wells in the shale plays, and wells drilled in the shale plays may be deeper, more expensive and more susceptible to mechanical problems in drilling and completing than wells in the other areas.

None of the subsidiaries of the Company are currently the development operators in their respective joint ventures, though the Company does have certain limited rights to become the development operator in parts of the joint developments in the future. Over the last three years, the relevant joint venture entities have drilled more than 600 development wells in the shale plays; however, the Company still has much less information with respect to the ultimate recoverable reserves and the production decline rate in the shale plays than it has in its other areas of operation. Furthermore, non-homogeneity in the Marcellus and Eagle Ford Shale plays introduces additional uncertainty to the drilling operations. Wells in the shale plays are also typically drilled deeper than in other areas, which makes the shale wells more expensive to drill and complete. The wells may also be more susceptible to mechanical problems associated with the drilling and completion of the wells, such as easing collapse and lost equipment in the wellbore. In addition, the fracturing of the shale plays may be more extensive and complicated than fracturing the geological formations in other areas and requires greater volumes of water than conventional gas wells. The management of water and the treatment of produced water from shale wells may be more costly than the management of produced water from other geologic formations. Any of the foregoing may have an adverse effect on the Company's business, results of operations and financial condition.

New and proposed US federal, state and local legislative and regulatory actions relating to hydraulic fracturing and greenhouse gas emissions could increase the Company's costs, reduce its revenue and cash flow from natural gas sales and/or reduce its liquidity.

Hydraulic fracturing involves the injection of water, sand and small amounts of chemical additives under pressure into rock formations and is an often necessary and commonly used process for the completion of natural gas and, to a lesser extent, oil, wells in formations with low permeability, such as shale formations. The US Congress is currently considering legislation that would provide for federal regulation of hydraulic fracturing and require disclosure of the chemicals used in the fracturing process. In addition, some state and local governments have adopted, and others are considering, regulations that could restrict hydraulic fracturing in certain circumstances and require additional permits or disclosure of the chemicals used in the fracturing process. Additionally, some US states and other government bodies have enacted, and others are considering, partial or full moratoriums on hydraulic fracturing activities. Moreover, the US Environmental Protection Agency (the "EPA") has commenced a study of the potential environmental impacts of hydraulic fracturing, including the impact on drinking water sources and public health, and a committee of the US House of Representatives has conducted an investigation of hydraulic fracturing practices, and a subcommittee of the Secretary of Energy Advisory Board (the "SEAB") of the US Department of Energy has recommended steps to improve the safety and environmental performance of hydraulic fracturing. These and similar studies, depending on their results, could spur initiatives to regulate hydraulic fracturing under the Safe Drinking Water Act ("SDWA") or otherwise. Any laws, regulations or permitting requirements regarding hydraulic fracturing could lead to operational delays, increased operating and compliance costs, delay the development of unconventional gas resources from shale formations which are not commercially viable without the use of hydraulic fracturing and reduce the amount of natural gas that the Company through its subsidiaries is ultimately able to produce from its reserves. In addition, the availability of the information required to be disclosed by enacted and proposed legislation could make it easier for third parties opposing the hydraulic fracturing process to initiate legal proceedings based on allegations that specific chemicals used in the fracturing process could adversely affect groundwater. Moreover, disclosure to third parties or to the public, even if inadvertent, of the Company's proprietary chemical formulas could diminish the value of those operations and result in competitive harm to us, which could impact the Company's business, financial condition and results of operations.

There are also a number of federal, state, regional and local legislative and regulatory initiatives to restrict or otherwise regulate the emission of greenhouse gases, which some believe to be contributing to climate change. These legislative and regulatory initiatives are in various phases of discussion or implementation and have resulted, or could in the future result, in a variety of regulatory programs, including regulations to require reporting of emissions or control or restrict emissions, such as the EPA's "reporting rule", "tailoring rule", taxes or other charges to deter emissions of greenhouse gases or energy efficiency requirements to reduce demand. Although it is not currently possible to predict how any such current, proposed or future greenhouse gas legislation or regulation will impact the Company's subsidiaries, any such legislation or regulation of greenhouse gas emissions affecting areas in which the Company's subsidiaries conduct business could result in increased compliance and operational costs, additional operating restrictions and/or reduced demand for natural gas and could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's subsidiaries may incur significant costs and liabilities in the future resulting from a failure to comply with new or existing environmental laws and regulations or an accidental release of hazardous substances into the environment.

The operation of wells and other facilities in the United States is subject to stringent and complex foreign, federal, state and local environmental laws and regulations. These include, for example:

- the federal Clean Air Act ("CAA") and comparable state laws and regulations that impose obligations related to air emissions;
- the federal Clean Water Act ("CWA") and comparable state laws and regulations that impose obligations related to discharges of pollutants into regulated bodies of water;
- the federal Oil Pollution Act ("OPA"), which, among other things, imposes liability for oil spills into navigable water;

- the federal Resource Conservation and Recovery Act ("RCRA") and comparable state laws and regulations that impose requirements for the handling and disposal of waste, including produced waters, from the Company's facilities; and

- the federal Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") and comparable state laws and regulations that regulate the cleanup of hazardous substances that may have been released at properties currently or previously owned, leased or operated by the Company or at locations to which it has sent waste for disposal.

Failure to comply with these laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of liabilities related to remedial requirements or other damages and the issuance of orders enjoining future operations. Certain environmental statutes, including OPA, RCRA, CERCLA and analogous state laws and regulations, impose strict, joint and several liability for costs required to clean up and restore sites where hazardous substances have been disposed of or otherwise released. Moreover, neighboring landowners and other third parties may file claims for personal injury and property damage allegedly caused by the release of hazardous substances or other waste products into the environment.

There is an inherent risk that the Company's subsidiaries may incur environmental costs and liabilities due to the nature of its business and the substances handled. For example, an accidental release from one of the Company's subsidiaries' wells could subject it to substantial liabilities arising from environmental cleanup and restoration costs, claims made by neighboring landowners and other third parties for personal injury and property and natural resource damage and fines or penalties for violations of environmental laws or regulations. Moreover, the possibility exists that stricter laws, regulations or enforcement policies may be enacted or adopted and could significantly increase the Company's compliance costs and the cost of any remediation that may become necessary. The Company may not be able to recover remediation costs under its insurance policies.

The Company's subsidiaries' share of capital expenditure for the proposed development plan adds up to substantial amounts.

Based on the joint venture agreements signed by the Company's subsidiaries, the Company is required to make capital contributions towards its subsidiaries' share of capital expenditure for the proposed development plan. These ongoing capital commitments are expected to be substantial for the next five years and will require the Company to mobilize significant resources to fund them. These capital commitments are expected to be funded through cash from operations and raising of new financing. The Company cannot guarantee that the cash from operations and available financing will be sufficient, which could have a significant adverse impact on the Company's business, financial condition and results of operations.

The Company may need additional capital for pursuing other growth or acquisition opportunities in the United States.

The Company's subsidiaries may pursue opportunities for further growth in the shale gas or unconventional energy or any other growth opportunities it identifies. Such acquisition of new assets may be dependent upon the Company's ability to obtain suitable financing. There can be no assurance that such funding will be available and, if such funding is made available, that it will be offered on economic terms. Even if the Company succeeds in raising the required resources, such an effort for pursing growth opportunities may materially alter the risk profile of the Company and in turn have an adverse effect on its business, financial condition and results of operations.

The Company's earnings may be affected significantly by the supply and demand dynamics in the US shale gas markets.

The Company has a positive long-term outlook on gas demand and gas prices in the United States. However, the Company recognizes that shale gas is transported through pipelines in the US markets and is susceptible to issues such as local oversupply or lack of local demand which ultimately leads to lower price realizations. While the Company continues to take steps to access alternate markets to mitigate this problem, due to the fast pace of growth of the shale gas industry in the United States, local supply and demand fluctuations might have an adverse effect on the business, financial condition and results of operations of the Company.

Risks Relating to Telecommunication Business

Complexities associated with deploying new technologies present substantial risk, and the Company has no prior experience in operating a 4G network. The failure of the Company's 4G service offering to meet customer expectations could limit the Company's ability to attract and retain customers and could have an adverse effect on the Company's business, financial condition or results of operations.

The Company's subsidiary RJIL is the first telecom operator to hold a pan-India Unified License. The license allows RJIL to offer all telecom services, including voice telephony, under a single license. RJIL also holds spectrum in 1800 MHz (across 14 key circles in India) and 2300 MHz (across each of the 22 telecom circles of India) capable of offering fourth generation ("4G") wireless services.

RJIL plans to provide seamless 4G services using FDD-LTE on 1800 MHz and TDD-LTE on 2300 MHz through an integrated ecosystem delivering end-to-end solutions that address the entire value chain across various digital services in key domains of national interest such as education, healthcare, security, financial services, government-citizen interfaces and entertainment. The Company has no previous experience of operating 4G networks and no prior experience offering telecommunication services on the envisaged scale.

Complexities associated with deploying new technology, infrastructure and personnel on this scale present substantial risk to the Company's businesses. The network, personnel and infrastructure the Company will rely upon to provide 4G services may not perform as expected, and, therefore, the Company may not be able to deliver the quality or types of services it expects to provide. Any resulting customer dissatisfaction could affect the Company's ability to attract and retain subscribers and have an adverse effect on the Company's results of operations and growth prospects.

In addition, the level of customer demand for the Company's offering of 4G networks and products is uncertain, and Customer acceptance of the Company's 4G services could be impacted by factors such as the range of technology, devices and services offered, the availability of affordable 4G compatible devices, service content, footprint and service areas, network quality, customer perceptions, customer care levels and rate plans, service-based differences from competition and by the operational performance, quality, reliability and coverage of the Company's networks.

The Company may have difficulty attracting and retaining customers if it is unable to meet customer expectations or if it is otherwise unable to resolve quality issues relating to the rollout of its networks. Any of these issues may limit the Company's ability to attract customers and expand its network capacity and may otherwise place the Company at a competitive disadvantage to other service providers in its markets.

Failure to complete development, testing and deployment of new technology that supports the rollout of the 4G network could affect the Company's ability to compete in the industry.

The Company is in the process of deploying the necessary technologies and support systems intended to establish a competitive market presence by both supporting new services and features and reducing the costs associated with providing those services. The Company may not successfully complete the development and rollout of new technology and related features or services in a timely manner, and those services may not be widely accepted by customers or may not be profitable, in which case the Company may not recover its investment in the technology.

The Company has expended significant resources and made substantial investments to deploy a LTE network. The LTE facilities may not perform as the Company expects, and, therefore, the Company may not be able to deliver the quality or types of services it expects to provide. Failure to successfully deploy the LTE network could affect the Company's ability to attract subscribers, increase its costs of providing services or increase its churn. Other competing technologies may have advantages over the Company's current or planned technology, and operators of other networks based on those competing technologies may be able to deploy alternative technologies at a lower cost and more quickly than the cost and speed with which the Company rolls out its 4G network, which may allow those operators to compete more effectively or may require the Company to deploy more advanced technologies.

The telecommunication business is capital-intensive and may require additional debt or equity financing. The Company cannot guarantee that it will be able to raise such financing on acceptable terms, or at all.

The telecommunication business is capital intensive, as a substantial amount of capital is required to build, launch, maintain and operate the Company's telecommunication, enterprise and 4G LTE networks. The Company also requires a significant amount of capital to develop, market and distribute its services and products, to develop and implement new technologies, to acquire and invest in new businesses and to acquire spectrum rights.

The actual amount and timing of future capital requirements may differ from estimates for reasons such as unforeseen delays or cost overruns in establishing, expanding or upgrading the Company's networks, unanticipated expenses and responding to regulatory changes and engineering, design and technological changes, among other things. To the extent that the Company's capital requirements exceed available resources, the Company will be required to seek additional debt or equity financing.

Additional debt financing could increase the Company's interest expense and may require the Company to comply with additional restrictive covenants under its financing agreements. Additional equity financing could dilute the Company's earnings per share and investor's interest in the Company and could adversely affect the trading price of equity shares of the Company. The Company's ability to obtain additional financing on acceptable terms, or at all, will depend on a number of factors, including the Company's future financial condition, results of operations and cash flows, general market conditions for telecommunications companies and economic, political and other conditions in the markets where the Company operates. Any inability to obtain sufficient financing could result in the delay or abandonment of the Company's development and expansion plans or an inability to provide appropriate levels of service in all or a portion of the Company's markets. As a result, if adequate capital is not available, there may be an adverse effect on the Company's business, results of operations and financial condition.

The Company's telecom operations are subject to extensive regulation, which may adversely affect its ability to do business.

The Government along with the Telecom Regulatory Authority of India ("TRAI") regulates many aspects of the telecommunications industry in India. The extensive regulatory structure under which the Company operates constrains the Company's flexibility to respond to market conditions, technological developments, competition or changes in its cost structure. In addition, the Company is required to obtain a wide variety of approvals from various regulatory bodies. The Company cannot guarantee that these approvals will be forthcoming on a timely basis, or at all, which could have an adverse effect on the Company's business and results of operations.

The Government may replace or amend laws, regulations or policies, including guidelines for licensing, spectrum allocation and pricing rules. The Company may also incur additional expenditure to comply with changes in regulation.

The earliest that certain of the Company's spectrum is due for renewal is in the financial year ending March 31, 2031. The renewal of the Company's licenses is also subject to specified terms and conditions, and the Company could be charged substantial fees, which could have an adverse effect on the Company's business. The Company may also incur capital expenditure to comply with and benefit from anticipated changes in regulation, which may be delayed, not implemented or implemented on terms unfavorable to the Company.

In 2012, the DoT issued directions on implementation of green technologies in the telecommunications sector, pursuant to which service providers are required to ensure that by 2015 and thereafter, by 2020 specified percentages of all towers are powered by hybrid power. Further, the Supreme Court of India, on April 17, 2014, ruled that the Comptroller and Auditor General of India had the authority to examine the accounts of private telecommunication companies such as RJIL with respect to computation of revenue share for DoT.

The Company's telecommunication licenses reserve broad discretion to the Government to influence the conduct of the Company's businesses by giving the Government the right to modify, at any time, the terms and conditions of the Company's licenses, take-over the Company's networks and to terminate or suspend the Company's licenses in the interests of national security or in the event of a national emergency, war or similar situations. Under the Company's licenses, the Government may also impose certain penalties including suspension, revocation or termination of a license in the event of a default by the Company in complying with the terms and conditions of the license.

Required licenses and permits may be difficult to obtain, and once obtained may be amended or revoked or may not be renewed.

In addition to the Company's licenses and spectrum, the deployment of its networks requires various approvals from central, state and local government and regulatory authorities, particularly in relation to establishing cell sites. These approvals include building, construction and environmental approvals, antenna and mast deployment approvals and other planning permissions. The Company may experience difficulties in obtaining some of these approvals. This may force the Company to seek alternative cell sites or incur considerable effort and expense where a suitable alternative cell site is not available. Further, some of the Company's telecommunication interconnect agreements may be terminated in the event of termination or nonrenewal of such licenses and approvals. Inability to obtain the required approvals in a timely manner, or at all, may have an adverse effect on business and results of operations.

Further, the Company is required to comply with various environmental laws and regulations in India related to its telecommunication operations. These laws can impose liability for non-compliance and may in the future give rise to substantial environmental compliance or remediation liabilities and costs. The Company may also be sued by third parties for damages and costs resulting from health hazards emanating from its properties. This may have an adverse effect on the Company's business and results of operations.

There are roll-out obligations associated with the spectrum acquired by the Company, and the Company may be subject to penalties if it fails to meet these roll-out conditions.

There are roll-out obligations associated with the spectrum acquired by the Company, including minimum specified quality, service and coverage. Failure to comply with these obligations could result in consequences as per the terms and conditions of acquisition of respective spectrum as outlined in the Notice Inviting Applications for the respective spectrum auctions. Further, the need to meet scheduled deadlines may require more resources than otherwise budgeted for a particular roll-out obligation. The Company cannot guarantee that it will be able to comply with these terms and conditions. Failure by the Company to comply with these license conditions may result in forfeiture of such spectrum and may adversely affect its business and results of operations.

It is possible that other telecom companies are able to acquire spectrum at cheaper prices in future spectrum auctions.

The Company has acquired spectrum in the spectrum auction processes conducted by the Department of Telecommunications. It is possible that future auctions may have simpler rules or the auction determined prices may be significantly below the prices at which the Company has acquired its spectrum. Other telecom companies may therefore be able to acquire spectrum at cheaper prices, thereby reducing their costs and enabling them to compete through tariff reductions. This may have an adverse effect on the Company's business and profitability.

Risks Relating to India

Most of the Company's plants are located in India, and approximately 31% of its Turnover for FY2014 was derived from the Indian domestic market (FY2013: 36%). Consequently, the Company's performance is significantly influenced by the political and economic situation and governmental policies in India.

A significant change in the Government's economic liberalization and deregulation policies could adversely affect general business and economic conditions in India and the Company's business.

Since 1991, the Government has pursued policies of economic liberalization, including significant relaxations of restrictions on the private sector. Nevertheless, the Government continues to exercise a dominant influence over many aspects of the economy, and its economic policies have had and continue to have a significant effect on private-sector entities, including the Company.

India has a mixed economy with a large public sector and an extensively regulated private sector. The role of the Government and the state governments in the Indian economy and their effect on producers, consumers, service providers and regulators has remained significant over the years. The Government has in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduced the number of their employees, and determined the allocation to businesses of raw materials and foreign exchange.

In the 1990s, as India's reliance on oil imports increased, the Government embarked on a series of reforms aimed at reducing India's dependence on oil and gas imports, deregulating the oil and gas industry, improving efficiency and encouraging private and foreign investment. Measures included opening the refining segment to private investment, permitting the sale of limited amounts of LPG and kerosene by private entities outside of the state-owned distribution channels and allowing foreign oil companies to enter the domestic lubricant market.

The Government continues to exercise substantial control over the growth of the industry, for example, by awarding blocks in the NELP rounds. Although the Company has been successful in obtaining interests in blocks in these rounds in the past, there can be no assurance that it will continue to be successful. Further, through the Directorate General of Hydrocarbons and the Ministry of Petroleum and Natural Gas, the Government plays an important role in the management of oil and gas fields and is required to approve all major decisions relating to the blocks. The Government's involvement may result in delays in achieving, or otherwise frustrate the achievement of, certain exploration, development and production targets owing to political and other factors beyond the Company's control. In addition, the Government plays an important commercial role in the execution of exploration, development and production activities in India, in particular through Government-controlled companies.

Although the past Governments have continued India's economic liberalization and deregulation programs, there can be no assurances that these liberalization policies will continue in the future. A significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India in general as well as the Company's business and the Company's future financial performance.

A change in the Government's policy on tariffs, direct and indirect taxation and fiscal or other incentives could adversely affect the Company's business.

In 9M FY2015, approximately 32% of the Company's Turnover was derived from domestic activities (9M FY2014: 31%).

The Company's profitability is significantly affected by the differential between import tariffs currently imposed by the Government on crude oil, which is the Company's most significant raw material, and tariffs currently imposed on products that the Company produces and sells in India. Increases in import tariffs on crude oil or decreases in import tariffs on products the Company sells in India could have a material adverse effect on the Company's business, financial condition and results of operations. There can be no assurance that there will not be a significant change in government policy in India that would adversely affect the Company's financial condition and results of operations.

The Company's profitability is also significantly dependent on the policies of the central and state governments in India relating to various direct and indirect taxes (including sales tax, service tax and income tax), duties and levies (including excise duties and import duties) and fiscal or other incentives. These incentives include those related to the Special Economic Zone ("SEZ"), where the Jamnagar Refinery II and the SEZ Polypropylene Facility are located. Any change in policies relating to such taxes, duties or incentives could adversely affect the Company's profitability.

A prolonged slowdown in economic growth in India or financial instability in other countries could cause the Company's business to suffer.

The current slowdown in the Indian economy could adversely affect the Company's business and its lenders and contractual counterparties, especially if such a slowdown were to be prolonged. Notwithstanding the RBI's policy initiatives, the course of market interest rates continues to be uncertain due to the high inflation, the increase in the fiscal deficit and the Government borrowing program. Any increase in inflation in the future, because of increases in prices of commodities such as crude oil or otherwise, may result in a tightening of monetary policy. The uncertainty regarding liquidity and interest rates and any increase in interest rates or reduction in liquidity could adversely impact the Company's business.

In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia. Investors' reactions to developments in one country may have adverse effects on the economies of other countries, including the Indian economy. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could influence the Indian economy and could have a material adverse effect on the Company's business, financial condition and results of operations.

Terrorist attacks, civil disturbances and regional conflicts in South Asia may have a material adverse effect on the Company's business.

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighboring countries. There have been continuing tensions between India and Pakistan over the states of Jammu and Kashmir. From May to July 1999, there were armed conflicts over parts of Kashmir involving the Indian army, resulting in a heightened state of hostilities, with significant loss of life and troop conflicts. Isolated troop conflicts and terrorist attacks continue to take place in such regions. The potential for hostilities between India and Pakistan could be particularly threatening because both India and Pakistan are nuclear powers. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on the Company's business and future financial performance. There can be no assurance that such situations will not recur or be more intense than in the past.

Terrorist attacks and other acts of violence or war may adversely affect global markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on the Company's business, results of operations and financial condition. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Notes. India has witnessed localized terrorist attacks recently, including the terrorist attacks in Mumbai in 2008 and 2011, as well as in New Delhi in 2011. Such incidents could also create an increased perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on the Company's business.

Natural calamities and health epidemics could adversely affect the Indian economy.

India has experienced natural calamities, such as earthquakes, floods and drought in recent years, including the tsunami that struck the coasts of India and other Asian countries in December 2004, the severe flooding in Mumbai in July 2005 and the earthquake that struck India in April 2006. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect the Company's business, and may damage or destroy the Company's facilities or other assets. Similarly, global or regional climate change or natural calamities in other countries where the Company operates could affect the economies of those countries.

Since April 2009, there have been outbreaks of swine flu, caused by the H1N1 virus, in certain regions of the world, including India and several other countries in which the Company operates. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect the Company's business.

Any downgrading of India's debt rating by an international rating agency could have a negative impact on the Company's business and the trading price of the Notes.

As of December 31, 2014, India's sovereign rating was Baa3 with a "stable" outlook (Moody's), BBB- with a "stable" outlook (S&P) and BBB- with a "stable" outlook (Fitch). Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect the Company's ratings, terms on which the Company is able to finance future capital expenditure or refinance any existing indebtedness. This could have an adverse effect on the Company's capital expenditure plans, business and financial performance and the trading price of the Notes. See "—Risks Relating to the Notes—The rating of the Notes may be lowered or withdrawn depending on some factors, including the rating agency's assessment of the Company's financial strength and Indian sovereign risk".

Investors may not be able to enforce a judgment of a foreign court against the Company or its management, except by way of a suit in India on such judgment.

The Company is a public limited company incorporated under the laws of India. Substantially all of its directors and key management personnel reside in India, and all or a substantial portion of the assets of the Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon the Company or such persons outside India or to enforce judgments obtained against such parties outside India. Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Code on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards.

The United Kingdom, Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A, but the United States has not been so declared. A judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to such award and any such amount may be subject to income tax in accordance with applicable laws. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

There may be less information regarding the Company available in the Indian securities market than in securities markets in other more developed countries.

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of markets and market participants in the United States and other more developed economies. The Securities and Exchange Board of India is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be, however, less publicly available information about Indian companies than is regularly made available by public companies in more developed economies.

As a result, investors may have access to less information about the business, results of operations and financial condition of the Company and its competitors that are listed on stock exchanges in India than companies subject to reporting requirements of other more developed countries.

Indian accounting principles and audit standards differ from those which prospective investors may be familiar with in other countries.

As stated in the report of the independent auditors included in this Offering Memorandum, the Company's financial statements are prepared in accordance with Indian GAAP, consistently applied during the periods stated, except as provided in such report, and no attempt has been made to reconcile any of the information given in this Offering Memorandum to any other accounting principles or to base it on any other auditing standards. Indian GAAP differs in certain respects from US GAAP and IFRS. For a discussion of certain significant differences between Indian GAAP and US GAAP, see "Description of Certain Differences Between Indian GAAP and US GAAP".

The proposal of mandatory adoption of IFRS may have a material impact on the Company's reported results of operations.

In 2011, the Ministry of Corporate Affairs ("MCA") prescribed the Indian Accounting Standards ("Ind-AS"), 35 accounting standards that were meant to converge with IFRS. The date of applicability was not notified at the time.

In July 2014, the Finance Minister in his budget speech proposed a timeline for adoption of Ind-AS by Indian companies. Accordingly, on January 2, 2015, a Press Note was issued by the MCA specifying the roadmap for implementation of Ind-AS for companies other than banking, insurance and non-banking finance companies. Under the roadmap, for companies whose equities and/or debt are listed or are in the process of listing on any stock exchange in India or outside India and that have a net worth of Rs. 5 billion or more together with the holding, subsidiary and associates thereof, implementation of Ind-AS is voluntary for the year ending March 31, 2016 and mandatory for the year ending March 31, 2017, with comparatives for the previous year. The Company is in the process of assessing the impact of implementation of Ind-AS on the Group. There can be no assurance that the Company's financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under Ind-AS than under Indian GAAP. As the Company transitions to Ind-AS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems.

There can be no assurance that the Company's adoption of Ind-AS and any failure to successfully adopt Ind-AS will not have a material adverse effect on the Company's reported results of operations and financial condition.

Risks Relating to the Notes

An investor's right to receive payments on the Notes is subordinate to certain tax and other liabilities preferred by law.

The Notes will be subordinated to certain liabilities preferred by law such as claims of the Government on account of taxes and certain liabilities incurred in the ordinary course of the Company's business (including workers' dues), will rank *pari passu* with the Company's other existing and future unsecured and unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of its subsidiaries. Indian laws relating to the Notes and to the enforcement thereof may differ, in some cases significantly, from the laws in other jurisdictions. Upon an order for a company's winding-up in India, its assets are vested in a liquidator that has wide powers to liquidate such company to pay its debt and administrative expenses. In such event, the Notes may not be deemed to rank senior in right of payment to any future subordinated indebtedness of the Company and, as such, Noteholders may not receive any recovery on the Notes.

The Notes do not restrict the Company's ability to incur additional debt, repurchase the Notes or to take other actions that could negatively impact holders of the Notes.

The Company is not restricted under the terms of the Notes from incurring additional debt, including secured debt, or from repurchasing the Notes except as described under "Description of the Notes—Certain Covenants—Negative Pledge". In addition, the covenants applicable to the Notes do not require the Company to achieve or maintain any minimum financial results relating to its financial positions or results of operations. The Company's ability to recapitalize, incur additional debt and take other actions that are not limited by the terms of the Notes could have the effect of diminishing the Company's ability to make payments on the Notes when due.

In addition, the subsidiaries of the Company are not restricted from incurring indebtedness under the terms of the Notes and have existing indebtedness outstanding. Accordingly, the claims of holders of the Notes will be structurally subordinated to the claims of such creditors on the assets of such subsidiaries. As of December 31, 2014, the Company had secured debt of Rs. 62,989 million or US$999 million (converted at the exchange rate of US$1.00 = Rs. 63.035).

An active trading market may not develop for the Notes, in which case your ability to transfer the Notes will be more limited.

The Notes are new securities for which there is currently no existing trading market. Prior to this offering there has been no trading market in the Notes. Approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the Official List of the Singapore Exchange, but there is no assurance that such approval will be granted. The liquidity of any market for the Notes will depend on a number of factors, including general economic conditions and the Company's own financial condition, performance and prospects, as well as recommendations of securities analysts. The Company has been informed by the Initial Purchasers that they currently intend to make a market in the Notes after the Company has completed this offering. However, the Initial Purchasers are not obligated to do so and may discontinue such market-making activity at any time without notice. In addition, market-making activity by the Initial Purchasers' affiliates may be subject to limits imposed by applicable law. As a result, the Company cannot assure you that any market in the Notes will develop or, if it does develop, that it will be maintained. If an active market in the Notes fails to develop or to be sustained, you may not be able to sell the Notes or may have to sell them at a lower price.

Developments in other markets may adversely affect the market price of the Notes.

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for Indian securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including India. Since the sub-prime mortgage crisis in 2008, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

The Notes are subject to restrictions on resales and transfers.

The Notes have not been registered under the Securities Act or any US state securities laws or under the securities laws of any other jurisdiction and are being issued and sold in reliance upon exemptions from registration requirements provided by such laws. No Notes may be sold or transferred unless such sale or transfer is exempt from the registration requirements of the Securities Act (for example, in reliance on the exemption provided by Rule 144A or the safe harbor provided by Regulation S under the Securities Act) and applicable state securities laws. For certain restrictions on resales and transfers, see "Transfer Restrictions".

The rating of the Notes may be lowered or withdrawn depending on some factors, including the rating agency's assessment of the Company's financial strength and Indian sovereign risk.

The Notes were rated "Baa2" by Moody's and "BBB+" by S&P on January 21, 2015. The rating addresses the likelihood of payment of principal on the maturity date of the Notes and the timely payment of interest on each interest payment date. The rating of the Notes is not a recommendation to purchase, hold or sell the Notes, and the rating does not comment on market price or suitability for a particular investor. The Company cannot assure you that the rating of the Notes will remain for any given period of time or that the rating will not be lowered or withdrawn. A downgrade in the rating of the Notes will not be an event of default under the terms of the Notes. The assigned rating may be raised or lowered depending, among other factors, on the rating agency's assessment of the Company's financial strength as well as its assessment of Indian sovereign risk generally.

Investment in the Notes may subject investors to foreign exchange risks.

The Notes are denominated and payable in US Dollars. If an investor measures its investment returns by reference to a currency other than US Dollars, an investment in the Notes entails foreign exchange-related risks, including possible significant changes in the value of the US Dollar relative to the currency by reference to which an investor measures its investment returns, because of, among other things, economic, political and other factors over which the Company has no control. Depreciation of the US Dollar against such currency could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss when the return on the Notes is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign exchange gains resulting from any investment in the Notes.

USE OF PROCEEDS

The Company estimates that the net proceeds to it from its sale of Notes pursuant to this Offering Memorandum will be approximately US$985,615,000 after deducting the underwriting discount and its offering expenses.

The net proceeds of this offering will be used by the Company to fund its capital expenditure in compliance with end-use guidelines set forth in the master circular on external commercial borrowings and trade credits issued by the RBI issued from time to time and in compliance with all laws and regulations of India applicable to the Company. The RBI has by its letters dated December 3, 2014 and December 4, 2014 granted its approval to the Company for the Offering.

CAPITALIZATION

The following table sets forth the Company's short-term and long-term debt and shareholders' equity at December 31, 2014 on a non-consolidated basis and as adjusted to give effect to the issuance of the Notes offered hereby, but not the use of proceeds thereof as described in "Use of Proceeds", as if such issuance had occurred at the date of this Offering Memorandum.

You should read the following table together with "Use of Proceeds", "Selected Non-Consolidated Financial and Operating Data", "Operating and Financial Review", "Unaudited Financial Results for the Nine Months Ended December 31, 2014", "Description of the Notes" and the Annual Financial Statements included herein.

	As at December 31, 2014[1]		
	Actual		As adjusted
	(US$ in millions)[4]	(Rs. in millions) (Unaudited)	(US$ in millions)
Indebtedness:			
Short-term debt	2,159	136,066	2,159
Long-term debt[3]	11,797	743,675	11,797
Notes offered hereby	—	—	1,000
Total indebtedness[2]	**13,956**	**879,741**	**14,956**
Shareholders' Equity:			
Equity Shares	513	32,351	513
Reserves and surplus	33,321	2,100,360	33,321
Total shareholders' equity	**33,834**	**2,132,711**	**33,834**
Total indebtedness and shareholders' equity	**47,790**	**3,012,452**	**48,790**

(1) Except as disclosed herein, there have been no material changes in the Company's capitalization since December 31, 2014.

(2) As of December 31, 2014, the Company's secured and unsecured debt totaled Rs. 62,989 million and Rs. 816,752 million, respectively. For more information regarding the Company's secured and unsecured debt, see "Operating and Financial Review".

(3) Long-term debt includes current maturities thereof.

(4) Rupee amounts as at December 31, 2014 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 63.035. The translation into US Dollars is for convenience only.

SELECTED NON-CONSOLIDATED FINANCIAL AND OPERATING DATA

The non-consolidated financial data for the Company as of March 31, 2014 and 2013 and for each of FY2014, FY2013 and FY2012, respectively, set forth below has been derived or calculated from the Annual Financial Statements included elsewhere in this Offering Memorandum and is qualified thereby. The non-consolidated financial data for the Company as of December 31, 2014 and 2013, and for 9M FY2015 and 9M FY2014, respectively, set forth below has been derived or calculated from the 9M FY2015 Financial Information included elsewhere in this Offering Memorandum and is qualified thereby. This financial information should be read in conjunction with "Operating and Financial Review", "Unaudited Financial Results for the Nine Months Ended December 31, 2014", the Annual Financial Statements and the 9M FY2015 Financial Information set forth in this Offering Memorandum. In the Annual Financial Statements included herein, the income statement is headed "Statement of Profit and Loss". Furthermore, information in the Annual Financial Statements and the 9M FY2015 Financial Information is, unless otherwise stated therein, stated in rupees in "crore" (one crore is equal to 10 million) and in "lakh" (one lakh is equal to one hundred thousand), whereas financial information is shown below in millions of rupees, unless otherwise specified. Rounding off differences arising due to the above presentation have been adjusted appropriately.

The Annual Financial Statements and unaudited 9M FY2015 Financial Information have been prepared in accordance with Indian GAAP and reporting guidelines prescribed by Indian regulatory authorities. Indian GAAP differs in certain respects from US GAAP. For a discussion of certain significant differences between Indian GAAP and US GAAP, see "Description of Certain Differences between Indian GAAP and US GAAP". The Annual Financial Statements have been audited by Deloitte Haskins & Sells LLP, Chaturvedi & Shah and Rajendra & Co., Chartered Accountants, as set forth in their audit reports included herein. The 9M FY2015 Financial Information is unaudited. The presentation of the respective Income Statements for FY2014, FY2013 and FY2012 and for 9M FY2015 and 9M FY2014 differs in certain respects.

The preparation of financial statements in accordance with Indian GAAP requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the non-consolidated financial statements, are disclosed in the Annual Financial Statements.

See "Presentation of Financial and Other Data" for further information regarding the presentation of financial information and "Operating and Financial Review" for a description of certain line items in the Income Statement.

Annual Financial Data

Income Statement Data

	Year Ended March 31,		
	2014	2014	2013
	(US$ in millions)[1] (Unaudited)	(Rs. in millions) (Audited)	
INCOME			
Revenue from Operations			
Sale of Products	66,962	4,012,000	3,710,212
Income from Services	17	1,015	976
	66,979	4,013,015	3,711,188
Less: Excise Duty/Service Tax Recovered	1,867	111,847	108,222
Net Revenue from Operations	65,112	3,901,168	3,602,966
Other Income	1,491	89,359	79,979
Total Revenue	**66,603**	**3,990,527**	**3,682,945**
EXPENDITURE			
Cost of Materials Consumed	54,963	3,293,133	3,061,270
Purchases of Stock-in-Trade	87	5,238	5,016
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	69	4,115	(33,163)
Employee Benefits Expense	563	33,701	33,538
Finance Costs	535	32,059	30,361
Depreciation and Amortization Expense (net of transfers from the Revaluation Reserve)[2]	1,467	87,896	94,653
Other Expenses	4,276	256,204	228,426
Total Expenses	**61,960**	**3,712,346**	**3,420,101**
Profit Before Tax	4,643	278,181	262,844
Tax Expenses			
Current Tax	970	58,117	52,436
Deferred Tax	4	223	373
Profit for the Year	**3,669**	**219,841**	**210,035**

(1) Rupee amounts from the Annual Financial Statements for FY2014 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 59.915. The translation into US Dollars is for convenience only.

(2) Gross Fixed Assets included Rs. 381,220 million as at March 31, 2014 and Rs. 381,220 million as at March 31, 2013 on account of revaluations of Fixed Assets carried out in the past. As a result of such revaluations, additional depreciation charges of Rs. 18,445 million and Rs. 20,720 million were recorded in FY2014 and FY2013, respectively. An equivalent amount has been credited to the Income Statement from Revaluation Reserve/General Reserve in the respective fiscal years. This has no impact on the profits of the respective fiscal years. For information on asset revaluation and associated depreciation under Indian GAAP, see “Description of Certain Differences Between Indian GAAP and US GAAP”.

	Year Ended March 31,		
	2013	2013	2012
	(US$ in millions)[(1)] (Unaudited)	(Rs. in millions) (Audited)	
INCOME			
Revenue from Operations	66,371	3,602,966	3,299,040
Other Income	1,474	79,979	61,921
Total Revenue	**67,845**	**3,682,945**	**3,360,961**
EXPENDITURE			
Cost of Materials Consumed	56,393	3,061,270	2,748,136
Purchases of Stock-in-Trade	92	5,016	14,408
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	(611)	(33,163)	(8,716)
Employee Benefits Expense	618	33,538	28,616
Finance Costs	559	30,361	26,671
Depreciation and Amortization Expense (net of transfers from the Revaluation Reserve)[(2)]	1,744	94,653	113,937
Other Expenses	4,208	228,426	180,404
Total Expenses	**63,003**	**3,420,101**	**3,103,456**
Profit Before Tax	4,842	262,844	257,505
Tax Expenses			
Current Tax	966	52,436	51,502
Deferred Tax	7	373	5,600
Profit for the Year	**3,869**	**210,035**	**200,403**

(1) Rupee amounts from the Annual Financial Statements for FY2013 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 54.285. The translation into US Dollars is for convenience only.

(2) Gross Fixed Assets included Rs. 381,220 million as at March 31, 2013 and Rs. 381,220 million as at March 31, 2012 on account of revaluations of Fixed Assets carried out in the past. As a result of such revaluations, additional depreciation charges of Rs. 20,720 million and Rs. 23,405 million were recorded in FY2013 and FY2012, respectively. An equivalent amount has been credited to the Income Statement from Revaluation Reserve in the respective fiscal years. This has no impact on the profits of the respective fiscal years. For information on asset revaluation and associated depreciation under Indian GAAP, see "Description of Certain Differences Between Indian GAAP and US GAAP".

Segmental Income Statement Data

	Segment Revenue[(1)]			Segment Results Before Interest and Tax[(2)]		
	Year Ended March 31,					
	2014	2013	2012	2014	2013	2012
	(Rs. in millions) (Audited)					
Refining	3,619,703	3,337,737	2,947,348	132,196	127,881	96,542
Petrochemicals	964,653	881,084	806,246	86,119	73,275	89,671
Oil and Gas	60,683	82,805	128,977	16,261	28,872	52,495
Others	15,486	9,528	12,125	4,197	2,557	354
Eliminations[(3)]	(647,510)	(599,966)	(496,781)	—	—	—
Total	**4,013,015**	**3,711,188**	**3,397,915**	**238,773**	**232,585**	**239,062**

(1) Segment Revenue is revenue earned by the relevant segment prior to any Eliminations in respect of sales between segments. Total Segment Revenue, which is after Eliminations, is equal to Turnover.

(2) Segment Result Before Interest and Tax is not equivalent to any particular Income Statement line item but reflects the relevant segment's Total Income less Expenditure (other than Interest and Finance Charges) and is presented before tax.

(3) Eliminations refers to revenue from sales by one segment to another segment, primarily from sales by Refining to Petrochemicals.

Summary Balance Sheet Data

	As at March 31,		
	2014	2014	2013
	(US$ in millions)[(1)] (Unaudited)	(Rs. in millions) (Audited)	
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	539	32,319	32,287
Reserves and Surplus[(2)]	32,353	1,938,421	1,767,655
	32,892	1,970,740	1,799,942
Share Application Money Pending Allotment	3	171	254
Non-Current Liabilities			
Long-Term Borrowings	10,467	627,112	430,122
Deferred Tax Liability (net)	2,039	122,158	121,935
	12,506	749,270	552,057
Current Liabilities			
Short-term Borrowings	3,801	227,703	115,107
Trade Payables	9,657	578,620	457,875
Other Current Liabilities	1,797	107,665	216,395
Short-Term Provisions	695	41,666	43,482
	15,950	955,654	832,859
TOTAL	**61,351**	**3,675,835**	**3,185,112**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	13,423	804,245	829,616
Intangible Assets	4,837	289,817	267,862
Capital Work-in-Progress	5,453	326,728	135,260
Intangible Assets under Development	1,509	90,430	55,906
Non-Current Investments	8,795	526,919	241,425
Long-term Loans and Advances	4,746	284,367	215,282
	38,763	2,322,506	1,745,351
Current Assets			
Current Investments	5,570	333,702	283,656
Inventories	7,165	429,320	427,289
Trade Receivables	1,780	106,635	118,801
Cash and Bank Balances	6,113	366,244	495,473
Short-Term Loans and Advances	1,882	112,767	109,742
Other Current Assets	78	4,661	4,800
	22,588	1,353,329	1,439,761
TOTAL	**61,351**	**3,675,835**	**3,185,112**

(1) Rupee amounts from the Annual Financial Statements for FY2014 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 59.915. The translation into US Dollars is for convenience only.

(2) Includes General Reserve and Revaluation Reserve.

Segmental Balance Sheet Data—Capital Employed

	As at March 31,	
	2014	2013
	(Rs. in millions) (Audited)	
Refining	663,728	668,108
Petrochemicals	446,008	388,158
Oil and Gas	285,708	251,673
Others	387,094	222,008
Unallocated Corporate	1,242,887	1,147,377
Total Capital Employed[1]	**3,025,425**	**2,677,324**

(1) Capital employed is equal to segment assets less segment liabilities, each after Eliminations.

Cash Flow Statement

The cash flow statement is set forth in "Operating and Financial Review—Liquidity and Capital Resources—Cash Flow Analysis".

Unaudited Financial Data for 9M FY2015 and 9M FY2014

Income Statement Data

	Nine Months Ended December 31,		
	2014	2014	2013
	(US$ in millions)[1]	(Rs. in millions) (Unaudited)	
Income from Operations			
Net Sales/Income from Operations (net of Excise Duty)	43,315	2,730,333	2,949,242
Total Income from Operations (net)	**43,315**	**2,730,333**	**2,949,242**
Expenses			
Costs of Materials Consumed	34,641	2,183,601	2,482,179
Purchases of Stock-In-Trade	857	54,032	5,112
Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	352	22,106	16,478
Employee Benefits Expense	427	26,931	24,224
Depreciation and Amortization Expense	1,008	63,565	65,136
Other Expenses	3,394	213,927	195,787
Total Expenses	**40,679**	**2,564,162**	**2,788,916**
Profit from Operations Before Other Income, Interest and Tax	**2,636**	**166,171**	**160,326**
Other Income	1,045	65,878	68,996
Profit from Ordinary Activities Before Finance Costs	**3,681**	**232,049**	**229,322**
Finance Costs	311	19,635	24,068
Profit from Ordinary Activities Before Tax	**3,370**	**212,414**	**205,254**
Tax Expense	756	47,655	41,719
Net Profit for the Period[2]	**2,614**	**164,759**	**163,535**

(1) Rupee amounts from the 9M FY2015 Financial Information for 9M FY2015 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 63.035. The translation into US Dollars is for convenience only.

(2) Net Profit for the Period is equivalent to Profit After Tax on the annual Income Statement.

Segmental Income Statement Data

	Segment Revenue(1)		Segment Results Before Interest and Tax(2)	
	Nine Months Ended December 31,			
	2014	2013	2014	2013
	(Rs. in millions) (Unaudited)			
Refining	2,559,315	2,743,458	107,600	92,655
Petrochemicals	699,528	721,216	64,854	65,163
Oil and Gas	42,838	46,506	10,860	12,481
Others	7,872	11,555	1,919	2,205
Eliminations(3)	(491,541)	(487,788)	—	—
Total	**2,818,012**	**3,034,947**	**185,233**	**172,504**

(1) Segment Revenue is revenue earned by the relevant segment prior to any Eliminations in respect of sales between segments. Total Segment Revenue, which is after Eliminations, is equal to Turnover.

(2) Segment Result Before Interest and Tax is not equivalent to any particular Income Statement line item but reflects the relevant segment's Total Income less Expenditure (other than Interest and Finance Charges) and is presented before tax.

(3) Eliminations refers to revenue from sales by one segment to another segment, primarily from sales by Refining to Petrochemicals.

Summary Balance Sheet Data

	As at December 31,		
	2014	2014	2013
	(US$ in millions)(1)	(Rs. in millions) (Unaudited)	
Shareholders' Equity	33,834	2,132,711	1,951,237
Net Worth	33,834	2,132,711	1,951,237
Long-term Debt(2)	11,797	743,675	682,341
Short-term Debt	2,159	136,066	130,956
Total Balance Sheet Debt(3)	13,956	879,741	813,297
Cash and Cash Equivalents(4)	11,902	750,224	887,047
Strategic Investments(5)	5,654	356,410	235,497

(1) Rupee amounts from the 9M FY2015 Financial Information as at December 31, 2014 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 63.035. The translation into US Dollars is for convenience only.

(2) Long-term debt includes current maturities thereof.

(3) Total Balance Sheet Debt includes secured debt of US$999 million or Rs. 62,989 million as at December 31, 2014, Rs. 112,027 million as at March 31, 2014 and Rs. 30,951 million as at December 31, 2013.

(4) Cash and Cash Equivalents includes cash, bank balances, FMP, government securities and current investments, fixed deposit with banks.

(5) Strategic Investments comprises investments made by the Company in its subsidiaries and associates. It also includes investments by the Company related to its trade which are strategic and non-current in nature.

Segmental Balance Sheet Data—Capital Employed

	As at December 31,	
	2014	2013
	(Rs. in millions)	
	(Unaudited)	
Refining	790,863	548,280
Petrochemicals	467,648	449,098
Oil and Gas	314,541	298,877
Others	389,824	337,987
Unallocated Corporate	1,175,336	1,251,249
Total Capital Employed[(1)]	**3,138,212**	**2,885,491**

(1) Capital employed is equal to segment assets less segment liabilities, each after eliminations.

Key Financial Data and Ratios

	As at and for Year Ended March 31,		
	2014	2013	2012
		(Unaudited)	
EBITDA[(1)] (Rs. in millions)	398,136	387,858	398,113
EBITDA[(1)(2)(3)] (US$ in millions)	6,645	—	—
EBITDA Margin[(4)]	10.2%	10.8%	12.1%
Net Profit Margin[(5)]	5.6%	5.8%	6.1%
EBITDA/Interest	12.4	12.8	14.9
Total Debt[(8)]/EBITDA	2.3	1.9	1.7
Total Debt[(8)]/Equity[(6)]	0.45	0.40	0.41
Long-term Secured Debt[(8)]/Total Fixed Assets[(7)]	0.02	0.06	0.08
Total Secured Debt[(8)]/Total Assets	0.03	0.02	0.03

(1) EBITDA is calculated as Total Income less the sum of Cost of Material Consumed, Purchases of stock-in-trade, Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade, Employee Benefit Expenses and Other Expenses. See “Presentation of Financial and Other Data—Non-GAAP Financial Measures”.

(2) Rupee amounts converted to US Dollars at the exchange rate of US$1.00 = Rs. 59.915. The translation into US Dollars is for convenience only.

(3) US Dollar conversion of EBITDA is provided for FY2014 only.

(4) EBITDA Margin is calculated by dividing EBITDA by Revenue from Operations.

(5) Net Profit Margin is calculated by dividing Profit After Tax by Revenue from Operations.

(6) Equity comprises Paid-up Equity and Reserves and Surplus.

(7) Total Fixed Assets are defined as Tangible Assets and Intangible Assets.

(8) Includes current maturities of debt.

	As at or Nine Months Ended December 31,	
	2014	2013
	(Unaudited)	
Other Financial Data and Ratios:		
EBITDA[1] (Rs. in millions)	295,614	294,458
EBITDA[1][2][3] (US$ in millions)	4,690	—
EBITDA Margin[4]	10.8%	10.0%
Net Profit Margin[5]	6.0%	5.5%
EBITDA/Interest	15.1	12.2
Total Debt[9]/Annualized EBITDA[6]	2.2	2.1
Total Debt[9]/Equity[7]	0.41	0.42
Long-term Secured Debt[9]/Long-term Debt[9]	0.02	0.03
Long-term Secured Debt[9]/Total Fixed Assets[8]	0.01	0.02
Total Secured Debt[9]/Total Assets	0.02	0.01

(1) EBITDA is calculated as Total Income less the sum of Cost of Material Consumed, Purchases of stock-in-trade, Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade, Employee Benefit Expenses and Other Expenses. See "Presentation of Financial and Other Data—Non-GAAP Financial Measures".

(2) Rupee amounts converted to US Dollars at the exchange rate of US$1.00 = Rs. 63.035. The translation into US Dollars is for convenience only.

(3) US Dollar conversion of EBITDA is provided for 9M FY2015 only.

(4) EBITDA Margin is calculated by dividing EBITDA by Revenue from Operations.

(5) Net Profit Margin is calculated by dividing Profit After Tax by Revenue from Operations.

(6) Annualized EBITDA is equal to EBITDA for the relevant nine-month period divided by nine and multiplied by twelve.

(7) Equity is comprised of Paid-up-Equity and Reserves and Surplus.

(8) Total Fixed Assets are defined as Tangible Assets and Intangible Assets.

(9) Includes current maturities of Debt.

Key Operating Information

The Company's engineers estimate the Company's proved oil and gas reserve quantities based on its internal surveys and data collected from third-party operators of production facilities in which the Company has a working interest. The following table sets forth the estimated net quantities of the Company's interest (on gross basis) in Proved Reserves and Proved Developed Reserves as at the dates indicated.

	Proved Reserves			Proved Developed Reserves		
	As at and for the Year Ended March 31,			As at and for the Year Ended March 31,		
	2014	2013	2012	2014	2013	2012
	(Audited) (Million MT)					
Oil:[1]						
Beginning of the year	2.46	3.06	8.29	1.82	2.42	7.66
Reduction on transfer of participating interest	—	—	(1.69)	—	—	(1.65)
Revision of estimates[2]	0.47	—	(2.61)	0.73	—	(2.66)
Production	(0.46)	(0.60)	(0.93)	(0.46)	(0.60)	(0.93)
Closing balance	**2.47**	**2.46**	**3.06**	**2.09**	**1.82**	**2.42**

	Proved Reserves			Proved Developed Reserves		
	As at and for the Year Ended March 31,			As at and for the Year Ended March 31,		
	2014	2013	2012	2014	2013	2012
	(Audited) (Million cubic meters)[3]					
Gas:[1]						
Beginning of the year	97,285	103,958	185,821	18,470	25,159	107,362
Reduction on transfer of participating interest	—	—	(56,621)	—	—	(30,543)
Revision of estimates[2]	(7,195)	59	(12,418)	834	43	(38,836)
Production	(3,860)	(6,732)	(12,824)	(3,860)	(6,732)	(12,824)
Closing balance	86,230	97,285	103,958	15,444	18,470	25,159

(1) See "Risk Factors—Risks Relating to the Business—Crude oil and natural gas reserve estimates involve some degree of uncertainty and may prove to be incorrect over time or may not accurately reflect actual growth levels, or even if accurate, technical limitations may prevent the Company from retrieving these reserves. In addition, the actual size of deposits may differ materially from such estimates".

(2) Revision of estimates in oil and gas reserves was due to reworking of geological models using complete field data sets such as information from additional wells drilled, reprocessing of seismic data, geological understanding and petro-physics interpretation of the Panna-Mukta, Tapti and KG-D6 fields.

(3) One cubic meter is equivalent to 35.315 cubic feet.

OPERATING AND FINANCIAL REVIEW

The following operating and financial review is intended to convey management's perspective on the operating performance and financial condition of the Company as at and for the fiscal years ended March 31, 2014, 2013 and 2012 on a non-consolidated basis, as measured in accordance with Indian GAAP. This disclosure is intended to assist in understanding and interpreting the financial statements of the Company included in this Offering Memorandum. The discussion should be read in conjunction with "Selected Non-Consolidated Financial and Operating Data" and the Annual Financial Statements and the accompanying schedules and notes.

The Company reports in accordance with Indian GAAP, and its accounting policies have been established accordingly. Indian GAAP differs in certain respects from US GAAP. For a discussion of certain significant differences between Indian GAAP and US GAAP, see "Description of Certain Differences Between Indian GAAP and US GAAP".

The following discussion contains forward-looking statements. These statements have been based on management's current projections and expectations about future events. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of many important factors, including those set out under "Risk Factors" and elsewhere in this Offering Memorandum. See "Forward-Looking Statements and Associated Risks". Further information regarding the presentation of financial information is set out under the heading "Presentation of Financial and Other Data".

The Company has four segments for financial reporting purposes. See "Presentation of Financial and Other Data—Reporting Segments" for a description of the Company's segments.

In this operating and financial review, references to "FY2014", "FY2013" and "FY2012" refer to the Company's fiscal years ended March 31, 2014, 2013 and 2012, respectively.

The Company was India's largest private sector enterprise based on Turnover and Profit After Tax for FY2014 with a turnover of Rs. 4,013.02 billion (US$66.98 billion), cash profit of Rs. 307.95 billion (US$5.1 billion) and net profit of Rs. 219.84 billion (US$3.7 billion) for FY2014. It has three principal businesses, each of which comprises a financial reporting segment: (i) exploration, development and production of oil and natural gas ("Oil and Gas"), (ii) refining and marketing of petroleum products ("Refining") and (iii) petrochemicals, including principally the manufacturing and marketing of polymers, polyester, polyester intermediates and chemicals ("Petrochemicals").

The Company has significant domestic sales in India and exports to 123 countries around the world. The Company has eight principal plants located in the Indian states of Maharashtra, Gujarat and Andhra Pradesh, and oil and gas interests in the Bay of Bengal and the Arabian Sea. Outside India, the Company has exploration and production interests, through its wholly owned subsidiary Reliance Exploration & Production DMCC, in Yemen and Peru. In addition, its subsidiary, Recron (Malaysia) Sdn Bhd ("Recron"), manufactures polyester products at facilities in two locations at Nilai and Malacca, Malaysia. In 2007, the Company, through its subsidiary, Reliance Industries (Middle East) DMCC, acquired a majority stake in Gulf Africa Petroleum Corporation ("GAPCO"), which owns and operates large storage terminal facilities and a retail distribution network principally in Kenya, Tanzania and Uganda. In 2010, the Company, through its subsidiaries, entered into three joint ventures in the United States and thereby acquired interests in shale deposits in the Marcellus Shale and the Eagle Ford Shale in the United States.

The Company earns its revenue principally through the production and sale of petroleum products, including diesel, gasoline and LPG, petrochemicals and natural gas. The volumes of these sales and the prices it receives for its products are significant drivers of the Company's results of operations.

The Company has a balanced mix of sales within and outside India. Export sales (including deemed exports) accounted for 69% of its Turnover in FY2014 (FY2013: 64%). Exports of refined petroleum products from the Company's Refining business accounted for 89% of the Company's total exports in FY2014 (FY2013: 89%).

The Company has an integrated production chain and accordingly has significant inter-segment sales. The following table sets out Segment Revenue and Segment Result Before Interest and Tax for each of the Company's reporting segments for FY2014, FY2013 and FY2012:

	Segment Revenue[(1)]			Segment Results Before Interest and Tax[(2)]		
	Year Ended March 31,					
	2014	2013	2012	2014	2013	2012
	(Rs. in millions) (Audited)					
Refining	3,619,703	3,337,737	2,947,348	132,196	127,881	96,542
Petrochemicals	964,653	881,084	806,246	86,119	73,275	89,671
Oil and Gas	60,683	82,805	128,977	16,261	28,872	52,495
Others	15,486	9,528	12,125	4,197	2,557	354
Eliminations[(3)]	(647,510)	(599,966)	(496,781)	—	—	—
Total	**4,013,015**	**3,711,188**	**3,397,915**	**238,773**	**232,585**	**239,062**

(1) Segment Revenue is revenue earned by the relevant segment prior to any Eliminations in respect of sales between segments. Total Segment Revenue, which is after Eliminations, is equal to Turnover.

(2) Segment Result Before Interest and Tax is not equivalent to any particular Income Statement line item but reflects the relevant segment's Total Income less Expenditure (other than Interest and Finance Charges) and is presented before tax.

(3) Eliminations refers to revenue from sales by one segment to another segment, primarily from sales by Refining to Petrochemicals.

The Company's Oil and Gas business is principally engaged in the onshore and offshore exploration and production of oil and gas in India and, to a lesser extent, outside India, as well as shale gas exploration in the United States. As of December 31, 2014, the Company had 9 domestic exploration blocks, including one block each in Panna-Mukta and Tapti and two coal bed methane blocks. The total area covered under the domestic blocks, including the two coal bed methane blocks, is approximately 18,027 square kilometers as at December 31, 2014. The Company, through its subsidiary, Reliance Exploration & Production DMCC, currently has interests in three overseas exploration blocks, including two in Yemen and one in Peru amounting to a total acreage of approximately 21,361 square kilometers. In addition, the Company has entered, through its subsidiaries, into three joint ventures and thereby acquired interests in shale deposits in the Marcellus Shale and the Eagle Ford Shale in the United States. See "Business—Business—Oil and Gas".

The Company's Refining business is principally engaged in operating crude oil refineries and marketing a wide range of value-added petroleum products, including diesel, gasoline, jet fuel, bunker fuel, LPG, base oil and kerosene, through marketing and retailing network in the Indian, as well as selected international, markets. The Company owns and operates two refineries: Jamnagar Refinery I in the domestic tariff area and Jamnagar Refinery II in the SEZ, a duty-free zone deemed to be a foreign territory for the purposes of trade operations and duties and tariffs. The refineries at Jamnagar have a combined total installed crude processing capacity of 1.24 million barrels per day. Refining purchases and processes significant quantities of crude oil. In ordinary conditions, its profitability is driven by the margin, called the gross refining margin that it can earn on its refining activities. Its revenues and costs are directly related to the volume of crude oil processed and the price it pays for crude oil. The price of crude oil fluctuates widely and an increase or decrease in the oil price will increase or decrease, respectively, Refining's revenues and costs. As Refining constitutes a significant portion of the Company's revenues and costs, the Company results are similarly affected by increases or decreases in crude oil prices. See "Risk Factors—Volatile margins and crude oil prices in the refining industry may negatively affect the Company's future operating results and decrease its cash flow" and "Business—Business—Refining".

The Company's Petrochemicals business is principally engaged in converting feedstocks derived from petroleum and natural gas liquids into petrochemicals. The Petrochemicals business produces products such as polymers, polyester fiber and yarn and polyester intermediates. It principally operates facilities in India. See "Business—Business—Petrochemicals".

The Company's Others segment comprises the textile division, producing a wide range of synthetic textiles and other small businesses. For further details, see "Business—Business—Others".

In the last ten years, the Company expanded its operations and diversified into new business and geographic areas. Although the Company's core business segments of Petrochemicals and Refining accounted for 98% of Segment Revenue Before Eliminations for FY2014 (FY2013: 98%), Segment Result Before Interest and Tax was more balanced with Petrochemicals, Refining and Oil and Gas segments accounting for 36% (FY2013: 32%), 55% (FY2013: 55%) and 7% (FY2013: 12%), respectively, in FY2014.

Factors Affecting Results of Operations

The Company is an integrated energy company with a diversified revenue base from its principal business segments of Oil and Gas, Refining and Petrochemicals. Its results of operations in any period may be influenced by changing economic, regulatory and political environments, in particular as such factors affect India. The principal factors that have affected, currently affect or may affect in the future, the Company's operating and financial performance, its financial condition and its prospects are:

- global commodity prices, in particular for natural gas, refined petroleum products and petrochemical products;
- the availability and price of crude oil, the key input in the Company's businesses;
- the price of products that are subject to price regulation when sold in India (principally natural gas, gasoline, diesel, LPG and kerosene);
- the price of the Company's petrochemical products in the domestic market;
- the Company's ability to pass on any increase in the price of crude oil through a change in prices of its refined petroleum products;
- the Company's ability to pass on any increase in the price of feedstocks through a change in prices of its petrochemical products;
- the production and sales volumes for the Company's products, which are affected by economic conditions in India and elsewhere;
- macroeconomic growth in India;
- changes in global economic conditions that may have an impact on demand from key international customers;
- changes in operating costs;
- the execution of the Company's growth strategy and its growth and maintenance capital expenditure requirements, and its ability to recover its costs of exploration, development and production under the KG-D6 PSC, see "Business—Litigation— Cost Recovery Arbitration";
- regulatory changes, in particular in India;
- change in interest rates in the Indian and international markets;
- fiscal and other related regulatory changes that may have impact on depreciation rates, income tax rates and other direct and indirect taxes; and
- exchange rates, in particular between the rupee, the Company's reporting currency, and the US Dollar, given a substantial portion of the Company's sales and costs are either denominated in US Dollars or linked to, or influenced by movements of, the US Dollar.

Critical Accounting Policies and Estimates and Forthcoming Changes

Basis of Preparation of Financial Statements

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Indian Companies Act.

The financial statements are prepared on accrual basis under the historical cost convention, except for certain fixed assets which are carried at revalued amounts. The financial statements are presented in Indian rupees rounded off to the nearest rupees in crore.

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The Company's accounting policies are set forth in full in the FY2014 Annual Financial Statements. The Company's critical accounting policies are described below.

Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known/materialized.

Fixed Assets

Tangible Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress.

Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets

Leased Assets

a) Operating Leases: Rentals are expensed on a straight line basis with reference to lease terms and other considerations.

b) (i) Finance leases prior to April 1, 2001: Rentals are expensed with reference to lease terms and other considerations.

(ii) Finance leases on or after April 1, 2001: The lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Statement of Profit and Loss.

c) However, rentals referred to in (a) or (b) (i) above and the interest component referred to in (b) (ii) above, pertaining to the period up to the date of commissioning of the asset are capitalized.

d) All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Initial direct costs in respect of lease are expensed in the period in which such costs are incurred. Income from lease assets is accounted by applying the interest rate implicit in the lease to the net investment.

Depreciation, Amortization and Depletion

Tangible Assets

Depreciation on fixed assets is provided to the extent of depreciable amount on the Written Down Value ("WDV") Method except in the case of assets pertaining to the Refining segment and SEZ units/developer, where depreciation is provided on the Straight Line Method ("SLM"). Depreciation is provided at the rates and in the manner prescribed in Schedule XIV to the Indian Companies Act except in respect of the following assets, where rates higher than those prescribed in Schedule XIV are used;

Particular	Depreciation
Fixed bed catalyst (useful life: two years or more) ...	Over its useful life as technically assessed
Fixed bed catalyst (useful life: up to two years)	100% depreciated in the year of addition
Assets acquired from April 1, 2001 under finance lease	Over the period of lease term
Premium on leasehold land	Over the period of lease term

In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets, depreciation is provided as aforesaid over the residual life of the respective assets. In respect of amounts added on revaluation, depreciation is provided as aforesaid over the residual lives of the assets as certified by the valuers.

Intangible Assets

Intangible assets are amortized as follows:

Particular	Amortization / Depletion
Technical Know-how	Over the useful life of the underlying assets
Computer software...	Over a period of five years
Development Rights	Depleted in proportion of oil and gas production achieved vis-a-vis the proved reserves (net of reserves to be retained to cover abandonment costs as per the production sharing contract and the Government of India's share in the reserves, where applicable) considering the estimated future expenditure on developing the reserves as per technical evaluation
Others	Over the period of agreement of right to use, provided that in case of jetty, the aggregate amount amortized to date is not less than the aggregate rebate availed by the Company.

Impairment

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Foreign Currency Transactions

a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

c) Non-monetary foreign currency items are carried at cost.

d) In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year end rates.

e) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss, except in case of long-term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

Investments

Current investments are carried at the lower of cost and quoted/fair value, computed category-wise. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

Inventories

Items of inventories are measured at the lower of cost and net realizable value after providing for obsolescence, if any, except in case of by-products which are valued at net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

Revenue Recognition

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, service tax, excise duty and sales during trial run period, adjusted for discounts (net), and gain/loss on corresponding hedge contracts.

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Excise Duty/Service Tax

Excise duty / Service tax is accounted on the basis of both, payments made in respect of goods cleared / services provided and provisions made for goods lying in bonded warehouses.

Employee Benefits

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employees render the services. These benefits include performance incentives and compensated absences.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Actuarial gains and losses in respect of post-employment and other long-term benefits are charged to the Statement of Profit and Loss.

Employee Separation Costs

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is charged to the Statement of Profit and Loss in the year of exercise of option by the employee.

Borrowing Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

Research and Development Expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalized.

Financial Derivatives and Commodity Hedging Transactions

In respect of derivative contracts, premium paid, gains/losses on settlement and losses on restatement are recognized in the Statement of Profit and Loss except in cases where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

Income Taxes

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available, except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

Premium on Redemption of Bonds/Debentures

Premium on redemption of bonds/debentures, net of tax impact, is adjusted against the securities premium reserve.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

Accounting for Oil and Gas Activity

The Company has adopted Full Cost Method of accounting for its Oil and Gas activities and all costs incurred are accumulated considering the country as a cost center. Costs incurred on acquisition of an interest in oil and gas blocks and on exploration and evaluation are accounted for as capital work-in-progress. Upon a reserve being either "proved" or deemed to be "dry", the costs accumulated in capital work-in-progress are capitalized to intangible assets. Development costs incurred thereafter in respect of "proved" reserves are capitalized to the said intangible asset. All costs relating to production are charged to the Statement of Profit and Loss.

Oil and Gas Joint Ventures are in the nature of Jointly Controlled Assets. Accordingly, assets and liabilities as well as income and expenditure are accounted on the basis of available information on a line-by-line basis with similar items in the Company's financial statements, according to the participating interest of the Company.

Impact of Accounting Standards and Interpretations That Are Not Yet Effective

In 2011, the MCA prescribed the Ind-AS, 35 accounting standards that were meant to converge with IFRS. The date of applicability was not notified at the time.

Recently, in July 2014, the Finance Minister in his Budget speech proposed a timeline for adoption of Ind-AS by Indian companies. Accordingly, on January 2, 2015, a Press Note was issued by the MCA specifying the roadmap for implementation of Ind-AS for companies other than banking, insurance and non-banking finance companies. Under the roadmap, for companies whose equities and/or debt are listed or are in the process of listing on any stock exchange in India or outside India and that have a net worth of Rs. 5 billion or more together with the holding, subsidiary and associates thereof, implementation of Ind-AS is voluntary for the year ending March 31, 2016 and mandatory for the year ending March 31, 2017, with comparatives for the previous year. The Company is in the process of assessing the impact of implementation of Ind-AS on the Group.

Results of Operations

Revenue from Operations comprises revenue from the sale of goods and services and sales during a facility's pre-commission trial period, net of sales tax, service tax and excise duty recovered on sale, discounts and VAT and adjusted for gain/loss on hedge contracts corresponding to sales (commodity and/or exchange hedges).

Total Revenue is defined as Net Turnover plus Other Income; Other Income includes primarily dividends from investments, interest from investments/fixed deposit with banks, profit/loss from sale of investments (net) and fixed assets and miscellaneous income.

Income Statement Data for FY2014 and FY2013

The following table sets forth the Company's income statement data for FY2014 and FY2013, which have been extracted without material adjustment from the Annual Financial Statements presented elsewhere in this Offering Memorandum and also includes the percentage change between the two fiscal years presented:

	Year Ended March 31,		
	2014		2013
	(Rs. in millions)	% change (Audited)	(Rs. in millions)
INCOME			
Revenue from Operations			
Sale of Products	4,012,000	8.1	3,710,212
Income from Services	1,015	4.0	976
	4,013,015	8.1	3,711,188
Less: Excise Duty/Service Tax Recovered	111,847	3.3	108,222
Net Revenue from Operations	3,901,168	8.3	3,602,966
Other Income	89,359	11.7	79,979
Total Revenue	**3,990,527**	**8.4**	**3,682,945**
EXPENDITURE			
Cost of Materials Consumed	3,293,133	7.6	3,061,270
Purchases of Stock-in-Trade	5,238	4.4	5,016
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	4,115	112.4	(33,163)
Employee Benefits Expense	33,701	0.5	33,538
Finance Costs	32,059	5.6	30,361
Depreciation and Amortization Expense(1)(2)	87,896	(7.1)	94,653
Other Expenses	256,204	12.2	228,426
Total Expenses	**3,712,346**	**8.5**	**3,420,101**
Profit Before Tax	278,181	5.8	262,844
Tax Expenses			
Current Tax	58,117	10.8	52,436
Deferred Tax	223	(40.2)	373
Profit after tax for the Year	**219,841**	**4.7**	**210,035**

(1) Net of transfers from the Revaluation Reserve.

(2) Gross Fixed Assets included Rs. 381,220 million as at March 31, 2014 and Rs. 381,220 million as at March 31, 2013 on account of revaluations of Fixed Assets carried out in the past. As a result of such revaluations, additional depreciation charges of Rs. 18,445 million and Rs. 20,720 million were recorded in FY2014 and FY2013, respectively. An equivalent amount has been credited to the Income Statement from Revaluation Reserve/General Reserve in the respective fiscal years. This has no impact on the profits of the respective fiscal years. For information on asset revaluation and associated depreciation under Indian GAAP, see "Description of Certain Differences Between Indian GAAP and US GAAP".

Description of Income Statement Items for FY2014 and FY2013

"Revenue from Operations" comprises revenue from the sale of goods and services, sales tax, service tax, excise duty and sales during a facility's pre-commission trial period, net of discounts and VAT and adjusted for gain/loss on hedge contracts corresponding to sales (commodity and/or exchange hedges).

"Excise Duty/Service Tax Recovered" comprises excise duty as required by the Central Excise Act, 1944 recovered on sale of manufactured products and service tax recovered on services provided.

"Other Income" primarily comprises dividends from investments, interest from investment/fixed deposit with banks, profit on sale of fixed assets, profit on sale of investments(net) and miscellaneous income.

"Cost of Materials Consumed" comprises raw materials consumed, handling charges, port charges and other charges relating to raw materials.

"Purchases of Stock-in-Trade" comprises the expenditure for buying goods intended for trading.

"Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade" comprises differences in opening and closing stocks.

"Employee Benefits Expense" comprises salaries and wages, contribution to provident and other funds and staff welfare expenses.

"Finance Costs" comprises Interest and Finance Charges on loans and other debt.

"Depreciation and Amortization Expense" comprises amortization of fixed assets and intangible assets.

"Other Expenses" comprises manufacturing expenses, selling and distribution expenses and establishment expenses.

"Current Tax" comprises tax payable on current period profit.

"Deferred Tax" comprises income tax deferred on account of timing differences, particularly related to the timing of the recognition of depreciation on fixed assets in the Income Statement and the tax impact thereof.

Income Statement Data for FY2013 and FY2012

The following table sets forth the Company's income statement data for FY2013 and FY2012, which have been extracted without material adjustment from the Annual Financial Statements presented elsewhere in this Offering Memorandum and also includes the percentage change between the two fiscal years presented:

	Year Ended March 31,		
	2013		2012
	(Rs. in millions)	% change (Audited)	(Rs. in millions)
INCOME			
Revenue from Operations	3,602,966	9.2	3,299,040
Other Income	79,979	29.2	61,921
Total Revenue	**3,682,945**	**9.6**	**3,360,961**
EXPENDITURE			
Cost of Materials Consumed	3,061,270	11.4	2,748,136
Purchases of Stock-in-Trade	5,016	(65.2)	14,408
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	(33,163)	280.5	(8,716)
Employee Benefits Expense	33,538	17.2	28,616
Finance Costs	30,361	13.8	26,671
Depreciation and Amortization Expense (net of transfers from the Revaluation Reserve)[(1)]	94,653	(16.9)	113,937
Other Expenses	228,426	26.6	180,404
Total Expenses	**3,420,101**	**10.2**	**3,103,456**
Profit Before Tax	262,844	2.1	257,505
Tax Expenses			
Current Tax	52,436	1.8	51,502
Deferred Tax	373	(93.3)	5,600
Profit for the Year	**210,035**	**4.8**	**200,403**

(1) Gross Fixed Assets included Rs. 381,220 million as at March 31, 2013 and Rs. 381,220 million as at March 31, 2012 on account of revaluations of Fixed Assets carried out in the past. As a result of such revaluations, additional depreciation charges of Rs. 20,720 million and Rs. 23,405 million were recorded in FY2013 and FY2012, respectively. An equivalent amount has been credited to the Income Statement from Revaluation Reserve in the respective fiscal years. This has no impact on the profits of the respective fiscal years. For information on asset revaluation and associated depreciation under Indian GAAP, see "Description of Certain Differences Between Indian GAAP and US GAAP".

Description of Income Statement Items for FY2013 and FY2012

"Revenue from Operations" comprises revenue from the sale of goods and services, sales tax, service tax, excise duty and sales during a facility's pre-commission trial period, net of discounts and VAT and adjusted for gain/loss on hedge contracts corresponding to sales (commodity and/or exchange hedges).

"Other Income" primarily comprises dividends from investments, interest from investment/fixed deposit with banks, profit on sale of fixed assets, profit on sale of investments(net) and miscellaneous income.

"Cost of Materials Consumed" comprises raw materials consumed, handling charges, port charges and other charges relating to raw materials.

"Purchases of Stock-in-Trade" comprises the expenditure for buying goods intended for trading.

"Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade" comprises difference in opening and closing stocks.

"Employee Benefits Expense" comprises salaries and wages, contribution to provident and other funds and staff welfare expenses.

"Finance Costs" comprises Interest and Finance Charges on loans and other debt.

"Depreciation and Amortization Expense" comprises amortization of fixed assets and intangible assets.

"Other Expenses" comprises manufacturing expenses, selling and distribution expenses and establishment expenses.

"Current Tax" comprises tax payable on current period profit.

"Deferred Tax" comprises income tax deferred on account of timing differences, particularly related to the timing of the recognition of depreciation on fixed assets in the Income Statement and the tax impact thereof.

Results of Operations for FY2014 and FY2013

Total Revenue

Total Revenue for FY2014 increased by Rs. 307,582 million, or 8.4%, to Rs. 3,990,527 million from Rs. 3,682,945 million for FY2013, principally as a result of an increase in Revenue from Operations, as described below. Other Income was higher primarily due to higher liquid investments.

The following table sets forth the components of Total Revenue for FY2014 and FY2013, together with the percentage change in those items:

	Year Ended March 31,		
	2014		2013
	(Rs. in millions)	% change (Audited)	(Rs. in millions)
Revenue from Operations	3,901,168	8.3	3,602,966
Other Income	89,359	11.7	79,979
Total Revenue	**3,990,527**	**8.4**	**3,682,945**

Revenue from Operations for FY2014 increased by Rs. 298,202 million, or 8.3%, to Rs. 3,901,168 million from Rs. 3,602,966 million for FY2013, principally due to a 10% depreciation of the rupee against the US Dollar that led to higher product prices, and also due to a general increase in sales volume.

The Company recorded Revenue from Operations growth in all of its principal businesses of Refining and Petrochemicals. Revenue from Operations in the Company's Refining segment increased by 8.4%, or Rs. 281,966 million (to Rs. 3,619,703 million for FY2014 from Rs. 3,337,737 million for FY2013), principally as a result of higher prices in FY2014. Revenue from Operations in Oil and Gas decreased by 26.7%, or Rs. 22,122 million (to Rs. 60,683 million in FY2014 from Rs. 82,805 million in FY2013), principally due to lower production and sales of gas and/or condensate. Revenue from Operations in Petrochemicals increased by 9.5%, or Rs. 83,569 million (to Rs. 964,653 million for FY2014 from Rs. 881,084 million for FY2013), primarily due to an increase in price and volume. See "—Results of Operations by Segment for FY2014 and FY2013".

Cost of Materials Consumed

Cost of Materials Consumed for FY2014 increased by Rs. 231,863 million, or 7.6%, to Rs. 3,293,133 million from Rs. 3,061,270 million for FY2013, principally due to higher feedstock prices.

Purchases of Stock-in-Trade

Purchases of Stock-in-Trade for FY2014 increased by Rs. 222 million, or 4.4%, to Rs. 5,238 million from Rs. 5,016 million for FY2013, principally due to higher trading.

Employee Benefits Expense

Employee Benefits Expense for FY2014 increased by Rs. 163 million, or 0.5%, to Rs. 33,701 million from Rs. 33,538 million for FY2013, principally due to higher payouts to employees as a result of higher base salaries.

Finance Costs

Finance Costs for FY2014 increased by Rs. 1,698 million, or 5.6%, to Rs. 32,059 million from Rs. 30,361 million for FY2013 principally due to the sharp decline in the rupee exchange rate.

The following table sets forth the components of Finance Costs for FY2014 and FY2013, together with the percentage changes in those items:

	Year Ended March 31,		
	2014		2013
	(Rs. in millions)	% change (Audited)	(Rs. in millions)
Interest Expenses	18,667	(13.2)	21,515
Other borrowing costs	144	(11.7)	163
Applicable loss on foreign currency transactions and translations	13,248	52.6	8,683
Total	**32,059**	**5.6**	**30,361**

Depreciation and Amortization Expense

Depreciation and Amortization Expense for FY2014 decreased by Rs. 6,757 million, or 7.1%, to Rs. 87,896 million from Rs. 94,653 million for FY2013, principally due to lower production of oil & gas in the upstream business.

The above-stated Depreciation and Amortization Expense is net of depreciation on revaluation which has been withdrawn from the Revaluation Reserve/General Reserve. The depreciation on revaluation for FY2014 decreased by Rs. 2,275 million, or 11.0%, to Rs. 18,445 million from Rs. 20,720 million for FY2013.

Profit Before Tax

Profit Before Tax for FY2014 increased by Rs. 15,337 million, or 5.8%, to Rs. 278,181 million from Rs. 262,844 million for FY2013, principally due to higher operating profits, which was partly offset by higher Finance Costs.

Taxation

Current Tax for FY2014 increased by Rs. 5,681 million, or 10.8%, to Rs. 58,117 million from Rs. 52,436 million for FY2013, principally due to higher profits and a higher Minimum Alternate Tax rate of 20.9605% in FY2014 as compared to 20.00755% in FY2013. Deferred Tax for FY2014 decreased by Rs. 150 million, or 40.2%, to Rs. 223 million from Rs. 373 million for FY2013.

Profit for the Year

Profit for the Year for FY2014 increased by Rs. 9,806 million, or 4.7%, to Rs. 219,841 million from Rs. 210,035 million for FY2013, principally due to the factors described above.

Results of Operations by Segment for FY2014 and FY2013

The following table sets forth selected segmental income statement data for FY2014 and FY2013, which have been extracted without material adjustment from certain Company audited financial information not presented elsewhere in the Annual Financial Statements, including the percentage change between the two fiscal years presented:

	Year Ended March 31,		
	2014		2013
	(Rs. in millions)	% change (Audited)	(Rs. in millions)
Segment Revenue[1]			
Oil and Gas	60,683	(26.7)	82,805
Refining	3,619,703	8.4	3,337,737
Petrochemicals	964,653	9.5	881,084
Others	15,486	62.5	9,528
Eliminations[2]	(647,510)	7.9	(599,966)
Total	**4,013,015**	**8.1**	**3,711,188**
Segment Result Before Interest and Tax[3]			
Oil and Gas	16,261	(43.7)	28,872
Refining	132,196	3.4	127,881
Petrochemicals	86,119	17.5	73,275
Others	4,197	64.1	2,557
Total	**238,773**	**2.7**	**232,585**

(1) Segment Revenue is revenue earned by the relevant segment prior to any Eliminations in respect of sales between segments. Total Segment Revenue, which is after Eliminations, is equal to Turnover.

(2) Eliminations refers to revenue from sales by one segment to another segment, primarily from sales by Refining to Petrochemicals.

(3) Segment Result Before Interest and Tax is not equivalent to any particular Income Statement line item but reflects the relevant segment's Total Income less Expenditure (other than Interest and Finance Charges) and is presented before tax.

Segment Revenue

Oil and Gas

Segment Revenue in Oil and Gas for FY2014 decreased by Rs. 22,122 million, or 26.7%, to Rs. 60,683 million from Rs. 82,805 million for FY2013, principally due to lower production and lower liquid price realization partially offset by higher exchange rate realization.

Production from KG-D6 in FY2014 was 178 BCF (equivalent to approximately 5,050 MMSCM) of natural gas and 2.3 million barrels (equivalent to approximately 0.274 million tons) of crude oil & Condensate, a reduction of 47.0% and 30%, respectively, from FY2013, primarily due to geological complexity and natural decline of fields and higher than envisaged water ingress. Production from Panna-Mukta in FY2014 was 65.40 BCF (equivalent to approximately 1,852 MMSCM) of natural gas and 7.40 million barrels (0.957 million tons) of crude oil, a decrease of 8% and 9%, respectively, from FY2013, principally due to a 17-day shutdown (of which three days were in April 2013) for field maintenance activities and commissioning of a new single point mooring ("SPM") system coupled with natural decline. During FY2014, production from Tapti was 27.3 BCF (equivalent to approximately 773 MMSCM) of natural gas and 0.3 million barrels (0.03 million tons) of condensate, a decrease of 38% and 48%, respectively, from FY2013 principally due to the underperformance of newly drilled wells as well as on account of natural decline in the existing wells. The production information above is on a 100% joint-venture basis and not the Company's attributable interest.

Refining

Segment Revenue in Refining for FY2014 increased by Rs. 281,966 million, or 8.4%, to Rs. 3,619,703 million from Rs. 3,337,737 million for FY2013, principally due to an increase in prices. During FY2014, the refineries processed 68.0 million tons (FY2013: 68.5 million tons) of crude oil, reflecting an average utilization rate of 110.0% for the year (FY2013: 110.0%).

Petrochemicals

Segment Revenue in Petrochemicals for FY2014 increased by Rs. 83,569 million, or 9.5%, to Rs. 964,653 million from Rs. 881,084 million for FY2013, principally due to an increase in prices and volume.

Others

Segment Revenue in the Others segment for FY2014 increased by Rs. 5,958 million, or 62.5%, to Rs. 15,486 million from Rs. 9,528 million for FY2013.

Segment Result Before Interest and Tax

Oil and Gas

Segment Results Before Interest and Tax in Oil and Gas for FY2014 decreased by Rs. 12,611 million, or 43.7%, to Rs. 16,261 million from Rs. 28,872 million for FY2013, principally on account of lower production from the KG-D6 block and Panna-Mukta and Tapti due to geological complexity, higher than envisaged water ingress, and natural decline and 17 days shut down for field maintenance activities and commissioning of new SPM in Panna-Mukta.

Refining

Segment Results Before Interest and Tax in Refining for FY2014 increased by Rs. 4,315 million, or 3.4%, to Rs. 132,196 million from Rs. 127,881 million for FY2013. The R&M segment had a record year with the highest ever annual Segment Results Before Interest and Tax. Gross Refining Margin ("GRM") was $8.1/bbl, as against $9.2/bbl in FY2013. Segment Results Before Interest and Tax increased due to stable middle distillate cracks, improved light-heavy crude differentials and favorable currency movement. Though refining margins remained weaker compared to FY2013, the Company performed significantly better than the benchmark Singapore GRM, which averaged $5.9/bbl during the year. The Company processed 10 new crude grades during the year, taking the total number of crudes processed to 128. The Company's reported gross refining margins for FY2014 reflected a premium of US$2.2/bbl over the average Singapore complex gross refining margins, as calculated by Reuters. The premium of US$2.2/bbl in FY2014 was higher as compared to a premium of US$1.5/bbl in FY2013, principally due to lower FO crack which impacted Singapore margins.

Petrochemicals

Segment Results Before Interest and Tax in Petrochemicals for FY2014 increased by Rs. 12,844 million, or 17.5%, to Rs. 86,119 million from Rs. 73,275 million for FY2013, principally due to strong polymer and downstream polyester margins coupled with favorable exchange rate movement. This was partly offset by weak fiber intermediate margins, particularly in the second half of the year.

Others

Segment Results Before Interest and Tax in the Others segment for FY2014 increased by Rs. 1,640 million, or 64.1%, to Rs. 4,197 million from Rs. 2,557 million for FY2013.

Results of Operations for FY2013 and FY2012

Total Revenue

Total Revenue for FY2013 increased by Rs. 321,984 million, or 9.6%, to Rs. 3,682,945 million from Rs. 3,360,961 million for FY2012, principally as a result of an increase in Revenue from Operations, as described below. Other Income was higher primarily due to an increase in cash flows from operations that were deployed in bank deposits, mutual funds and Government securities/bonds.

The following table sets forth the components of Total Revenue for FY2013 and FY2012, together with the percentage change in those items:

	Year Ended March 31,		
	2013		2012
	(Rs. in millions)	% change (Audited)	(Rs. in millions)
Revenue from Operations	3,602,966	9.2	3,299,040
Other Income	79,979	29.2	61,921
Total Revenue	**3,682,945**	**9.6**	**3,360,961**

Revenue from Operations for FY2013 increased by Rs. 303,926 million, or 9.2 %, to Rs. 3,602,966 million from Rs. 3,299,040 million for FY2012, principally as a result of higher product prices partly offset by decrease in sales volume.

The Company recorded Revenue from Operations growth in all of its principal businesses of Refining and Petrochemicals. Revenue from Operations in the Company's Refining segment increased by 13.2%, or Rs. 390,389 million (to Rs. 3,337,737 million for FY2013 from Rs. 2,947,348 million for FY2012) principally as a result of higher prices and volumes in FY2013. Revenue from Operations in Oil and Gas decreased by 35.8%, or Rs. 46,172 million (to Rs. 82,805 million in FY2013 from Rs. 128,977 million in FY2012), principally due to lower production and sales of gas and/or condensate. Revenue from Operations in Petrochemicals increased by 9.3%, or Rs. 74,838 million (to Rs. 881,084 million for FY2013 from Rs. 806,246 million for FY2012), primarily due to an increase in price partly offset by lower volumes. See "—Results of Operations by Segment for FY2013 and FY2012".

Cost of Materials Consumed

Cost of Materials Consumed for FY2013 increased by Rs. 313,134 million, or 11.4%, to Rs. 3,061,270 million from Rs. 2,748,136 million for FY2012, principally due to higher crude oil prices.

Purchases of Stock-in-Trade

Purchases of Stock-in-Trade for FY2013 decreased by Rs. 9,392 million, or 65.2%, to Rs. 5,016 million from Rs. 14,408 million for FY2012, principally due to lower trading in petroleum products.

Employee Benefits Expense

Employee Benefits Expense for FY2013 increased by Rs. 4,922 million, or 17.2%, to Rs. 33,538 million from Rs. 28,616 million for FY2012, principally due to higher payouts to employees as a result of higher base salaries.

Finance Costs

Finance Costs for FY2013 increased by Rs. 3,690 million, or 13.8%, to Rs. 30,361 million from Rs. 26,671 million for FY2012 principally due to higher foreign currency borrowings and depreciation of the Indian rupee.

The following table sets forth the components of Finance Costs for FY2013 and FY2012, together with the percentage changes in those items:

	Year Ended March 31,		
	2013		2012
	(Rs. in millions)	% change (Audited)	(Rs. in millions)
Interest Expenses	21,515	9.4	19,658
Other borrowing costs	163	(8.9)	179
Applicable loss on foreign currency transactions and translations	8,683	27.1	6,834
Total	**30,361**	**13.8**	**26,671**

Depreciation and Amortization Expense

Depreciation and Amortization Expense for FY2013 decreased by Rs. 19,284 million, or 16.9%, to Rs. 94,653 million from Rs. 113,937 million for FY2012, principally due to lower production of oil & gas.

The above-stated Depreciation and Amortization Expense is net of depreciation on revaluation which has been withdrawn from the Revaluation Reserve. The depreciation on revaluation for FY2013 decreased by Rs. 2,685 million, or 11.5%, to Rs. 20,720 million from Rs. 23,405 million for FY2012.

Profit Before Tax

Profit Before Tax for FY2013 increased by Rs. 5,339 million, or 2.1%, to Rs. 262,844 million from Rs. 257,505 million for FY2012, principally due to lower depreciation and amortization expenses and higher other income, which was partly offset by higher Finance Costs.

Taxation

Current Tax for FY2013 increased by Rs. 934 million, or 1.8%, to Rs. 52,436 million from Rs. 51,502 million for FY2012, due to higher profits. Deferred Tax for FY2013 decreased by Rs. 5,227 million, or 93.3%, to Rs. 373 million from Rs. 5,600 million for FY2012, principally due to higher book depreciation in FY2013 as compared to FY2012.

Profit for the Year

Profit for the Year for FY2013 increased by Rs. 9,632 million, or 4.8%, to Rs. 210,035 million from Rs. 200,403 million for FY2012, principally due to the factors described above.

Results of Operations by Segment for FY2013 and FY2012

The following table sets forth selected segmental income statement data for FY2013 and FY2012, which have been extracted without material adjustment from certain Company audited financial information not presented elsewhere in the Annual Financial Statements, including the percentage change between the two fiscal years presented:

	Year Ended March 31,		
	2013		2012
	(Rs. in millions)	% change (Audited)	(Rs. in millions)
Segment Revenue[1]			
Oil and Gas	82,805	(35.8)	128,977
Refining	3,337,737	13.2	2,947,348
Petrochemicals	881,084	9.3	806,246
Others	9,528	(21.4)	12,125
Eliminations[2]	(599,966)	20.8	(496,781)
Total	**3,711,188**	**9.2**	**3,397,915**
Segment Result Before Interest and Tax[3]			
Oil and Gas	28,872	(45.0)	52,495
Refining	127,881	32.5	96,542
Petrochemicals	73,275	(18.3)	89,671
Others	2,557	622.3	354
Total	**232,585**	**(2.7)**	**239,062**

(1) Segment Revenue is revenue earned by the relevant segment prior to any Eliminations in respect of sales between segments. Total Segment Revenue, which is after Eliminations, is equal to Turnover.

(2) Eliminations refers to revenue from sales by one segment to another segment, primarily from sales by Refining to Petrochemicals.

(3) Segment Result Before Interest and Tax is not equivalent to any particular Income Statement line item but reflects the relevant segment's Total Income less Expenditure (other than Interest and Finance Charges) and is presented before tax.

Segment Revenue

Oil and Gas

Segment Revenue in Oil and Gas for FY2013 decreased by Rs. 46,172 million, or 35.8%, to Rs. 82,805 million from Rs. 128,977 million for FY2012, principally due to lower production resulting from geological complexity, natural decline in the fields, higher water ingress and effect of shutdown in MA field on account of Floating Production Storage and Offloading ("FPSO") maintenance for a period of seven days.

Production from KG-D6 in FY2013 was 336 BCF of natural gas and 2.91 million barrels) of crude oil, a decrease of 39% and 41%, respectively, from FY2012, due to geological complexity, natural decline in the fields, higher water ingress and effect of shutdown in MA field on account of FPSO maintenance for a period of seven days. Production of gas condensate in FY2013 was 0.40 million barrels. Production from Panna-Mukta in FY2013 was 71.3 BCF of natural gas and 8.2 million barrels of crude oil, production in case of natural gas was maintained while there was a decrease of 19% in production of crude oil, from FY2012, principally due to natural decline, deferment of Panna-L wells and lower-than-expected oil gains from well interventions. During FY2013, production from Tapti was 43.9 BCF of natural gas and 0.54 million barrels of condensate, a decrease of 41% and 40%, respectively, from FY2012 principally due to natural decline in reserves and under-performance of few wells. The production information above is on a 100% joint venture basis and not the Company's attributable interest.

Refining

Segment Revenue in Refining for FY2013 increased by Rs. 390,389 million, or 13.2%, to Rs. 3,337,737 million from Rs. 2,947,348 million for FY2012, principally due to higher prices and volumes in FY2013. During FY2013, the refineries processed 68.5 million tons (FY2012: 67.6 million tons) of crude oil, reflecting an average utilization rate of 110.0% for the year (FY2012: 109.0%).

Petrochemicals

Segment Revenue in Petrochemicals for FY2013 increased by Rs. 74,838 million, or 9.3%, to Rs. 881,084 million from Rs. 806,246 million for FY2012, principally due to an increase in prices partly offset by lower sales volumes.

Others

Segment Revenue in the Others segment for FY2013 decreased by Rs. 2,597 million, or 21.4%, to Rs. 9,528 million from Rs. 12,125 million for FY2012.

Segment Result Before Interest and Tax

Oil and Gas

Segment Results Before Interest and Tax in Oil and Gas for FY2013 decreased by Rs. 23,623 million, or 45.0%, to Rs. 28,872 million from Rs. 52,495 million for FY2012 principally due to lower production from KG-D6 Block due to geological complexity, natural decline in the fields, higher water ingress and effect of shutdown in MA field on account of FPSO maintenance for a period of seven days. Production from Panna Mukta and Tapti is lower on account of the natural decline and deferment of Panna-L wells and lower-than-expected oil gains from well interventions.

Refining

Segment Results Before Interest and Tax in Refining for FY2013 increased by Rs. 31,339 million, or 32.5%, to Rs. 127,881 million from Rs. 96,542 million for FY2012, principally due to a significant improvement in gross refining margins.

Overall, the Company's refining business had a strong operating performance for FY2013 with Gross Refining Margin averaging $9.2/bbl, as against $8.6/bbl in FY2012. Though the refining margins remained weak in the first half, margins strengthened in the second half with weakness in fuel oil cracks widening the light heavy differentials and supporting complex refining margins. The margins were also supported by unplanned refinery outages in the second half of the year.

The Company's reported gross refining margins for the year reflected a premium of US$1.5/bbl over the average Singapore complex gross refining margins, as calculated by Reuters, in FY2013, as compared to a premium of US$0.9/bbl in FY2012.

Petrochemicals

Segment Results Before Interest and Tax in Petrochemicals for FY2013 decreased by Rs. 16,396 million, or 18.3%, to Rs. 73,275 million from Rs. 89,671 million for FY2012, principally due to lower margins in polyester fiber and yarn products. The weaker economic environment in the first half impacted textile consumption in developed countries. During the year, the overall domestic demand for polyester products grew at 5.1% on year-over-year basis. The PSF & PET growth was limited amidst the continued severe power shortage in major consuming centers, mainly in Southern India. During FY2013, domestic demand for polymer products was higher by 12 % mainly on account of higher domestic consumption across sectors. The growth in domestic demand for polymer products was mainly driven by strong growth in the packaging sector, non-woven fabrics, molded products, pipes, sheets and fittings sectors . During FY2013, polymer business saw a healthy trend in terms of product margins with good domestic demand across key polymers. Polypropylene (PP), which is the largest part of the Company's polymer portfolio, witnessed stable margin while PVC deltas improved primarily on account of sharp fall in EDC prices. PE deltas improved with improvement in product prices and higher demand. During the year, international PX and MEG deltas remained firm amidst start-up delays and supply constraints in most Asian markets and strong demand. PTA and polyester downstream deltas remained low for most part of the year.

Others

Segment Results Before Interest and Tax in the Others segment for FY2013 increased by Rs. 2,203 million, or 622.3%, to Rs. 2,557 million from Rs. 354 million for FY2012.

Liquidity and Capital Resources

The Company believes that liquidity is its most important financial risk to manage, particularly in light of the capital intensive nature of its operations. The Company's principal source of funding has been, and is expected to continue to be, cash generated from operations, supported by funding from bank borrowings and the capital markets. During each of the last three fiscal years ended March 31, 2014, 2013 and 2012, the Company met its funding requirements, including capital expenditures, satisfaction of debt obligations, investments, taxes, other working capital requirements, dividends and other cash outlays, principally with funds generated from operations and equity issuances with the balance principally met using external borrowings.

The Company focuses on ensuring that it has sufficient committed loan facilities to meet short-term business requirements, after taking into account cash flows from operations and its holding of Cash and Cash Equivalents, as well as any existing restrictions on distributions. Management believes that the Company's committed loan facilities and cash generation will be sufficient to cover its likely short-term cash requirements.

The Company has an extensive capital expenditure program related to all aspects of its business, which it expects to fund through a combination of cash flow from operations and external borrowings. See "—Capital Expenditure".

The Company's principal sources of external financing include both secured and unsecured short-term as well as long-term facilities (in both rupees and other currencies). The Company is required to secure certain of its domestic borrowings, in line with established market practices in India. As at March 31, 2014, the Company had total debt of Rs. 899,680 million, or US$15 billion (converted at the exchange rate of US$1.00 = Rs. 59.915) (March 31, 2013: Rs. 724,269 million). Approximately 88% of the Company's total debt as at March 31, 2014 was denominated in foreign currency, principally in US Dollars, with the remainder denominated in rupees. The Company had total working capital facilities in India of approximately Rs. 390.5 billion, or US$6.5 billion, as at March 31, 2014.

As at March 31, 2014, the Company had Cash and Cash Equivalents of Rs. 881,899 million, or US$15 billion (converted at the exchange rate of US$1.00 = Rs. 59.915) (March 31, 2013: Rs. 829,748 million). Substantially all of the Company's Cash and Cash equivalents are held in rupees. The Company seeks, in normal circumstances, to maintain substantial Cash and Cash Equivalents balances to provide it with financial and operational flexibility. The Company's cash is placed in bank fixed deposits, certificates of deposit, Government securities, bonds issued by corporates with high credit ratings and mutual funds. The Company seeks to manage its short-term liquidity in order to generate superior returns by investing its surplus funds while ensuring safety of capital. As at March 31, 2014, the Company, through certain subsidiaries, owned approximately 292 million of its own shares (approximately 9% of outstanding shares as at that date), which it could, subject to compliance with applicable law and regulatory requirements, monetize, in whole or part, to realize additional cash.

In the Company's principal place of operations, India, exchange controls restrict the conversion of rupees into and from other currencies, primarily for capital account convertibility. The restrictions are not expected to have any material effect on the Company's ability to meet its ongoing obligations in respect of the Notes. For information on exchange controls, see "Description of the Notes".

As of the date of this Offering Memorandum, the Company's international debt is rated at Baa2 (Stable) by Moody's. Standard & Poor's raised the Company's long-term corporate credit rating to BBB+ (Stable) from BBB, which is two notches above India's sovereign rating. In terms of Indian domestic ratings, the Company's long-term debt is rated AAA by CRISIL Limited ("CRISIL") and AAA Ind by Fitch, the highest rating awarded by both these agencies. The Company's short-term debt is rated P1+ by CRISIL, the highest credit rating assigned in this category.

Cash Flow Analysis

The following table sets forth the Company's cash flow data for FY2014, FY2013 and FY2012, which have been extracted without material adjustment from the Annual Financial Statements presented elsewhere in this Offering Memorandum (other than the addition of the US Dollar convenience conversion column, which has been derived on the basis set forth in note 1 to the table).

	Year Ended March 31,			
	2014	2014	2013	2012
	(US$ in millions)[1] (Unaudited)		(Rs. in millions) (Audited)	
CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax as per Income Statement	4,643	278,181	262,844	257,505
Adjusted for:				
Net Prior Year Adjustments	—	—	30	10
Write off of investment	4	255	—	—
Loss on Sale/Discard of Assets (net)	7	437	339	210
Depreciation and Amortization Expense	1,467	87,896	94,653	113,937
Effect of Exchange Rate Change	457	27,388	10,391	8,019
Net gain on Sale of Investments	(392)	(23,477)	(16,582)	(16,354)
Dividend Income	(15)	(916)	(766)	(96)
Interest Income	(1,080)	(64,720)	(62,452)	(44,144)
Finance Costs	535	32,059	30,361	26,671
	983	58,922	55,974	88,253
Operating Profit before Working Capital Changes	5,626	337,103	318,818	345,758
Adjusted for:				
Trade and Other Receivables	69	4,130	55,936	(5,155)
Inventories	(34)	(2,032)	(60,864)	(61,302)
Trade and Other Payables	2,387	143,043	62,741	38,756
	2,422	145,141	57,813	(27,701)
Cash Generated from Operations	8,049	482,244	376,631	318,057
Net Prior Year Adjustments	—	—	(30)	(10)
Taxes Paid (net)	(1,012)	(60,649)	(46,649)	(48,297)
Net Cash from Operating Activities	7,037	421,595	329,952	269,750
CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(5,417)	(324,563)	(159,443)	(80,080)
Sale of Fixed Assets	10	571	327	232,448
Purchase of Investments	(129,908)	(7,783,428)	(4,790,712)	(3,324,378)
Sale/Redemption of Investments	124,695	7,471,109	4,812,039	3,153,881
Movement in Loans And Advances	(653)	(39,114)	(75,455)	(31,263)
Investment in fixed deposits	(567)	(34,000)	—	
Interest Income	1,141	68,378	64,510	18,834
Dividend Income	15	916	766	96
Net Cash (Used in) Investing Activities	(10,684)	(640,131)	(147,968)	(30,462)

	Year Ended March 31,			
	2014	2014	2013	2012
	(US$ in millions)[1] (Unaudited)	(Rs. in millions) (Audited)		
CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds From Issue of Share Capital	30	1,826	120	866
Share Application Money	3	170	254	
Buyback of Equity Shares	—	—	(30,867)	(2,792)
Proceeds From Long-Term Borrowings	3,422	205,000	102,618	52,291
Repayment of Long-Term Borrowings	(3,283)	(196,717)	(103,060)	(84,564)
Short-Term Borrowings (net)	1,944	116,482	12,736	(21,111)
Dividends Paid (including dividend distribution tax)	(516)	(30,925)	(29,237)	(27,719)
Interest Paid	(676)	(40,529)	(35,059)	(31,625)
Net Cash Generated from/(used in) Financing Activities	**923**	**55,307**	**(82,495)**	**(114,654)**
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,724)	(163,229)	99,489	124,634
Opening Balance of Cash and Cash Equivalents	8,270	495,473	395,982	271,348
Add: On Amalgamation[2]		—	2	
Closing Balance of Cash and Cash Equivalents	**5,545**	**332,244**	**495,473**	**395,982**

(1) Rupee amounts from the Annual Financial Statements as at March 31, 2014 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 59.915. The translation into US Dollars is for convenience only.

(2) The FY2013 financial statements include amounts of Reliance Jamnagar Infrastructure Limited, which was a wholly owned subsidiary of the Company until the Honorable High Court of Gujarat ordered its merger into the Company in an order dated October 22, 2012. Although the order took effect retroactively from April 1, 2011, the FY2012 financial statements were not restated.

Cash Flow Analysis for FY2014 and FY2013

The selected cash flow information for the Company for FY2014 and FY2013 that is set forth below has been extracted from the Annual Financial Statements without material adjustment.

	Year Ended March 31,	
	2014	2013
	(Rs. in millions) (Audited)	
Net cash flow from operating activities	421,595	329,952
Net cash (used in) investing activities	(640,131)	(147,968)
Net cash from/(used in) financing activities	55,307	(82,495)
Net increase/(decrease) in Cash and Cash Equivalents	(163,229)	99,489

Operating Activities

The net cash inflow from operating activities was Rs. 421,595 million in FY2014 compared to Rs. 329,952 million in FY2013. The higher cash inflow was principally due to lower outflow of Rs. 2,032 million related to inventories, compared to an outflow of Rs. 60,864 million in FY2013, a higher inflow of Rs. 143,043 million related to trade payable compared to Rs. 62,741 million in FY2013 offset by lower inflow of Trade and other Receivable of Rs. 4,130 million, compared to Rs. 55,936 million in FY2013.

Investing Activities

The net cash used in investing activities was Rs. 640,131 million in FY2014 compared to Rs. 147,968 million in FY2013. The net cash used in investing activities principally includes (a) proceeds related to sales of investments of Rs. 7,471,109 million in FY2014, compared to Rs. 4,812,039 million in FY2013, (b) expenditures related to purchases of fixed assets of Rs. 324,563 million in FY2014, compared to Rs. 159,443 million in FY2013 and purchases of investments Rs. 7,783,428 million in FY2014, compared to Rs. 4,790,712 million in FY2013 and (c) investment in fixed deposits of Rs. 34,000 million in FY2014, compared to Nil in FY2013.

Financing Activities

The net cash generated from financing activities in FY2014 was Rs. 55,307 million compared to net cash used of Rs. 82,495 million in FY2013. The inflow is due to proceeds of Short-term Borrowings (net) of Rs. 116,482 million as compared to proceeds of Rs. 12,736 million in FY2013.

Cash Flow Analysis for FY2013 and FY2012

The selected cash flow information for the Company for FY2013 and FY2012 that is set forth below has been extracted from the Annual Financial Statements without material adjustment.

	Year Ended March 31,	
	2013	**2012**
	(Rs. in millions) **(Audited)**	
Net cash flow from operating activities	329,952	269,750
Net cash (used in) investing activities	(147,968)	(30,462)
Net cash (used in) financing activities	(82,495)	(114,654)
Net increase/(decrease) in Cash and Cash Equivalents	99,489	124,634

Operating Activities

The net cash inflow from operating activities was Rs. 329,952 million in FY2013 compared to Rs. 269,750 million in FY2012. The higher cash inflow was principally a result of a higher inflow of Rs. 55,936 million related to Trade and Other receivables compared to an outflow of Rs. 5,155 million in FY2012 and higher inflow of Rs. 62,741 million related to Trade Payables compared to Rs. 38,756 million in FY2012.

Investing Activities

The net cash used in investing activities was Rs. 147,968 million in FY2013 compared to Rs. 30,462 million in FY2012. The net cash used in investing activities included proceeds related to (a) proceeds related to sales of investments (Rs. 4,812,039 million in FY2013 compared to Rs. 3,153,881 million in FY2012) and (b) expenditures related to purchases of fixed assets (Rs. 159,443 million in FY2013 compared to Rs. 80,080 million in FY2012) and purchases of investments (Rs. 4,790,712 million in FY2013 compared to Rs. 3,324,378 million in FY2012)

Financing Activities

The net cash used in financing activities in FY2013 was Rs. 82,495 million compared to Rs. 114,654 million in FY2012.

Capital Expenditure

The Company's operations are capital intensive and the Company requires significant stay-in-business, or maintenance capital expenditure as well as additional capital spending to support its growth and development strategy. The construction of the second refinery at Jamnagar and the development of KG-D6 in recent years have had a material impact on the Company's level of capital expenditure in the periods under review.

The following table summarizes the Company's capital expenditure, on a cash-flow basis, by segment for FY2014, FY2013 and FY2012:

	Year Ended March 31,		
	2014	2013	2012
	(Rs. in millions) (Audited)		
Oil and Gas	57,431	30,375	36,486
Refining	156,506	30,928	12,222
Petrochemicals	77,969	79,224	18,272
Others	32,659	18,913	13,099
Total	**324,565**	**159,440**	**80,079**

The Company has substantial additional capital commitments that have been approved by its board of directors. The Company's total approved and contracted amounts for capital commitments at March 31, 2014 were Rs. 265,170 million (US$4.4 billion).

In addition, the Company plans to significantly expand its capacity in its Petrochemicals business, as described in "Business—Strategy" and "Business—Business—Petrochemicals" and build its broadband and retail businesses (which are held through subsidiaries), as described in "Business—New Business Initiatives". These projects are expected to incur significant capital expenditures. The Company is currently investing approximately US$8.0 billion in its Petrochemicals business in addition to approximately US$4.0 billion in the construction of a petcoke gasification facility, which is expected to be one of the largest gasification facilities in the world.

Since capital commitments that have been approved but not committed to contractually may be subject to change, and because the Company may from time to time determine to undertake additional capital projects, actual capital expenditures in future years may be more or less than the amounts shown. See "Risk Factors—Risks Relating to the Business—The Company's growth plans have significant capital expenditure requirements, and its capital expenditure plans are subject to various risks".

Dividends

The Company declared dividends of Rs. 27,929 million during FY2014, Rs. 26,432 million during FY2013 and Rs. 25,307 million during FY2012.

Debt and Debt Funding

The Company runs a centralized treasury function. The Company has stable relationships with a large variety of debt providers, principally commercial banks. As at March 31, 2014, 21% of the Company's total debt carried a fixed interest rate. As at March 31, 2014, the proportion of the Company's short-term debt to total debt was 25.3% (as at March 31, 2013: 15.9%).

As at March 31, 2014, the Company's gross debt (including long-term and short-term debt) to equity ratio was 0.45:1, the net debt to equity ratio was 0.01:1 and its net gearing was 0.8% (net gearing is defined as (a) net debt divided by (b) the sum of net debt, Provision for Deferred Tax and Shareholder Funds, excluding Revaluation Reserve. Net debt includes total debt as of the date of calculation, reduced for Cash and Cash Equivalents).

The Company's net debt as at March 31, 2014, 2013 and 2012 was Rs. 17,781 million, Nil and Nil, respectively. Net debt comprises the following:

	As at March 31,		
	2014	2013	2012
	(Rs. in millions)		
Cash and Cash Equivalents[1]	(881,899)	(829,748)	(702,521)
Short-term borrowings	227,703	115,107	105,922
Long-term borrowings[2]	671,977	609,162	578,545
Net debt	**17,781**	**Nil**	**Nil**

(1) Cash and Cash Equivalents includes cash, bank balances, FMP, government securities and current investments/fixed deposits with banks.
(2) Long-term borrowings includes current maturities thereof.

Net debt movements are primarily a function of cash generated by operations, cash utilized in investing activities and cash utilized in, or inflows from, financing activities. In addition, non-cash items including fair value adjustments, and exchange rate movements also influence the Company's level of net debt.

Net debt to total capital (calculated as net debt divided by net fixed assets) as at March 31, 2014, 2013 and 2012 was 1.2%, Nil and Nil, respectively.

During the last few years, the Company raised substantial long-term resources both in the form of equity and debt. During FY2013 and FY2014, the Company raised US$3.7 billion by way of syndicated loans and US$719 million through export credit agencies-backed financing arrangements. This was done with a view to insulating the Company from the impact of the global credit crisis while creating a strong platform for enhanced growth.

Funding Sources

More than 100 banks and financial institutions have made financing commitments to the Company, reflecting the strength of its balance sheet, credit profile and cash-flow generation. On an ongoing basis, the Company undertakes liability management to reduce its cost of debt and to diversify its liability mix.

The Company's long-term funding strategy is to lengthen the average maturity of its debt (7.36 years as at March 31, 2014) and diversify its funding to reduce its reliance on bank borrowings.

The sources of the Company's debt obligations as of March 31, 2014 are set forth below:

	As at March 31, 2014
	(Rs. in millions) (Audited)
Secured	
Finance lease obligations	1,463
Working capital facilities[1]	91,880
Non-convertible debentures	18,684
Total secured debt	**112,027**
Unsecured	
Bank loans	688,178
Other financing providers	99,415
Deferred sales tax liability	60
Total unsecured debt	**787,653**
Total debt	**899,680**

(1) Of which Rs. 85,882 million was denominated in rupees and Rs. 5,998 million was denominated in other currencies.

The Company's secured loans are secured by charges over various fixed assets. Its principal secured debt is Rs. 5,000 million of debentures secured by way of mortgage/charge on properties situated at the Jamnagar Complex (SEZ Unit) of the Company, Rs. 3,700 million of debentures secured by way of a mortgage/charge on properties situated at the Hazira facility and at the Jamnagar facility (other than SEZ Unit), Rs. 9,167 million of debentures secured by way of a mortgage/charge on all the properties situated at the Hazira and Patalganga facilities, Rs. 307 million of debentures are secured by way of mortgage/charge on certain properties situated at Surat in the State of Gujarat and on fixed assets situated at Allahabad Complex and Rs. 510 million of debentures secured by way of mortgage/charge on movable and immovable properties situated at Thane in the State of Maharashtra and on movable properties situated at Baulpur Complex of the Company. The Company's working capital facilities are secured by the hypothecation of, among other things, present and future stock of raw materials, stock-in-process, finished goods, and receivables (other than in oil and gas) and by way of liens on fixed deposits and government securities.

The Company had total working capital facilities in India of approximately Rs. 390.5 billion (US$6.52 billion) (converted at the exchange rate of US$1.00 = Rs. 59.915) as of March 31, 2014.

The following table sets forth information with regard to the Company's total long-term debt expected maturities, by currency, at March 31, 2014:

	Expected Maturity in Fiscal Year Ending March 31,						
	2015	**2016**	**2017**	**2018**	**2019**	**Thereafter**	**Total**
	(Rs. in millions)						
US$	40,213	81,423	123,445	115,365	95,443	131,494	587,383
Rupee	4,651	1,941	1,659	1,785	5,420	5,030	20,486
Euro	—	3,682	2,074	7,496	14,002	8,406	35,660
Yen	—	—	216	3,274	5,518	9,033	18,041
Singapore $	—	—	—	—	10,407	—	10,407
Total long-term debt(1)	**44,864**	**87,047**	**127,395**	**127,920**	**130,789**	**153,963**	**671,977**

(1) The exchange rates used for the conversions required by this table are those published by FEDAI for March 31, 2014: US$1.00 = Rs. 59.915, Euro 1.00 = Rs. 82.6850, ¥1 = Rs. 58.060 and Singapore $1.00 = Rs. 47.5825.

As of March 31, 2014, the average maturity of the Company's debt was 7.36 years.

The Company's loan agreements and other debt arrangements contain a number of covenants that could potentially affect its ability to draw down funds. These covenants are generally similar to covenants contained in loan agreements and debt arrangements of similarly situated issuers, and include cross-default provisions, negative pledge provisions and limitations on certain sale-and-leaseback transactions. In addition, the Company's term loan facilities contain a number of financial covenants. See "Description of Other Indebtedness".

Hedging

The Company's hedging strategy and positions are described under "—Market Risk".

Contingencies and Commitments

As of March 31, 2014, the Company had contractual cash obligations arising in the ordinary course of business as follows:

	Total	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
			(Rs. in millions) (Audited)		
Long-term debt obligations	671,977	44,864	87,047	386,103	153,963
Short-term debt obligations	227,703	227,703	—	—	—
Total cash obligations	**899,680**	**272,567**	**87,047**	**386,103**	**153,963**

Off Balance Sheet Arrangements

As of the date of the Offering Memorandum, the Company had no off balance sheet arrangements, as determined for purposes of Indian GAAP except to the extent of contingent liabilities disclosed in the Financial Statements. For a discussion of certain differences between Indian GAAP and US GAAP, see "Description of Certain Differences between Indian GAAP and US GAAP".

Market Risk

The Company's overall approach to risk management is to identify, evaluate and manage risk in all its activities. The Company manages risks with the objective of ensuring safe operations and sustainable growth in each of its businesses. The Company is exposed to various operational and financial risks. The Company has developed policies designed to manage the volatility inherent in some of its business, and, in accordance with these policies, the Company enters into various financial and commodity-based derivative transactions. While the operational risks are managed at the individual business level, the financial risks, such as interest rate, liquidity and credit risks, are managed by the treasury department at the corporate level.

The Company is exposed to market risk from changes in foreign exchange rates, interest rates, counterparty and concentration of credit risk and commodity price risk.

Exchange Rate Risk

The reported earnings of the Company may be affected by fluctuations in the exchange rates between the Indian rupee and the US Dollar. These foreign currency exposures are managed through a hedging policy. Natural hedges available in the business are identified at the level of individual businesses and hedges are placed only for the net exposure. The Company uses simple hedging instruments to manage the exchange rate risk associated with the fluctuations of the rupee against the US Dollar, in line with the Company's risk management policy.

Typically all exposures for maturity of less than one year are managed using simple instruments such as forward contracts. As long-term exposures draw nearer, the Company hedges them progressively to insulate these as appropriate from the fluctuations in the currency markets. These exposures are reviewed by appropriate levels of management on a regular basis.

Hedging activities in India are governed by the RBI, whose policies the Company must comply with at all times. The policies under which the RBI regulates these hedging activities can change from time to time, and these policies may affect the effectiveness with which the Company manages its exchange rate risk.

The Company has in the past entered into contracts for options, swaps and other derivative instruments for purposes of mitigating its exposure to exchange rate risk. The Company does not enter into hedging instruments for speculative purposes.

Interest Rate Risk

The Company is exposed to the interest rate risk on short-term and long-term floating rate instruments and also on the refinancing of fixed rate debt. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings. As of March 31, 2014, 79% of the Company's total debt was in floating rate, i.e., Rs. 710 billion (US$11.85 billion converted at the exchange rate of US$1.00 = Rs. 59.915) and the balance was at a fixed rate.

The Company's floating rate debt is mostly linked to the US Dollar London Interbank Offering Rate ("LIBOR"). The costs of floating rate borrowings may be affected by the fluctuations in the interest rates. The Company has selectively used interest rate swaps, options and other derivative instruments to manage its exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a regular basis.

Borrowing and interest rate hedging activities in India are governed by the RBI and the Company has to comply with its regulations. The policies under which the RBI regulates these borrowing and interest rate hedging activities can change from time to time and can impact the effectiveness with which the Company manages its interest rate risk.

The Company has in the past entered into contracts for swaps, options and other derivative instruments for purposes of mitigating its exposure to interest rate risk. The Company does not enter into hedging instruments for speculative purposes.

Counterparty and Concentration of Credit Risk

The Company is exposed to counterparty credit risks on its investments and receivables. Cash and liquid investments are primarily in deposits with banks, Government securities, bonds issued by corporations with high credit ratings and mutual funds. In respect of current asset investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. Substantially all of the surplus cash is invested in India, where there is a well-developed financial market.

A large majority of receivables due from third parties are secured either as an advance receipt of money or by use of trade securities such as letters of credit. There is no concentration of credit risk among the receivables of the Company given the large number of customers and the business diversity. The Company's history of collection of trade receivables shows a small provision for bad and doubtful debts. Therefore, the Company does not currently expect any material risk on account of non-performance by any of the counterparties.

Commodity Price Risk

The Company has designed a risk management policy that enables use of derivative instruments to partially hedge commodity price risks. The Company uses simple derivative contracts to economically hedge its exposure to price fluctuations and reduce the variability in its cash flows associated with purchase of crude oil and margins in its refining business.

In line with the Company's risk management policy, it uses simple hedging instruments to effectively manage the commodity price risk, such as swaps and options. Hedging activities in India are governed by the RBI, whose policies the Company must comply with at all times. The policies under which the RBI regulates these hedging activities can change from time to time and these policies may affect the effectiveness with which the Company manages its commodity price risk.

Derivative Contracts Entered into by the Company

The summary of derivative contracts entered into by the Company and outstanding as at March 31, 2014 and 2013, respectively, are as follows:

Currency and Interest Rate Related Risk Hedging

	As at March 31,	
	2014	**2013**
	(Rs. in millions) **(Audited)**	
Interest Rate Swaps	328,507	324,304
Currency Swaps	17,722	33,193
Options	24,160	23,071
Forward Contracts	667,334	894,124

Commodity-related risk hedging

	As at March 31,			
	Petroleum Product Sales		**Crude Oil Purchases**	
	2014	**2013**	**2014**	**2013**
	(in Kilo Barrels) **(Audited)**			
Forward swaps	16,544	7,334	21,321	16,575
Futures	6,308	3,794	7,066	5,488
Spreads	35,456	44,900	86,016	50,366
Options	—	—	36,550	23,895

UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2014

The following summary review is intended to convey management's perspective on the operating performance and financial condition of the Company as at and for 9M FY2015 and 9M FY2014 on a non-consolidated basis, as measured in accordance with Indian GAAP. This disclosure is intended to assist in understanding and interpreting the selected financial information of the Company as at and for 9M FY2015 and 9M FY2014, which is included in this Offering Memorandum under "Selected Non-Consolidated Financial and Operating Data" on a non-consolidated and unaudited basis.

The Company reports in accordance with Indian GAAP, and its accounting policies have been established accordingly. Indian GAAP differs in certain respects from US GAAP. For discussion of certain significant differences between Indian GAAP and US GAAP, see "Description of Certain Differences Between Indian GAAP and US GAAP".

The following discussion contains forward-looking statements. These forward-looking statements have been based on management's current projections and expectations about future events. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of many important factors, including those set out under "Risk Factors" and elsewhere in this Offering Memorandum. See "Forward-Looking Statements and Associated Risks". Further information regarding the presentation of financial information is set out under the heading "Presentation of Financial and Other Data".

The Company has four segments for financial reporting purposes. See "Presentation of Financial and Other Data" for a description of the Company's segments.

Results of Operations for 9M FY2015 and 9M FY2014

The following table sets forth the Company's unaudited income statement data for each of 9M FY2015 and 9M FY2014 and also includes the percentage change between each period:

	Nine Months Ended December 31,		
	2014	2014	2013
	(US$ in millions)	(Rs. in millions)	
		(Unaudited)	
Income from Operations			
Net Sales/Income from Operations (net of Excise Duty)	43,315	2,730,333	2,949,242
Total Income from Operations (net)	**43,315**	**2,730,333**	**2,949,242**
Expenses			
Costs of Materials Consumed	34,641	2,183,601	2,482,179
Purchases of Stock-In-Trade	857	54,032	5,112
Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	352	22,106	16,478
Employee Benefits Expense	427	26,931	24,224
Depreciation and Amortization Expense	1,008	63,565	65,136
Other Expenses	3,394	213,927	195,787
Total Expenses	**40,679**	**2,564,162**	**2,788,916**
Profit from Operations Before Other Income, Interest and Tax	**2,636**	**166,171**	**160,326**
Other Income	1,045	65,878	68,996
Profit from Ordinary Activities Before Finance Costs	**3,681**	**232,049**	**229,322**
Finance Costs	311	19,635	24,068
Profit from Ordinary Activities Before Tax	**3,370**	**212,414**	**205,254**
Tax Expense	756	47,655	41,719
Net Profit for the Period	**2,614**	**164,759**	**163,535**

Total Income from Operations

Total Income from Operations for 9M FY2015 decreased by Rs. 218,909 million, or 7.4%, to Rs. 2,730,333 million from Rs. 2,949,242 million for 9M FY2014, principally as a result of falling crude oil prices. Total Income from Operations was lower in Refining, which recorded a decrease in Segment Revenue of 6.7% to Rs. 2,559,315 million, and Petrochemicals, which recorded a decrease in Segment Revenue of 3.0% to Rs. 699,528 million. Oil and Gas recorded a decrease in Segment Revenue of 7.9% to Rs. 42,838 million.

Total Expense

Total Expenses for 9M FY2015 was Rs. 2,564,162 million, a decrease of Rs. 224,754 million, or 8.1%, from Rs. 2,788,916 million for 9M FY2014. The decrease was principally due to lower costs of materials consumed, which in turn was principally due to the sharp decline in crude oil prices. Consumption of Raw Materials is the most significant component of the Company's expenditure and accounted for 85.2% of Total Expenses for 9M FY2015 (9M FY2014: 89.0%).

Costs of Materials Consumed

Costs of Materials Consumed decreased by Rs. 298,578 million, or 12.0%, to Rs. 2,183,601 million in 9M FY2015 from Rs. 2,482,179 million for 9M FY2014, principally as a result of the decline in crude oil prices.

Purchases of Stock-in-Trade

Purchases of Stock-in-Trade for 9M FY2015 increased by Rs. 48,920 million, or 957.0%, to Rs. 54,032 million from Rs. 5,112 million for 9M FY2014, principally due to higher trading of petroleum products.

Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade for 9M FY2015 increased by Rs. 5,628 million, or 34.2%, to Rs. 22,106 million from Rs. 16,478 million for 9M FY2014, principally due to the decrease in finished goods and stock in process.

Employee Benefits Expense

Employee Benefits Expense for 9M FY2015 increased by Rs. 2,707 million, or 11.2%, to Rs. 26,931 million from Rs. 24,224 million for 9M FY2014, principally due to higher payouts to employees as a result of higher base salaries.

Depreciation and Amortization Expense

Depreciation and Amortization Expense for 9M FY2015 decreased by Rs. 1,571 million, or 2.4%, to Rs. 63,565 million from Rs. 65,136 million for 9M FY2014. Pursuant to the enactment of the Companies Act, 2013, the Company has, with effect from April 2014, reviewed and revised the estimated useful life of its assets, generally in line with Schedule II of the Act, and the charge for depreciation for 9M FY2015 includes additional depreciation charges on revaluation of fixed assets done in the past, which had previously been withdrawn from reserves.

Finance Costs

Interest and Finance Charges for 9M FY2015 decreased by Rs. 4,433 million, or 18.4%, to Rs. 19,635 million from Rs. 24,068 million for 9M FY2014, primarily due to the rupee stabilizing against the US Dollar during 9M FY2015, which had a positive impact on the Company's interest charges during this period. Interest capitalized increased by Rs. 862 million, or 16.7%, to Rs. 6,024 million in 9M FY2015 from Rs. 5,162 million in 9M FY2014.

Other Income

Other Income for 9M FY2015 decreased by Rs. 3,118 million, or 4.5%, to Rs. 65,878 million from Rs. 68,996 million primarily due to lower average liquid investments.

Taxation

Provision for Current Tax for 9M FY2015 increased by Rs. 1,380 million, or 3.2%, to Rs. 44,244 million from Rs. 42,864 million for 9M FY2014, due to higher profits. Provision for Deferred Tax for 9M FY2015 increased by Rs. 4,556 million, or 397.9%, to Rs. 3,411 million from Rs. (1,145) million for 9M FY2014 principally due to capitalization of new facilities in 9M FY2015 as compared to 9M FY2014.

Profit After Tax

Profit After Tax for 9M FY2015 increased by Rs. 1,224 million, or 0.7%, to Rs. 164,759 million from Rs. 163,535 million for 9M FY2014 principally due to the factors described above.

Results of Operations by Segment for 9M FY2015 and 9M FY2014

The following table sets forth selected segmental income statement data for 9M FY2015 and 9M FY2014 and the percentage change between the two periods presented:

	Nine Months Ended December 31,		
	2014		2013
	(Rs. in millions)	% change	(Rs. in millions)
	(Unaudited)		
Segment Revenue[1]			
Oil and Gas	42,838	(7.9)	46,506
Refining	2,559,315	(6.7)	2,743,458
Petrochemicals	699,528	(3.0)	721,216
Others	7,872	(31.9)	11,555
Eliminations[2]	(491,541)	0.8	(487,788)
Total	**2,818,012**	**(7.1)**	**3,034,947**
Segment Result Before Interest and Tax[3]			
Oil and Gas	10,860	(13.0)	12,481
Refining	107,600	16.1	92,655
Petrochemicals	64,854	(0.5)	65,163
Others	1,919	(13.0)	2,205
Total	**185,233**	**7.4**	**172,504**

(1) Segment Revenue is revenue earned by the relevant segment prior to any Eliminations in respect of sales between segments. Total Segment Revenue, which is after Eliminations, is equal to Turnover.

(2) Eliminations refers to revenue from sales by one segment to another segment, primarily from sales by Refining to Petrochemicals.

(3) Segment Result Before Interest and Tax is not equivalent to any particular Income Statement line item but reflects the relevant segment's Total Income less Expenditure (other than Interest and Finance Charges) and stated before tax.

Segment Revenue

Oil and Gas

Segment Revenue in Oil and Gas for 9M FY2015 decreased by Rs. 3,668 million, or 7.9%, to Rs. 42,838 million from Rs. 46,506 million for 9M FY2014. The decrease can be attributed to lower crude price realization coupled with the reduction in the production of Natural Gas from the KG-D6 and Tapti fields, partly offset by the increase in the production of Crude Oil from the KG-D6 field and Natural Gas from the Panna-Mukta field.

Production volumes were lower due to natural decline in KG-D6. The KG-D6 field produced 1.51 million barrels of crude oil, 0.24 million barrels of condensate and 121 BCF of natural gas in 9M

FY2015, a growth of 4% and 27% for crude oil and condensate, respectively, and a reduction of 10% for natural gas as compared to 9M FY2014. The fall in production of natural gas was mainly due to the natural decline in the reserves, partly offset by incremental production from the new well MA08 and a side track in well MA6H, which commenced production in the second half of FY2014.

For 9M FY2015, Panna-Mukta fields produced 5.62 million barrels of crude oil, a reduction of 1% as compared to 9M FY2015, and 53.2 BCF of natural gas, a growth of 4.5% as compared to 9M FY2014. The increase in production was due to infrastructure modifications that facilitated the processing of more gas, additional volumes from revival of shut-in wells and improved performance from new wells, including infills drilled during the second half of FY2014, which was partly offset by the decrease in production due to the shutdown in July 2014 coupled with natural decline. Production from Tapti was 0.17 million barrels of condensate and 11.45 BCF of natural gas in 9M FY2015, a reduction of 20% and 46%, respectively, as compared to 9M FY2014. The production information above is on a 100% joint venture basis and not the Company's attributable interest.

Refining

Segment Revenue in Refining for 9M FY2015 decreased by Rs. 184,143 million, or 6.7%, to Rs. 2,559,315 million from Rs. 2,743,458 million for 9M FY2014. The decrease in Segment Revenue is principally driven by a decrease in prices.

During 9M FY2015, the Company processed 51.7 million tons of crude oil, reflecting a utilization rate of 111%, compared to 51.7 million tons and a utilization rate of 111% in 9M FY2014. During 9M FY2015, exports were lower at US$ 27.0 billion or 33.2 million tons compared to US$ 30.2 billion or 33.7 million tons in 9M FY2014, principally due to lower product prices.

Petrochemicals

Segment Revenue in Petrochemicals for 9M FY2015 decreased by Rs. 21,688 million, or 3.0%, to Rs. 699,528 million from Rs. 721,216 million for 9M FY2014. The decrease in Segment Revenue is principally driven by lower price realization and sales volumes.

Overall production in Petrochemicals was marginally lower at 16.4 million tons for 9M FY2015 as compared with 16.6 million tons for 9M FY2014.

Others

Segment Revenue in the Others segment for 9M FY2015 decreased by Rs. 3,683 million, or 31.9%, to Rs. 7,872 million from Rs. 11,555 million for 9M FY2014. This decrease was due to a lower level of trading activities during this period.

Segment Result Before Interest and Tax

Oil and Gas

Segment Result Before Interest and Tax in Oil and Gas for 9M FY2015 decreased by Rs. 1,621 million, or 13.0%, to Rs. 10,860 million from Rs. 12,481 million for 9M FY2014, principally due to a decline in volumes that was partly offset by lower depletion.

Refining

Segment Result Before Interest and Tax in Refining for 9M FY2015 increased by Rs. 14,945 million, or 16.1%, to Rs. 107,600 million from Rs. 92,655 million for 9M FY2014, principally due to strength in product cracks and crude differentials, leading to higher refining margins.

The Company's gross refining margin for 9M FY2015 increased by 3.8% to US$8.1/bbl, from US$ 7.8/bbl in 9M FY2014.

Petrochemicals

Segment Result Before Interest and Tax in Petrochemicals for 9M FY2015 decreased by Rs. 309 million, or 0.5%, to Rs. 64,854 million from Rs. 65,163 million for 9M FY2014, principally due to lower margin differentials in PX and PTA and a planned turnaround at Hazira during 9M FY2015.

Others

Segment Result Before Interest and Tax in the Others segment for 9M FY2015 decreased by Rs. 286 million, or 13.0%, to Rs. 1,919 million from Rs. 2,205 million for 9M FY2014.

Net Debt and Capital Expenditure

As at December 31, 2014, the Company's outstanding debt was Rs. 879,741 million, or US$14.0 billion, compared to Rs. 899,680 million as at March 31, 2014. The decrease of Rs. 19,939 million or 2.2%, was principally due to repayment of short-term borrowings. As at December 31, 2014, the Company had cash and cash equivalents of Rs. 750,224 million, or US$11.9 billion, principally held in fixed deposits, certificates of deposits with banks, mutual funds, government securities and bonds issued by highly rated corporates (December 31, 2013: Rs. 887,047 million). The Company had Rs. 129,517 million net debt as at December 31, 2014 (December 31, 2013: Nil).

Capital expenditure, on a cash basis, for 9M FY2015 was Rs. 281,486 million (9M FY2014: Rs. 224,889 million), and such spending was principally in the Company's Petrochemicals, Oil and Gas and Refining businesses.

BUSINESS

General

The Company is an integrated energy company with business interests in the areas of oil and gas, petroleum refining and petrochemical manufacturing and operates principally in India. The Company was India's largest private sector enterprise based on Turnover and Profit After Tax for FY2014, with a turnover of Rs. 4,013.02 billion (US$66.98 billion), cash profit of Rs. 307.95 billion (US$5.1 billion) and net profit of Rs. 219.84 billion (US$3.7 billion) for FY2014. Its operations are divided into three principal business segments: (i) exploration, development and production of oil and natural gas ("Oil and Gas"), (ii) refining and marketing of petroleum products ("Refining") and (iii) petrochemicals, including principally the manufacturing and marketing of polymers, polyester, polyester intermediates and chemicals ("Petrochemicals").

In addition to being a leading player in the Indian economy, the Company also enjoys global leadership in its principal businesses. According to IHS Inc. ("IHS"), the Company is among the world's top five producers of paraxylene and polypropylene and top ten producers of purified terephthalic acid and, according to PCI, the Company, along with its subsidiaries, is the largest polyester yarn and fiber producer in the world and among the top ten producers of monoethylene glycol. The Company owns and operates the world's largest refining capacity at a single location, processing 1.4 MMBPD crude during the year.

The Company's primary manufacturing operations are in India. It has significant domestic sales in India and exports to 123 countries around the world. The Company has eight principal plants located in the Indian states of Maharashtra, Gujarat and Andhra Pradesh:

- the crude oil refineries (Jamnagar Refinery I and Jamnagar Refinery II) and intermediates and petrochemical manufacturing (SEZ Polypropylene Facility) facility at Jamnagar;
- onshore gas processing and terminal facilities supporting the offshore gas fields in the KG Basin at Gadimoga;
- the polymers, polyester, fiber intermediates and petrochemical products manufacturing facility at Hazira;
- the fiber and chemicals intermediates and detergent intermediates manufacturing facility at Patalganga;
- the polymers, fiber intermediates and chemicals manufacturing facility at Vadodara;
- the polymers, fiber intermediates and caustic manufacturing facility at Dahej;
- the polymers, fiber intermediates and chemicals manufacturing facility at Nagothane; and
- the synthetic textiles and fabrics manufacturing facility at Naroda.

The Company also owns smaller polyester manufacturing units at Allahabad, Barabanki, Hoshiarpur, Nagpur and Silvassa (each in India). Outside of India, the Company has exploration and production interests, through its wholly owned subsidiary Reliance Exploration & Production DMCC, in Yemen and Peru. In addition, its subsidiary, Recron (Malaysia) Sdn Bhd, manufactures polyester products at facilities in two locations at Nilai and Malacca, Malaysia. In 2007, the Company, through its subsidiary, Reliance Industries (Middle East) DMCC, acquired a majority stake in GAPCO, which owns and operates large storage terminal facilities and a retail distribution network primarily in Kenya, Tanzania and Uganda. In 2010, the Company, through its US subsidiaries, entered into three joint ventures in the United States and acquired an interest in shale deposits in the Marcellus and Eagle Ford Shales in the United States.

In FY2014, the Company was the largest exporter in India with exports of Rs. 2,758 billion, representing 14.7% of India's total exports (source: www.commerce.nic.in) and 68.7% of the Company's turnover for the relevant period.

The following table shows a breakdown of the Company's Turnover Revenue from Operations and Profit Before Tax by financial reporting segment for FY2014, FY2013 and FY2012 and unaudited Turnover and Profit Before Tax for 9M FY2015 and 9M FY2014, respectively.

	Oil and Gas	Refining	Petrochemicals	Others	Eliminations(1)	Total
			(Rs. in millions)			
Segment Revenue(2) (audited) for the Year Ended March 31,						
2014	60,683	3,619,703	964,653	15,486	(647,510)	4,013,015
2013	82,805	3,337,737	881,084	9,528	(599,966)	3,711,188
2012	128,977	2,947,348	806,246	12,125	(496,781)	3,397,915
Segment Result Before Interest and Tax(3) (audited) for the Year Ended March 31,						
2014	16,261	132,196	86,119	4,197	—	238,773
2013	28,872	127,881	73,275	2,557	—	232,585
2012	52,495	96,542	89,671	354	—	239,062
Segment Revenue(2) (unaudited) for the Nine Months Ended December 31,						
2014	42,838	2,559,315	699,528	7,872	(491,541)	2,818,012
2013	46,506	2,743,458	721,216	11,555	(487,788)	3,034,947
Segment Result Before Interest and Tax(3) (unaudited) for the Nine Months Ended December 31,						
2014	10,860	107,600	64,854	1,919	—	185,233
2013	12,481	92,655	65,163	2,205	—	172,504

(1) Eliminations refers to revenue from sales by one segment to another segment, primarily from sales by Refining to Petrochemicals.

(2) Segment Revenue is revenue earned by the relevant segment prior to any Eliminations in respect of sales between segments. Total Segment Revenue, which is after Eliminations, is equal to Turnover.

(3) Segment Result Before Interest and Tax is not equivalent to any particular Income Statement line item but reflects the relevant segment's Total Income less Expenditure (other than Interest and Finance Charges) and is presented before tax.

In the last ten years, the Company expanded its operations and diversified into new business and geographic areas. Its Turnover has grown from Rs. 562 billion in the fiscal year ended March 31, 2004 to Rs. 4,013 billion in FY2014, representing a CAGR of approximately 22%. The Company has also seen Profit Before Tax rise during this period from Rs. 63 billion to Rs. 278 billion, representing a CAGR of approximately 16%. Although the Company's core business segments of Petrochemicals and Refining accounted for 98% of Segment Revenue Before Eliminations for FY2014(FY2013: 98%), Segment Result Before Interest and Tax was more balanced with Petrochemicals, Refining and Oil and Gas segments accounting for 36% (FY2013: 32%), 55% (FY2013: 55%) and 7% (FY2013: 12%), respectively, during these periods.

As of December 31, 2014, the Company's foreign currency debt was rated Baa2 (Stable) by Moody's and BBB+ (Stable) by S&P, which are one notch and two notches above India's sovereign rating, respectively. The Company's long-term debt is rated AAA by CRISIL, India's leading credit agency and a subsidiary of S&P and AAA Ind by Fitch, the highest rating awarded by both these agencies. In respect of Indian domestic ratings, the Company's short-term debt is rated P1+ by CRISIL, the highest credit rating assigned in this category.

History

The Company was founded and promoted by (the late) Mr. Dhirubhai H. Ambani and incorporated on May 8, 1973 as Mynylon Limited in the State of Karnataka in India. Mr. Mukesh D. Ambani is currently the promoter of the Company. The Company is controlled by him through various companies.

The Company obtained the certificate of commencement of business on June 28, 1976 and subsequently shifted its registered office to the State of Maharashtra in 1977. Mynylon Limited was renamed Reliance Textile Industries Limited on March 11, 1977 and again as Reliance Industries Limited on June 27, 1985. The Company was initially principally engaged in textile manufacturing and first issued its equity shares publicly in 1977.

Through the last three decades, the growth of the Indian economy and the opening up of previously regulated sectors allowed the Company to pursue a strategy of backward integration from textiles into other industry sectors, such as the production of petrochemicals, the refining of crude oil and the exploration and production of oil and gas, that led to the formation of an integrated, world-class enterprise.

In the 1980s and early 1990s, the Company focused on developing its petrochemicals capacity. In response to a perceived need for Indian domestic refining capacity, the Government permitted private sector ownership of refineries in India, and the Company began to invest in refining capacity in the mid-1990s. Its first refinery was completed in 1999 at Jamnagar in the State of Gujarat ("Jamnagar Refinery I").

In 1999, the Company also expanded into oil and gas exploration and bid for exploration rights in India. Its offshore discovery in 2002 in the KG-D6 block (off the east coast of India) has provided the platform for developing the Company's growing Oil and Gas business. The Company continues its exploration activities, particularly off the east coast of India.

In January 2006, the Company completed a court-approved scheme of arrangement to demerge its telecommunications, financial services and gas and coal-based energy undertakings to separate companies. The shareholders of the Company, other than certain specified shareholders, were allotted equity shares by these companies. The initial non-compete agreement and intellectual property license in respect of the "Reliance" brand was amended in May 2010. See "—Trademarks".

During the last decade, the Company has engaged in a series of acquisitions, including its first major acquisitions outside of India. These included Indian Petrochemicals Corporation Limited ("IPCL") in 2002, Trevira GmbH, a European petrochemicals business, in 2004, GAPCO, a company engaged in storage and distribution of petroleum products in Africa, in 2007 certain assets of Hualon Corporation, a Malaysian polyester manufacturer, in 2007. Trevira GmbH is currently not a subsidiary of the Company.

In November 2006, the Company, through a subsidiary, Reliance Retail Limited ("RRL"), began to expand into the organized retail sector. Consequent to the restructuring of the retail group, Reliance Retail Ventures Limited ("RRVL"), a wholly owned subsidiary of the Company, has been made the holding company of the retail group. RRL is now a subsidiary of RRVL. As at December 31, 2014, the retail group had a network of more than 2,200 operational stores in more than 166 cities in India.

In 2009, the Company completed its second refinery at Jamnagar ("Jamnagar Refinery II"), the same location as Jamnagar Refinery I. The Company set up Jamnagar Refinery II through a subsidiary, Reliance Petroleum Limited, which was amalgamated with the Company in 2009, with effect from April 1, 2008.

In 2010, the Company, through its US-based subsidiaries, entered into four major joint ventures with shale gas field operators in the United States, based on the Company's belief in the strong prospects for shale gas. In addition, the Company acquired a 95% stake in RJIL (previously Infotel Broadband Services Limited), which received a license from the Government relating to wireless broadband internet, at a cost of Rs. 128.5 billion (approximately US$2.8 billion using an exchange rate of US$1.00 = Rs. 46.73).

On August 30, 2011, the Company, having previously announced a strategic partnership with BP, transferred a 30% interest in 21 oil and gas production sharing contracts that the Company operates in India, including the producing KG-D6 block, to BP. As consideration for the transfer, BP paid the Company US$7.0 billion, after applicable post-completion price adjustments. In addition, the Company may be entitled to receive performance payments of up to US$1.8 billion if future exploration results in the development of commercial discoveries. As of December 31, 2014, as part of a reassessment of its portfolio, the Company has relinquished to the Government 17 of the exploration blocks included in the 21 oil and gas production sharing contracts that are the subject of BP's 30% interest.

On November 18, 2011, the Company and BP announced the incorporation of India Gas Solution Pvt. Ltd., a 50:50 joint venture company, which will focus on global sourcing and marketing of natural gas in India. India Gas Solution Pvt. Ltd. will also develop infrastructure for receiving, transporting and marketing of natural gas in India.

On October 3, 2012, the Company signed a 15 year heavy crude oil supply agreement with the Venezuelan state oil company, Petroleos de Venezuela, SA ("PDVSA").

In May 2013, the Company, BP and NIKO announced a significant gas and condensate discovery in the KG-D6 block off the eastern coast of India. The discovery, named D55, is expected to add to the hydrocarbon resources in the KG-D6 block.

In July 2013, the Company signed a Memorandum of Understanding with the Oil and Natural Gas Corporation ("ONGC") to explore the possibility of sharing the Company's infrastructure facility on the east coast of India. In line with global practice of sharing infrastructure, the MoU aims at working out the modalities for sharing of infrastructure, identifying additional requirements as well as firming up the commercial terms.

In August 2013, the Company and BP announced a new gas condensate discovery off the east coast of India in the Cauvery basin. The discovery, in the deepwater block CY-DWN-2001/2 (CY-D5), is situated 62 kilometers from the coast in the Cauvery basin and is the second gas discovery in the block.

In October 2013, the Company signed a Joint Study Agreement with PDVSA to jointly evaluate the development plan for Ayacucho 8 in Orinoco Oil Belt.

In October 2013, RJIL, a subsidiary of the Company, received Unified License for all 22 Service Areas across India, becoming the first telecom operator in the country to get a pan-India Unified License. The Unified License allows RJIL to offer all telecom services (except GMPCS), including voice telephony under a single license.

In February 2014, RJIL successfully acquired the right to use spectrum in 14 key circles across India in the 1800 MHz band in the spectrum auction conducted by DoT, Government of India. RJIL plans to use this spectrum, ranging from 2x5 MHz to 2x7 MHz in each of these 14 circles, in conjunction with its pan-India 2300 MHz spectrum to address the expected surge in demand for digital services as well as to enhance in-building coverage. RJIL plans to provide seamless 4G services using FDD-LTE on 1800 MHz and TDD-LTE on 2300 MHz through an integrated ecosystem.

In March 2014, The Ministry of Energy (MOE) of the Republic of the Union of Myanmar selected the Company for two offshore exploration blocks (M17 and M18) in Myanmar Offshore Block Bidding Round — 2013. Both the blocks are located offshore in the Moattama basin of Myanmar in water depths up to 3000 ft and together encompass an area of 27,600 sq. kms.

In April 2014, the Company commissioned its new PFY facility at Silvassa, increasing its total PFY capacity, including capacity from the Malaysian PFY facilities, to excess of 1.5 MMTPA. This expansion further strengthened the Company's position as the world's largest producer of polyester fiber and yarn.

In July 2014, the Company completed the acquisition of Network 18 Media and Investments Limited ("NW18"), including its subsidiary TV18 Broadcast Limited ("TV18"). The Company believes that this acquisition will differentiate the Company's 4G business, being implemented in RJIL, by providing a unique amalgamation at the intersect of telecom, web and digital commerce via a suite of premier digital properties.

Competitive Strengths

The Company believes that the following factors contribute to its strong competitive position:

World-class business platforms and diversified portfolio

The Company believes in creating large-scale businesses that are built to be world-class operations, incorporating global best practices. This is integral to the Company's growth plans in all its existing businesses and new initiatives. The Company is a global integrated energy company with interests across the energy value chain and in recent years has diversified into new growth areas such as organized retail, telecommunications, and financial services. In the Company's principal businesses of Oil and Gas, Refining and Petrochemicals, it has leading positions and a strong platform for future growth.

In the Oil and Gas business, the Company believes the Indian gas market provides significant opportunities given its long-term demand potential. Its KG-D6 oil and gas production facility is one of the world's largest and most complex deepwater gas production facilities. In the Refining business, according to the Oil and Gas Journal and based on Company estimates, the Company has the largest refining capacity at a single location in the world. In the Petrochemicals business, the Company is the market leader in India across most of the products in the petrochemical and polyester chain. According to PCI, Reliance is the largest producer of polyester fiber and yarn and is the fifth largest producer of paraxylene. According to IHS Chemical, Reliance is the fifth largest producer of polypropylene in the world.

Outside India, the Company, through its subsidiaries, currently has significant shale gas operations in the United States and three blocks in two countries. These operations and blocks are at various stages of exploration and development. Notwithstanding the strength of its core businesses, the Company is actively seeking new opportunities to diversify its operations and, through its subsidiaries, is currently expanding its operations into strategic and growing sectors in the organized retail sector and is in the process of setting up its telecommunication business.

Integration across the complete value chain

The Company has traditionally based its business model on vertical integration and sought to achieve control over the cost of key inputs, flexibility to maximize value across the entire value chain and the creation of value for shareholders in a dynamic global market and regulatory regime. The Company's Refining business produces substantially all the feedstocks used in its Petrochemicals business, which offers security of supply and the ability to minimize the impact of volatility in commodity prices.

Global competitiveness and leadership in chosen areas of business

The Company has achieved a leadership position in the domestic Indian petrochemical industry and significant market strength in the global refining industry. India is one of the fastest growing markets in the world for downstream petrochemicals and offers significant prospects for growth in the future. The Company's leadership positions in the domestic markets provide a strong platform for growth in these core areas of operations.

Stable and robust financial performance and strong cash position

The Company observes conservative financial policies and maintains significant cash balances in order to be able to complete projects on a timely basis, capitalize on opportunities, attract world-class project partners and carry out capital investment programs through industry cycles. In the past ten years, the Company has generated strong and steady cash flows and has traditionally maintained a strong balance sheet with conservative leverage. The Company believes that its integrated operations allow it to mitigate the impact of declines in commodity prices and reduce volatility in cash flows. This, in turn, enables the Company to access capital at attractive terms. As of December 31, 2014, the Company's outstanding debt was Rs. 879,741 million, or US$14.0 billion and Cash and Cash Equivalents of Rs. 750,224 million or US$11.9 billion (converted at the exchange rate of US$1.00 = Rs. 63.035).

According to *Fortune*, a leading international publication, the Company was ranked 114th among Fortune Global 500 companies in terms of revenues and 155th among Fortune Global 500 companies in terms of net earnings in 2013.

Strong project management skills

The Company has demonstrated its ability to manage large and complex projects, across sectors. The Company's approach has been to ensure that projects achieve physical completion well within planned schedules and costs. During the fiscal years ended March 31, 2010 and 2009, the Company completed two of the largest projects (the Jamnagar Refinery II and the KG-D6 oil and gas projects) in the energy sector worldwide. The Company is currently in the process of expanding its petrochemical capacities and is also setting up a refinery off-gas cracker and one of the world's largest petcoke gasification projects. The Company has a track record of delivering world-class, large-scale projects on accelerated timelines, including the following:

- it began gas production within six and a half years of gas discovery at the KG Basin off the east coast of India, compared to the global average of nine to ten years for similar deepwater production facilities;
- the Jamnagar Refinery II was commissioned in only 36 months despite the fact that it was executed under challenging conditions of scarce engineering resources globally; and
- the Company built two of the world's largest and most complex refineries at the same location, in one decade, which it believes is unprecedented in the global refining sector. The Jamnagar complex has the largest refining capacity at a single location in the world.

Presently, the Company is expanding its petrochemical capacities and setting up a refinery off-gas cracker and petcoke gasification plant.

Strong and experienced management team

The Company is led by a highly experienced executive and operational management team, led by Mr. Mukesh D. Ambani, its Chairman and Managing Director. Most of the Company's key senior executives have more than 20 years of experience in the oil and gas and/or petrochemical industry. The Company's management team has successfully managed the Company's growth in recent years, executing its strategy of backward integration from textiles to oil and gas, as well as the diversification into other industry sectors that led to the formation of an integrated, world-class enterprise. The Company believes that an experienced and effective management team is an important competitive advantage in pursuing its growth strategy successfully in the future.

Strategy

The key elements of the Company's strategy are:

Enhancing competitive advantage of existing businesses through organic growth

The Company plans to continue to leverage its expertise in project execution, exploration and production skills and financial management to increase its international scale, and expects to increase its production capacity through organic growth and targeted acquisitions.

In the Oil and Gas business, the Company is committed to further strengthening its domestic exploration portfolio with a continuing focus on offshore assets, while simultaneously pursuing opportunities in the international markets. The Company has also, through its subsidiaries, embarked on a strategy to build a portfolio of quality assets in unconventional energy sources.

In Refining, the Company is currently evaluating opportunities to build one of the largest coke gasification facilities in the world, which the Company expects would, combined with the proposed off-gas cracker, increase the complexity and profitability of the refineries at Jamnagar.

In Petrochemicals, the Company is exploring opportunities for organic growth, expansion of capacities, acquisitions and improved efficiencies. In particular, the Company is expanding its existing petrochemical capacities.

Pursue value accretive growth opportunities in core businesses through targeted acquisitions inside and outside India

The Company has traditionally focused on organic growth by pursuing green-field and brown-field expansion opportunities in India. With a view to growing the Company into a truly global organization, the Company has decided to pursue value accretive opportunities in promising growth markets outside India. In recent years, the Company has pursued several significant opportunities in the growth markets in Asia and also in North America. For example, in Oil and Gas, the Company has acquired, through its subsidiaries, substantial shale gas assets in the United States by entering into three joint venture agreements, which are an integral part of the Company's strategy of expanding its global operations. The Company plans to continue to evaluate potential acquisition opportunities.

Capitalize on strong domestic market growth opportunities in existing and new business areas

Domestic demand for many of the Company's products has increased for the past several years as has the size of the Indian economy. The Company expects the trend of long-term demand growth in India to continue given current low per capita consumption as well as domestic economic growth. In particular, significant growth is expected in the domestic demand for petrochemicals, refining and natural gas, partly as a result of recent actions of the Government that have partially deregulated the market for natural gas and refining products.

The Company has achieved strong growth by identifying businesses in emerging areas of growth and building them into global-size, world-class operations by leveraging its core competitive strengths for sustained superior value. The Company's entry into the new growth area of organized retail and telecommunications are integral to this strategy, and the Company will continue to seek out other growth opportunities in new business areas.

Integrate vertically to fully participate in the value chain and achieve economies of scale

The Company will continue to seek to improve its competitive position by securing stable low-cost supplies of key raw materials by focusing on appropriate vertical integration and achieving a balanced product portfolio in its existing operations. Accordingly, the Company will continue to strive to identify opportunities for capacity expansion and debottlenecking of production capacity for the raw materials used in the Company's operations. The Company believes that continuing this strategy will help to reduce the impact of business cycles on overall earnings in the future.

Highest standards for health, safety and environment

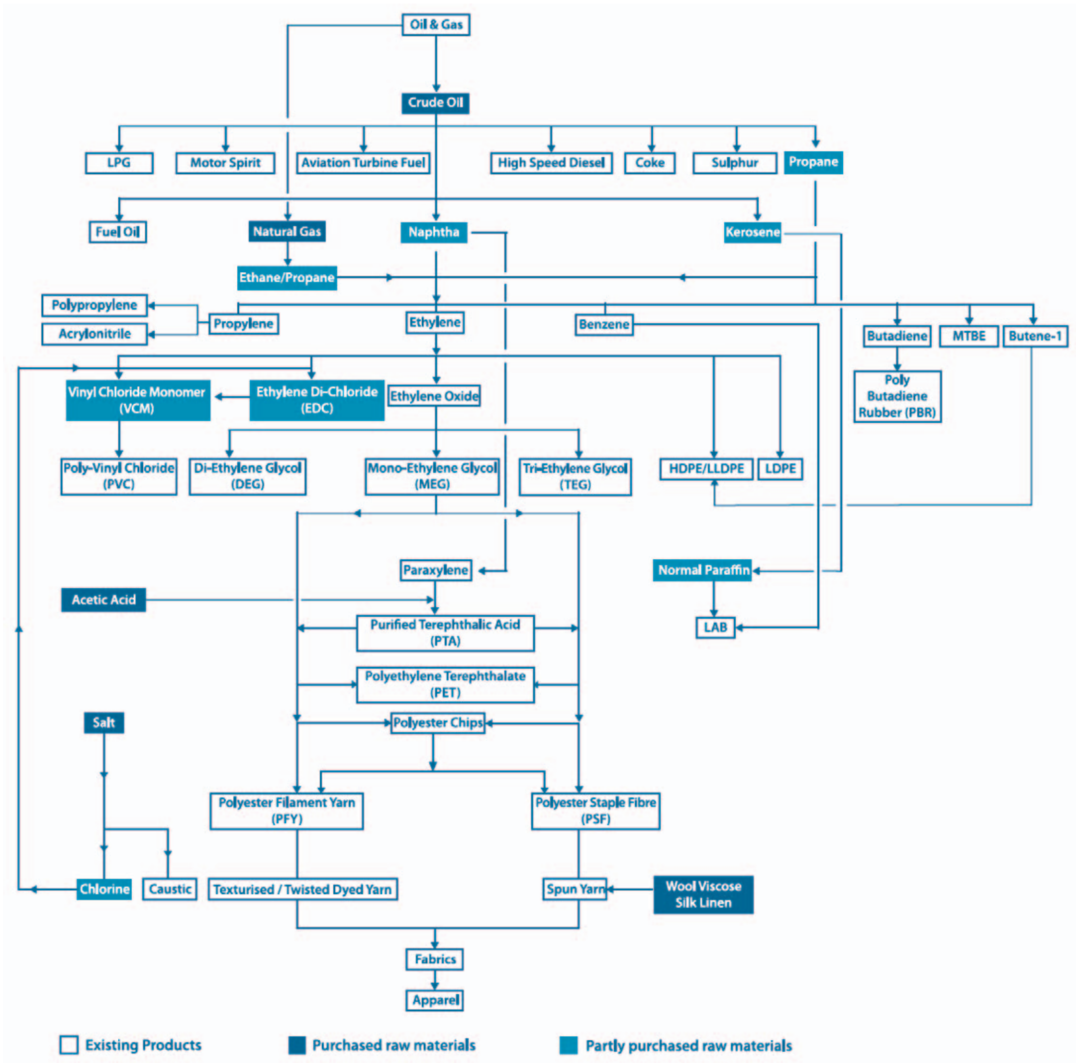
"Safety of person overrides all production targets" is the essence of the Company's Health, Safety and Environmental Policy. Well-equipped occupational health centers are available to cater for preventive and curative health care. The Company has an employee training program to improve safety conditions at its operations. The Company places great emphasis in developing greenery and landscaping as an in-built environmental protection measure.

Continue to focus on process and management innovation

The Company has traditionally focused on innovation in all areas of its activities and has had success in the areas of process innovation, business model innovation and management innovation. The Company's innovation efforts are led by Reliance Innovation Council, which includes some of the leading global thought leaders, including Nobel laureates. The Company seeks to make innovation a way of life to ensure that the next generation of growth is innovation-led.

Business

The Company's major products and brands, from oil and gas to textiles, are well-integrated and benefit from synergies across the Company. Central to the Company's operations is its vertical backward integration strategy for raw materials, such as purified terephthalic acid, monoethylene glycol, ethylene, propylene and normal paraffin. The Company believes that this strategy is also important in maintaining a domestic market leadership position in its major product lines and in providing a competitive advantage. The following chart indicates the way in which these products are integrated.



Oil and Gas

The Company's Oil and Gas business is principally focused on onshore and offshore exploration and production of oil and gas in India and, to a lesser extent, outside India, as well as shale gas exploration in the United States. In FY2014, the Company generated 1% of its Segment Revenue Before Eliminations and 7% of Segment Result Before Interest and Tax from its oil and gas exploration and production operations, compared to 2% and 12%, respectively, in FY2013.

Overview

India is a net importer of crude oil. The oil and gas industry in India has traditionally been, and continues to be, dominated by public sector companies. In order to encourage growth of the domestic exploration and production sector, India introduced a competitive international bidding process called the NELP.

Under the NELP, the Government auctions domestic on-land, offshore and deepwater exploration blocks. Companies can bid for blocks either individually or in association with others through an incorporated or unincorporated joint venture. Unlike previous allocation policies, under the NELP, exploration and production companies from the private and the public sectors are treated equally, and the new acreage is determined by a bidding process. Prior to the introduction of the NELP, crude oil and natural gas produced by private sector companies were required to be marketed and transported through public sector entities. Under the NELP, private sector companies have marketing rights of crude oil and natural gas in the domestic market subject to overall government policy guidelines. As a result of the NELP, a number of private sector enterprises have ventured into oil and gas exploration in India resulting in a larger number of oil and gas discoveries in India over the last few years.

In 2008, the Government adopted a gas utilization policy, which requires contractors to sell gas produced from the NELP blocks to consumers engaged in industry sectors prioritized by the Government for the supply of gas. The NELP PSCs also provide for a market-determined price for gas produced, subject to approval from the Government.

Exploration and Production

The Company is principally focused on gas exploration in India and, through a number of joint venture interests held by the Company, shale gas exploration in the United States. As of December 31, 2014, the Company had 9 domestic exploration blocks, including one block each in Panna-Mukta and Tapti and two coal bed methane blocks, and the total area covered under the domestic blocks is approximately 18,027 square kilometers. The Company is the operator in most of its domestic blocks. As of December 31, 2014, the Company has:

- 60% stake in the KG-D6, the world's largest deepwater gas-producing facility, which commenced operations in April 2009;
- 60% to 90% participating interests in four additional exploration blocks in India;
- 30% participating interest in the producing blocks of Panna-Mukta and Tapti in Bombay High offshore block, along with BG Group and ONGC;
- 100% interests in two coal bed methane blocks in India covering an area of approximately 995 square kilometers;
- 3 blocks in its international exploration and production portfolio, including two in Yemen and one in Peru, amounting to a total acreage of approximately 21,361 square kilometers; and
- through its US based subsidiaries, interests in three joint ventures holding acreages/interests in the Marcellus and Eagle Ford Shales in the United States.

The following tables set forth India's crude oil and natural gas production and the Company's share of such production for FY2014, FY2013 and FY2012.

	Year Ended March 31,		
	2014	**2013**	**2012**
	(in KT, except percentages)		
Oil[(1)]			
Total production in India[(2)]	37,777	37,862	38,087
Company's share of production	462	602	928
Company's percentage share of production	1.2%	1.6%	2.4%

(1) Includes condensates.

(2) Source: Indian Ministry of Petroleum and Natural Gas website.

	Year Ended March 31,		
	2014	2013	2012
	(in MMSCM, except percentages)		
Natural gas			
Total production in India[(1)]	35,391	40,679	47,549
Company's share of production[(2)]	3,860	6,732	12,824
Company's percentage share of production	10.9%	16.5%	27.0%

(1) Source: Indian Ministry of Petroleum and Natural Gas website.

(2) Production includes gas used internally and flared.

The following table lists currently producing oil and gas fields in India in which the Company has an interest:

	Participating Interest	Date of Commencement of Production	Production for Year Ended March 31, 2014	
			Oil[(1)]	Gas[(2)]
			(MMBBL)	(BCF)
Panna-Mukta	30%	December 1994	7.4	65.4
Tapti	30%	June 1997	0.3	27.3
KG-D6	60%	April 2009	2.3	178.3

(1) Includes condensates.

(2) Production is net of gas used internally and flared.

The Company's gas and oil reserves will generally decline as they are brought to production, except to the extent that the Company conducts revitalization activities, acquires additional properties containing Proved Reserves or acquires exploration acreage and converts it to Proved Reserves, or a combination thereof. To increase reserves and production, the Company intends to continue to explore its current acreage, to carry out development drilling and re-completion programs, to identify and produce previously overlooked or bypassed zones in shut-in wells in the KG-D6, Panna-Mukta and Tapti blocks and to acquire additional properties and/or undertake other replacement activities. The Company's current strategy is to increase its reserve base, production and cash flow through the development of its existing gas fields and through the selective acquisition of other promising properties.

Domestic

KG-D6 Block. In 2002, the Company discovered gas in its KG-D6 deepwater block off the east coast of India.

Since production commenced in April 2009 until December 2014, the field has produced over 69 billion cubic meters of gas, contributing significantly to the country's critical industrial sectors. For 9M FY2015, the KG-D6 produced 178,130 tons of oil, 26,257 tons of gas condensate and 3.43 billion cubic meters of natural gas as compared to 173,238 tons of oil, 20,702 tons of gas condensate and 3.83 billion cubic meters of natural gas during 9M FY2014. As at December 31, 2014, the average production rate of natural gas was 12.5 MMSCMD and the average production of oil/condensate was 6,357 BOPD. The Company has taken multiple initiatives to sustain production and enhance recovery from the existing MA and D1-D3 field. This includes (i) side track activities in the existing shut-in wells, and (ii) engineering and construction activities for booster compression with a target date for completion in 2015.

During FY2014, the Company made a discovery of a Mesozoic Synrift Clastic reservoir lying over 2,000 meters below the already producing reservoirs in the D1-D3 gas fields in the development area of block KG-D6. After drilling the KG-D6-MJ1 well to a water depth of 1,024 meters (with total depth of 4,509 meters) to investigate the find, the resulting formation evaluation indicates a gross gas and condensate column in the well of about 155 meters in the Mesozoic reservoirs. In drill stem testing, the well flowed at 30.6 million standard cubic feet per day (MMSCFD) and 2,121 Barrels of Oil per Day (BOPD). The discovery, named "D-55", has been submitted to the Government's appraisal program. For effective reservoir characterization, a high end seismic activity was also completed. Based on the evidence gathered so far, the Company is accelerating its commerciality assessment of the discovery and is currently engaged in appraisal activities.

The Company is the operator of the field and holds a 60% participating interest, BP holds a 30% participating interest and Niko Resources Limited holds the remaining 10% participating interest.

Panna-Mukta and Tapti Blocks. The Company holds a 30% interest in an unincorporated joint venture with BG Group and ONGC to develop the proven reserves in the Panna-Mukta and Tapti oil and gas fields. BG Group and ONGC have a 30% and 40% share in the joint venture, respectively.

In 9M FY2015, the Panna-Mukta fields produced 725,434 tons of crude oil and 1.5 billion cubic meters of gas compared to 732,263 tons of crude oil and 1.4 billion cubic meters of gas produced during 9M FY2014. The Tapti field produced 20,349 tons of condensate and over 324 million metric standard cubic meters of gas during 9M FY2015, compared to 25,437 tons of condensate and over 604 million metric standard cubic meters of gas produced during 9M FY2014. The decrease in production was due to a natural decline in reserves.

Coal Bed Methane Blocks. The Company has interests in two coal bed methane blocks covering an area of approximately 995 square kilometers as at December 31, 2014. The Company has started development activities with first gas being targeted in mid FY2015-16. All requisite approvals required for the development stage are already in place.

As a part of the CBM development program, the Company is drilling more than 200 wells and two gas gathering stations and eight water gathering stations in Phase-I. The development activities were augmented with orders being placed for all major goods and services. The land acquisition is in advanced stage with more than 70% of Phase-I scope completed. Currently three rigs are in operation, and the Company has drilled 151 surface holes and 131 production holes and completed 100 hydro fracturing jobs. Concept and FEED for Surface Facilities is completed and Detailed Engineering is underway.

Other NELP Blocks. The Company currently has another four blocks with participating interests ranging from 60% to 90% in each of these blocks. The Company has made varying levels of progress in terms of exploration of these blocks and has discovered hydrocarbons in a few of these blocks. The evaluation of commercial viability of these discoveries is underway.

The Company made a discovery in Block CY-D5 named "D-56" during the FY2014. The appraisal program for this discovery has been submitted to DGH for review.

Sales and Distribution. The Company sells its entire production of natural gas from the KG-D6 fields in the domestic market in line with the allocations approved by the Government.

The Company is dependent on its East-West Gas Pipeline to transport a substantial portion of the Company's gas produced from KG-D6. Reliance, through RGTIL, built and operates a 1,386-kilometer cross-country pipeline to transport natural gas produced by KG-D6 and other discoveries in the KG Basin, off the eastern coast of India, to major markets on India's western coast. The pipeline extends from Kakinada to Bharuch and has a capacity to transport up to 80 MMSCMD of natural gas. The other infrastructure required to transport 80 MMSCMD of natural gas is also in place, and KG-D6 gas customers have entered into gas transmission agreements with RGTIL to use its pipeline to transport gas.

The Petroleum And Natural Gas Regulatory Board (PNGRB) has issued Grant of Authorization in June 2013 to Reliance Gas Pipeline Limited, a subsidiary of the Company for a natural gas pipeline from Shahdol in Madhya Pradesh to Phulpur in Uttar Pradesh (hook-up point with GAIL's HVJ pipeline) to transport gas from the Company's CBM blocks.

To encourage investment in the oil and gas sector, licenses for exploration activities in India are offered under the NELP, and a successful bidder must enter into a PSC with the Government. Sales of natural gas from NELP blocks are subject to detailed regulation by the Government, in particular with respect to prices. The Government-imposed maximum prices are based on the region of production and, in some instances, type of customer, and they limit the prices the Company can charge within its internal supply chain and to other industry participants, as well as to end customers. See "Regulation" and "Risk Factors—Risks Relating to the Company's Business—The sale of gas produced from the NELP blocks is regulated by the gas utilization policy adopted by the Government".

International

Overseas Blocks. The Company, through its subsidiaries, currently has interests in three overseas exploration blocks, including two in Yemen and one in Peru, amounting to a total acreage of over 21,361 square kilometers.

In line with its strategy of portfolio balancing by expanding its international asset base and investing in regimes having attractive internationally competitive terms, the Company participated in the Myanmar bid round and was selected for two offshore blocks (M17 and M18) located in offshore Myanmar in water depths up to 3,000 ft and together encompassing an area of 27,600 sq. km.

Shale Gas. The Company has identified shale gas development as an attractive value creation opportunity, and through its US based subsidiaries, which are discussed below, has built a significant position in the North American Shale Gas business. Shale gas is believed to be a large growing source of hydrocarbons and the most promising development in the North American energy sector in recent years. The successful shale revolution in North America has changed the global energy landscape. Industry continues to discover new plays, and operators continue to find economic ways of exploiting this resource.

The Company, through its US-based subsidiaries, has entered into joint ventures with three established shale gas companies that are active in the Marcellus Shale in Pennsylvania or the Eagle Ford Shale in South Texas.

Reliance Chevron Joint Venture. In April 2010, the Company, through its subsidiary, Reliance Marcellus LLC, entered into a joint venture with Atlas Energy Inc., one of the leading gas producers in the Marcellus Shale, and certain of its affiliates. Pursuant to the joint venture agreement, Reliance Marcellus LLC acquired a 40% undivided working interest in Atlas' core Marcellus Shale acreage position and became a partner in approximately 300,000 net acres of undeveloped leasehold in the core area of the shale for an acquisition cost of US$339 million and an additional US$1.36 billion capital costs under a carry arrangement for 75% of Atlas's capital costs over an anticipated seven-and-a-half-year development program.

On November 8, 2010, Atlas entered into an agreement with Chevron pursuant to which Chevron acquired control of Atlas. The transaction closed on February 17, 2011, and Atlas (now Chevron AE Resources LLC) is now an indirect wholly owned subsidiary of Chevron.

As of December 31, 2014, the joint venture had drilled 337 wells. The joint venture had an average gross production rate of 366 MMscfed for 9M FY2015. The total capital expenditure carried out to date is US$2.9 billion.

Reliance Carrizo Joint Venture. In August 2010, the Company, through its subsidiary, Reliance Marcellus II, LLC, entered into a joint venture agreement with Carrizo Oil & Gas, Inc. with a view to further strengthen its presence in the Marcellus Shale play. The joint venture transaction was completed in September 2010.

Reliance Marcellus II, LLC and Carrizo currently own 60% and 40% interests, respectively, in the joint venture. Reliance Marcellus II, LLC has agreed to pay a total consideration of US$392 million, comprising US$340 million of upfront cash and US$52 million of drilling carry obligations, subject to customary adjustments. The drilling carry obligations will provide for 75% of Carrizo's share of development costs over an anticipated two-year development program.

As of December 31, 2014, the joint venture had drilled 98 wells. The joint venture had an average gross production rate of 157 MMscfed for 9M FY2015. The total capital expenditure carried out to date is US$0.9 billion.

Reliance Pioneer Joint Ventures. In June 2010, the Company, through its subsidiary, Reliance Eagleford Upstream Holding LP, entered into a joint venture with Pioneer Natural Resources USA, Inc. to develop 263,000 acres in the Eagle Ford Shale acreage in south Texas.

Pioneer, Reliance Eagleford Upstream Holding LP and Pioneer's current partner, Newpek, a wholly owned subsidiary of Alfa Sa de CV, own 46%, 45% and 9% interests in the joint venture, respectively.

Reliance Eagleford Upstream Holding LP agreed to pay a total consideration of US$1.32 billion for its implied share of 118,000 net acres, comprising US$263 million of upfront cash and US$1.05 billion of drilling carry obligations.

In addition, the Company, through another subsidiary, Reliance Eagleford Midstream LLC, and Pioneer have executed definitive agreements to form a midstream joint venture (EFS Midstream LLC, a Delaware LLC) that will service the gathering needs of the upstream joint venture. Reliance Eagleford Midstream LLC paid US$46 million to acquire a 49.9% membership interest in the joint venture. Pioneer and Reliance Eagleford Midstream LLC have equal governing rights in the joint venture, and Pioneer will serve as operator.

As of December 31, 2014, the upstream joint venture had drilled 536 wells. The joint venture had an average gross production rate of 725 MMscfed for 9M FY2015. The total capital expenditure carried out to date is US$4.2 billion including the midstream joint venture.

On November 4, 2014, Pioneer announced that it is pursuing the divestment of its 50.1% share of EFS Midstream LLC. Reliance Eagleford Midstream LLC has also agreed to consider a divestment of its shareholding of 49.9% in EFS Midstream LLC. In addition, while there can be no assurance any such transaction will occur, the Company might consider the sale of all or part of its shale gas businesses in the United States in the future if a satisfactory return on investment could be achieved.

Competition

The Company competes in the oil and gas exploration and production segment primarily in the area of licenses for exploratory prospects in the NELP bidding process. The companies that have been granted petroleum exploration licenses in various rounds of the NELP include several other public sector companies, such as GAIL (India) Limited ("GAIL"), Indian Oil Corporation Limited ("IOCL"), Oil India Limited and ONGC, as well as private companies, such as the BG Group, Cairn India Limited and Niko Resources Limited. The Company faces similar competition for acquisition of exploration and production acreages internationally.

Refining

The Company's oil business plays a strategic role in adding further value to India's petroleum resources through its integrated operations in refining, marketing and retailing. The Company operates crude oil refineries in Jamnagar and markets a wide range of value-added petroleum products, including diesel, gasoline, jet fuel, bunker fuel, LPG, base oil and kerosene, through an expanded marketing and retailing network in the Indian as well as selected international markets.

In FY2014, the Company generated 78% of its Segment Revenue Before Eliminations and 55% of its Segment Result Before Interest and Tax from its Refining business, compared to 77% and 55%, respectively, in FY2013.

Overview

The petroleum refining industry in India primarily comprises public sector companies. India has 23 operating refineries with an aggregate capacity of 215 million tons a year, according to the Indian Ministry of Petroleum and Natural Gas data as of April 2014.

Refining

The Company owns and operates two refineries in Jamnagar in the State of Gujarat: Jamnagar Refinery I in the domestic tariff area and Jamnagar Refinery II in the SEZ, a specifically delineated duty-free enclave deemed to be a foreign territory for the purposes of trade operations and duties and tariffs. The refineries have a total nominal crude processing capacity of 1.24 million barrels per day, which is approximately 1.35% of the world's refining capacity, and produce a wide range of petroleum products for both domestic consumption and export, such as LPG, propylene/polypropylene, propane, naphtha, gasoline, alkylates, jet fuel, diesel and fuel oil. In FY2014, the capacity utilization rate of the refineries was 110%.

The management believes that the Company's two Jamnagar refineries are among the largest and most complex in the world, with an average complexity of more than 12.0 on the Nelson Complexity Index (an index used in the refining industry to measure the complexity of a refinery). The configuration of complex refineries is oriented either towards maximizing the production of gasoline (catalytic cracking) or middle distillates (hydrocracking). In addition, complex refineries use enhanced secondary processing capacities to upgrade vacuum residue. Refineries which are configured to have a high conversion and desulphurization capacity can achieve higher yields of higher value-added refined petroleum products by processing heavier crude oil qualities than refineries with lower conversion and desulphurization capacity. Refinery complexity accordingly refers to an oil refinery's ability to process challenging crudes into value-added products. Generally, the higher the complexity and the more flexible the feedstock slate, the better positioned the refinery is to take advantage of the more cost effective crude oils, resulting in incremental gross margin opportunities for the refinery.

The following table sets forth annual throughput and capacity utilization for the Company's refineries for FY2014, FY2013 and FY2012.

	Year Ended March 31,					
	2014		2013		2012	
	Crude Refined	Capacity Utilization(1)	Crude Refined	Capacity Utilization(1)	Crude Refined	Capacity Utilization(1)
	(in million tons)		(in million tons)		(in million tons)	
Jamnagar refineries	68	110%	68.5	110%	67.6	109%

(1) Capacity utilization is the actual throughput divided by the installed rated capacity.

Jamnagar complex. Located approximately 815 kilometers from Mumbai, the Jamnagar complex is a fully integrated manufacturing facility with petroleum refineries, an aromatics/petrochemical complex, a power generation complex and a port and terminal complex that provides access to a pipeline network. The associated infrastructure at the Jamnagar complex, comprising the power generation complex and the port and terminal complex, is not owned by the Company but is dedicated to cater to the requirements of the Jamnagar refineries and petrochemical complex. The Jamnagar complex also includes a self-contained township for the over 2,500 employees and their families.

The Jamnagar complex is designed for total water conservation. It has its own desalination plant and carries out complete recycling of effluent with zero discharge. It has a state-of-the-art centralized control center, laboratory, fire station and a large green belt.

Jamnagar Refinery I. The Jamnagar Refinery I began operations in 1999. It is a highly complex refinery with significant secondary processing facilities designed to maximize the quantity of value-added products such as propylene, jet fuel and diesel. The refinery has crude processing capacity of 660,000 barrels of crude oil per stream day and is designed to process a wide variety of grades of crude oil. Given the high levels of complexity, the Jamnagar Refinery I is capable of processing heavy and sour crude oil.

There are two trains each of crude distillation units and vacuum distillation units. Virtually any grade of crude can be processed in the crude distillation units and vacuum distillation units where crude oil is separated into its components, namely, gas, C3/C4, naphtha, light kerosene, heavy kerosene, atmospheric gas oil, vacuum gas oil and vacuum residue. The crude distillation units and vacuum distillation units are integrated for energy efficiency.

Jamnagar Refinery II. The Company's new refinery in the SEZ became fully operational in 2009. The Jamnagar Refinery II is the sixth largest refinery in the world and has a Nelson Complexity Index of 14.0, making it, together with the Jamnagar Refinery I, the largest and most complex refining site in the world. The refinery has the capacity to process 580,000 barrels of crude oil per stream day and has more than 40 process units, including the world's largest coker and fluid catalytic cracker and the world's largest alkylation unit. It also benefits from a large network of off-sites, utilities and other infrastructure facilities.

The Jamnagar Refinery II has a unique design and a configuration that enables it to produce "clean fuels". It is designed with a high level of flexibility to change grades based on the economy and to capture margins based on market dynamics. The Jamnagar Refinery II is the first refinery in India to produce Euro-IV grades of gasoline and diesel. It has also been the first in India to produce a large number of US-grade gasolines such as R-BOB, RFG, US conventional and 95 Oxy-free as well as Ultra Low Sulfur Diesel, which are being supplied to the US and European markets.

The Jamnagar Refinery II benefits from certain fiscal advantages arising from its SEZ status and has to comply with the net foreign exchange earning requirements under the SEZ rules. See "Regulation—Special Economic Zones".

Maintenance and Upkeep

The Company's refinery operating units require regular maintenance, as well as repair and upgrade shutdowns (referred to as "turnarounds") during which they are not in operation. Turnaround cycles vary for different units. In general, refinery turnarounds are managed so that some units continue to operate while others are down for scheduled maintenance. Maintenance turnarounds are carried out by refinery personnel as well as additional contract labor. Turnaround work proceeds on a continuous 24-hour basis to minimize unit downtime. The Company regularly undertakes turnarounds for quality and yield improvements and enhancement of throughput capability.

During September to October 2013, one VGO Hydrotreating unit and during March to April 2014 another VGO Hydrotreating unit was shut down for catalyst replacement and other maintenance jobs. During March to April 2014 one Crude Distillation unit and some units of Refinery I Aromatics complex also went through planned maintenance and inspection work.

All such refinery units which were shut down for maintenance are now operating satisfactorily and with improved operating efficiency as measured by their throughput.

Procurement of Crude Oil

The Company obtains a substantial part of its crude oil feedstock from suppliers in the Arabian Gulf region and balance from suppliers in South America, West Africa and the Red Sea on a regular basis and from suppliers in the North Sea, Mediterranean, Canada and Australia on an opportunistic basis. The Company also has a cross-country pipeline connection to receive crude oil from fields in Northern India.

The Company has term supply contracts, which are expected to be renewed annually subject to commercial agreement between the applicable supplier and the Company. The Company continues to seek opportunities to diversify its sources of supply. Optimizing the Company's supply of crude oil in terms of types of crudes purchased is critical to the Company's operations. Due to this strategy, the Company has already processed over 141 different traded crude oil grades from International market in their two refineries.

The price of crude oil is extremely volatile and vulnerable to geopolitical events and natural calamities around the globe. The Company seeks to mitigate its price exposure through risk management strategies including margin and basis risk hedging. See "Risk Factors—Risks Relating to the Company's Business—The Company's operations are affected by the volatility in the prices and availability of supply of crude oil and other feedstock" and "Operating and Financial Review—Market Risk".

The Company procures crude oil through a mix of term (typically 50 to 55% of requirements) and spot supply contracts (typically 45 to 50% of requirements). The Company believes this approach gives it both security of supply and the flexibility to respond to changes in crude requirements owing to changes in market dynamics and any unforeseen plant and operational issues. Spot contracts also help the Company to optimize its mix of crude oil grades and participate in the short-term price movements in the market, enabling it to achieve higher margin in its refined products. In FY2014, the Company procured approximately half of its crude oil through long-term contracts of 12 months or longer with floating spot market-based pricing and the remainder through purchases in the spot market (around the same level as in FY2013). From time to time, the Company opportunistically trades oil it has purchased for consumption where differences in pricing, availability and freight costs make it advantageous to do so for crude basket optimization.

Arising from a long-term crude procurement deal entered with the Venezuelan state oil company, PDVSA, in 2012, the Company receives between 300,000 and 400,000 barrels per day of Venezuelan heavy crude oil at its refineries in Jamnagar.

Products

The table below highlights the Company's principal products from its Refining business.

Products	End Uses
Liquefied Petroleum Gas (LPG)	Domestic and industrial fuel
Propylene	Feedstock for polypropylene
Propane	Feedstock for petrochemical
Naphtha	Feedstock for petrochemicals, such as ethylene, propylene and fertilizers, and as a fuel in power plants
Gasoline	Transport fuel
Alkylates	Blend stock for high-quality gasoline
Jet/Aviation turbine fuel	Aviation fuel
High-speed diesel	Transport fuel
Fuel oil/Carbon black feedstock	Fuel/Feedstock for carbon black
Sulfur	Feedstock for fertilizers, pharmaceuticals
Petroleum Coke	Fuel for power plants and cement plants

Marketing

During FY2014, the Company sold nearly 21.6% (FY2013: 24.7%) of its total refinery sales in the domestic market and exported 64% of its total sales (FY2013: 60%), i.e. 67.7 million tons (FY2013: 67.3 million tons). The remaining 14.4% of refinery production sales were used for captive purposes primarily as feedstock for the Company's other plants (FY2013: 15.3%).

The Company opened its first retail outlet in November 2003. By April 2006, it had 1,252 retail outlets, while state-owned oil companies had 29,973 retail outlets. With a network share of 4.2%, the Company was able to capture a retail market share of 14.3% in high speed diesel and 7.3% in gasoline by April 2006. Due to government policy of subsidizing only the state-owned oil companies, the Company had to close most of its outlets. The Company diverted products immediately to the export market without suffering the penalty of high input cost due to its unique locational and logistical advantage. In 2008, it reopened some of the retail outlets, and as of March 31, 2014 nearly 300 outlets were operational, primarily in India's western and southern states. According to the Ministry of Petroleum and Natural Gas, the total number of retail petrol outlets in India as of March 31, 2014 was 51,868.

The Company is selling aviation turbine fuel from 26 aviation fueling stations including three open access airports, e.g., Delhi, Bangalore and Hyderabad in India. The Company's aviation fueling stations network is the second largest fixed facility network in India.

In 2007, the Company acquired a majority stake in GAPCO, which owns and operates large storage terminal facilities and a retail distribution network primarily in Kenya, Tanzania and Uganda.

Competition

The Company competes in the domestic markets primarily with government-controlled companies that have been operating in the Indian market for many years. These entities have an advantage in terms of access to markets, as they control a majority of the distribution infrastructure in India such as storage and handling facilities, pipelines and retail outlets for transportation fuels.

The principal competitive factors affecting the Company's refining operations are the price and availability of crude oil and other feedstock, refinery efficiency, the refined product mix and product distribution and transportation costs.

Capex and growth plans

Petcoke gasification project — utilizing the "bottom of barrel"

The Company is setting up the petcoke gasification project in Jamnagar, which the Company believes is expected to put its energy and hydrogen costs at par or better than the refineries in the United States, where natural gas prices have fallen dramatically with the shale revolution. The project is designed to deliver a step change reduction in energy costs, substituting imported LNG with coke/coal.

The project is based on the "E-gas technology" (owned by CB&I) and is currently in the execution stage. Engineering and Procurement activities are nearing completion, and construction activities are progressing rapidly. Delivery of key units has started at the site. Construction of the petcoke storage dome in the Gasification complex is in the final stages of completion. The Company is aiming for a phased start-up of the gasifiers with the first phase commencing in 2016. Manpower resources and construction plans are aligned to execute the project on schedule.

The coke gasification project is designed to run on both coal and petcoke, giving the Company the flexibility to optimize based on raw material costs. The Company is looking for various sourcing options for petcoke from the refiners in India, Middle East and North America. The Company is also evaluating coal import options from key coal exporting countries — Australia, Indonesia and South Africa.

The gasification assets, delivered with Reliance's project execution capabilities, are expected to enhance its refining profitability significantly.

Business Profile - Petrochemicals

Overview

The Company is one of the most integrated petrochemicals producers globally, with operations ranging from the production of feedstock and intermediates to end products in both the polyester and polymer chain. This vertical integration from refining to petrochemical end products imparts the Company with the fundamental strength of feedstock safety, scalability, product diversification and economies of scale.

The Company has a balanced portfolio of naphtha and gas based crackers, along with matching downstream capacities. The Company's petrochemical products portfolio includes polymers (PE, PP, PVC), fiber intermediates (PX, PTA, MEG), polyester products (PFY, PSF, PET), elastomers and solvents. According to PCI, Reliance is the world's largest manufacturer of polyester fiber and yarn, and according to IHS Chemical, the Company is a top-five producer of polypropylene and paraxylene, two of Petrochemicals' principal products.

In FY2014, the Company generated 21% of its Segment Revenue Before Eliminations and 36% of its Segment Result Before Interest and Tax from its Petrochemicals business, compared to 20% and 32%, respectively, in FY2013.

The table below shows the Company's production of principal petrochemicals and chemicals products over the past three fiscal years.

	Year Ended March 31,		
	2014	**2013**	**2012**
		(in KT)	
Polymers	4,494	4,422	4,455
Polyester	1,648	1,628	1,663
Polyester intermediates	4,709	4,764	4,756

The Company has the following six principal facilities for the production of petrochemicals, all of which are in India:

- The Hazira plant in the State of Gujarat produces polymers, polyester intermediates, chemicals, polyester fiber and yarn and polymer intermediates. The first phase of the complex was commissioned from 1991 to 1992 and the second phase from 1995 to 1997.

- The Jamnagar facility in the State of Gujarat produces polyester intermediates and polymers. These units were commissioned along with the refinery complexes in 2000 and 2009.

- The Patalganga plant in the State of Maharashtra produces polyester fiber and yarn, polyester intermediates and certain chemicals. The first unit was commissioned in 1982.

- The Vadodara plant in the State of Gujarat produces polymers, fiber intermediates, elastomers and chemicals. The first unit was commissioned in 1979.

- The Nagothane plant in the State of Maharashtra produces polymers and fiber intermediates. The plant was commissioned in 1992.

- The Dahej plant in the State of Gujarat produces polymers, fiber intermediates and plastic. The first phase of the complex was commissioned in 1997 and the second phase in 2000.

The Company also owns polyester manufacturing units at Allahabad, Barabanki, Hoshiarpur, Nagpur and Silvassa in India.

In 2007, the Company acquired, through its subsidiary Recron, certain polyester assets of Hualon Corporation in Malaysia. Recron has become a leading polyester producer in Malaysia with a capacity of 500,000 tons per year, along with downstream textile manufacturing capabilities spread over two locations, Nilai and Malacca, both in Malaysia.

The Company's Petrochemicals business has significant competitive strengths that have enabled it to maintain a leadership position in key consumer markets of India:

- *Integrated operations*. The Company's petrochemical plants are integrated with existing refinery operations and hence benefit from reliable and cost-effective supplies of feedstock.

- *Feedstock advantage*. The Company has a balanced mix of feedstock for its crackers, which provides it with significant advantages in terms of conversion costs globally. According to the Solomon's Study for 2013, the Company's crackers at Gandhar, Nagothane and Hazira are placed in the first quartile of net cash margins in the Asian region.

- *Scale*. The Company produces a wide range of petrochemical products and has significant production capacity. The scale of its operations and diversity of its products contribute to its market strength.

- *Proximity to key consuming markets*. The Company's petrochemical facilities are located close to large consumer markets for key products while being closer to feedstock sources. This provides the Company with a significant advantage in terms of market access and logistics costs.

- *Focus on high-growth markets of India*. The Company has traditionally focused on the domestic markets for growth in its Petrochemicals business. As a result of strong demand for its products, the Company has built leadership positions in key product segments. Industry experts believe that the growth in global demand for petrochemicals over the next decade is likely to be driven by India and China, and the Company is strategically well positioned to reap benefits from this strong market outlook.

- *Diversified customer base*. The Company has consciously built a diversified customer base to avoid any dependence on a small number of large customers or select geographies. None of the Company's customers accounted for a significant portion of its Segment Revenue Before Eliminations for FY2014.

In addition, the Company benefits from a favorable fiscal environment. India is an open market for petrochemical products with low tariff barriers. However, with a view to avoiding predatory pricing from global manufacturers, the Government has imposed anti-dumping duties on imports of certain products from select countries. This provides a level playing field for the Company in the competitive domestic markets for petrochemical products.

Cracker Products

Ethylene is the principal petrochemical building block and a major feedstock for polymers. It is a raw material used in the manufacture of polymers, such as polyethylene, polyester, polyvinyl chloride and polypropylene, as well as organic chemicals.

The Company's crackers at Hazira, Nagothane, Dahej and Vadodara are among the world's most integrated complexes with downstream chemical facilities. These facilities can use a variety of feedstock, including naphtha, natural gas liquids and other petroleum feedstock. The Company operates liquid feed naphtha crackers at its Hazira and Vadodara petrochemicals complexes and gas crackers at Dahej and Nagothane.

Naphtha and propane are principally supplied by the Company's refineries at Jamnagar, and gas feed is supplied through state-owned oil companies at prices determined by a Government formula. The propylene and ethylene produced from the Company's crackers are used for the manufacture of polymers, fiber intermediates and chemicals.

The Company believes that, by operating its own crackers, it has reduced its exposure to volatility in the international market with respect to procurement of basic feedstocks, which has contributed significantly to the stability and enhancement of its margins and helped ensure that its production is uninterrupted.

The Company is building a new Cracker plant at Jamnagar. The new plant will be among the world's largest Ethylene crackers and will be using refinery off gases as feedstock. This plant will provide feedstock for new downstream petrochemical plants also being built at Jamnagar.

The Company is implementing a project to source 1.5 MMTPA of Ethane from North America to feed its existing cracker in India. This is will give long-term feedstock security and competitiveness to the petrochemical business of the Company.

Polymers/Plastics

Polymers, such as polypropylene ("PP"), polyethylene ("PE") and polyvinyl chloride ("PVC"), are used in a variety of products, including woven sacks, furniture, automobiles, food packaging, storage tanks, pipes, bottles, housewares, footwear, grocery bags and garment packaging. While India's current consumption of polymers is among the lowest in the world, the Company expects polymer consumption in India to increase significantly with growing disposable income and maturing of the Indian economy. The Company manufactures polypropylene at four different sites and in multiple grades that cater to a wide range of end-use applications, such as packaging products, automobiles and consumer durable goods. The Company's total polypropylene production during FY2014 was 2.8 million tons. According to IHS, the Company is among the top five largest producers of polypropylene globally.

The Company currently manufactures polyethylene at four different sites and in various grades covering a wide range of end-use applications. The Company's total polyethylene production during FY2014 was one million tons.

According to IHS, the Company holds a 38% capacity share among the Indian polyethylene manufacturers, a 66% capacity share among the Indian polypropylene manufacturers and a 45% capacity share among the Indian polyvinyl chloride manufacturers. Overall, as per IHS, the Company holds a 53% capacity share among the Indian polymers (PP, PE and PVC) manufacturers, with the remaining capacity share predominantly held by smaller regional producers.

Elastomers

Polybutadiene rubber is the second largest synthetic rubber with an annual global consumption of 3.0 million tons. Polybutadiene rubber is used widely in tires, tread rubber, conveyor belts, footwear, sports goods and automotive products. The Company is the only manufacturer of polybutadiene rubber in India with production of around 81,000 tons in FY2014. The Company commissioned an additional 40,000 tons of polybutadiene rubber capacity at Hazira during FY2015.

Polyester, Fiber Intermediates and Aromatics

The global polyester industry has experienced significant growth over the last decade, primarily as a result of the substitution of polyester for other synthetic and natural materials, technological advancements and new applications for polyester. The demand for polyester intermediates has risen in conjunction with the rise in demand for polyester. The markets for polyester products are sensitive to changes in industry capacity and output levels, cyclical changes in regional and global economic conditions and changes in consumer demand for particular fibers, all of which can have a significant impact on selling prices.

During FY2014, the Company's polyester production volume totaled 1,648 KT, an increase of approximately 1.2% from 1,628 KT in FY2013. The Company estimates that it has a domestic market share of 20% in polyester filament yarn and 67% in polyester staple fiber and 41% in polyethylene terephthalate. The Company has a wide customer base, both domestically and outside India. The PFY plant at Silvassa was commissioned successfully during FY2014. Three products Partially Oriented Yarn ("POY"), Fully Drawn Yarn ("FDY") and Polyester Textured Yarn ("PTY") are being produced at the site. With the commissioning of this ultra-modern Polyester Filament Yarn Facility, Reliance's total PFY capacity, including capacity from its Malaysian PFY facilities, is in excess of 1.5 MMTPA.

The fiber intermediates business is central to the vertical integration process for the manufacture of the Company's fiber products. The Company produces paraxylene at its Jamnagar and Patalganga plants, purified terephthalic acid at its Patalganga and Hazira plants and monoethylene glycol at its Hazira, Nagothane, Vadodara and Dahej plants. Paraxylene is used to produce purified terephthalic acid. Purified terephthalic acid and monoethylene glycol are used in the manufacture of polyester filament yarn, polyester staple fiber and polyethylene terephthalate. The Company is the major domestic producer of paraxylene. Company has pre-eminent position in the domestic fiber intermediate market with 59% share in PX, 47% share in PTA and 37% share in MEG.

The Company has a positive view of the polyester and polyester intermediates market and intends to seek to grow its production capacity in India to supply an Indian domestic market, which is expected to continue to grow as disposable income levels in India grow and based on anticipated long-term trends in cotton prices.

The Company is a leading producer of linear alkyl benzene, benzene. The Company also produces basic aromatic building blocks of the highest purity, conforming to the product grades. These include benzene, toluene, mixed-xylene and ortho-xylene.

The Company is India's largest producer of linear alkyl benzene, the key raw material for production of surfactants, surfactants are used in most detergents. In FY2014, the Company produced 164KT linear alkyl benzene. Linear alkyl benzene is marketed under the brand name "RELAB". The Company also produces normal paraffin which is used to manufacture linear alkyl benzene. The Company has the capacity to produce 157,000 tons of purified ethylene oxide which is a key building block for a variety of intermediate products such as ethoxylates, ethanol, amines, glycol ethers, dye intermediates and drug intermediates, among others.

The Company is India's largest producer and exporter of benzene. Benzene is a key aromatic building block used for a large number of downstream products, including Styrene, phenol, acetone, nylon chain, polyurethanes, linear alkyl benzene etc. In FY2014, the Company produced 714KT benzene. The Company recovers benzene as a byproduct from various streams in the cracker and aromatics complexes.

Expansion plans

The Company is exploring opportunities for organic growth, expansion of capacities, acquisitions and improved efficiencies in its Petrochemicals business. In particular, the Company is currently implementing the following new petrochemical capacities:

- Refinery off-gas cracker with 1.5 million tons per annum of olefins capacity with matching downstream capacities;
- PET complex with a capacity of 650,000 tons per annum
- 2.3 million tons per annum of paraxylene capacity;
- 2.3 million tons per annum of new purified terephthalic acid capacity,
- Styrene butadiene rubber with a capacity of 150,000 tons; and
- Butyl rubber plant with an initial capacity of 100,000 tons, in a joint venture with SIBUR.

The Company estimates such expansions would require material capital expenditure once the various projects begin. The Company's capital expenditure plans are subject to a number of risks, contingencies and other factors. See "Risk Factors—Risks Relating to the Company's Business—The Company's growth plans have significant capital expenditure requirements, and its capital expenditure plans are subject to various risks".

Commenced implementation of large-scale polyester projects in India

The Company has commenced implementation of its planned large-scale projects in India across the polyester chain. This is the Company's largest capacity expansion in the polyester sector and is aimed at consolidating its position as the world's largest integrated polyester producer by volume.

The above projects are under various stages of implementation and are expected to further strengthen the Company's leadership position in the polyester sector.

Joint Venture with SIBUR

On December 21, 2010, the Company announced a joint venture with SIBUR for the production of butyl rubber in India. Sibur is the largest petrochemical company in Russia and Eastern Europe and covers gas processing, production of plastics, synthetic rubbers, nitrogen fertilizers, tires, rubber products and plastics production. The joint venture will have an initial capacity of 100,000 tons of butyl rubber at the Company's integrated refining/petrochemical site in Jamnagar, India and is expected to be commissioned in year 2016. The plant will initially produce regular butyl rubber and other types of butyl specialties in the future. Under the joint venture, SIBUR will provide its proprietary technology for butyl rubber polymerization and finishing, while the Company will supply monomers and provide the joint venture with world-class infrastructure and utilities. The Company will have a majority stake in the joint venture.

Competition

The Company faces competition in its Petrochemicals business from several domestic producers, including IOCL, Haldia Petrochemicals Ltd., GAIL, HPCL Mittal Energy, Chempalst, MRPL, Indo Rama Synthetics (India) Limited, Mitsubishi, JBF Industries Ltd. and Nirma Ltd. In India, many of the Company's competitors have relatively small-scale operations. The Company also faces competition from imports of petrochemical products from other regional producers. The majority of imports are from Saudi Arabia, Korea, Taiwan, Qatar, United Arab Emirates, United States, Singapore, Thailand and China.

Others

In FY2014, the Company generated 0.3% of its Segment Revenue Before Eliminations and 1.8% of Segment Results Before Interest and Tax from other business activities, compared to 0.2% and 1.1%, respectively, in FY2013. This segment primarily consists of textiles and other smaller businesses.

Textiles

The Company's textile division, which operates a textiles complex in Naroda, Gujarat, produces a wide range of synthetic textiles, including dress material, saris, suits and shirts. The Company's products are sold under the brand names "Vimal" (fabrics, suits, jackets, shirts and trousers), "Vimal Gifting" (ready-to-stitch and take-away fabric in gift packs) and "V2" (ready-to-stitch and take-away fabrics).

New Business Initiatives

The Company is seeking to expand into new growth business areas through subsidiaries. These include the entry into the retail sector and the telecommunication services.

Reliance Retail

RRL, a subsidiary of the Company, was established in 2006 to build an organized retail business. Consequent to the restructuring of the retail group, RRVL, a wholly owned subsidiary of the Company, has been made the holding company of the retail group. RRL is now a subsidiary of RRVL. As at December 31, 2014, the retail group had a network of more than 2,200 operational stores in more than 166 cities in India. Growth in disposable income, improving demographics and a trend towards shopping at established, organized retail stores in India make retail business an attractive opportunity for the Company.

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

RRVL has entered into strategic partnerships with companies such as Apple Inc. (consumer electronics, software and personal computers), Marks and Spencer plc (apparel and accessories), Ermenegildo Zegna (menswear collection and accessories), Office Depot, Inc. (office stationery), Asics Ltd. (performance footwear), Diesel S.p.A. (premium fashion brand), Dama S.p.A. (Paul & Shark luxury brand), Pearle Europe B.V. (optical products) and Hamleys of London Limited (toys).

Reliance Market has a leadership position with more than 1.5 million registered members.

Reliance Retail also operates a loyalty program, "Reliance One", which currently has 12.5 million participating customers.

RRVL has now become India's largest retailer by revenues. RRVL's FY2014 revenues grew 34% to Rs. 144.96 billion, while EBITDA was at Rs. 3.63 billion. The retail business also achieved two major milestones in FY2014. It crossed 10 million square feet of retail space and RRVL broke even on a net profit basis during the year. For 9M FY2015, RRVL recorded revenues of Rs. 128.52 billion and EBITDA of Rs. 5.84 billion.

Telecommunications

From less than five million mobile users in 2001, India has grown to more than 915 million mobile users as of June 2014 (Source: TRAI), achieving more than 73.5% teledensity. However, the growth in broadband connections has not been commensurate with the enormous growth of India's telecommunication industry. India has only around 18.55 million broadband internet subscribers (Source: TRAI), excluding internet access by wireless phone subscribers, which is very low compared to other European and Asian countries.

The Company had acquired a 95% stake in Infotel Broadband Services Limited, which was the only successful bidder in all the 22 circles of the auction for broadband wireless access spectrum conducted by the Indian Department of Telecommunications. The cost of the spectrum was Rs. 128.5 billion (approximately US$2.8 billion using an exchange rate of US$1.00 = Rs. 46.73). Infotel Broadband Services Limited was later renamed as Reliance Jio Infocomm Limited ("RJIL"). The Company's holding in RJIL as of December 31, 2014 was approximately 98.90%.

RJIL is the only private player with Broadband Wireless Access (BWA) spectrum in all the 22 telecom circles of India and plans to provide reliable fast internet connectivity through the 20 MHz contiguous pan-India BWA spectrum. In addition, in February 2014, RJIL successfully acquired 1800 MHz spectrum across 14 key circles at a total cost of Rs. 110.54 billion to strengthen in-building coverage in LTE. With this acquisition, RJIL will be the holder of the largest quantum of liberalized spectrum (spectrum in any band can be used for delivering any services deploying any technology) with the longest residual spectrum life. RJIL plans to use this 1800 MHz spectrum, in conjunction with its pan-India 2,300 MHz spectrum to address the expected surge in demand for digital services as well as to enhance in-building coverage. RJIL plans to provide seamless 4G services using FDD-LTE on 1800 MHz and TDD-LTE on 2300 MHz through an integrated ecosystem delivering end-to-end solutions that address the entire value chain across various digital services in key domains of national interest such as education, healthcare, security, financial services, government-citizen interfaces and entertainment.

In October 2013, RJIL also received Unified License for all 22 service areas across India and became the first telecom operator in the country to get pan-India Unified License. The license allows RJIL to offer all telecom services (except GMPCS), including voice telephony, under a single license. RJIL has migrated its existing ISP license along with BWA spectrum to the Unified License to provide all services allowed under the license.

The Company views the broadband business as an opportunity to further diversify its business and enter the 4G network and services market in India.

RJIL plans to follow an asset-light approach and forge strategic partnerships with the leading global technology players, service providers, infrastructure providers, application developers and device manufacturers to maximize the benefits from its broadband business. It has adopted a partnership-based model for telecom infrastructure for 4G wireless and fiber based high speed broadband services.

In line with this strategic intent, RJIL and its wholly owned subsidiaries have finalized the following partnerships for infrastructure sharing:

- Agreement with Bharti to utilize a dedicated fiber pair on Bharti's i2i submarine cable between India and Singapore.

- A construction, maintenance and supply contract for "Bay of Bengal Gateway" cable system to provide connectivity between South East Asia, South Asia and the Middle East among RJIL, Telekom Malaysia Berhad (TM) (Malaysia), Vodafone Group (UK), Omantel (Oman), Etisalaat (UAE) and Dialog Axiata (Sri Lanka)

- Agreements with Reliance Communications and its affiliates for sharing of their inter-city fiber network, intra-city fiber network and tower infrastructure

- Agreement with Bharti Infratel to share their tower infrastructure

- Agreement with Viom Networks to share their tower infrastructure

- Agreement with ATC India, BSNL, Railtel, MTNL, Videocon, Tower Vision and Ascend Telecom to share their tower infrastructure

- Master Services Agreement with GTL Infra and Indus Towers for sharing tower infrastructure

Property

Plants

The Company owns eight principal plants located in the states of Maharashtra, Gujarat and Andhra Pradesh:

- the crude oil refineries (Jamnagar Refinery I and Jamnagar Refinery II), petrochemical and fiber intermediate manufacturing facility at Jamnagar;
- onshore gas processing and terminal supporting the offshore gas fields in the KG Basin at Gadimoga;
- the polymers, polyester, fiber intermediates and petrochemical products manufacturing facility at Hazira;
- the fibers, fiber and chemicals intermediates and detergent intermediates manufacturing facility at Patalganga;
- the polymers, fibers, fiber intermediates and chemicals manufacturing facility at Vadodara;
- the polymers, fiber intermediates and caustic manufacturing facility at Dahej;
- the polymers, fiber intermediates and chemicals manufacturing facility at Nagothane; and
- the synthetic textiles and fabrics manufacturing facility at Naroda.

The Company also owns polyester plants at Allahabad, Barabanki, Hoshiarpur, Nagpur and Silvassa.

Jamnagar Complex

The Company owns approximately 17,548 acres of land in total in the Jamnagar district in the State of Gujarat. The land is spread over the nine villages of Motikhavdi, Padana, Meghpar, Sikka, Gagva, Nanikhavdi, Navagam, Kanalus and Derachhikari. The Company uses this land for refinery activities, aromatics plant and associated support infrastructure.

Other Properties

The Company owns 480 acres of land and leases 749 acres of land at Hazira in the State of Gujarat, which it uses for downstream petrochemicals, fiber intermediates, polymers and cracker facilities. The Company owns 98 acres of land and leases 169 acres at Patalganga in the State of Maharashtra, which it uses for the production of fiber, fiber intermediates and chemical intermediates. The Company leases 1,840 acres of land at Nagothane in the State of Maharashtra, which it uses for the manufacture of polymers, fiber intermediates and chemicals. The Company also owns 275 acres of land and leases 1,762 acres of land at Dahej in the State of Gujarat, which it uses for the manufacture of polymers and fiber intermediates, owns 836 acres of land at Vadodara and Porbander and leases 834 acres of land at Vadodara, which it uses for the manufacture of polymers, fibers, fiber intermediates and chemicals. The Company also leases 118 acres of land at Naroda in the State of Gujarat for textiles and fabrics plants. In addition, the Company also maintains owned and leased properties at its other polyester plants, its head office location at Mumbai and also in other parts of India as administrative and other offices.

Employees

As at March 31, 2014, the Company's total number of employees was 23,853. The total number of employees as at March 31, 2013 and 2012 were 23,519 and 23,166, respectively.

There are unions and significant unionization of the labor force at each of the Company's facilities, and the Company engages in periodic negotiations with the unions relating to compensation and other conditions of employment. Industrial relations at all plants and the head office have been good in recent years, and there have been no significant industrial disturbances at the Company since 1985.

Each trade union has entered into a long-term settlement agreement with the Company which is binding on each employee at the relevant plant. Each settlement agreement provides a comprehensive set of rules governing every aspect of the terms and conditions of employment (including productivity, manpower requirements and industrial action) of all workers at the relevant plant.

The Company seeks to attract the highest quality engineering and management graduates. It arranges for employees to participate in development training programs throughout their employment, with the majority of such programs being run in-house.

The Company continues to invest in its employees to upgrade their skills and competencies through various learning and development initiatives, such as e-learning.

Compensation

The Company believes that it provides remuneration packages (including a variety of benefits and entitlements) that are very competitive with other employers in similar industries in India.

Each year the Company grants performance awards to certain of the Company's employees on the basis of performance and seniority. The performance of each employee is rated through a management appraisal system.

The Company also has an employee stock-option scheme, which is one of the broadest programs of its kind in the Indian corporate sector. The program was introduced in 2007 and has ensured complete alignment of individual interest with the growth imperatives of the Company.

In addition, employees participate in a provident fund scheme (contributed to by both employees and the Company), receive a lump-sum gratuity equal to one-half month's salary for every completed year of service with the Company at retirement and may elect to participate in a superannuation scheme that guarantees each employee a payment upon retirement.

Innovation, Research and Development

The drive for innovation is led by the Reliance Innovation Council comprised of Nobel laureates, global strategists and iconic thought leaders. The Reliance Innovation Council meets annually to give direction to the Company's innovation agenda. The Reliance Innovation Leadership Centre ("RIL-C") manages the innovation ecosystem with the aim of making innovation a way of life at the Company. The ecosystem approach defines innovation in the realm of people, processes, systems, technology, new businesses and structures. RIL-C identifies innovation opportunities across the organization and designs, develops and deploys innovation programs. For example, the Beyonders program aims at grooming innovation leaders by giving potential leaders an opportunity to innovate, and it provides training on systematic methods of innovation.

The Leading Expert Access Programme (LEAP) democratizes inspiration by providing a platform for interaction with luminaries and accomplished leaders from diverse areas. Powered by the creative energies of thousands of its people, the Company will surely succeed in creating new exponential value with the ultimate aim of reinventing the way people live their lives.

Research & Technology and Innovation are two key focus areas to enhance the Company's value creation and for identifying new platforms for its sustainable growth. Reliance Technology Group ("RTG"), the Company's center for research and technology activities, focuses on (i) new products, processes and catalyst development to support existing business and create breakthrough technologies for new businesses and (ii) advanced troubleshooting, support to capital projects and profit and reliability improvements in manufacturing plants.

To accelerate research efforts at the Company, a new Research Center has been recently commissioned at the Reliance Corporate Park ("RCP") in Navi Mumbai. The facility will be the central hub of research and new technologies. It is a world-class facility providing state-of-the-art equipment for hundreds of the Company's scientists and engineers. In R&D, the Company has broken new ground to develop game-changing products and technologies to add value to existing businesses and create new business opportunities.

In Refining, RTG continues to pursue research in coking, hydro processing, fluidized catalytic cracking ("FCC"), crude processing, molecule-based process optimization and value addition from low-value refinery streams.

In Petrochemicals, RTG is providing technology support to olefin crackers, polymers, fiber intermediates, linear alkyl benzene ("LAB") and polyester. The focus areas include:

- Efficient asset utilization;
- Development of specialty product grades/materials/catalysts;
- Value addition to by-product streams; and
- Leveraging opportunities at the chemicals/oil interface.

Several projects in the following areas have been completed or are on-going across the refining and petrochemicals businesses:

- Product development and improvements;
- Process development and improvements;
- Energy efficiency;
- Enhancing product value to customer;
- Application development;
- Catalyst development;
- Additive development; and
- Automation technology.

Trademarks

The Company's general policy is to seek intellectual property protection for those inventions and improvements likely to be incorporated into its products or to give it a competitive advantage. The Company relies on a variety of patents, copyrights, trade secrets, trademarks and proprietary information to maintain and enhance its competitive position. The Company's principal brand names are registered trademarks of India.

Pursuant to the scheme of arrangement to demerge certain of the Company's telecommunications, financial services and gas and coal-based energy undertakings, the Company and the undertakings that were demerged in January 2006 entered into a trademark management agreement under which the parties agreed that the word "Reliance" and the Company logo could be used by them to the extent that it relates to their respective businesses.

Pursuant to the scheme of arrangement to demerge the Company's telecommunications, financial services and gas and coal-based energy undertakings, the Company and the undertakings that were demerged in January 2006 entered into a non-competition agreement in January 2006, pursuant to which the Company agreed not to participate in certain businesses for a period of 10 years. This agreement was replaced by a new non-competition agreement dated May 23, 2010 between the Company, Reliance Communications Ltd., Reliance Infrastructure Ltd., Reliance Natural Resources Ltd. and Reliance Capital Ltd., pursuant to which the Company has agreed not to enter into the gas-based power generation business (other than with respect to the Company's captive gas-based power plants) for the period up to March 31, 2022.

The Company does not believe that any individual property right or related group of intellectual property rights is of such importance that its expiration or termination would materially affect the business of the Company.

Litigation

The Company is currently a party to certain proceedings brought by various government authorities and private parties. The Company is one of the largest companies in India and has diversified operations throughout the country. From time to time, the Company is involved in various disputes and proceedings. In addition to the litigation disclosed below, the Company is also involved in, or is a party to, many other disputes. Other than as described below, the Company and its subsidiaries are not involved in any litigation that may (individually or in aggregate) have a material effect on the Company's financial position or the Company's ability to make payment on the Notes.

Securities and Exchange Board of India Proceedings

On December 16, 2010 SEBI issued a show cause notice ("SCN") to the Company in connection with the trades of the Company in the shares of Reliance Petroleum Limited, the then subsidiary of the Company, which has since been merged with the Company. The Company has denied the allegations entirely and filed a preliminary reply dated March 25, 2011 to the SCN. The matter is currently pending before SEBI. Without prejudice to its rights and contentions, the Company has filed a Consent (Settlement) Application with SEBI, which has been rejected by SEBI. A Writ Petition has been filed by the Company before the Honorable Bombay High Court challenging the rejection of the Consent Application, which petition is pending for hearing.

SEBI, by its letter dated April 16, 2010, alleged that the issue of 120,000,000 equity shares of the Company to certain entities in January 2000 ("Subscribing Entities") pursuant to conversion of warrants attached to its 14% non-convertible secured redeemable debentures issued in 1994 and alleged that such issue may have been in violation of (i) certain provisions of the Indian Companies Act by the Company and its directors, (ii) certain violations of the FUTP Regulations by the Company, its directors and certain of its group entities as well as their directors and (iii) certain violations of the SEBI (Substantial Acquisitions of Shares & Takeovers) Regulations, 1997 ("Takeover Regulations") by the promoters of the Company and the Subscribing Entities. SEBI has sought an explanation from the Company on these allegations. A substantially similar letter dated April 21, 2010 has also been issued by SEBI to Mr. Mukesh D. Ambani in his capacity as a director on the board of directors of the Company during 1999-2000. The Company, by letter dated June 1, 2010, has denied the allegations raised by SEBI in both of these letters, including on its own behalf as well as on behalf of its directors, including Mr. Mukesh D. Ambani. SEBI has also issued a Show Cause Notice dated February 24, 2011 alleging violation of certain provisions of the Takeover Regulations by Mr. Mukesh D. Ambani. A preliminary response to the Show Cause Notice dated February 24, 2011 was filed on June 13, 2011. Without prejudice to its rights and contentions, the Company and the promoters including Mr. Mukesh D. Ambani have filed Consent (Settlement) Applications with SEBI. The matter is currently pending before SEBI.

Criminal Proceeding

In 2002, the Central Bureau of Investigation filed a criminal complaint under the Official Secrets Act, 1930 and the Indian Penal Code, 1860 against the Company and certain officials of the Company for allegedly entering into a conspiracy and receiving certain documents alleged to be classified and/or secret. The complaint is pending.

Cost Recovery Arbitration

The Company sought confirmation from the Government that no action was being planned following news reports that the Government may curtail the Company's entitlement to recover its costs on the basis of there being a shortfall in production from levels specified in the development plan. According to the Company the PSC permits full cost recovery of its costs of exploration, development and production from the value of petroleum produced from the block KG-DWN-98/3 ("KG-D6 Block").

The Company on behalf of all contractor constituents (namely Niko (NECO) Limited ("NIKO") & BP Exploration Alpha Limited ("BP")) served an arbitration notice on the Government. Both the claimants and the Government have appointed arbitrators, and on September 23, 2014 the Supreme Court nominated Honorable Michael Kirby AC CMG as the presiding third arbitrator. Justice Kirby is corresponding with the parties.

Arbitration relating to Panna-Mukta and Tapti Blocks

In December 2010, the Company and BG Exploration and Production India Limited referred a number of disputes, differences and claims arising under two Production Sharing Contracts entered into in 1994 among the claimants, Oil & Natural Gas Corporation Limited and the Government (the "PSCs") to arbitration. The disputes relate to, among other things, the limits of cost recovery, profit sharing and audit and accounting provisions of the PSCs. The value of the claimants' claims exceeds US$500 million. The Government's defense dated January 31, 2012 raised certain jurisdictional objections and asserted a number of counterclaims, including claims for underpayment of profits and failure to complete agreed work programs.

The parties agreed by consent that the juridical seat of the arbitration would be London, England.

Following an initial merits hearing in May 2012, the Tribunal passed a number of final partial awards, largely in the claimants' favor. The Government challenged the Tribunal's awards/determinations under Part I of the Indian Arbitration and Conciliation Act 1996 before the Honorable Delhi High Court. These challenges were ultimately dismissed after the claimants prevailed in a special leave petition before the Honorable Supreme Court on May 28, 2014. The Government filed a Review Petition before the Supreme Court against this judgment, which was unsuccessful, and has now filed a Curative Petition before the Supreme Court seeking reconsideration of the judgment. That Curative Petition has not yet been admitted.

The Tribunal will hear the parties' closing submissions on the issues in February 2015.

Gas Price

In view of the continuing delay on part of the Government of India in notifying the revised gas price in accordance with the "Domestic Natural Gas Pricing Guideline 2014" notified on January 10, 2014, the Company along with BP and Niko issued a notice of arbitration to the Government of India in May 2014. This notice claimed that deferment of the implementation of the notified guidelines and requiring gas produced from KG-D6 to be sold in the interim at the formula approved in 2007, was in breach of the Company's right to sell gas at an arm's length price under the PSC.

Both claimants and the Government have nominated their respective arbitrators to the arbitral panel and are awaiting appointment of the chairman of the arbitral tribunal.

The Government has since notified revised guidelines effective November 1, 2014, which the Company has agreed to implement without prejudice to its rights and contentions.

For further details on the revised guidelines, see "Regulation—Oil and Gas, Refining and Petrochemicals—Natural Gas Pricing".

Public Interest Litigations

Two public interest litigations have been filed before the Supreme Court of India in 2013 against the Company in relation to the production sharing contract for the KG-D6 block seeking substantially similar reliefs in the nature of: (i) disallowance of cost recovery under the production sharing contract for the KG-D6 Block; (ii) quashing the Government's decision to approve the certain gas price formula; and (iii) termination of the production sharing contract for the KG-D6 Block on the basis that the Company has not achieved the committed production. Point (ii) in the public interest litigation no longer survives in view of the revised pricing guidelines issued by the government on November 1, 2014. Petitioners have also requested the Supreme Court to stay the Cost Recovery Arbitration, discussed above. The Company has submitted that the underlying issues which have been flagged by the Petitioners are already subject matter of the Cost Recovery Arbitration discussed above and the Gas Price Arbitration, and the same need to be heard by the arbitral tribunal.

The matter has been posted for directions in March 2015.

Writ Petition filed by ONGC

A Writ Petition has been filed by Oil and Natural Gas Corporation ("ONGC") on May 15, 2014 before the Honorable Delhi High Court wherein ONGC has alleged that the Company has drilled wells within KG-D6 Block in very close proximity to ONGC's Block KG-DWN-98/2 and has extracted substantial volumes of gas from ONGC's KG-D5 block since 2009. As ONGC's main prayer for appointment of an independent third party expert who could determine whether there is reservoir connectivity between the two blocks had already been fulfilled, the Company has filed an Application for Dismissal of the Writ Petition. The next round of hearings is scheduled for January 2015.

Writ Petition filed by the Company for quashing of the first information report ("FIR") lodged by the Anti-Corruption Bureau, Delhi

Four individuals have filed a Complaint to the then current Chief Minister of the Government of National Capital Territory of Delhi alleging collusion between the then Ministers of Central Government and the Company in relation to increasing the price of gas produced by the Company from the KG-D6 Block. The then Chief Minister of Delhi had ordered the Anti-Corruption Bureau ("ACB") to register the FIR and investigate the matter.

The Company has filed a Writ Petition before Delhi High Court questioning the jurisdiction of the ACB over actions of the Central Government. The Company has contended that the filing of the FIR is a politically motivated act and without merit. Union of India has also filed a Writ Petition challenging the FIR on similar lines. The matter is expected to come up for hearing in January 2015.

Suit filed by NTPC Limited

In December 2005, NTPC Limited ("NTPC") filed a suit against the Company before the Honorable Bombay High Court seeking a declaration that there exists a valid, concluded and binding contract between NTPC and the Company under which the Company is obliged to supply NTPC with 132 trillion btu of gas annually for a period of 17 years. The Company's position has been that the gas sales and purchase agreement that was being negotiated between the parties contained several provisions that were never finalized, therefore the gas sales and purchase agreement never came into existence. The matter has been substantially heard in the Honorable Bombay High Court and the next set of dates for hearing are awaited.

Writ Petition (Civil) No. 382 of 2014 before the Honourable Supreme Court of India

This public interest litigation ("PIL") has been filed by Centre for Public Interest Litigation ("CPIL") against Union of India ("UOI"), RJIL and the Telecom Regulatory Authority of India ("TRAI"). By the said petition, CPIL has challenged the decision of UOI, whereby UOI has allowed voice telephony to RJIL on payment of Rs.16.58 billion, which allegedly resulted in loss to the exchequer. The said petition also challenges differential spectrum usage charges ("SUC") payable by the broadband wireless access ("BWA") spectrum holders and other operators. The petition draws reference to a draft audit report of the Comptroller & Auditor General, which has been reported about in the press and reportedly contains the said issues. The petitioner has, inter-alia, prayed for (i) quashing of the March 2013 decision of UOI under which UOI allowed RJIL to provide voice telephony services; (ii) an order directing BWA spectrum holders (including RJIL) to pay SUC at par with other operators instead of current SUC of 1%; and (iii) a court monitored investigation in the subject matter of the said writ petition.

Regulatory

The Company's business is subject to numerous central and local governmental regulations. The Company has obtained and maintained in full force and effect all licenses, consents and approvals from the central and local governmental regulatory authorities to own its assets and carry on its business. The Company believes that it is in compliance with all regulations that apply to it and its properties. See "Regulation".

Environmental Protection

The Company has a comprehensive environmental management policy covering air, water and noise pollution, disposal of gaseous, liquid and solid wastes and local ecology. Environmental protection is one of the important criteria for the selection of new technologies, plants and equipment. This is achieved partly through the inclusion of built-in control equipment and pollution monitoring in the plant design and partly through an emphasis on control procedures and pollution management as an integral part of the training provided by licensors, including plant operating and maintenance procedures.

The Company's environmental management policy requires strict compliance with all local, state and central laws and regulations concerning environmental protection and related matters. The primary Indian legislation is the Environmental Protection Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of Pollution) CESS Act, 1977 and the Air (Prevention and Control of Pollution) Act, 1981. Detailed rules and regulations have been prescribed under these acts, including rules governing the manufacture, storage and import of hazardous chemicals, management of noise pollution and management of hazardous wastes. Rules requiring projects and manufacturing and processing industries to prepare environmental and risk-assessment reports and obtain comprehensive environmental clearance from state and central governments were issued by the Government in 1994. See "Regulation—Oil and Gas, Refining and Petrochemicals—Environmental Regulations" and "Regulation—Regulation of the Company's Shale Gas Operations in the United States".

Insurance

The Company has insurance coverage, which it considers adequate to cover all normal risks (including business interruption) associated with the operation of its respective businesses. The insurance is held through seven insurers, four of which are owned by the Government.

Taxes and Duties

The Company's operations are subject to a number of taxes and duties. See "Regulation—Taxation Regulations".

MANAGEMENT AND CORPORATE GOVERNANCE

Board of Directors

The Board is responsible for the management and administration of the Company's affairs, and the Board (and committees constituted by it) is vested with all of the powers of the Company. Directors are not required to hold any of the Company's equity shares. The Board currently consists of 14 directors, 8 of which are independent directors.

Independent Directors shall not be liable to retire by rotation. As per the Articles of Association of the Company, the Board has the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. The Company's Chairman and Managing Director, Mr. Mukesh D. Ambani, was appointed with the approval of the Government, as a director not liable to retire by rotation by a resolution passed at the annual meeting of the Company's shareholders held on September 23, 1993.

The Company's promoters and persons acting in concert with them controlled approximately 45.25% of the Company's total issued equity share capital as at December 31, 2014 (47.79% of the voting rights).

As of the date of this Offering Memorandum, the Board consists of the following members:

Name	Position	Date Appointed
Mukesh D. Ambani	Chairman and Managing Director	April 1, 1977(1)
Nikhil R. Meswani	Executive Director	June 26, 1986
Hital R. Meswani	Executive Director	August 4, 1995
P.M.S. Prasad	Executive Director	August 21, 2009
Pawan Kumar Kapil	Executive Director	May 16, 2010
Mansingh L. Bhakta	Independent Director	September 27, 1977
Yogendra P. Trivedi	Independent Director	April 16, 1992
Dr. Dharam Vir Kapur	Independent Director	March 28, 2001
Mahesh P. Modi	Independent Director	March 28, 2001
Prof. Ashok Misra	Independent Director	April 27, 2005
Prof. Dipak C. Jain	Independent Director	August 4, 2005
Dr. Raghunath A. Mashelkar	Independent Director	June 9, 2007
Adil Zainulbhai	Independent Director	December 20, 2013
Nita M. Ambani	Non-Executive Non-Independent Director	June 18, 2014

(1) Mukesh D. Ambani became a director of the Company on April 1, 1977 and the Chairman and Managing Director on July 31, 2002.

Profile of Directors as on December 31, 2014

Mukesh D. Ambani (DIN 00001695), *Chairman and Managing Director*. Mr. Mukesh D. Ambani is the son of Mr. Dhirubhai H. Ambani, the Founder Chairman of the Company. He is a chemical engineer from the Institute of Chemical Technology, Mumbai and pursued MBA from Stanford University, United States. He initiated Reliance's backward integration journey from textiles into polyester fibers and further into petrochemicals, petroleum refining and going upstream into oil and gas exploration and production. He created several new world-class manufacturing facilities involving diverse technologies and led the creation of the world's largest refinery complex at Jamnagar. Mr. Ambani is steering Reliance's development of infrastructure facilities and implementation of a pan-India organized retail network spanning multiple formats and supply chain infrastructure. Mr. Mukesh D. Ambani is also setting up one of the most complex 4G broadband wireless services offering end to end solutions that address the entire value chain across various digital services in key domains of national interest such as Education, Healthcare, Security, Financial Services, Government-Citizen interfaces and Entertainment. He is the Chairman of the Finance Committee of the Company. He is also the Chairman and Director of Reliance Jio Infocomm Limited and Reliance Retail Ventures Limited and a Director of Reliance Foundation and Reliance Europe Limited. Mr. 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 in New Delhi. He is a member of Millennium Development Goals (MDG) Advocacy Group (MDG Advocate) constituted by the United Nations (UN) and a member of The Foundation Board of World Economic Forum. He is also a member of the Indo-US CEOs Forum, Chair of the British Asian Trust's India Advisory Council, International Advisory Council of The Brookings, McKinsey & Company, Global Advisory Council of Bank of America, member of The Business Council and Asia Business Council, and London School of Economics' India Advisory Group. Further, Mr. Ambani is the Chairman of Board of Governors, Pandit Deendayal Petroleum University in Gandhinagar.

Nikhil R. Meswani (DIN 00001620), Executive Director. Mr. Meswani is a Chemical Engineer. Mr. Meswani joined the Company in 1986. He was appointed as an Executive Director in 1988. He is primarily responsible for the Petrochemicals Division and has contributed largely to Reliance to become a global leader in Petrochemicals. Mr. Meswani is a Director of Reliance Commercial Dealers Limited and the Chairman of its Audit Committee. He is a member of the Finance Committee, the Stakeholders' Relationship Committee and the Corporate Social Responsibility and Governance Committee of the Company. He was the President of the Association of Synthetic Fibre Industry and the youngest Chairman of the Asian Chemical Fibre Industries Federation. He is a member of the Managing Committee of the Federation of Indian Export Organisations set up by the Ministry of Commerce and he is also a member of the Young Presidents' Organization.

Hital R. Meswani (DIN 00001623), *Executive Director*. Mr. Meswani graduated with Honors in the Management & Technology program from the University of Pennsylvania, U.S.A., where he received a Bachelor of Science Degree in Chemical Engineering from the School of Engineering and Applied Sciences and a Bachelor of Science Degree in Economics from the Wharton Business School. Mr. Meswani joined the Company in 1990. He was appointed as an Executive Director in 1995, with overall responsibility of the Petroleum Refining Business and all Manufacturing, Research &Technology and Project Execution activities of the group. He has been instrumental in the execution of several mega projects of the group, including the Hazira Petrochemicals complex and the world's largest Refinery complex at Jamnagar. Mr. Meswani is a Director of Reliance Industrial Investments and Holdings Limited and Reliance Commercial Dealers Limited. He is the Chairman of the Audit Committee of Reliance Industrial Investments and Holdings Limited and a member of the Audit Committee of Reliance Commercial Dealers Limited. He is a member of the Finance Committee and Stakeholders' Relationship Committee and the Chairman of the Health, Safety and Environment Committee of the Company.

P.M.S. Prasad (DIN 00012144), *Executive Director*. Mr. Prasad has been with the Company for about 33 years. He has held various senior positions in the Fibres, Petrochemicals, Refining & Marketing and Exploration & Production Businesses of the Company. Mr. Prasad was appointed as an Executive Director in August 2009. He holds a Bachelor's degree in Science and Engineering. He was awarded an honorary doctorate degree by the University of Petroleum Engineering Studies, Dehradun in recognition of his outstanding contribution to the petroleum sector. He is on the Board of Governors of the University of Petroleum & Energy Studies, India. Mr. Prasad is a Director of Reliance Commercial Dealers Limited and a member of its Audit Committee. Mr. Prasad is a member of the Health, Safety and Environment Committee of the Company.

Pawan Kumar Kapil (DIN 02460200), *Executive Director*. Mr. Kapil holds a Bachelor's degree in Chemical Engineering. Mr. Kapil joined the Company in 1996. He was appointed as an Executive Director of the Company in May 2010. He started his career in 1966 with Indian Oil Corporation and has more than four decades of experience in the Petroleum Refining Industry. Mr. Kapil led the commissioning and start-up of the Jamnagar complex. He has been the Site President of the Jamnagar complex from 2001 to 2010 and is responsible for its operations. Mr. Kapil is a member of the Health, Safety and Environment Committee of the Company. He is also a member of the Research Council of the Indian Institute of Petroleum, Dehradun.

Mansingh L. Bhakta (DIN 00001963), *Independent Director*. Mr. Bhakta is a senior partner of Messers. Kanga & Company, a leading firm of Advocates and Solicitors in Mumbai. He has been in practice for over 59 years and has vast experience in the legal field and particularly on matters relating to corporate law, banking and taxation. Mr. Bhakta is a legal advisor to leading foreign and Indian companies and banks.

He has been listed as one of "the Leading Lawyers of Asia 2011" by Asia Law Journal, Hong Kong for six consecutive years. He is a Director of The Indian Merchant's Chamber, Mumbai and JCB India Limited. He is the Lead Independent Director of the Company. He is a member of the Audit Committee of JCB India Limited.

Yogendra P. Trivedi (DIN 00001879), *Independent Director*. Mr. Trivedi is practicing as a senior advocate in the Supreme Court. He was a member of the Rajya Sabha till April 2, 2014. He is the former Director of the Central Bank of India and Dena Bank, amongst many other reputed companies. He is the former president of the Indian Merchants' Chamber and presently is a member of its Managing Committee. He was on the Managing Committee of The Associated Chambers of Commerce and Industry of India and International Chamber of Commerce. Mr. Trivedi is the Director of Sai Service Private Limited and Trivedi Consultants Private Limited. He is a Director of The Supreme Industries Limited, Zodiac Clothing Company Limited, New Consolidated Construction Company Limited and Emami Limited. He is the Chairman of Indo African Chamber of Commerce. He was the President of the Cricket Club of India. He was the past President of the Western India Automobile Association. He is also a member of All India Association of Industries, W.I.A.A. Club, B.C.A Club, Orient Club and the Royal Bombay Yacht Club. He is also the Chairman of the Audit Committee, the Corporate Social Responsibility and Governance Committee and the Stakeholders' Relationship Committee and member of the Human Resources, Nomination and Remuneration Committee of the Company. He is a member of the Audit Committee of Zodiac Clothing Company Limited.

Dr. Dharam Vir Kapur (DIN 00001982), *Independent Director*. Dr. Kapur is an honors Graduate in Electrical Engineering with wide experience in the power, capital goods, chemicals and petrochemical industries. He had an illustrious career in the government sector and has a successful track record of building vibrant organizations and successful project implementation. He also held various positions at Bharat Heavy Electricals Limited. He served as Secretary to the Government in the Ministries of Power, Heavy Industry and Chemicals & Petrochemicals from 1980 to 1986. He was also associated with a number of National Institutions as member, the Atomic Energy Commission; member, the Advisory Committee of the Cabinet for Science and Technology; Chairman, the Board of Governors, Indian Institute of Technology Bombay (1983-94); member, the Board of Governors, Indian Institute of Management Lucknow; and a Chairman, the National Productivity Council. He is Chairman (Emeritus) of Jacobs H&G (P) Limited. He is also a Director on the Boards of Honda Seil Power Products Limited, DLF Limited and other private limited companies. He is Chairman of the Audit Committee, Shareholders'/Investors' Relations Committee and Remuneration Committee of Honda Seil Power Products Limited. He is also a member of Audit Committee and Chairman of Corporate Governance Committee and Shareholders'/Investor Relations Committee of DLF Limited. He is a member of the Human Resources, Nomination and Remuneration Committee, Corporate Social responsibility & Governance Committee, and Health, Safety & Environment Committee of the Company.

Mahesh P. Modi (DIN 00001604), *Independent Director*. Mr. Modi holds an MSc (Econ) (London) and is a Fellow at the Economic Development Institute of the World Bank. He has held several high positions in the Government of India as Chairman of the Telecom Commission & Secretary, Telecommunications Department and Director-General in the Department of Telecommunications, Secretary in the Ministry of Coal, Special Secretary (Insurance) in the Economic Affairs Department and Joint Secretary in the Ministry of Petroleum, Chemicals and Fertilizers. He has served as a Director on the Board of Directors of many public and private sector companies including Gas Authority of India Limited (Founder Director), IPCL, Bharat Petroleum Corporation Limited, Cochin Refineries Limited, BRPL, Life Insurance Corporation of India, General Insurance Corporation, Mangalore Refinery & Petrochemicals, Essar Shipping, BSES, ICICI Prudential Life Insurance Co. and India Advisory Board of BHP Billiton. He has considerable management experience, particularly in the fields of energy, petrochemicals, insurance and telecommunications. He is a member of the Audit Committee of the Company.

Prof. Ashok Misra (DIN 00006051), *Independent Director*. Prof. Misra is a B.Tech. in Chemical Engineering from Indian Institute of Technology Kanpur, MS in Chemical Engineering from Tufts University and a PhD in Polymer Science & Engineering from the University of Massachusetts. He has also completed the "Executive Development Program" and "Strategies for Improving Directors' Effectiveness Program" at the Kellogg School of Management, Northwestern University. Prof. Misra is currently the Chairman-India, Intellectual Ventures. He has co-authored a book on polymers, was awarded six patents and has over 150 international publications. He is on the editorial board of several scientific journals. He is an Independent Director on the Board of Jubilant Life Sciences Limited and a member of its Audit Committee, Sustainability and CSR Committee and Stakeholders Relationship Committee. He is a member of the Board of Governors of IIT Delhi, member of the IIT Council and a member of the Central Advisory Board of Education of MHRD. He is also a member of Investment Committee for Aditya Birla Private Equity — Sunrise Fund. Prof. Misra is a member of the Stakeholders' Relationship Committee of the Company.

Prof. Dipak C. Jain (DIN 00228513), *Independent Director*. Prof. Jain holds an MS in Mathematical Statistics from Guwahati University, India and a PhD in Marketing from the University of Texas at Dallas, USA. Prof. Jain is a distinguished teacher and a scholar. Prof. Jain held the position as the Dean of the Kellogg School of Management at Northwestern University, Evanston, Illinois, USA from 2001 to 2009 and an Associate Dean from 1996 to 2001. Currently, he is a Chaired Professor of Marketing at INSEAD, a leading business school with three campuses at Fontainebleau (Paris), France, Singapore and Abu Dhabi. He has served as the Dean of INSEAD from 2011 to 2013. He has more than 30 years of experience in management education. He has published several articles in international journals on marketing and allied subjects. He is a Director of HT Global Education, John Deere & Company, United States of America, Global Logistics Properties, Singapore and Northern Trust Bank, United States of America. He is a Director of Reliance Retail Ventures Limited and also a member of its Audit Committee. He is also a Director of Reliance Jio Infocomm Limited and a member of its Nomination and Remuneration Committee

Dr. Raghunath Anant Mashelkar (DIN 00074119), *Independent Director*. Dr. Mashelkar is the National Research Professor and also 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. Dr. Mashelkar served as the Director General of the Council of Scientific and Industrial Research (CSIR). He was also the President of the Indian National Science Academy and President of Institution of Chemical Engineers (UK). Dr. Mashelkar is on the Board of several other reputed companies such as Tata Motors Limited, Thermax Limited, Piramal Enterprises Limited, IKP Centre for Technologies in Public Health and KPIT Technologies Limited and several private limited companies. He is also a Director of Reliance Gene Medix Plc. He is a member of the Scientific Advisory Board of Microsoft. He is a member of the Audit Committee, Human Resources, Nomination and Remuneration Committee and the Corporate Social Responsibility and Governance Committee of the Company. He is the Chairman of the Safety, Health and Environment Committee and Corporate Social Responsibility Committee of Tata Motors Limited. He is a member of the Audit Committees of Tata Motors Limited and Piramal Enterprises Limited.

Adil Zainulbhai (DIN 06646490), *Independent Director.* Mr. Zainulbhai graduated in Mechanical Engineering from the Indian Institute of Technology. He also has an M.B.A. from Harvard Business School. Mr. Zainulbhai is currently Senior Advisor to McKinsey. He retired as Chairman of McKinsey, India after 34 years at McKinsey. He led the Washington office of McKinsey and founded the Minneapolis office. Over the last 10 years in India, Mr. Zainulbhai has worked directly with the CEOs and promoters of some of the major companies in India and globally — private companies, Multinational Companies ("MNCs") and Public Sector Undertakings ("PSUs"). Mr. Zainulbhai has also been working with several parts of the government and led efforts around urbanization, inclusive growth and energy. Mr. Zainulbhai is very active in community and social causes. He is a Board member of the American India Foundation, Saifee Hospital, Board of Trustees at Saifee Burhani Upliftment Trust (redeveloping Bhendi Bazaar in Mumbai), Advisory Board of the Indian Institute of Technology Bombay, Wockhardt Foundation, HMRI (Health Management Research Institute), Harvard Business School Alumni Association of India and on the Global Advisory Board of the Booth School of Business at University of Chicago. Mr. Zainulbhai is the Chairman of the Human Resources, Nomination and Remuneration Committee and member of the Audit Committee of the Company. He is a Director on the Board of Harvard Business

School Club of India, Network18 Media & Investments Limited, Reliance Jio Infocomm Limited, Cipla Limited, Larsen and Toubro Limited and Reliance Retail Ventures Limited. He is member of the Audit Committee of Network18 Media & Investments Limited and Cipla Limited. He is a Chairman of Nomination and Remuneration Committee of Reliance Jio Infocomm Limited.

Nita M. Ambani (DIN 03115198), *Non-executive, Non-independent Director*. Mrs. Nita M. Ambani is a Commerce Graduate from Bombay University and Diploma holder in Early Childhood Education and one who has studied Interior Design and has a wealth of experience in it as well as Architecture. She has inspired and led the implementation of many path-breaking initiatives spanning education, health, rural transformation, environmental protection and sports. Mrs. Ambani is the Founder & Chairperson of Reliance Foundation that focuses on five core areas — Rural Transformation, Education, Health, Urban Renewal, and Arts, Culture and Heritage. She is the Founder & Chairperson of Dhirubhai Ambani International School, and in a short span of 11 years, the school has emerged as a center of excellence. Mrs. Ambani is the President of Sir HN Reliance Foundation Hospital and Research Centre. Mrs. Ambani is the inspiring architect of the Mumbai Indians, which won the Champions League in 2013 and 2011 and the IPL in 2013. She is also the guiding spirit behind the Mumbai Indians' "Education For All" initiative which has impacted more than 27,000 children from underprivileged backgrounds. Mrs. Ambani is a Director of EIH Limited and Football Sports Development Limited.

The Board's role, functions, duties, responsibilities and accountabilities are defined under the Indian Companies Act, the rules made thereunder and in the Company's Articles of Association. In addition to its primary role of monitoring corporate performance, the functions of the Board include:

- approving the Company's corporate philosophy and mission;
- formulation of strategic and business plans;
- reviewing and approving financial plans and budgets;
- monitoring corporate performance in light of strategic and business plans, including reviewing operating results on a regular basis;
- ensuring ethical behavior and compliance with laws and regulations;
- reviewing and approving borrowing limits;
- reviewing and approving capital raising exercises;
- dividend declaration; and
- approving the making of loans and investments, mergers and acquisitions, joint ventures and collaborations.

Committees of the Board of Directors

The Board has constituted seven committees and is authorized to constitute additional committees from time to time, depending on the business needs of the Company.

Audit Committee

The Audit Committee of the Board consists of four independent directors: Yogendra P. Trivedi (Chairman), Mahesh P. Modi, Dr. Raghunath A. Mashelkar and Adil Zainulbhai. All the members of the Audit Committee possess financial/accounting expertise and exposure. The composition of the Audit Committee meets the requirements of Section 177 of the Indian Companies Act and Clause 49 of the Listing Agreement.

The role of the Audit Committee, inter alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- Recommendation for appointment, remuneration and terms of appointment of statutory auditors, including cost auditors, of the Company;

- Approval of payment to statutory auditors, including cost auditors, for any other services rendered by them;

- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Indian Companies Act;

    - Changes, if any, in accounting policies and practices and reasons for the same;

    - Major accounting entries involving estimates based on the exercise of judgment by 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 any related party transactions;

    - Qualifications in the draft audit report.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

- Monitoring and reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;

- Approval or any subsequent modification of transactions of the Company with related parties;

- Scrutiny of inter-corporate loans and investments;

- Valuation of undertakings or assets of the Company, wherever it is necessary;

- Evaluation of internal financial controls and risk management systems;

- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- Formulating the scope, functioning, periodicity and methodology for conducting the internal audit;

- 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;

- Discussion with internal auditors of any significant findings and follow up there on;

- 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;

- 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;

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- To review the functioning of the Vigil Mechanism and Whistle Blower mechanism;

- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries;

- Reviewing the following information:

  - 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 the Chief internal auditor / internal auditor(s) shall be subject to review by the Audit Committee.

Six meetings of the Audit Committee were held during 9M FY2015.

Corporate Social Responsibility and Governance Committee

The Corporate Social Responsibility and Governance Committee of the Board consists of four directors: Yogendra P. Trivedi (Chairman), Nikhil R. Meswani, Dr. Dharam Vir Kapur and Dr. Raghunath A. Mashelkar.

The role of the Committee, inter alia, includes the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company in compliance with the provisions of the Indian Companies Act and the rules made thereunder;

- To recommend the amount of expenditure to be incurred on the activities referred to above;

- To monitor the implementation of the Corporate Social Responsibility Policy of the Company from time to time;

- To approve Corporate Sustainability Reports and oversee the implementation of sustainability activities;

- To oversee the implementation of polices contained in the Business Responsibility Policy Manual and to make any changes / modifications, as may be required, from time to time and to review and recommend the Business Responsibility Reports to the Board for its approval;

- To observe practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary;

- To ensure compliance with the corporate governance norms prescribed under the Listing Agreements with Stock Exchanges, the Companies Act and other statutes or any modification or re-enactment thereof;

- To advise the Board periodically with respect to significant developments in the law and practice of corporate governance and to make recommendations to the Board for appropriate revisions to the Company's Corporate Governance Guidelines;

- To monitor the Company's compliance with the Corporate Governance Guidelines and applicable laws and regulations and make recommendations to the Board on all such matters and on any corrective action to be taken, as the Committee may deem appropriate;

- To review and assess the adequacy of the Company's Corporate Governance Manual, Code of Conduct for Directors and Senior Management, the Code of Ethics and other internal policies and guidelines and monitor that the principles described therein are being incorporated into the Company's culture and business practices;

- To formulate / approve codes and / or policies for better governance;

- To provide correct inputs to the media so as to preserve and protect the Company's image and standing;

- To disseminate factually correct information to investors, institutions and the public at large;

- To establish oversight on important corporate communication on behalf of the Company with the assistance of consultants / advisors, if necessary;

- To ensure institution of standardized channels of internal communications across the Company to facilitate a high level of disciplined participation; and

- To 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 or as may be necessary or appropriate for the performance of its duties.

Three meetings of the Corporate Social Responsibility and Governance Committee were held during 9M FY2015.

Finance Committee

The Finance Committee of the Board consists of three directors: Mukesh D. Ambani (Chairman), Nikhil R. Meswani and Hital R. Meswani.

The role of the Committee, inter alia, includes the following:

- Review the Company's financial policies, risk assessment and minimization 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;

- Review banking arrangements and cash management;

- Exercise all powers to borrow money (otherwise than by issue of debentures) within limits approved by the Board, and take necessary actions connected therewith, including refinancing for optimization of borrowing costs;

- Give guarantees/issue letters of comfort/providing securities within the limits approved by the Board; and

- Borrow money by way of loan and/or issue and allot 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 limits approved by the Board.

Three meetings of the Finance Committee were held during 9M FY2015.

Health, Safety and Environment Committee

The Health, Safety and Environment Committee of the Board consists of four directors: Hital R. Meswani (Chairman), Dr. Dharam Vir Kapur, P.M.S. Prasad and Pawan Kumar Kapil.

The role of the Committee, inter alia, includes the following:

- Monitoring and ensuring the highest standards of environmental, health and safety norms;
- Ensuring compliance with applicable pollution and environmental laws at the Company's works / factories / locations by putting in place effective systems in this regard and reviewing the same periodically;
- Reviewing, as the Committee deems appropriate, the Company's health, safety and environment related policy and making recommendations as necessary;
- Reviewing the Company's performance on health, safety and environment related matters and suggesting improvements as the Committee may deem necessary;
- Reviewing procedures and controls being followed at the Company's various manufacturing facilities and plants for compliance with relevant statutory provisions;
- Reviewing regularly and making recommendations about changes to the charter of the Committee; and
- Obtaining or performing an annual evaluation of the Committee's performance and making appropriate recommendations.

Four meetings of the Health, Safety and Environment Committee were held during 9M FY2015.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Board consists of four directors:, Yogendra P. Trivedi (Chairman), Nikhil R. Meswani, Hital R. Meswani and Prof. Ashok Misra.

The role of the Committee, inter alia, includes the following:

- To oversee and review all matters connected with transfer of the Company's securities;
- To approve issue of duplicate of shares / debentures certificates;
- To consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of annual reports, non-receipt of declared dividend, etc.;
- To oversee the performance of the Company's Registrars and Transfer Agents;
- To recommend methods to upgrade the standard of services to investors;
- To monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992;
- To carry out such other function as is referred by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable; and
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Three meetings of the Stakeholders' Relationship Committee were held during 9M FY2015.

Human Resources, Nomination and Remuneration Committee

The Human Resources, Nomination and Remuneration Committee of the Board consists of four independent directors: Adil Zainulbhai (Chairman), Yogendra P. Trivedi, Dr. Dharam Vir Kapur and Dr. Raghunath. A. Mashelkar.

The role of the Committee, inter alia, includes the following:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.

- To carry out evaluation of every director's performance.

- To formulate the criteria for determining qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

- To formulate the criteria for evaluation of Independent Directors and the Board.

- To devise a policy on Board diversity.

- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.

- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme including:

    - the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;

    - the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;

    - 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;

    - the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

    - the right of an employee to exercise all options vested in him at one time or at various points of time within the exercise period;

    - 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;

    - the granting, vesting and exercising of options in case of employees who are on long leave; and

    - the procedure for cashless exercise of options.

- To 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; and

- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Three meetings of the Human Resources, Nomination and Remuneration Committee were held during 9M FY2015.

Risk Management Committee

The Risk Management Committee of the Company consists of one independent director, Adil Zainulbhai (Chairman), two executive directors, Hital R. Meswani and P.M.S. Prasad, and two senior executives, Alok Agarwal and Srikanth Venkatachari.

The role of the Committee, inter alia, includes the following:

- To frame the Risk Management Plan and Policy;
- To oversee the implementation of the Risk Management Plan and Policy;
- To monitor the Risk Management Plan and Policy;
- To validate the process of risk management;
- To validate the procedure for risk minimisation;
- To periodically review and evaluate the Risk Management Policy and practices with respect to risk assessment and risk management processes;
- To continually obtain reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed; and
- To perform such other functions as may be necessary or appropriate for the performance of its oversight function.

The Risk Management Committee was constituted in October 2014, and no meetings of this committee were held during 9M FY2015.

Key Managerial Personnel The Company's chief financial officer is Alok Agarwal and joint chief financial officer is Srikanth Venkatachari. K. Sethuraman is the Group Company Secretary and Chief Compliance Officer of the Company, whose profiles are set out below:

Alok Agarwal, *Chief Financial Officer*, has been with the group for over nearly 21 years. He commenced his career as the Treasurer and was directly responsible for capital market transactions, resources, financial risk management banking relationships and investor relations. He was nominated as Chief Financial Officer in the year 2005. He is also a member of the Executive Committee and has oversight on all group investments, earnings and growth initiatives and a member of the Risk Management Committee of the Company. Mr. Agarwal graduated from IIT — Kanpur in 1979 and then from IIM — Ahmedabad in 1981.

Srikanth Venkatachari, *Joint Chief Financial Officer,* of Reliance Industries Limited, focusing on financial risk management, raising resources from the banking and capital markets and managing banking and investor relations. Prior to September 2010, he was the Head of Global Markets for Citi South Asia covering Fixed Income, Currencies, Commodities and Equities. He was also the Country Treasurer for Citi in India and a Director in Citi's group company Citicorp Capital Market Ltd. ("CCML"). Mr. Venkatachari holds a Bachelor's degree in Commerce from the Bombay University, is a member of the Institute of Chartered Accountants of India and a graduate member of the Institute of Costs and Work Accountants of India. He is a member of the Risk Management Committee of the Company.

K. Sethuraman, *Group Company Secretary and Chief Compliance Officer*, joined the Company in 1979. He was appointed Group Company Secretary and Chief Compliance Officer of the Company in 2011. He is responsible for the compliances under the Indian Companies Act, the Listing Agreement with the Stock Exchanges and compliance under other regulatory authorities. Prior to joining the Company, he has worked as an Audit Manager with M/s V. Sankar Iyer & Co., Chartered Accountants, Delhi, after completion of articleship with them from November 1974 to May 1976. Thereafter, he worked as an Internal Auditor and Company Secretary in an Associate Company of Dalmia Group in Delhi from June 1976 to February 1979. He has also worked as a Company Secretary in Larsen & Toubro Limited from 1989 to 1992.

Compensation and Benefits to Directors

Remuneration

Under the Company's organizational documents, each director, other than the Managing Director and Executive Directors, is entitled to remuneration by way of sitting fee for attending meetings of the Board or Board committees. The sitting fee is set by the Board periodically in accordance with limitations prescribed by the Indian Companies Act. Sitting fee for attending a Board or committee meeting is Rs. 1,00,000. The Company reimburses the directors for travel and related expenses in connection with Board and committee meetings and related matters. If a director is required to perform services for the Company beyond attending meetings, the Company may remunerate the director as determined by the Board and this remuneration may be in addition to the remuneration discussed above. Subject to the provisions of the Indian Companies Act a director who is in the Company's full-time employment may be paid remuneration by way of a monthly payment, at a specified percentage of the Company's net profits, or by a combination of a monthly payment and profit share, in accordance with the Indian Companies Act.

Remuneration to Mukesh D. Ambani, the Chairman and Managing Director, and Nikhil R. Meswani, Hital R. Meswani, P.M.S. Prasad and Pawan Kumar Kapil, the Executive Directors, is determined by the Human Resources, Nomination and Remuneration Committee / Board within the prescribed limits under the Indian Companies Act.

The following table shows remuneration paid to the Chairman and Managing Director and the Executive Directors, including stock options, during the fiscal year ended March 31, 2014:

Name of the Director	Salary	Perquisites and Allowances	Retirement Benefits	Commission Payable	Performance Linked Incentive*	Total	Stock Options Granted (Nos.)
				(Rs. in millions)			
Mukesh D. Ambani	41.6	6.0	8.2	94.2	—	150.0	Nil
Nikhil R. Meswani	11.5	14.5	3.2	92.0	—	121.2	Nil
Hital R. Meswani	11.5	14.5	3.1	92.0	—	121.1	Nil
P.M.S. Prasad	8.6	13.5	1.5	—	36.7	60.3	Nil
Pawan Kumar Kapil	5.0	7.5	1.9	—	10.5	24.9	Nil

* Performance Linked Incentive for the FY2013 was paid during FY2014.

The following table sets forth the sitting fees and commission paid to the Non-Executive Directors in the fiscal year ended March 31, 2014:

Name of the Non-Executive Director	Sitting Fee	Commission	Total
		(Rs. in million)	
*Ramniklal H. Ambani	0.10	5.00	5.10
Mansingh L. Bhakta	0.10	5.00	5.10
Yogendra P. Trivedi	0.40	5.00	5.40
Dr. Dharam Vir Kapur	0.30	5.00	5.30
Mahesh P. Modi	0.26	5.00	5.26
Prof. Ashok Misra	0.20	5.00	5.20
Prof. Dipak C. Jain	0.14	5.00	5.14
Dr. Raghunath A. Mashelkar	0.22	5.00	5.22
**Adil Zainulbhai	0.10	1.40	1.50
Total	**1.82**	**41.40**	**43.22**

* Ceased to be a Director with effect from June 18, 2014

** Appointed as a Director with effect from December 20, 2013.

Loans to Employees

As of March 31, 2014, the aggregate amount of outstanding loans extended by the Company to its employees was Rs. 1,023.2 million. The Company does not have any outstanding loans to, or guarantees for the benefit of, any directors.

Interest of Management in Certain Transactions

During the fiscal year ended March 31, 2014, the Company paid Rs. 3.2 million as professional fees to M/s Kanga & Co., a firm in which Mr. Mansingh L. Bhakta, Director of the Company, is a partner. There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company during the fiscal year ended March 31, 2014, other than as described under "Related Parties Transactions". The Company has not granted any stock options to any of its Non-Executive Directors.

SHARE OWNERSHIP

As of December 31, 2014, the Company's promoters and persons acting in concert with them (the "Promoter Group") held approximately 45.25% of the Company's issued equity shares. "Promoter" and "Promoter Group" have the meanings assigned to them in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Certain of the Company's subsidiaries held 5.31% of the Company's issued equity shares as of December 31, 2014. Under the Indian Companies Act, no voting rights are exercisable with respect to these shares. Accordingly, the voting rights of the Promoter Group aggregate to 47.79% of equity capital that carries such voting rights and may be exercised.

In addition to the foregoing, as of December 31, 2014, the Life Insurance Corporation of India held 8.67% of the issued equity share capital. Reliance Chemicals Limited and Reliance Polyolefins Limited, subsidiaries of the Company held 1.924% and 1.892% of the issued equity share capital respectively on which no voting rights are exercisable. As of that date and other than the foregoing, the Company is not aware of any shareholder that holds more than 1% of its issued equity share capital.

The directors and officers of the Company, other than those in the Promoter Group, held approximately 0.05% of the Company's issued equity shares as of December 31, 2014.

RELATED PARTIES TRANSACTIONS

The Company, in the ordinary course of business, enters into various sales, asset purchases, rent, sale and redemption of investments and service transactions with its subsidiaries, joint ventures and associates and others in which the Company has a material interest.

In FY2014, the Company made payments to Managing Director and Executive Directors (Mukesh D. Ambani, Nikhil R. Meswani, Hital R. Meswani, P.M.S. Prasad and Pawan Kumar Kapil) of Rs. 477.5 million (FY2013: Rs. 445.6 million) and donations to the Dhirubhai Ambani Foundation - Nil, the Jamnaben Hirachand Ambani Foundation of Rs. 78.3 million, Hirachand Govardhandas Ambani Public Charitable Trust of Rs. 10.0 million, Reliance Foundations of Rs. 5,202.5 million and the H N H Trust and H N H Research Society of Nil (FY2013: Rs. 9.6 million, Rs. 82.0 million, Rs. 14.5 million, Rs. 2,062.2 million and Rs. 21.5 million, respectively). The Chairman and Managing Director of the Company is considered to be able to exercise significant influence over each such foundation.

See Note 31 to the FY2014 Annual Financial Statements for further information on related party transactions determined in accordance with Indian GAAP.

REGULATION

Regulation of the Company's Activities in India

The following description is a summary of certain laws, regulations and policies in India, which are applicable to the Company. The information provided below has been obtained from sources available in the public domain. The summary of the regulations set out below is not exhaustive, and is only intended to provide general information to potential investors and is neither designed nor intended to be a substitute for professional legal advice.

Oil and Gas, Refining and Petrochemicals

Oil and gas exploration, production and refining activities in India are subject to extensive government regulation which govern the exploration for oil and gas reserves, determining the viability of undertaking commercial extraction of oil and gas resources, extracting oil and gas resources and refining crude oil (including the marketing of oil and gas produced from the source to the relevant downstream purchasers). For example, natural gas prices in India are regulated by the Government and oil and gas operators, known as contractors, are required to sell gas produced from NELP blocks to consumers who are engaged in certain industry sectors that are prioritized by the Government for the supply of gas.

The Indian Ministry of Petroleum and Natural Gas issues guidelines related to petroleum and natural gas which include exploration and production, refining, marketing and transportation of oil and gas. The Indian Ministry of Petroleum and Natural Gas established the Directorate General of Hydrocarbons in 1993, whose main functions include, in respect of discovered fields, ensuring optimum exploitation, reviewing and approving development plans, work programs, budgets, reservoir evaluations and advising on mid-course corrections and, in respect of the exploration blocks, appraising work programs and monitoring exploration activities. The Indian Ministry of Petroleum and Natural Gas also controls the Oil Industry Safety Directorate, which develops standards for safety and conducts periodic safety audits of all petroleum-handling facilities, and the Oil Industry Development Board, which provides financial and other assistance for the development of the oil industry. The Oil Industry Safety Directorate prescribes safety standards that apply to oil companies. Companies must also comply with safety regulations prescribed by the Director General of Mines and Safety in respect of onshore petroleum mining installations.

The Petrochemicals business is not subject to an equivalent industry-specific regulatory regime; however, along with all of the Company's other activities, it is subject to various labor, safety, environmental and other laws and regulations of general application.

The New Exploration Licensing Policy

To encourage investment in the oil and gas sector, licenses for exploration activities are offered under the NELP. The NELP was formulated by the Government from 1997 to 1998 in order to provide a level playing field in which all parties, public and private, Indian and foreign entities could compete on equal terms for an exploration acreage award. The successful bidder must enter into a PSC with the Government.

The most important aspects of the NELP are as follows:

- blocks are awarded through open international competitive bidding process;
- no payment of signature, discovery or production bonuses by the operators;
- no customs duty on imports required for petroleum operations;
- no minimum expenditure commitment during the exploration period;
- no mandatory state participation by national oil companies and no mandatory carried interest in their favor;
- up to 100% participation by foreign companies;

- freedom for the operator to market oil and gas in the domestic market, subject to the applicable price and allocation requirements under the gas utilization policy;
- sharing of petroleum profit based on a pre-tax investment multiple achieved by the operator;
- royalty for onshore areas payable at the rate of 12.5% for crude oil and 10% for natural gas, and royalty for offshore areas payable at the rate of 10% for both crude oil and natural gas;
- royalty for discoveries in deep water areas beyond 400 meter isobath chargeable at half the applicable rate for offshore areas for the first seven years of commercial production;
- option to amortize exploration and drilling expenditures over a period of ten years from first commercial production; and
- dispute resolution in accordance with the Indian Arbitration and Conciliation Act, 1996.

Guidelines for Announcement of New Discoveries under the Production Sharing Regime

The Indian Ministry of Petroleum and Natural Gas has issued guidelines for companies operating under exploration and production sharing regimes that relate to the announcement of new discoveries of oil and gas fields prior to such information being made available to the public. The guidelines require companies to:

- inform the Government about any new discovery made within the contract area; and
- conduct a detailed technical analysis prior to publicly disseminating any information pertaining to any new discovery.

The Oilfields (Regulation and Development) Act, 1948

Oil and natural gas exploration activities are governed by the Oilfields (Regulation and Development) Act, 1948 (the "Oilfields Act"), which provides for the regulation of oilfields and for the development of mineral oil resources and licensing and leasing of petroleum and gas blocks by the appropriate government. "Oilfields" are defined as any area where any operation for the purpose of obtaining natural gas and petroleum, crude oil, refined oil, partially refined oil and any of the products of petroleum in a liquid or solid state is to be or is being carried on, and "mineral oils" are defined to include natural gas and petroleum.

Under the Oilfields Act, the Central Government is empowered to frame rules with respect to regulating, among other things, the granting of mining leases (defined to cover different forms of exploring and exploiting mineral oils and all purposes connected thereto), granting petroleum exploration or prospecting licenses and the production of oil and regulation of oilfields. The Oilfields Act also provides for payment of royalties in respect of mineral oils mined from the leased area.

The Petroleum and Natural Gas Rules, 1959

The Petroleum and Natural Gas Rules, 1959 ("P&NG Rules") provide the framework for the granting of petroleum exploration licenses and petroleum mining leases. The P&NG Rules prohibit the prospecting or exploitation of any oil or gas unless a license or lease has been granted under the P&NG Rules. A petroleum mining lease entitles the lessee to an exclusive right to extract oil and gas from the relevant contract area. Petroleum exploration licenses and petroleum mining leases are granted by the Indian Ministry of Petroleum and Natural Gas for offshore areas and by the relevant state governments, with the prior approval of the Government, for onshore areas. A petroleum exploration license or a petroleum mining lease must contain the terms and conditions specified in the P&NG Rules. However, they may also contain additional terms and conditions agreed between the licensee or the lessee and the Government.

The term of a petroleum exploration license is four years, renewable twice for a period of one year. The term of a petroleum mining lease is generally 20 years, and the area covered by it is ordinarily 250 square kilometers. Upon grant of the petroleum mining lease, the lessee has to pay either the prescribed rental or the royalty, whichever is higher, in relation to the concerned lease. While the rental is payable based on the area of the land leased, the royalty is the amount that is generally payable as a percentage of the value at well head of the natural gas obtained by the lessee. The Government has the right to order a royalty to be paid in natural gas instead of money. Under the Oilfield Act, the levy of a royalty is permitted up to 20% of the sale price of the mineral oil, which includes natural gas.

In the event of a national emergency in respect of petroleum, the Government has the right of pre-emption in relation to the refined petroleum or petroleum products produced from the crude oil or natural gas extracted from the area under a lease. Further, under the P&NG Rules, the Government may, in the interests of conservation of mineral oils (which include natural gas), restrict the amount of petroleum or natural gas that may be produced by a lessee in a particular field.

Guidelines on Sale of Natural Gas by contractors under the NELP

On June 25, 2008, the Indian Ministry of Petroleum and Natural Gas issued guidelines for the sale of natural gas by NELP contractors (the "Gas Sale Guidelines"). The Gas Sale Guidelines are applicable for an initial period of five years. Contractors are permitted to sell gas from NELP blocks to consumers in accordance with marketing priorities and at a price determined by the Government. As per the order of priority, the gas is required to be supplied to (i) existing gas-based urea plants; (ii) existing gas-based LPG plants; (iii) gas-based power plants that are idle or under-utilized and likely to be commissioned during 2008-2009, and liquid fuel plants, which are running on liquid fuel and could switch over to natural gas; and (iv) city gas distribution projects for the supply of piped natural gas to households and compressed natural gas to the transport sector. Any additional gas available is to be supplied to existing gas-based power plants.

The Gas Sale Guidelines also provide that should consumers in a particular sector, which is higher in priority, be unable to take gas when it becomes available, it would go to the next sector in the order of priority. The Gas Sale Guidelines provide that the priority would not impact the process of price discovery as all the customers would participate in the price discovery process and would be eligible for utilizing natural gas, subject to priority.

Natural Gas Pricing

Under the NELP, the Indian domestic market has a first call on utilization of natural gas produced from the NELP blocks. The contractor under a PSC is required to obtain the Government's approval of the formula or basis upon which prices of natural gas are determined prior to the sale of natural gas. When considering whether to grant such an approval, the Government will take into consideration any prevailing pricing policy and linkages with traded liquid fuels. In the recent past, the Government has approved a price formula for determining the price of natural gas which is valid for a period of five years. If natural gas is sold to non-governmental agencies, as opposed to nominees of the Government or the Government, such sales can be valued on the basis of a competitive arms-length sale in the particular region for similar sales under similar conditions.

The Government, by a notice dated March 6, 2007, has directed that uniform pool prices shall be charged on supply of re-gasified liquid natural gas to all customers under all long-term contracts, on a non-discriminatory basis.

In April 2012, the Rangarajan Committee was constituted to review profit sharing mechanisms and PSCs in hydrocarbon exploration. The Committee issued its report in December 2012. The Report recommended that the Government adopt a price formula that takes the average of the following two average prices in order to find the competitive price of gas at the global level: (i) the average netback price of LNG imported into India at the wellhead of the exporting countries and (ii) the weighted average gas price prevailing in the three major markets of North America, Europe and Japan. For this purpose, the Government should use (i) the hub price at Henry Hub in the United States, (ii) the price at the National Balancing Point in the United Kingdom and (iii) the netback price at the sources of supply for Japan. Thereafter, on June 28, 2013, the Government published a press notice recording that the Cabinet Committee on Economic Affairs had approved the recommendations of the Rangarajan Committee with respect to the methodology for determining the price of domestically produced gas (termed the Domestic Natural Gas Pricing Guidelines), to be valid for a period of five years.

On January 10, 2014, the Government notified the Domestic Natural Gas Pricing Guidelines, which provide that all domestically-produced natural gas (irrespective of source) shall be sold at prices determined according to the Rangarajan Formula (subject to certain minor modifications). However, on the Election Commission of India's recommendation, the Government deferred the increase in gas price until further notification.

The Cabinet Committee of Economic Affairs ("CCEA"), chaired by the Prime Minister Mr. Narendra Modi, on October 18, 2014 approved the new domestic gas pricing policy.

The salient features of the new Gas Pricing Policy are follows:

(i) As per the formulation approved by the CCEA today, upward revision in gas prices will be approximately 75% less as compared to the price arrived at using Rangarajan formula.

(ii) Approximately 80% of the additional revenue due to revision in gas price will go to the Government companies.

(iii) Government will get additional revenue of approximately Rs. 38 billion per annum on account of higher royalty, higher profit petroleum and higher taxes.

The new Government took a decision to defer and re-examine the Domestic Natural Gas Pricing Guidelines, 2014 notified by the previous Government on January 10, 2014. For this purpose, a committee, which included Secretaries of the Ministries/Departments of Power, Expenditure and Fertilizer as Members and the Additional Secretary, Ministry of Petroleum and Natural Gas as Member Secretary, was appointed ("Committee").

The Committee recommended an approach for gas price determination, which is based on the modification to the Rangarajan Formula by:

- Removal of both the Japanese and Indian LNG import components in the formula.

- Consideration of Alberta Gas Reference price in place of Henry Hub Prices for Canadian consumption.

- Consideration of Russian actual price in place of National Balancing Point price for the Russian consumption considered under Former Soviet Union (FSU) countries.

- Consideration of appropriate deductions on account of transportation and treatment charges, etc., for different hub prices.

- The options of bi-annual and annual price revision instead of quarterly revision may be considered.

The Committee also recommended applicability of the modified approach prospectively and to apply it uniformly to all sectors of the economy, along with prevailing gas allocation policy of the Government. The Committee was of the view that the National Oil Companies ("**NOCs**") may also get the same price as determined under the proposed dispensation, including the gas from the nomination fields. In addition, the Committee also drew attention to the fact that although in India gas has historically been priced on National Calorific Value ("**NCV**"), the input prices used in the Rangarajan Formula are based on Gross Calorific Value ("**GCV**").

The periodicity of price determination/notification shall be half yearly. The price and volume data used for calculation of applicable price shall be the trailing four quarter data with one quarter lag. The first price would be determined on the basis of price prevailing between July 1, 2013 and June 30, 2014. This price would come into effect from November 1, 2014 and would be valid till March 31, 2015. Thereafter, it would be revised for the period April 1, 2015 to September 30, 2015 on the basis of prices prevalent between January 1, 2014 and December 31, 2014, i.e., with the lag of a quarter and so on. The prices would be announced 15 days in advance of the half year, for which it is applicable.

The price so notified would be applied prospectively with effect from November 1, 2014 and would be on GCV basis as input prices in the formula are on GCV basis. The revised gas price, so determined would be applicable to all gas produced from nomination fields given to ONGC and OIL India, NELP blocks, such pre-NELP blocks where the PSC provides for Government approval of gas prices and CBM blocks.

The following are the exceptions to which this policy would not apply:-

- Small and isolated fields in nomination blocks, given their peculiar conditions, guidelines for pricing of gas were issued in 2013 would continue to apply.
- Where prices have been fixed contractually for a certain period of time, till the end of such period.
- Where the PSC provides a specific formula for natural gas price indexation/fixation.
- Such Pre-NELP blocks where Government approval has not been provided under the PSC.

The matter relating to cost recovery on account of shortfall in envisaged production from D1, D3 discoveries of Block KG-DWN-98-3 is under arbitration. Hence, the operator would be paid the earlier price of USD 4.2/MMBTU till the shortfall quantity of gas is made good. It is proposed that the difference between the revised price and the present price (USD 4.2/MMBTU) would be credited to the gas pool account maintained by GAIL and whether the amount so collected is payable or not, to the contractors of this Block, would be dependent on the outcome of the award of pending arbitration and any attendant legal proceedings. For all discoveries after this decision, in ultra deep water areas, deep water areas and high pressure-high temperature areas, a premium would be given on the gas price to be determined as per the prescribed procedure. For more information, See "Business—Litigation—Cost Recovery Arbitration".

In the NER region, the 40% subsidy would continue to be available for gas supplied by ONGC/OIL. However, as private operators are also likely to start production of gas in NER, and would be operating in the same market, this subsidy should also be available to them to incentivize exploration and production.

Policy for Extension of Exploration Phases under the NELP and Pre-NELP PSC

This policy envisages a system of progressive penalties by increasing bank guarantee amounts and/or cash payments, pre-estimated liquidated damages vis-à-vis duration of extension sought and gives recognition to the companies who have made discoveries and understood the geology of the block. Under the policy, an extension of no longer than six months may be given by the management committee or the Government. If the contractor does not fulfill the work program within the stipulated period or extended period, as may be the case, the contractor is required to pay the Government for the unfinished work program.

The Mines Act, 1952

The Mines Act, 1952 regulates issues relating to labor and safety in mines. If an accident were to occur in a mine, the owner, agent or manager of the mine is required to give notice of the occurrence to the relevant appointed body. The Government may order a formal inquiry into the causes of and circumstances leading to the accident and appoint a competent person to hold such inquiry.

The Petroleum and Natural Gas (Safety in Offshore Operations) Rules, 2008

Under the Petroleum and Natural Gas (Safety in Offshore Operations) Rules, 2008 (the "Offshore Operation Rules"), an operator is required to prepare information and records related to its offshore petroleum activities to ensure that its petroleum activities are planned and carried out in a safe manner and are well documented. In addition, the operator is required to notify the Oil Industry Safety Directorate of the occurrence of any accident, decommissioning plan and design intimation. The Offshore Operation Rules also contain detailed emergency management guidelines and precautions that the operator must take to prevent any accident or hazard.

The Petroleum Act, 1934 and the Petroleum Rules, 2002

The Petroleum Act, 1934 (the "Petroleum Act") and the Petroleum Rules, 2002 (the "Petroleum Rules") regulate the import, transport, storage, production, refining and blending of petroleum. The Petroleum Act and Petroleum Rules define the various classes of petroleum, prescribe the conditions to be followed in blending, refining, storing and transporting petroleum and specify the permissions to be taken for the import and export of petroleum.

Guidelines for Management of Oil and Gas Resources

The Indian Ministry of Petroleum and Natural Gas issues guidelines for management of oil and gas resources. These guidelines give broad powers to the Directorate General of Hydrocarbons for management of oil and gas resources. The powers of the Directorate General of Hydrocarbons include, among other things, monitoring the exploration program for nomination blocks, monitoring the development of hydrocarbon discoveries, and monitoring oil and gas reservoir management.

The Petroleum and Natural Gas Regulatory Board Act, 2006

The Petroleum and Natural Gas Regulatory Board Act, 2006 (the "PNGRB Act") established the Petroleum and Natural Gas Regulatory Board to regulate the refining, processing, storage, transportation, distribution, marketing and sale of petroleum, petroleum products and natural gas (excluding production of crude oil and natural gas). The Petroleum and Natural Gas Regulatory Board protects the interests of consumers and entities engaged in specific activities relating to petroleum, petroleum products and natural gas and ensures uninterrupted and adequate supply of petroleum, petroleum products and natural gas in all parts of the country and promotes competitive markets.

Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008

The Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 ("Pipeline Regulations") require all entities proposing, or directed by the Petroleum and Natural Gas Regulatory Board, to lay, build, operate, or expand a natural gas pipeline to obtain authorization from the Petroleum and Natural Gas Regulatory Board, on submission of documents demonstrating financial and technical adequacy, including possession of all requisite regulatory and corporate approvals. The Petroleum and Natural Gas Regulatory Board may cancel an existing authorization under the Pipeline Regulations if the authorized entity fails to achieve the prescribed conditions precedent, including achievement of financial closure or submission of required documentation such as the requisite corporate approvals or the executed gas transportation agreement.

The Petroleum and Natural Gas Regulatory Board (Affiliate Code of Conduct for Entities engaged in Marketing of Natural Gas and Laying, Building, Operating or Expanding Natural Gas Pipeline) Regulations, 2008

The Petroleum and Natural Gas Regulatory Board (Affiliate Code of Conduct for Entities engaged in Marketing of Natural Gas and Laying, Building, Operating or Expanding Natural Gas Pipeline) Regulations, 2008 ("Affiliate Code of Conduct Regulations") regulate the transportation and marketing of natural gas. The objectives of the Affiliate Code of Conduct Regulations include the prevention of preferential access or cross-subsidization of costs between the regulated activity and any other non-regulated activity.

The Petroleum and Natural Gas Regulatory Board (Codes of Practices for Emergency Response and Disaster Management Plan) Regulations, 2010

The Petroleum and Natural Gas Regulatory Board (Codes of Practices for Emergency Response and Disaster Management Plan) Regulations, 2010 (the "ERDMP Regulations") are applicable to, among other things, transportation of petroleum products by road and pipelines, processing installations, petroleum and gas storage facilities and terminals, and liquid petroleum product pipelines. The scope of the ERDMP Regulations covers identification of emergencies, mitigation measures that attempt to reduce and eliminate the risk of disasters and plans of action when emergencies occur.

The Petroleum and Natural Gas Regulatory Board (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010

The Petroleum and Natural Gas Regulatory Board (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010 apply to entities building, operating and expanding pipelines. These regulations apply to all new and existing pipelines and regulate, among other things, the applicable procedures and pipelines' parameters.

The Petroleum and Natural Gas Regulatory Board (Integrity Management System for City or Local Natural Gas Distribution Networks) Regulations, 2013

The Petroleum and Natural Gas Regulatory Board (Integrity Management System for City or Local Natural Gas Distribution Networks) Regulations, 2013 shall apply to all the entities laying, building, operating or expanding city or local natural gas distribution networks. These regulations shall apply to all existing and new city gas distribution networks including sub-transmission pipelines, city gas station, distribution mains and piping facilities downstream of inlet isolation valve of city gate station (inclusive of primary, secondary and tertiary networks) including consumer meters for commercial or industrial customers and up to final isolation valves including connecting hose to gas appliances for domestic consumers.

Environmental Regulation

The Company is subject to a range of environmental legislation and regulations, including those particular to its lines of business.

The Government has formulated legislation to regulate the environmental impact of petroleum and petrochemical exploration, production, refining, manufacturing and related activities. Companies engaged in these regulated activities are required to first obtain authorization based on a detailed environmental impact assessment study to evaluate the effects such operations would have on biodiversity and ecological sensitivity and what technological or operational measures could be taken to ensure that any adverse impact is mitigated. Production Sharing Contracts typically stipulate that the contractor must conduct its petroleum operations with due regard to the protection of the environment and conservation of natural resources by employing advanced and appropriate best practices prevailing in the oilfield and petroleum industry.

While The Environmental Protection Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 provide the main legal framework for prevention, control and abatement of pollution, the Forest Conservation Act, 1980 and wildlife protection act, 1972 provide the primary framework for ecological protection.

Though the Ministry of Environment & Forests, Govt. of India is the nodal ministry for all environment & forest related regulations, the State Pollution Control Boards have been established in all states in India to implement and enforce the provisions of these regulations as they relate to water and air pollution and waste management. In the specific line of business where a company is operating, prior environmental clearance from the Ministry of Environment & Forests, Govt. of India or from the respective state Environmental Impact Assessment Authority must be obtained after observing a due process of public consultation as stipulated in the Environmental Impact Assessment Notification, 2006. Furthermore, activities taking place in declared Coastal Regulatory Zones require permissions to establish facilities necessary for importing and exporting raw materials and products.

The consents to operate under water and air pollution acts and the authorization under Environment Protection Act for environmentally sound management and disposal of hazardous and non-hazardous waste are to be obtained from the respective state pollution control boards. These consents should be renewed periodically, as per the defined frequency. The Public Liability Insurance Act, 1991 requires companies to take out a public liability insurance policy.

The use of forest land for non-forestry purposes is regulated by the Government of India through the Forest (Conservation) Act, 1980. All of the Company's activities in forest areas require such permissions. Though the activities of the Company are very limited in wildlife areas, any activity which has direct and indirect impact on wildlife require approvals from wildlife authorities as per provisions of Wildlife (Protection) Act, 1972 and Environment (protection) Act 1986.

In addition, the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 regulates the exploration and exploitation of resources of the continental shelf and exclusive economic zone. The exploration activities of the offshore blocks acquired may also be subject to this statute. In addition, the Merchant Shipping Act, 1958 provides for liability in respect of loss or damage caused outside the ship by contamination resulting from the escape or discharge of oil from the ship.

Other Regulations

The Company is also required to comply with the provisions of the Explosives Act, 1884, which regulates manufacturing, possession, use, sale, transport, import and export of explosives, including petroleum and petroleum products. Furthermore, the Essential Commodities Act, 1955, contains provisions controlling the production, supply and distribution of certain essential commodities, which include petroleum and petroleum products. The Company is also subject to a number of labor laws and other laws of general application.

Textiles

In November 2000, the Government announced the National Textile Policy, 2000 aimed at liberalizing controls and regulations, providing infrastructural support to the textile industry and ensuring the active cooperation and partnership of the state governments.

The Textiles Committee Act, 1963 created the Textiles Committee in order to ensure a standard quality of textiles for both internal marketing and for export purposes and to encourage scientific, technological and economic research in the textile industry and textile machinery.

Organized Retail

The Company's subsidiaries engaged in organized retail business are required to comply with the provisions of the Standards of Weights and Measures Act, 1976 and the Prevention of Food Adulteration Act, 1954, together with the rules issued thereunder. The Company's subsidiaries engaged in organized retail business are also subject to the various shops and establishments legislation in the states in which they operate stores. This legislation regulates the conditions of work and employment in shops and commercial establishments and generally prescribes obligations in respect of, among other things, registration, opening and closing hours, daily and weekly working hours, holidays, health and safety measures and wages for overtime work (see "—Employment Legislation").

Broadband Wireless Telecommunication Services

The DOT has the primary responsibility of policy formulation, licensing, standardization and coordination matters relating to telephones, wireless, data and facsimile services and other similar forms of communications in India. The Broadband Policy, 2004 issued by the DoT provides a framework for the creation of infrastructure through various access technologies which can contribute to the growth of broadband services in India.

The broadband wireless access spectrum and associated license owned by the Company's subsidiary is governed by various regulations, including but not limited to the provisions of the Indian Telegraph Act, 1885, the Indian Wireless Telegraphy Act, 1933, the Telecom Regulatory Authority of India Act, 1997, as amended from time to time, the Telecommunication Tariff Order, 1999, the Reporting System on Accounting Separation Regulations, 2012, the National Telecom Policy, 2012, the National Frequency Allocation Plan, 2011, the Unified Access Services License Guidelines and the Information Technology Act, 2000. The Telecom Regulatory Authority of India was established in 1997 by the Telecom Regulatory Authority of India Act, 1997 to regulate telecommunication services in India, including broadcasting and cable services. The Company's subsidiary engaged in the wireless broadband communication business is required to comply with these regulations, as applicable.

Special Economic Zones

A SEZ is a specifically delineated duty free area, deemed to be a foreign territory for the purposes of trade operations, duties and tariffs. One of the special features of a SEZ is that no governmental license is required for imports, including second-hand machinery, and there is minimal examination of imports by customs to enable efficient operations. Companies operating in SEZs are entitled to deduction of 100% of the profits and gains derived from the export of goods manufactured or produced in a SEZ for a period of five years and up to 50% of such profits and gains for the next five years. No customs duty is levied on any goods imported into, or exported from, SEZs to any place outside India. Also, no excise duty is applicable to goods brought from within India's domestic tariff area to a SEZ.

The establishment, development and management of the refineries in the SEZ is regulated by Special Economic Zone Act, 2005. This act regulates, among other things, matters relating to the establishment of SEZs, a fiscal regime for developers of SEZs and units set up therein, the establishment of authority for each SEZ by central government, and designations of special courts and single enforcement agencies to ensure speedy trial and investigation of notified offences committed in a SEZ.

Employment Legislation

The employment of workers in each of the Company's and its subsidiaries' lines of business is regulated by a wide variety of generally applicable labor laws, including the Contract Labor (Regulation and Abolition) Act, 1970, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972, the Employees' Provident Funds and the Miscellaneous Provisions Act, 1952.

Taxation Regulations

The Company is subject to a number of direct and indirect taxes and duties (both by central and state governments), including corporate tax (at the applicable rate of 30% plus a surcharge of 10% together with education cess of 2% and secondary higher education cess of 1%, as applicable), customs duties, excise duties, service tax and sales tax/value added tax ("VAT").

The Company provided for a current corporate tax liability of Rs. 58.12 billion on its profits for FY2014 after taking into consideration benefits admissible under the provisions of the Income Tax Act 1961 (the "Tax Act").

Under the existing provisions of section 115JB of the Tax Act, a company is required to pay MAT on its book profit. In a situation where the tax payable computed in accordance with the normal provisions, being other than those specified under section 115JB of the Tax Act, is lower than MAT, the tax liability of the Company is equal to MAT. The amount of tax paid under section 115JB can be carried forward for a set-off against the normal tax payable, if any, in the future for a period of ten years. The amount of the set-off allowed is equal to the difference between the tax computed as per the normal provisions and MAT for that year. Subsection (1) of section 115JB prescribes the MAT rate to 18.5%. The above tax is also subject to a surcharge of 10% plus an education cess of 2% and a secondary higher education cess at the rate of 1%, giving an effective rate of approximately 20. 9605%.

Excise Duty

Excise duty is an indirect tax levied on the manufacture of excisable goods. The excise duty is primarily levied by the Government, although state governments also levy excise duty on certain goods. Under the central excise laws, the Company is eligible for credit of excise duty and service tax on inputs and capital goods purchased by the Company, subject to fulfillment of certain conditions, as it is permitted to discharge excise duty liabilities on finished goods and services.

Service Tax

Currently, service tax is levied at the rate of 12% plus an education cess of 2% and a secondary and higher education cess at the rate of 1%, giving an effective tax rate of 12.36% on the gross value of taxable services. With respect to upstream activities in the oil and gas industry, the services included in the category of taxable services include site formation and clearance, excavation, earth moving and demolition services, survey and exploration of mineral services and mining services.

Customs Duty

Customs duties are imposed on the import of certain goods into India. In addition, a countervailing duty at a rate equal to the relevant rate of excise duty is imposed on imports to ensure no competitive advantage is obtained over domestically produced goods. The duty is collected when the goods are cleared for consumption in the domestic market. Historically, the Government has maintained high customs duties in order to protect the emerging industrial base in India and because such duties also provide a major source of government revenue. However, the Government has gradually reduced the peak customs duties over the last several years.

Sales Tax/VAT

Sales tax/VAT in India is levied by both the central and state governments. While the central sales tax, which applies to interstate transactions, is levied by the Government, sales tax/VAT is levied by state governments and applies to sales within a state. State sales tax/VAT represents the main source of income for each state. Sales tax is generally levied at rates ranging from 1% to 38% (depending on the product) of the value of each sale.

In 2005, several states in India adopted a VAT system under which sales tax is payable on the "value added" in a manufacturing or processing unit. Credit is available for the amount of tax paid on inputs (except those in the negative list) which can be set off against the tax payable on the value of sales.

Royalty

The Oilfields Act provides for payment of royalties in respect of any mineral oil mined, quarried, excavated or collected from the leased area. The Government may increase the rate of royalty payable for production of crude oil and natural gas up to the limits prescribed by the Oilfields Act by issuing a notification without amending the Oilfields Act. Under the Oilfields Act, royalty on crude oil and natural gas is payable as a percentage of wellhead value derived from the sales price. See "—Oil and Gas, Refining and Petrochemicals—The New Exploration Licensing Policy".

Oil Cess

The Oil Industry Development Board, constituted under the Oil Industry (Development) Act, 1974, receives grants from the Government out of the tax collected on crude oil and natural gas production in India (Oil Cess"). The Oil Industry Development Fund renders financial and other assistance for development activities in the oil and natural gas sector in India. The Oil Cess (which is a form of tax on production) is payable on crude production from all pre-NELP blocks. For the pre-NELP blocks awarded under the production sharing contracts by the Government, Oil Cess is payable at the rates specified in the relevant production sharing contract. All licenses awarded under the NELP are exempted from payment of the Oil Cess. Accordingly, in the case of the Company's Oil and Gas business, only the production from Panna-Mukta and Tapti fields are subject to Oil Cess, at the rate of Rs. 900 per ton of crude oil produced from the fields.

Introduction of Goods and Services Tax

The Goods and Services Tax (the "GST") is a value added tax proposed by the Central Government on all goods and services. It will replace most indirect taxes levied on goods and services by the Central and State Governments. It is aimed at being comprehensive, as it will cover most goods and services with few tax exemptions. The GST is to be implemented concurrently by the Central and State Governments as the Central GST and the State GST, respectively. For inter-state transactions the inter-state GST, or IGST at 1% will be introduced. Currently, the Constitution of India does not provide concurrent powers of taxation to the Central and State Governments and therefore, the Constitutional (One Hundred Twenty Second Amendment) Bill, 2014 (the "Bill") was introduced in the Parliament by the Finance Minister on December 19, 2014. The Bill proposes to amend the Constitution to empower the Central and the State Governments to frame laws for levying GST on transactions involving the supply of goods and services. Present Finance Minister Shri Arun Jaitley has announced that GST will come into operation with effect from April 1, 2016.

Regulation of the Company's Shale Gas Operations in the United States

The following description is a summary of certain laws, regulations and policies, which are applicable to the Company's shale gas operations in the United States. The information provided below has been obtained from sources available in the public domain. The summary of the regulations set out below is not exhaustive, and is only intended to provide general information to potential investors and is neither designed nor intended to be a substitute for professional legal advice.

Environmental Regulation

The Company's shale gas operations in the United States, which are held through various joint ventures to which certain of its subsidiaries are party, are regulated extensively at the federal, state, regional and local levels. Environmental laws and regulations are complex, change frequently and have tended to become more stringent over time. Some carry substantial administrative, civil and criminal penalties for failure to comply. These laws and regulations govern activities including permitting, planning, designing, drilling, installing, operating and abandoning natural gas and oil wells. Under these laws, the Company, or the Joint Venture operator of the wells may be required to obtain permits or other regulatory approvals before drilling commences or certain facilities are constructed or modified, incur capital expenditures or incur liability for personal injuries, property damage and other damages or liabilities, including those resulting from clean-up costs and remedial activities. Delays in obtaining regulatory approvals or drilling permits, the failure to obtain a drilling permit for a well or the receipt of a permit with stringent conditions or costs could inhibit the Company's ability to develop its properties. Part of the regulatory environment in which the Company operates includes, in some cases, legal requirements for obtaining environmental assessments, environmental impact studies and/or plans of development before commencing drilling and production activities. In addition, the Company's activities are subject to regulations regarding conservation practices and protection of correlative rights.

Environmental laws and regulations which affect the Company's shale gas operations in the United States include, for example:

- CAA, and comparable state laws and regulations that restrict the emission of air pollutants from certain sources;
- CWA and comparable state laws and regulations that impose obligations related to discharges of pollutants, including produced waters and other oil and gas wastes, into regulated bodies of water;
- OPA which imposes liability from oil spills into navigable water;
- RCRA, and comparable state laws that impose requirements for the handling and disposal of waste, including produced waters, from the Company's facilities; and
- CERCLA, and comparable state laws and regulations that regulate the cleanup of hazardous substances that may have been released at properties currently or previously owned, leased or operated by the Company or at locations to which it has sent waste for disposal.

Certain environmental statutes, including OPA, RCRA, CERCLA, and analogous state laws and regulations, impose strict, joint and several liability for costs required to clean up and restore sites where hazardous substances have been disposed of or otherwise released and for damages to natural resources.

The US Congress has in the past, and may in the future, consider legislation to regulate hydraulic fracturing activities, including the bill known as the "Fracturing Responsibility and Awareness of Chemicals Act", or "FRAC Act". In addition, some state and local governments and other governmental bodies have implemented, and others are considering, increased regulatory oversight of hydraulic fracturing through additional permit and disclosure requirements, operational restrictions, well construction and location requirements, baseline sampling, wastewater disposal requirements, and temporary or permanent bans on hydraulic fracturing in certain areas. Many of such state and local governments require the disclosure of chemical constituents used in the fracturing process to federal or state regulatory authorities and/or to the public. The availability of this information could make it easier for third parties to initiate legal proceedings based on allegations that specific chemicals used in the fracturing process adversely affect groundwater and/or human health and the environment and could cause the Company competitive harm.

The EPA is conducting a study of the potential environmental impacts of hydraulic fracturing, including the impact on drinking water sources and public health, a committee of the US House of Representatives has conducted an investigation of hydraulic fracturing practices, and a subcommittee of the SEAB of the US Department of Energy has been tasked with recommending steps to improve the safety and environmental performance of hydraulic fracturing. The SEAB subcommittee issued its final report in November 2011, recommending, among other things, measures to improve and protect air and water quality, improvements in communication among state and federal regulators, reduction of diesel fuel in shale gas production, disclosure of fracturing fluid composition, and the creation of a publicly accessible database organizing all publicly disclosed information with respect to hydraulic fracturing operations. The results of these and other studies could trigger further regulation of hydraulic fracturing at the federal, state or local level. For example, the Bureau of Land Management, which overseas activities on US Federal lands, has proposed disclosure, well construction and flowback water requirements for hydraulic fracturing operations on Federal lands.

In addition, the US Congress has in the past, and may in the future, consider legislation to regulate emissions of greenhouse gases, such as carbon dioxide and methane, that are understood to contribute to global warming. The Obama Administration has indicated its support of legislation to reduce greenhouse gas emissions through comprehensive climate change legislation. In addition, nearly all states, either individually or through multi-state regional initiatives, have begun to address greenhouse gas emissions, primarily through the planned development of emission inventories, regional greenhouse gas cap and trade programs or incentives or mandates for renewable fuel use.

Moreover, in December 2009, the EPA published its determination that emissions of carbon dioxide, methane and other greenhouse gases present an endangerment to human health and the environment. These findings have enabled the EPA to adopt and implement regulations, under existing provisions of the CAA that restrict greenhouse gas emissions. In May 2010, the EPA finalized its “tailoring rule”, under which certain stationary sources that exceed certain annual greenhouse gas emission thresholds are required to obtain permits to undergo construction or operate and to implement the best available control technology (“BACT”) for the control of greenhouse gas emissions pursuant to the CAA Prevention of Significant Deterioration and Title V operating permit programs. The EPA has issued guidance on what BACT entails for the control of greenhouse gases and individual states are now required to determine what controls are required for facilities within their jurisdictions on a case-by-case basis. In addition, the EPA requires the reporting of greenhouse gas emissions from specified large sources in the United States, including certain upstream oil and gas facilities, for emissions occurring in the prior calendar year.

Furthermore, in 2012, the EPA finalized new CAA standards for oil and gas drilling operations to reduce emissions of volatile organic compounds (“VOCs”), which contribute to smog. The standards require, among other things, the use of reduced emissions completions, or green completions, to achieve a 95% reduction in VOCs emitted during the completion of new and modified hydraulically fractured wells. The EPA has also announced that it will propose standards for the treatment of disposal of wastewater from certain gas production operations.

Other Regulation of the Oil and Gas Industry

The oil and gas industry is regulated by numerous federal, state and local authorities and accordingly the Company’s oil and gas operations in the United States are subject to regulations in respect of exploration, development and production activities, among others. Legislation affecting the oil and gas industry is under constant review for amendment or expansion, frequently increasing the regulatory burden. Also, numerous departments and agencies, federal and state, are authorized by statute to issue rules and regulations binding on the oil and gas industry and its individual members, some of which carry substantial penalties for failure to comply.

Health and Safety

The Company’s operations in the United States are subject to the requirements of the federal Occupational Safety and Health Act (the “OSH Act”) and comparable state statutes. These laws and the related regulations strictly govern the protection of the health and safety of employees. The OSH Act hazard communication standard, EPA community right-to-know regulations under Title III of CERCLA and similar state statues require that the Company organize or disclose information about hazardous materials used or produced in the Company’s operations.

DESCRIPTION OF OTHER INDEBTEDNESS

The following summary of certain provisions of the Company's credit arrangements, bonds and other indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying credit agreements, bonds and other documentation. Furthermore, this summary relates only to the Company's principal long-term indebtedness. The Company utilizes a variety of short-term debt instruments.

The Company's principal sources of external financing include both secured and unsecured short-term as well as long-term facilities (in both rupees and other currencies). As at December 31, 2014, the Company had total debt of Rs. 879,741 million, or US$13.96 billion (converted at the exchange rate of US$1.00 = Rs. 63.035), compared to Rs. 899,680 million as at March 31, 2014. Approximately 94% of the Company's total debt as at December 31, 2014 was denominated in foreign currency, principally in US Dollars, with the remainder denominated in rupees.

The Company's long-term funding strategy is to lengthen the average maturity of its debt (approximately 6.65 years as at December 31, 2014) and diversify its funding to reduce its reliance on bank borrowings.

Unsecured Indebtedness

The debt under the following instruments constitutes unsecured long-term debt obligations of the Company and ranks at least equally with all of the Company's other present and future unsecured and unsubordinated obligations, except as may be provided by applicable legislation.

Syndicated and Other Term Loan Facility Agreements

The Company is party to facility agreements with various international banks.

The facility agreements were entered into between February 22, 2007 and December 9, 2013. The total amount outstanding under such facilities was US$7.54 billion (Rs. 475.42 billion) as at December 31, 2014 (converted at the exchange rate of US$1.00 = Rs. 63.035). Of the total amount outstanding as at December 31, 2014, US$0.656 billion (Rs. 41.36 billion) was drawn in Yen, Euros and/or Singapore dollars, and the balance was drawn in US Dollars (converted at the exchange rate of US$1.00 = Rs. 63.035).

Borrowings under the Company's facility agreements bear interest at a rate equal to the sum of applicable LIBOR or an equivalent benchmark, plus the applicable margin (which is between 0.51% and 2.40% per annum). The facilities mature between July 20, 2015 and January 18, 2022. The Company may voluntarily prepay outstanding amounts, typically upon seven to ten days' notice without premium or penalty on the last day of any interest period. Any amount prepaid may not be re-borrowed.

Each of the facility agreements contain customary negative covenants, including restrictions, subject to certain exceptions, on the Company's ability to sell or otherwise dispose of assets beyond a specified limit, create liens on assets, effect a consolidation or merger and incur additional long-term indebtedness or any obligations in respect of such indebtedness (other than indebtedness provided by banks or financial institutions lending through offices located in India) on a secured basis.

In addition, the facility agreements require the Company to maintain certain financial covenants, namely a minimum tangible net worth, maximum long-term secured debt to long-term debt ratio, maximum total external liabilities to tangible net worth ratio, minimum earnings before interest and tax to interest expenses ratio and a maximum long-term secured debt to total fixed assets ratio.

Export Credit Agencies Supported Loans

The Company is party to a number of loan agreements supported by export credit agencies ("ECAs"). The ECA supported loans were entered into between December 9, 2004 and May 7, 2014. The total amount outstanding under such agreements was US$2.26 billion as at December 31, 2014. Borrowings under the ECA supported loans bear interest at a rate equal to the sum of applicable LIBOR or an equivalent benchmark, plus a margin of between 0.02% and 1.35% per annum.

The ECA guaranteed facilities contain customary negative covenants, including restrictions, subject to certain exceptions, on the Company's ability to create liens on assets or incur additional long-term indebtedness or any obligations in respect of such indebtedness on a secured basis. Some of the ECA guaranteed facilities include financial covenants, which are similar to those included in the Company's syndicated loan facility agreements described above. The ECA guaranteed loans also contain certain customary affirmative covenants and events of default.

JPY Notes

On March 29, 2006, the Company issued ¥17.5 billion principal amount of 2.86% Notes due 2016 (US$142.65 million equivalent as of December 31, 2014). The Yen notes bear interest at 2.86% per annum and mature on March 26, 2016. The Yen notes contain certain customary negative and affirmative covenants and events of default.

JPY Fixed Rate Loan

On August 7, 2008, the Company obtained a loan of ¥11 billion (US$102.75 million equivalent as of December 31, 2014) at a 3.63% fixed rate of interest with a bullet repayment on August 7, 2020. The loan contains certain customary negative and affirmative covenants and provisions regarding prepayment. The loan also contains certain customary events of default.

US$ Notes

In 1996 and 1997, the Company issued US Dollar-denominated notes in an aggregate principal amount of US$764 million. The notes bear interest at rates between 7.625% and 10.50% per annum and mature between June 24, 2016 and January 15, 2097. The notes contain certain customary negative and affirmative covenants and events of default.

US$ Private Placements

The Company has also issued private placement US Dollar-denominated notes in an aggregate principal amount of US$550 million. The notes bear interest at rates between 6.21% and 6.61% per annum and mature between September 18, 2016 and March 26, 2019. The notes contain certain customary negative and affirmative covenants and events of default.

Rupee Term Loan

The Company is party to a term loan agreement under which borrowings are denominated in rupees. The loan currently bears interest at the rate of 10.75% per annum, is repayable in 32 quarterly installments and matures on April 2, 2018. The agreement contains certain customary negative and affirmative covenants and events of default. The balance as at December 31, 2014 was Rs. 253.64 million (US$4.02 million).

US$ Perpetual Notes

The Company has also issued US Dollar-denominated perpetual notes for principal amount of US$800 million. The notes bear interest at rates of 5.875% per annum and do not have any fixed maturity. The Company has an option to call the notes in part or whole on any interest payment date on or after February 5, 2018. The notes contain certain customary negative and affirmative covenants and events of default.

Secured Indebtedness

The following is a summary of the Company's principal secured indebtedness.

Privately Placed Debentures

The Company has issued rupee-denominated privately placed debentures in an aggregate principal amount of Rs. 14.60 billion (US$231.54 million as of December 31, 2014). These secured redeemable non-convertible debentures bear interest between 6.25% and 10.75%, mature between 2015 and 2020 and are secured by way of a mortgage/charge on certain properties of the Company.

The Company has also zero coupon secured redeemable non-convertible debentures outstanding. The zero coupon secured redeemable non-convertible debentures were originally issued by IPCL (which was amalgamated with the Company in 2007) and are secured by way of a mortgage/charge on certain properties of the plants and fixed assets of the Company.

Contingent Liabilities

The Company has guaranteed certain debt obligations of its subsidiaries, including RJIL and Recron in connection with certain credit facilities and Reliance Holdings USA, Inc. in connection with certain bonds. For more information, see Note 34 of the Annual Financial Statements as at and for FY2014.

DESCRIPTION OF THE NOTES

The Notes are to be issued under a Fiscal Agency Agreement (the "Fiscal Agency Agreement") to be executed between the Company and Citibank, N.A., London Branch as fiscal and paying agent (the "Fiscal Agent"). Copies of the Notes and the Fiscal Agency Agreement are available for inspection during normal business hours at the offices of the Fiscal Agent. The following summaries of certain provisions of the Notes and the Fiscal Agency Agreement do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the provisions thereof, including the definitions therein of certain terms. Whenever particular defined terms from the Notes or the Fiscal Agency Agreement are referred to, such defined terms are incorporated herein by reference.

General

The Notes offered hereby will be issued in one series and will mature on January 28, 2025. The Notes will bear interest at the rate per annum shown on the front cover of this Offering Memorandum from and including January 28, 2015 or from the most recent interest payment date to which interest has been paid or provided for, to but excluding the next interest payment date or the maturity date, as applicable. Interest will be paid semi-annually and in arrears on January 28 and July 28 of each year, commencing on and including July 28, 2015, to the person in whose name the Note (or any predecessor Note) is registered at the close of business (whether or not a Business Day) on the immediately preceding January 13 and July 13, as the case may be. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of principal of and interest on Notes represented by individual Notes in certificated form will be made by check drawn on a bank in The City of New York by the paying agent and mailed to the holder thereof at the address of such holder appearing in the register of Notes, or in the case of any holder of more than US$1,000,000 in principal amount of such Notes, by electronic transfer of immediately available funds to an account of such holder at a bank in The City of New York; provided that such holder has delivered written wire transfer instructions to the Fiscal Agent at least 15 days prior to the relevant payment date. Payments of principal of and interest on the Global Notes will be made to the registered holder thereof in immediately available funds. Payments of the principal amount of the Notes at maturity or the principal amount to be prepaid upon redemption or repurchase, together with accrued interest due at maturity, redemption or repurchase, as the case may be, will be made to the registered holder thereof against presentation and surrender of the Notes at the specified office of the paying agent. In the event that a Singapore paying agent is required by the Listing Manual of the SGX-ST, and for so long as the Notes are listed on the SGX-ST, such payments of principal and payments of interest may be made by such Singapore paying agent. Any payments of principal of and interest on the Notes to be made on a date that is not a Business Day need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and no additional interest shall accrue as a result of such delayed payment. "Business Day" means any day, other than a Saturday or Sunday, that is not a day on which banking institutions are authorized or required by law or executive order to be closed in Mumbai, India, London, England or The City of New York, New York (or in the city where the relevant paying agent is located). The transfer of the Notes will be registrable and the Notes will be exchangeable at the Corporate Trust Office (as defined in the Fiscal Agency Agreement) in The City of London, which initially will be the office of the Fiscal Agent.

Rank

The Notes will constitute direct, unconditional, unsecured (subject to the negative pledge covenant) and unsubordinated obligations of the Company and will at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Company under the Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank *pari passu* with all of its other existing and future unsecured and unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of its subsidiaries.

Notes; Delivery and Form

The Notes sold in offshore transactions in reliance on Regulation S will be initially in the form of one or more Regulation S Global Notes in fully registered form without interest coupons, which will be deposited with Citibank, N.A., London Branch, as custodian for DTC (in such capacity, the "Custodian"), and registered in the name of Cede & Co., as nominee of DTC, for credit to the respective accounts of the purchasers, or to other accounts as they may direct, at Euroclear or Clearstream, each of which is a participant in DTC.

The Notes sold to QIBs in reliance on Rule 144A will be issued initially in the form of one or more Rule 144A Global Notes in fully registered form without interest coupons, which will be deposited with the Custodian and registered in the name of Cede & Co., as nominee of DTC.

The Notes will be issued in minimum denominations of US$250,000 and in integral multiples of US$1,000 in excess of that amount.

The Notes (including beneficial interests in the Global Notes) will be subject to certain restrictions on transfer set forth therein and in the Fiscal Agency Agreement and will bear a legend regarding such restrictions as set forth under "Transfer Restrictions". Under certain circumstances, transfers may be made only upon receipt by the Fiscal Agent of a written certification (in the form(s) provided in the Fiscal Agency Agreement).

Prior to the 40th day after the later of the commencement of this offering and the closing date, a beneficial interest in a Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the related Rule 144A Global Note only if the transferor, and any person acting on its behalf, reasonably believes that the transferee is a QIB, and upon receipt by the Fiscal Agent of a written certification (in the form(s) provided in the Fiscal Agency Agreement) (a) from the transferee to the effect that such transferee (i) is a QIB purchasing for its own account (or for the account of one or more QIBs over which account it exercises sole investment discretion) and (ii) agrees to comply with the restrictions on transfer set forth under "Transfer Restrictions" and (b) from the transferor to the effect that the transfer was made in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Beneficial interests in a Rule l44A Global Note may be transferred to a person who takes delivery in the form of an interest in the related Rule l44A Global Note without any written certification from the transferor or the transferee. Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note only upon receipt by the Fiscal Agent of written certifications (in the form(s) provided in the Fiscal Agency Agreement) from the transferor to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 under the Securities Act (if available).

Any individual Notes issued in exchange for an interest in a Rule 144A Global Note under the circumstances described under "Individual Notes" below may be transferred only upon receipt by the Fiscal Agent of a written certification from the transferor (in the form(s) provided in the Fiscal Agency Agreement) to the effect that such transfer is being made in accordance with the restrictions on transfer set forth under "Transfer Restrictions", and in the case of any resale other than a "Safe Harbor Resale" as defined under "Transfer Restrictions", the execution and delivery by the transferee of a written certification (also in the form attached to the Fiscal Agency Agreement and delivery of any additional documents or other evidence (including, but not limited to, an opinion of counsel)) that the Company or the Fiscal Agent may, in its sole discretion, deem necessary or appropriate to evidence compliance with such Transfer Restrictions.

Any beneficial interest in one of the Global Notes that is transferred to an entity which takes delivery in the form of an interest in another Global Note will, upon transfer, cease to have an interest in such Global Note and receive an interest in such other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it retains such an interest.

Investors may hold their interests in the Global Notes directly through DTC, Clearstream or Euroclear, as the case may be, if they are participants in such systems, or indirectly through organizations which are participants in such systems. Clearstream and Euroclear will hold interests in the Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which are participants in DTC.

Transfers between participants in DTC (the "Participants") will be effected in the ordinary way in accordance with DTC rules. Transfers between participants in Clearstream and Euroclear ("Clearstream Participants" and "Euroclear Participants", respectively) will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Initial settlement for the Notes will be made in same-day funds. So long as DTC continues to act as depositary for the Notes, the Notes will trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in such Notes will settle in immediately available funds.

Subject to compliance with the transfer restrictions applicable to the Notes, cross-market transfers between DTC, on the one hand, and Clearstream or Euroclear Participants, on the other hand, will be effected by DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be.

Persons who are not Participants may beneficially own interests in the Global Notes held by DTC only through Participants or Indirect Participants (as defined below) (including Euroclear and Clearstream). So long as Cede & Co., as the nominee of DTC, is the registered owner of the Global Notes, Cede & Co. for all purposes will be considered the sole holder of such Notes.

Payment of interest and principal on the Global Notes will be made to Cede & Co., the nominee for DTC, or such other nominee as may be requested by an authorized representative of DTC, as the registered owner of the Global Notes by wire transfer of immediately available funds. Neither the Company nor the Fiscal Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest.

The Company has been informed by DTC that upon receipt of any payment of interest on or the principal of the Global Notes, DTC will credit Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the Global Notes as shown on the records of DTC. Payments of interest on and principal of the Notes held through Clearstream or Euroclear will be credited to the cash accounts of Clearstream Participants or Euroclear Participants, as the case may be, in accordance with the relevant system's rules and procedures. Payments by Participants to owners of beneficial interests in the Global Notes held through such Participants will be the responsibility of such Participants, as is the case with securities held by broker-dealers, either directly or through nominees, for the accounts of customers and registered in "street name".

Because DTC can only act on behalf of Participants, who in turn act on behalf of Indirect Participants and certain banks, the ability of a person having a beneficial interest in a Global Note to pledge such interest to persons or entities that do not participate in the DTC system, or to otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate.

So long as the Notes are represented by Global Notes and such Global Notes are held on behalf of DTC or any other clearing system, such clearing system or its nominee will be considered the sole holder of the Notes represented by the applicable Global Notes for all purposes under the Fiscal Agency Agreement, including, without limitation, obtaining consents and waivers thereunder, and neither the Fiscal Agent nor the Company shall be affected by any notice to the contrary. Neither the Fiscal Agent nor the Company shall have any responsibility or obligation with respect to the accuracy of any records maintained by any clearing system or any Participant of such clearing system. The clearing systems will take actions on behalf of their Participants (and any such Participants will take actions on behalf of any Indirect Participants) in accordance with their standard procedures. To the extent that any clearing system acts upon the direction of the holders of the beneficial interests in the applicable Global Note and such beneficial holders give conflicting instructions, the applicable clearing system may take conflicting actions in accordance with such instructions.

All interests in the Global Notes, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of their respective systems.

DTC has advised the Company that it will take any action permitted to be taken by a holder of Notes (including, without limitation, the presentation of Notes for exchange as described below) only at the direction of one or more Participants and only in respect of the principal amount of the Notes represented by the Global Note as to which such Participant or Participants has or have given such direction.

DTC has advised the Company as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "Clearing Agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic book-entry changes in accounts of its Participants, thereby eliminating the need for the physical movement of certificates.

Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is available to others, such as banks, brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a Participant, either directly or indirectly ("Indirect Participants").

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Company nor the Fiscal Agent will have any responsibility for the performance by DTC, Clearstream and Euroclear, or their respective Participants or Indirect Participants, of their respective obligations under the rules and procedures governing their operations.

Individual Notes

If DTC is at any time unwilling or unable to continue as depositary and a successor depositary is not appointed by the Company within 90 days or if there shall have occurred and be continuing an Event of Default (as defined below) with respect to the Notes and the Fiscal Agent has received a request from the holders of more than 25% in aggregate principal amount of the Outstanding Notes (as defined in the Fiscal Agency Agreement) to issue Notes in certificated form, the Company will issue individual Notes in certificated, definitive registered form in exchange for the Global Notes.

Subject to the transfer restrictions set forth on the individual Notes in certificated form, the holder of such individual Notes in certificated form may transfer or exchange such Notes in whole or in part by surrendering them at the Corporate Trust Office. Prior to any proposed transfer of individual Notes in certificated form (other than pursuant to an effective registration statement), the holder may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation to the Fiscal Agent as described under "—Notes; Delivery and Form" above. Upon the transfer, exchange or replacement of individual Notes in certificated form not bearing the legend referred to under "Transfer Restrictions", the Fiscal Agent will deliver individual Notes in certificated form that do not bear the legend. Upon the transfer, exchange or replacement of individual Notes in certificated form bearing the legend, or upon specific request for removal of the legend on an individual Note in certificated form, the Fiscal Agent will deliver only individual Notes in certificated form that bear such legend or shall refuse to remove such legend, as the case may be, unless there is delivered to the Company such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Company that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Redemption

Unless earlier redeemed in the limited circumstances set forth below, the Notes will mature on January 28, 2025 at a price equal to 100% of the principal amount thereof. Except as set forth below, the Notes are not redeemable at the option of the Company.

The notice of redemption will state any conditions applicable to a redemption and the amount of Notes to be redeemed. If less than all the Notes are to be redeemed, the Notes to be redeemed shall be selected by the Company on a pro rata basis.

Tax Redemption

Subject to applicable laws, the Notes may be redeemed at the option of the Company (or its successor), at any time in whole but not in part, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date fixed for redemption and any Additional Amounts if, as a result of any change in or amendment to the laws of India (or of any political subdivision or taxing authority thereof or therein) or any regulations or rulings promulgated thereunder, or any change in the official interpretation or official application of such laws, regulations or rulings, or any change in the official application or interpretation of, or any execution of or amendment to, any treaty or treaties affecting taxation to which India (or such political subdivision or taxing authority) is a party (each, a "Change in Tax Law"), which Change in Tax Law (i) in the case of the Company becomes effective on or after the date of this Offering Memorandum and (ii) in the case of any successor that is not organized in India, becomes effective on or after the date such successor assumes the Company's obligations under the Notes and the Fiscal Agency Agreement, the Company is or would be required on the next succeeding due date for a payment with respect to the Notes to pay Additional Amounts with respect to the Notes (as described below under "—Taxation") at a rate in excess of that applicable on the date of this Offering Memorandum and such obligation cannot be avoided by the use of reasonable measures available to the Company. Prior to any redemption of the Notes, the Company shall deliver to the Fiscal Agent a certificate stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of redemption have occurred. In the case of such a redemption, a notice shall be published in a leading newspaper having general circulation in the City of New York.

For the avoidance of doubt, references to the Company in "—Tax Redemption" shall include any successor entity to the Company.

Optional Redemption

In addition, subject to applicable laws, the Notes may be redeemed at the option of the Company, at any time in whole or from time to time in part, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to the greater of (1) the principal amount of the Notes to be redeemed and (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) of the Notes to be redeemed, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus 40 basis points, in each case plus accrued and unpaid interest thereon to the redemption date.

"Treasury Rate" means, for any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes to be redeemed.

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of the Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all of these quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Company.

"redemption date", when used with respect to any security to be redeemed, means the date fixed for such redemption by or pursuant to the Notes.

"Reference Treasury Dealer" means, each of Citigroup Global Markets Inc., The Hongkong and Shanghai Banking Corporation Limited, Merrill Lynch International, Standard Chartered Bank, Barclays Bank PLC, Deutsche Bank AG, Singapore Branch, J.P. Morgan Securities plc, Morgan Stanley & Co. International plc, Australia and New Zealand Banking Group Limited, BNP Paribas, Crédit Agricole Corporate and Investment Bank and The Royal Bank of Scotland plc (or their respective affiliates that are primary US Government securities dealers), and their respective successors, or if at any time any of the above is not a primary US Government securities dealer, one other nationally recognized investment banking firm selected by the Company that is a primary US Government securities dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

"Remaining Scheduled Payments" means, with respect to each Note to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related redemption date for such redemption; provided, however, that, if such redemption date is not an interest payment date with respect to such Note, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to such redemption date.

Repurchase Upon a Change of Control Triggering Event

Unless previously redeemed under "—Redemption" above, upon a Change of Control Triggering Event, the Company shall be required to make an offer to repurchase all or, at the option of the holder, any part of such holder's Notes at a price in cash equal to 101% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest on the principal amount of the Notes to be repurchased to, but excluding, the date of repurchase (a "Change of Control Offer").

Within 30 days following any Change of Control Triggering Event, the Company shall be required to give written notice to holders describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase all of the Notes on the date specified in the notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is given (the "Change of Control Purchase Date").

The Company shall not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes such an offer substantially in the manner, at the times and in compliance with the requirements for a Change of Control Offer (and for at least the same purchase price payable in cash) and such third party purchases all Notes properly tendered and not withdrawn under its offer.

A "Change of Control" will be deemed to have occurred if any Person or group of Persons acting in concert (which does not have control of the Company on the date of this Offering Memorandum) acquires control of the Company (whether directly or indirectly) and for this purpose "control" of the Company shall mean the holding of more than 50% of the voting rights attaching to the issued shares of the Company, the power to appoint and/or remove all or a majority of the members of the board of directors of the Company or otherwise directly or indirectly to control or have the power to control the affairs and policies of the Company.

"Change of Control Triggering Event" means the Notes cease to be rated Investment Grade by both of the Rating Agencies on any date during the period (the "Trigger Period") commencing 60 days prior to the first public announcement by the Company of any Change of Control (or pending Change of Control) and ending 60 days following consummation of such Change of Control (which Trigger Period will be extended following consummation of a Change of Control for so long as either of the Rating Agencies has publicly announced that it is considering a possible ratings change); provided that each Rating Agency publicly announces or confirms in writing to the Company that its downgrade of the Notes is principally the result of such Change of Control. If a Rating Agency is not providing a rating for the Notes at the commencement of any Trigger Period, the Notes will be deemed to have ceased to be rated Investment Grade by that Rating Agency during that Trigger Period. Notwithstanding the foregoing, no Change of Control Triggering Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

"Investment Grade" means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating category of Moody's) and a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P).

"Moody's" means Moody's Investors Services, Inc., a subsidiary of Moody's Corporation, and its successors.

"Person" means any individual, corporation, partnership, limited liability company, joint stock company, joint venture, association, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Rating Agency" means each of Moody's and S&P; provided that if any of Moody's and S&P ceases to provide rating services to issuers or investors, the Company may appoint an internationally recognized securities rating agency that is reasonably acceptable to it as a replacement for such Rating Agency.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

Purchases

The Company and its affiliates may at any time and from time to time purchase Notes in the open market or otherwise at any price, subject to applicable law. Such Notes may, at the option of the Company or the relevant affiliate, be held or surrendered to the Fiscal Agent for cancellation. The Notes so purchased, while held by or on behalf of the Company or any of its affiliates, shall not entitle the holder to vote at any meeting of Noteholders and shall not be deemed to be outstanding for the purpose of calculating the quorum at such a meeting.

Cancellation

All Notes redeemed or repurchased by the Company or any of its affiliates may not be reissued or resold, and the Notes redeemed or repurchased by the Company will forthwith be cancelled and all certificates (other than a certificate representing a Global Note) in respect of cancelled Notes will be forwarded to the Fiscal Agent for destruction.

Taxation

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within India or any authority therein or thereof having power to tax (collectively, "Withholding Taxes"), unless such withholding or deduction is required by law. In that event, the Company shall pay such additional amounts ("Additional Amounts") as will result in receipt by the holders of the Notes of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note:

(i) to a holder (or to a third party on behalf of a holder) who is subject to Withholding Taxes by reason of being resident in India for Indian tax purposes, receiving income in India, or having or having had some connection with India (or any political subdivision thereof) other than the mere holding of a Note;

(ii) which is surrendered (where required to be surrendered) more than 30 days after the Relevant Date, except to the extent that the holder of such Note would have been entitled to such Additional Amounts on surrender of such Note for payment on the last day of such period of 30 days. "Relevant Date" means whichever is the later of (a) the date on which such payment first becomes due and (b) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the holders of the Notes; or

(iii) to a holder or to a third party on behalf of a person who would have been able to avoid such withholding or deduction by duly presenting the Note (where presentation is required) to another paying agent; or

(iv) with respect to Withholding Taxes that would not have been imposed but for the failure by the holder or the beneficial holder to comply with a timely request of the Company addressed to the holder to provide certification or information concerning the nationality, residence or identity of the holder or beneficial owner of the Note, if compliance is required as a precondition to relief or exemption from the Withholding Taxes.

In addition, Additional Amounts shall not be paid with respect to any payment on a Note to a holder who is a fiduciary, a partnership or other than the sole beneficial owner of that payment to the extent that payment would be required by the laws of India (or any political subdivision thereof) to be included in the income of a beneficiary or settlor with respect to the fiduciary, a member of that partnership or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, member or beneficial owner been the holder.

The Company shall not pay any Additional Amounts with respect to withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United States.

Unless the context otherwise requires, any reference in the Notes to principal or interest shall be deemed also to refer to any Additional Amounts which may be payable as described above.

Certain Covenants

Negative Pledge

So long as any Note remains an Outstanding Note (as defined in the Fiscal Agency Agreement), the Company shall not create or permit to subsist any Security Interest (as defined below) for the benefit of the holders of any Securities (as defined below) upon the whole or any part of its property or assets, present or future, to secure:

(i) payment of any sum due in respect of any Securities;

(ii) any payment under any guarantee of any Securities; or

(iii) any indemnity or other like obligation in respect of any Securities,

without in any such case at the same time according to the Notes (x) the same Security Interest as is granted to or is outstanding in respect of such Securities or (y) such guarantee, indemnity or other like obligation or such other Security Interest as shall be approved by the holders of the Notes.

"Securities" means bonds, debentures, notes or other similar securities of the Company or any other person which both:

(a) are by their terms payable, or confer a right to receive payment, in, or by reference to, any currency other than rupees, or which are denominated in rupees and more than 50% of the aggregate principal amount thereof is initially distributed outside India by or with the authorization of the Company; and

(b) are for the time being quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market outside India.

"Security Interest" means any pledge, mortgage, lien, charge, hypothecation, encumbrance or other security interest.

Consolidation, Merger and Sale of Assets

The Company, without the consent of the holders of any of the Notes, may consolidate with, merge into, or sell, transfer, lease or convey its assets substantially as an entirety to any other entity, provided that (i) any successor entity expressly assumes the Company's obligations (including payment of Additional Amounts, if any, and provided that, for these purposes, if the successor entity is organized under the laws of or resident for tax purposes in a jurisdiction other than India or the United States, any state thereof or the District of Columbia, reference to such successor jurisdiction shall be included under "—Redemption—Tax Redemption" and "—Taxation" in addition to India in each place that "India" appears therein) under the Notes and the Fiscal Agency Agreement, (ii) after giving effect to the transaction, no Event of Default (as defined below) and no event, which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing, and (iii) certain other conditions specified in the Notes are satisfied.

Events of Default

With respect to the Notes, the occurrence and continuance of the following events will constitute events of default ("Events of Default"):

(i) failure to pay interest on any of the Notes within 10 days of the due date or failure to pay the principal amount thereof or any other amount thereon when due; or

(ii) the Company does not perform or comply with any one or more of its other obligations in the Notes or the Fiscal Agency Agreement, which default is not remedied within 45 days after notice of such default shall have been given to the Company by the holders of 25% or more of the aggregate principal amount of the outstanding Notes; or

(iii) (a) any other present or future indebtedness for borrowed money of the Company shall have been accelerated so that the same becomes due and payable prior to its stated maturity by reason of a default, and such acceleration shall not be rescinded or annulled (by reason of a remedy, cure or waiver thereof with respect to the default upon which such acceleration is based) within 21 days after such acceleration, or (b) any such indebtedness for borrowed money is not paid when due or, as the case may be, within any applicable grace period originally provided for, or (c) the Company fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any indebtedness for borrowed money provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iii) have occurred equals or exceeds US$100,000,000 or its equivalent; or

(iv) a distress, attachment, execution or other legal process is levied, enforced or sued upon or against any material part of the property, assets or revenues of the Company by any person or entity and is not either discharged or stayed within 120 days unless enforcement or suit is being contested in good faith and by appropriate proceedings; or

(v) an encumbrancer takes possession, or a receiver or other similar person is appointed over, or an attachment order is issued in respect of, the whole or any material part of the undertaking, property, assets or revenues of the Company and in any such case such possession, appointment or attachment is not stayed or terminated, or the debt on account of which such possession was taken or appointment or attachment was made is not discharged or satisfied within 120 days of such possession, appointment or the issue of such order; or

(vi) the Company is declared by a court of competent jurisdiction to be insolvent, bankrupt or unable to pay its debts, or stops, suspends or threatens to stop or suspend payment of all or a material part of its debts as they mature, or applies for, or consents to or suffers the appointment of an administrator, liquidator or receiver or other similar person in respect of the Company or over the whole or any material part of its undertaking, property, assets or revenues pursuant to any insolvency law and such appointment is not discharged or stayed within 60 days of its taking effect or takes any proceeding under any law for a readjustment or deferment of its obligations or any part of them or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors, except in any such case for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation not otherwise prohibited under the Notes and the Fiscal Agency Agreement; or

(vii) an order of a court of competent jurisdiction is made or an effective resolution passed for the winding-up or dissolution of the Company, or the Company ceases to carry on all or substantially all of its business or operations, except in any such case for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation not otherwise prohibited under the Notes and the Fiscal Agency Agreement; or

(viii) any Governmental authority or agency compulsorily purchases or expropriates all or any material part of the assets of the Company without fair compensation; or

(ix) any event occurs, which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (vi) and (vii) above.

As used in the above Events of Default, "indebtedness for borrowed money" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or capital leases or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash.

If an Event of Default shall occur and be continuing, the holders of not less than 25% in aggregate principal amount of the Notes then outstanding, by notice to the Company and the Fiscal Agent as provided in the Notes, may declare the principal of all the Notes, and the interest accrued thereon, to be immediately due and payable and/or seek payment of such amounts under the Notes.

Modification and Amendment

The Fiscal Agent may agree, without the consent of the Noteholders, to any modification of any of the provisions of the Fiscal Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error. Any such modification, authorization or waiver shall be binding on the Noteholders and such modification shall be notified to the Noteholders as soon as practicable by the Fiscal Agent.

The Company may at any time, and the Fiscal Agent shall (upon written request of holders of at least 25% of the aggregate outstanding principal amount of the Notes at any time after the Notes shall have become immediately due and payable due to an Event of Default), convene a meeting of holders of the Notes. At a meeting of the holders of the Notes, persons entitled to vote a majority in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum. In the absence of a quorum at any such meeting, the meeting may be adjourned; in the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned; at the reconvening of any meeting further adjourned for lack of a quorum, the persons entitled to vote 25% in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. Any resolution at a meeting of holders of Notes to modify or amend the Fiscal Agency Agreement or the Notes, or to waive future compliance with or past defaults of the Company of, any of the covenants or conditions referred to above (other than those set forth below as requiring the consent of each holder of a Note affected thereby), shall be adopted if passed by the lesser of (x) a majority in aggregate principal amount of the Notes then outstanding and (y) 75% in aggregate principal amount of the Notes represented and voting at the meeting.

Modifications and amendments to the Fiscal Agency Agreement or the Notes requiring consent of holders may be made, and future compliance therewith or past defaults by the Company may be waived, with the consent of the holders of more than 50% in aggregate principal amount of the Notes at the time outstanding, or such lesser percentage as may act at a meeting of holders; provided that no such modification, amendment or waiver of the Fiscal Agency Agreement or any Note may, without the consent of each holder affected thereby, (i) change the stated maturity of the principal of or date for payment of interest on any such Note; (ii) reduce the principal of or interest on any such Note; (iii) change the currency of payment of the principal of or interest on any such Note; (iv) change the provisions or procedures relating to the redemption or repurchase of the Notes; or (v) reduce the above-stated percentage of aggregate principal amount of Notes outstanding or reduce the quorum requirements or the percentage of votes required for the taking of any action.

Defeasance and Covenant Defeasance

The Fiscal Agency Agreement provides that the Company, at its option, (i) will be deemed to have been discharged from any and all obligations in respect of the Notes (except for certain obligations to pay any Additional Amounts in respect of any withholding or deduction for Indian taxes (as described above under "—Taxation") then unknown, to register the transfer of or exchange Notes, to replace stolen, lost, destroyed or mutilated Notes upon satisfaction of certain requirements (including, without limitation, providing such security or indemnity as the Fiscal Agent or the Company may require), to maintain paying agents and to hold certain monies in trust for payment) or (ii) need not comply with certain restrictive covenants of the Notes (including those described under "—Certain Covenants") ("Covenant Defeasance"), in each case if the Company deposits, in trust with the trustee (to be appointed pursuant to the terms of the Notes), money in an amount, or US Government Obligations that through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or a combination thereof, in each case sufficient to pay all the principal of, interest on, and any Additional Amounts in respect of any withholding or deduction for Indian taxes known at such time and required to be paid with regard to, the Notes, on the dates such payments are due in accordance with the terms of the Fiscal Agency Agreement and the Notes. In the case of discharge pursuant to clause (i) above, the Company is required to deliver to the Fiscal Agent an opinion of counsel stating that (a) the Company has received from, or there has been published by, the IRS, a ruling, or (b) since the date of the Fiscal Agency Agreement, there has been a change in the applicable United States federal income tax law, and based thereon in either case to the effect that the holders of the Notes will not recognize gain or loss for United States federal income tax purposes as a result of the exercise of the option under clause (i) above and will be subject to United States federal income tax on the same amount, in the same manner and at the same times as would have been the case if such option had not been exercised.

Further Issues

The Company may, from time to time, without notice to or the consent of the Holders of the Notes, "reopen" the Notes and create and issue additional notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, the issue price, the first payment of interest on such additional notes and, to the extent necessary, certain temporary securities laws transfer restrictions). Upon issuance, such additional notes will be consolidated and form a single series of notes with the Notes (a "Further Issue"), and will be deemed to be Notes for the purpose of, and subject to the terms of, the Fiscal Agency Agreement; provided that any notes issued as a part of a Further Issue that are consolidated and form a single series of notes with the Notes must be fungible with the Notes for US federal income tax purposes.

The period of resale restrictions applicable to any Notes previously offered and sold in reliance on Rule 144A under the Securities Act shall automatically be extended to the last day of the period of any resale restrictions imposed on any such additional Notes.

Fiscal Agent

Citibank, N.A., London Branch will be the Fiscal Agent under the Fiscal Agency Agreement. The Registered Office of the Fiscal Agent is located at 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (Fax: +44 22 07 508 3878), Attention: Agency and Trust. The Fiscal Agent is an agent of the Company and does not have the duties of a trustee with respect to the holders of the Notes.

The Fiscal Agent may resign at any time or may be removed by the Company. If the Fiscal Agent resigns, is removed or becomes incapable of acting as Fiscal Agent or if a vacancy occurs in the office of the Fiscal Agent for any cause, a successor Fiscal Agent will be appointed in accordance with the provisions of the Fiscal Agency Agreement. In such event, the Company will notify the SGX-ST where such appointment would have a material effect on the price or value of the Notes or on an investor's decision whether to trade in the Notes.

Paying Agent

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Company will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a global certificate is exchanged for definitive Notes. In addition, in the event that a global certificate is exchanged for definitive Notes, an announcement of such exchange shall be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore, so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

Listing and Trading

Approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of US$250,000 for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

Obligation Currency

The Company's obligation under the Notes to make all payments in US Dollars (the "Obligation Currency") will not be satisfied by any payment, recovery or any other realization or proceeds in any currency other than the Obligation Currency. The Company has agreed to indemnify the holders of the Notes in US Dollars for any shortfall in the aggregate amount of Obligation Currency actually received by such holders and the aggregate amount of payments due and payable.

Prescription

Claims in respect of principal and interest shall be prescribed unless made within a period of ten years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

Governing Law

The Fiscal Agency Agreement and the Notes will be governed by, and construed in accordance with, the laws of the State of New York.

Notices

Notices to Noteholders will be mailed to them at their respective addresses in the register of Notes. Any such notice will be deemed to have been given on the fourth day after being so mailed. So long as and to the extent that the Notes are represented by Global Notes and such Global Notes are held by DTC, notices to owners of beneficial interests in the Global Notes may be given by delivery of the relevant notice to DTC for communication by it to entitled account holders.

INDIAN GOVERNMENT FILINGS/APPROVALS

The Offering is authorized under the approval route of the RBI in accordance with and pursuant to the provisions of the Foreign Exchange Management (Borrowing and Lending in Foreign Exchange) Regulations, 2000 of India read with the Master Circular on External Commercial Borrowings and Trade Credits dated July 1, 2014 issued by the RBI, as modified from time to time by any rules, regulations, notifications, circulars, press notes or orders issued by the RBI or other governmental authority of India in relation to external commercial borrowings (the "ECB Guidelines"). The RBI has by its letters dated December 3, 2014 and December 4, 2014 granted its approval to the Company for the Offering.

The Company will make all required filings, registrations or reports with the relevant governmental authority of India from time to time, including, but not limited to, the filing of the requisite forms, reports and returns with the RBI through the authorized dealer (bank) in India in relation to the Offering in accordance with the ECB Guidelines.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Notes. Neither these statements nor any other statements in this Offering Memorandum are to be regarded as advice on the tax position of any holder or beneficial owner of the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws applicable in India or the country of which they are residents.

Indian Taxation

The following is a summary of the existing principal Indian tax consequences for non-resident investors subscribing to the Notes issued by the Company. The summary is based on existing Indian taxation law and practice in force at the date of this Offering Memorandum and is subject to change, possibly with retroactive effect. The summary does not constitute legal or tax advice and is not intended to represent a complete analysis of the tax consequences under Indian law of the acquisition, ownership or disposal of the Notes. Prospective investors should, therefore, consult their own tax advisers regarding the Indian tax consequences, as well as the tax consequences under any other applicable taxing jurisdiction, of acquiring, owning and disposing of the Notes.

Taxation of interest

Under Indian tax law, interest income paid by Indian issuers to non-resident persons on a long-term bond that qualifies for the benefit of the provisions of section 194LC of the Income Tax Act, will be subject to Indian withholding tax at the rate of 5% (plus (i) applicable surcharge, currently at a rate of 5%, and (ii) education cess and secondary and higher education cess, currently at a rate of 3%, in both cases, of the withholding tax, resulting in total current withholding rate of 5.41%). The Notes will qualify for the benefit of those provisions. The applicable tax must be withheld at source from interest payments.

As described in "Description of the Notes—Taxation," subject to certain exceptions the Company will pay such additional amounts as may be necessary in order that the net amount received by the Noteholders after the withholding or deduction of Indian taxes from interest payments will equal the amounts which would have been received absent such withholding or deduction.

A non-resident person that is entitled to a reduced tax rate under an applicable income tax treaty may be entitled to claim a refund of excess Indian tax withheld by filing a tax return with the Indian tax authorities and complying with other requirements set forth in the Income Tax Act (including, where applicable, furnishing to the Indian tax authorities a tax residence certificate issued by the government of the relevant jurisdiction containing the details prescribed by the Indian tax authorities). The treaty between India and the United States does not generally reduce this rate of withholding.

Taxation of gains arising on disposal

Any gains arising to a non-resident investor from disposal of the Notes held (or be deemed as held) as a capital asset will generally be subject to income tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be subject to income tax in India from disposal of the Notes held as a capital asset if the Notes are regarded as being situated outside India. Where securities such as the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by the Indian tax authorities with respect to the situs of the rights being offered in respect of the Notes. The Indian tax authorities may treat the Notes as being situated in India as the Company is incorporated in and a resident of India. If the Indian tax authorities treat the Notes as being situated in India, upon disposal of the Notes:

(i) a non-resident investor who has held the Notes for a period of more than 36 months immediately preceding the date of their disposal, would be liable to pay capital gains tax at varying rates of up to 20% of the capital gains (plus applicable surcharge, education cess and secondary and higher education cess), subject to the provisions of any applicable income tax treaty;

(ii) a non-resident investor who has held the Notes for a period of 36 months or less would be liable to pay capital gains tax at varying rates of up to 40% (plus applicable surcharge and educational cess and secondary and higher education cess) of the capital gains, subject to the provisions of any applicable income tax treaty; and

(iii) any gains arising to a non-resident investor from disposal of the Notes held as stock-in-trade would be subject to income tax in India to the extent, if any, that the gains are attributable to a "business connection in India" or, in cases where an income tax treaty is applicable, to a "permanent establishment" of the non-resident investor in India. A non-resident investor would be liable to pay Indian tax on such gains at varying rates of up to 40% (plus applicable surcharge and educational cess and secondary and higher education cess), subject to the provisions of any applicable income tax treaty.

The treaty between India and the United States does not modify the operation of these rules on taxation of gains upon disposal of the Notes.

Prospective investors should consult their own tax advisers with respect to the Indian tax consequences of a transfer of Notes.

Wealth Tax

No wealth tax is payable in relation to the Notes.

Estate Duty

No estate duty is payable in India in relation to the Notes. There are no inheritance taxes or succession duties currently imposed in respect of the Notes held outside India.

Gift Tax

No gift tax is payable in relation to the Notes in India.

Stamp Duty

A transfer of the Notes outside India will not give rise to any Indian stamp duty liability. Stamp duty would be payable if the Notes are brought into India for enforcement or for any other purpose. This stamp duty will have to be paid within a period of 3 months from the date the Notes are first received in India. The amount of stamp duty payable would depend on the applicable Stamp Act of the relevant state into which the Notes are brought.

Certain US Federal Income Tax Considerations

The following summary describes certain US federal income tax consequences to the US Holders described below of the ownership and disposition of the Notes. This discussion applies only to Notes that are:

- purchased by initial holders in this offering at the "issue price," which will equal the first price to the public (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the Notes is sold for money; and
- held as capital assets.

This discussion does not describe all of the tax consequences that may be relevant to a US Holder in light of the US Holder's particular circumstances, including alternative minimum tax or Medicare contribution tax consequences, or differing tax consequences which may be applicable to US Holders if the US Holders are, for instance:

- financial institutions;
- dealers or certain traders in securities;
- persons holding Notes as part of a hedge, "straddle," integrated transaction or similar transaction;
- persons whose functional currency for US federal income tax purposes is not the US Dollar;
- entities classified as partnerships for US federal income tax purposes;
- tax-exempt entities; or
- persons holding the Notes in connection with a trade or business outside the United States.

If an entity that is classified as a partnership for US federal income tax purposes owns Notes, the US federal income tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. Partnerships owning Notes and partners in such partnerships should consult their tax advisers as to the particular US federal income tax consequences of owning and disposing of the Notes.

This summary is based on the US Internal Revenue Code of 1986, as amended (the "Code"), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, changes to any of which subsequent to the date hereof may affect the tax consequences described herein. Persons considering the purchase of Notes are urged to consult their tax advisers with regard to the application of the US federal income tax laws to their particular situations, as well as any tax consequences arising under the laws of any state, local or non-US taxing jurisdiction.

As used herein, a "US Holder" is a person that, for US federal income tax purposes, is a beneficial owner of a Note and is:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to US federal income taxation regardless of its source.

Payments of Interest

It is expected, and therefore this discussion assumes, that the Notes will be issued without original issue discount for US federal income tax purposes. Accordingly, stated interest paid on a Note will be taxable to a US Holder as ordinary interest income at the time it accrues or is received in accordance with the US Holder's method of accounting for US federal income tax purposes.

The amount of interest taxable as ordinary income will include amounts withheld in respect of Indian taxes and any Additional Amounts paid in respect thereof. Interest income earned with respect to a Note will constitute foreign-source income for US federal income tax purposes. Subject to applicable limitations, some of which vary depending upon a US Holder's particular circumstances, Indian income taxes withheld from interest income on a note at a rate not in excess of any applicable treaty rate will be creditable against the US Holder's US federal income tax liability. The limitation on foreign taxes eligible for credit is calculated separately with respect to two specific classes of income. The rules governing foreign tax credits are complex, and US Holders should consult their tax advisers regarding the availability of foreign tax credits in their particular circumstances.

Sale or Other Taxable Disposition of the Notes

Upon the sale or other taxable disposition of a Note, a US Holder will recognize gain or loss equal to the difference between the amount realized on the sale or disposition and the US Holder's tax basis in the Note. A US Holder's tax basis in a Note will generally equal its cost of the Note. For these purposes, the amount realized does not include any amount attributable to accrued interest. Amounts attributable to accrued interest will be treated as interest as described in "—*Payments of Interest*" above.

Gain or loss realized on the sale or other taxable disposition of a Note generally will be capital gain or loss and will be long-term capital gain or loss if at the time of sale or disposition the Note has been held for more than one year. Long-term capital gains recognized by non-corporate US Holders currently are subject to US federal income tax at rates that are lower than the rates applicable to ordinary income. The deductibility of capital losses may be subject to limitations.

Any gain or loss will generally be US source for purposes of computing a US Holder's foreign tax credit limitation. As described in "—Indian Taxation" above, US Holders may be subject to Indian tax on the disposition of notes. US Holders should consult their tax advisers as to whether they would be able to credit any such Indian tax against their US federal income tax liabilities in their particular circumstances.

Information Reporting and Backup Withholding

Information reports may be filed with the IRS in connection with payments on the Notes or the payment of proceeds from a sale or other disposition of the Notes unless a US Holder is an exempt recipient. A US Holder may be subject to US backup withholding on such payments if the US Holder fails to provide its taxpayer identification number and comply with certain certification procedures or otherwise establish an exemption from backup withholding. The amount of any backup withholding from a payment to a US Holder will be allowed as a credit against the US Holder's US federal income tax liability and may entitle the US Holder to a refund, provided that the required information is timely furnished to the IRS.

Certain US Holders who are individuals (and under proposed Treasury Regulations, certain entities) may be required to report information relating to non-US accounts through which the US Holders may hold their Notes (or information regarding the Notes if the Notes are not held through any financial institution). US Holders should consult their tax advisers regarding their reporting obligations with respect to the Notes.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement among the Company and the Initial Purchasers named in the table below, the Company has agreed to sell to the Initial Purchasers, and each of the Initial Purchasers has agreed, severally and not jointly, to purchase from the Company, the principal amount of the Notes set forth opposite its name below.

Initial Purchaser	Principal Amount of the Notes
Citigroup Global Markets Inc.	US$100,000,000
The Hongkong and Shanghai Banking Corporation Limited	US$100,000,000
Merrill Lynch International	US$100,000,000
Standard Chartered Bank	US$100,000,000
Barclays Bank PLC	US$100,000,000
Deutsche Bank AG, Singapore Branch	US$100,000,000
J.P. Morgan Securities plc	US$100,000,000
Morgan Stanley & Co. International plc	US$100,000,000
Australia and New Zealand Banking Group Limited	US$50,000,000
BNP Paribas	US$50,000,000
Crédit Agricole Corporate and Investment Bank	US$50,000,000
The Royal Bank of Scotland plc	US$50,000,000
Total	**US$1,000,000,000**

Subject to the terms and conditions set forth in the purchase agreement, the Initial Purchasers have agreed, severally and not jointly, to purchase all of the Notes sold under the purchase agreement if any of these Notes are purchased. The purchase agreement provides that the obligations of the Initial Purchasers to purchase the Notes are subject to the delivery of certain legal opinions and to certain other conditions. The Initial Purchasers may offer and sell the Notes through their respective affiliates.

The purchase agreement provides that the Company, on the one hand, and the Initial Purchasers, on the other hand, will indemnify each other against certain liabilities, including liabilities under the Securities Act, and will contribute to payments the other may be required to make in respect of those liabilities.

To the extent the Initial Purchasers intend to make any offers or sales of the Notes in the United States, or to nationals or residents of the United States, they will do so only through one or more registered broker-dealers in compliance with applicable securities laws and regulations, as well as with applicable laws of the various states.

Commissions and Discounts

The Initial Purchasers propose initially to offer the Notes at the offering price set forth on the cover page of this Offering Memorandum. After the initial offering, the offering price or any other term of this offering may be changed.

The Notes Are Not Being Registered

The Notes have not been registered under the Securities Act or any state securities laws and may only be offered or sold in the United States or to or for the account of US Persons (as defined in Regulation S) pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state securities laws. The Initial Purchasers will not offer or sell the Notes except (1) in the United States to persons they reasonably believe to be "qualified institutional buyers" as defined in Rule 144A in accordance with Rule 144A or (2) outside the United States to non-US Persons in offshore transactions in reliance on Regulation S. Each of the Initial Purchasers has acknowledged and agreed that, except as permitted by the preceding sentence, it will not offer, sell or deliver the Notes (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the date upon which this offering of the Notes commences and the closing date, within the United States or to, or for the account or benefit of, US persons. Each of the

Initial Purchasers has agreed that at or prior to confirmation of a sale of Notes (other than a sale of Notes pursuant to Rule 144A), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from or through it prior to the expiration of such 40-day period a confirmation or notice setting forth the restrictions on offers and sales of Notes within the United States or to, or for the account or benefit of, US Persons. In addition, until 40 days following the commencement of this offering, an offer or sale of the Notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. Each purchaser of the Notes will be deemed to have made acknowledgments, representations and agreements as described under "Transfer Restrictions".

New Issue of Notes

The Notes are a new issue of securities with no established trading market. Approval in-principle has been received from the Singapore Exchange for the listing and quotation of the Notes on the Official List of the Singapore Exchange. The Company has been advised by the Initial Purchasers that they presently intend to make a market in the Notes after completion of this offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. The Company cannot assure the liquidity of the trading market for the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, the Company's operating performances and financial conditions, general economic conditions and other factors.

No Sales of Similar Securities

The Company has agreed that it will not, for a period of 30 days after the date of this Offering Memorandum, without first obtaining the prior written consent of the Initial Purchasers, directly or indirectly, offer, sell, contract to sell, pledge or otherwise dispose of, any debt securities or securities exchangeable for or convertible into debt securities, except for the Notes sold to the Initial Purchasers pursuant to the purchase agreement. The Initial Purchasers in their sole discretion may release any of the securities subject to these lock-up agreements at any time without notice.

Settlement

The Company expects that delivery of the Notes will be made against payment on or about the date specified on the cover page of this Offering Memorandum, which will be five business days (as such term is used for purposes of Rule 15c6-1 of the Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as "T+5"). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this Offering Memorandum or the next business day will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

Short Positions and Stabilizing Transactions

In connection with this offering, the Initial Purchasers may purchase and sell the Notes in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing purchases. Short sales involve the sale by the Initial Purchasers of a greater principal amount of the Notes than they are required to purchase in the offering. The Initial Purchasers must close out any short position by purchasing the Notes in the open market. A short position is more likely to be created if the Initial Purchasers are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions involve bids to purchase the Notes so long as the stabilizing bids do not exceed a specified maximum.

Similar to other purchase transactions, the Initial Purchasers' purchases to cover the syndicate short sales and stabilizing purchases may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

Neither the Company nor any Initial Purchaser makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither the Company nor any Initial Purchaser makes any representation that the Initial Purchasers will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice at any time. No assurance can be given as to the liquidity of, or the trading market for, the Notes.

Notice to Prospective Investors in the European Economic Area

The Offering Memorandum has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of the offering contemplated in the Offering Memorandum may only do so in circumstances in which no obligation arises for the Company or any of the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Company nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Company or the Initial Purchasers to publish or supplement a prospectus for such offer.

In relation to each Relevant Member State, with effect from and including the date on which the Prospectus Directive was implemented in that Relevant Member State (the "Relevant Implementation Date") no Notes have been offered or will be offered pursuant to this offering to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that with effect from and including the Relevant Implementation Date, offers of Notes may be made to the public in that Relevant Member State at any time:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member States, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Company or any Initial Purchaser to publish a prospectus pursuant to Article 3 or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

In the United Kingdom, each invitation of inducement to engage in investment activity (within the meaning of Section 21 of the UK Financial Services and Markets Act 2000 ("FSMA")) in connection with the offer of the Notes has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which Section 21(1) of FSMA does not apply to the Company.

The communication of this Offering Memorandum is not being made and this Offering Memorandum has not been approved by an authorized person for the purposes of Section 21 of the Financial Services and Markets Act 2000. Accordingly, the Offering Memorandum is not being distributed to, and must not be passed on to, the general public in the United Kingdom. In the United Kingdom, this Offering Memorandum is only directed at, and any investment or investment activity to which this Offering Memorandum relates is available only to, and will be engaged in only with, qualified investors as defined in the Prospective Directive who are (i) investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order")); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order, or other persons to whom it may lawfully be communicated (all such persons together being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in India

The Notes will not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any resident in India.

Notice to Prospective Investors in Hong Kong

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. Please note that (i) the Notes may not be offered or sold in Hong Kong by means of this document or any other document other than to professional investors within the meaning of Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong (Cap. 571) ("SFO") and any rules made thereunder ("professional investors"), or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong (Cap. 32) ("CO") or which do not constitute an offer or invitation to the public for the purposes of the CO or the SFO, and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes that is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes, which are or are intended to be disposed of only to persons outside Hong Kong or only to such professional investors.

Notice to Prospective Investors in Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1984, as amended, the "FIEA") and each Initial Purchaser has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any applicable laws, regulations and guidelines of Japan.

Notice to Prospective Investors in Singapore

This Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for acquisition, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased in reliance on an exemption under Sections 274 or 275 of the SFA, the Notes shall not be sold within the period of six months from the date of the initial acquisition of the Notes, except to any of the following persons:

(a) an institutional investor (as defined in Section 4A of the SFA);

(b) a relevant person (as defined in Section 275(2) of the SFA); or

(c) any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person, which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor (under Section 274 of the SFA), or to a relevant person (as defined in Section 275(2) of the SFA) and in accordance with the conditions specified in Section 275 of the SFA;

(ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

(iii) where no consideration is or will be given for the transfer;

(iv) where the transfer is by operation of law;

(v) as specified in Section 276(7) of the SFA; or

(vi) as specified in Regulations 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Other Relationships

Some of the Initial Purchasers and their affiliates have engaged in, currently engage in and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Company or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

The Initial Purchasers and their affiliates may also purchase the Notes or be allocated the Notes for asset management and/or proprietary purposes and not with a view to distribution.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes.

Each purchaser of the Notes, by accepting the delivery of this Offering Memorandum, will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

1. It is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion, and it and any such account (A) (i) is a "qualified institutional buyer" as defined in Rule 144A and (ii) is aware that the sale of the Notes to it is being made in reliance on Rule 144A or (B) is outside the United States and is not a US Person (as defined in Regulation S).

2. It understands and acknowledges that the Notes are being offered only in a transaction not involving any public offering in the United States, within the meaning of the Securities Act, and the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any jurisdiction and may not be offered or sold within the United States except as set forth below.

3. It understands and agrees that if in the future it decides to offer, sell, resell, pledge or otherwise transfer any Notes or any beneficial interests in any Notes other than Notes represented by a Regulation S Global Note, such Notes may be offered, sold, resold, pledged or otherwise transferred only (A) by an initial investor (i) to the Company or any subsidiary thereof, (ii) so long as the Notes are eligible for resale pursuant to Rule 144A, to a person whom the seller reasonably believes is a qualified institutional buyer (as defined in Rule 144A) that purchases for its own account or for the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (iii) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act or (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available) (resales described in subclauses (i) through (iv) of this clause (A), "Permitted Resales"), or (B) by a subsequent investor, in a Permitted Resale or pursuant to any other available exemption from the registration requirements under the Securities Act (provided that, as a condition to the registration of transfer of any Notes otherwise than in a Permitted Resale, the Company or the Fiscal Agent may require delivery of any documents or other evidence (including but not limited to an opinion of counsel) that it, in its sole discretion, may deem necessary or appropriate to evidence compliance with such exemption), or (C) pursuant to an effective registration statement under the Securities Act, and in each of such cases, in accordance with any applicable securities laws of any state of the United States and any other jurisdiction. It understands that no representation has been made as to the availability of Rule 144A or any other exemption under the Securities Act or any state securities laws for the offer, sale, resale, pledge or transfer of the Notes.

4. It agrees to, and each subsequent holder is required to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph 3 above, if then applicable.

5. It understands and agrees that (A) Notes initially offered in the United States to qualified institutional buyers will be represented by Rule 144A Global Notes and (B) that Notes offered outside the United States in reliance on Regulation S will be represented by Regulation S Global Notes.

6. It understands that the Rule 144A Global Notes will bear a legend to the following effect unless otherwise agreed to by the Company:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF RELIANCE INDUSTRIES LIMITED (THE "ISSUER") THAT THIS SECURITY MAY BE OFFERED, SOLD, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) BY AN INITIAL INVESTOR (AS DEFINED BELOW) (1) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (2) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A) THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) (RESALES DESCRIBED IN SUBCLAUSES (1) THROUGH (4) OF THIS CLAUSE (A), "PERMITTED RESALES"), OR (B) BY A SUBSEQUENT INVESTOR, IN A PERMITTED RESALE OR PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT (PROVIDED THAT, AS A CONDITION TO THE REGISTRATION OF TRANSFER OF ANY SECURITIES OTHERWISE THAN IN A PERMITTED RESALE, THE ISSUER OR THE FISCAL AGENT MAY REQUIRE DELIVERY OF ANY DOCUMENTS OR OTHER EVIDENCE (INCLUDING BUT NOT LIMITED TO AN OPINION OF COUNSEL) THAT IT, IN ITS SOLE DISCRETION, MAY DEEM NECESSARY OR APPROPRIATE TO EVIDENCE COMPLIANCE WITH SUCH EXEMPTION), OR (C) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF SUCH CASES, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A UNDER THE SECURITIES ACT FOR RESALES OF THE NOTES.

FOR ALL PURPOSES OF THIS SECURITY, THE TERM "INITIAL INVESTOR" MEANS ANY PERSON WHO, IN CONNECTION WITH THE INITIAL DISTRIBUTION OF THIS SECURITY, ACQUIRES SUCH SECURITY FROM THE ISSUER OR THE INITIAL PURCHASERS (AS SUCH TERM IS DEFINED IN THE FISCAL AGENCY AGREEMENT) PARTICIPATING IN SUCH DISTRIBUTION OR ANY AFFILIATE OF ANY OF THE FOREGOING."

7. It understands and agrees that if in the future it decides to resell, pledge or otherwise transfer any Notes represented by Regulation S Global Notes or any beneficial interest in any Notes represented by Regulation S Global Notes, such Notes may be resold, pledged or transferred only in accordance with the requirements of the legends set forth in paragraph 8 below.

8. It understands that the Notes represented by Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Company.

   "THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY JURISDICTION AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DELIVERED IN THE UNITED STATES TO OR FOR THE ACCOUNT OR BENEFIT OF ANY US PERSON (AS DEFINED IN REGULATION S), UNLESS SUCH SECURITIES ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF IS AVAILABLE. THIS LEGEND SHALL BE REMOVED AFTER THE EXPIRATION OF 40 DAYS FROM THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE SECURITIES AND THE CLOSING DATE, AS DEFINED IN THE PURCHASE AGREEMENT DATED JANUARY 21, 2015."

9. It acknowledges that, prior to any proposed transfer of Notes in certificated form or of beneficial interests in Notes represented by a global certificate (in each case other than pursuant to an effective registration statement), the holder of Notes or the holder of beneficial interests in Notes represented by a global certificate, as the case may be, may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the relevant Fiscal Agency Agreement.

10. It acknowledges that the Company and the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that, if any of such acknowledgments, representations or warranties deemed to have been made by it by its purchase of Notes are no longer accurate, it shall promptly notify the Company, and if it is acquiring any Notes as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

For further discussion of the requirements (including the presentation of transfer certificates) under the relevant Fiscal Agency Agreement to effect exchanges of transfer of interests in Notes represented by a global certificate and of Notes in certificated form, see "Description of the Notes—Notes; Delivery and Form".

DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN INDIAN GAAP AND US GAAP

The Annual Financial Statements and the unaudited Financial Information of the Company have been prepared in accordance with Indian GAAP, which differs in certain material respects from US GAAP.

The following table summarizes certain of the areas in which differences between Indian GAAP and US GAAP could be significant to the financial position and results of operations of the Company. US GAAP is an exhaustive set of standards, rules and interpretations issued by various authoritative agencies, and accordingly, no assurance can be given that the differences listed below cover all differences.

The Companies Act, 2013 ("2013 Act") was enacted on August 29, 2013, replacing the Companies Act, 1956. The 2013 Act contains a number of provisions which have implications for accounts, audits and auditors. These 2013 Act implications apply in addition to the Accounting Standard followed for the preparation of financial statements under Indian GAAP. The applicability of the 2013 Act on accounts, amongst other things, is effective from April 1, 2014, and hence, quarterly/half yearly financial information is prepared in compliance with the 2013 Act.

Further, no attempt has been made to identify future differences between Indian GAAP and US GAAP as a result of prescribed changes in accounting standards. The respective regulatory bodies that promulgate Indian GAAP and US GAAP are engaged in significant projects that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between Indian GAAP and US GAAP that may affect the financial information as a result of transactions or events that may occur in the future.

Potential investors should consult their own advisers for an understanding of the principal differences between Indian GAAP and US GAAP, and how these differences might affect the financial statements appearing in this Offering Memorandum.

Description	Indian GAAP	US GAAP
Contents of Financial Statements	Companies are required to present a balance sheet, statement of profit and loss and (if applicable) a cash flow statement along with descriptions of accounting policies and notes. A statement of changes in equity is not required. Comparative financial information is required for one year.	Companies are required to present a balance sheet, an income statement, a statement of shareholders' equity (including comprehensive income) and cash flows, together with descriptions of accounting policies and notes to the financial statements. SEC regulations generally require three years of comparative financial information (two years for the balance sheet).
Format	The format is prescribed under the Indian Companies Act.	No specific format is mandated for the financial statements. Generally, items are presented on the face of the balance sheet in decreasing order of liquidity. Income statement items may be presented using a single-step or a multiple-step format. Expenditures must be presented by function.
Accounting Convention	Historical cost, but fixed assets, other than intangibles, may be revalued.	Historical cost, though no revaluation is permitted except for some securities and derivatives at fair value.

Description	Indian GAAP	US GAAP
Revaluation of Property, Plant and Equipment	Revaluation of an entire class of fixed assets on a systematic basis is permitted based on an appraisal by a competent valuer. Any revision in value is accounted in revaluation reserve, a component of Reserves and Surplus under the head Shareholders' funds. Until March 31, 2014, an amount equivalent to incremental depreciation on revaluation portion is transferred to the profit and loss account, or income statement, from revaluation reserve.	Revaluations are not permitted.
Other Comprehensive Income	All items of income are included in net income, unless specifically permitted to be adjusted to reserves. For example, revaluation surplus and foreign currency translation reserve.	Certain revenues and expenses are excluded from net income and classified as other comprehensive income. Items included in other comprehensive income are classified based on their nature. Other comprehensive income is classified separately into (i) foreign currency items, (ii) minimum pension liability adjustments and unrealized gains and (iii) losses on certain investments in debt and equity securities.
Accounting Treatment for Changes in Accounting Policies	Includes effect in the income statement of the period in which the change is made except as specified in certain standards (transitional provisions) where the change during the transition period resulting from adoption of the standard has to be adjusted against opening retained earnings and the impact needs to be disclosed. Further, unlike US GAAP, change in depreciation method is considered a change in accounting policy.	Generally includes effect in the current year income statement through the recognition of a cumulative effect adjustment. Discloses pro forma comparatives. Retrospective adjustments for specific items. Further, it requires restating comparatives and prior year retained earnings.
Consolidation and Investment in Subsidiaries	Companies listed on stock exchanges are generally required to prepare consolidated financial statements under the relevant listing norms. However, separate stand-alone financial statements of the parent only are also required. In standalone financial statements of the parent, investments in subsidiaries are accounted for at cost less an allowance for other than temporary impairments. Current investments are carried at the lower of cost and fair value.	Consolidation is required for entities where the parent has majority financial control. Separate financial statements of the parent only are not required.

Description	Indian GAAP	US GAAP
	For the purposes of identifying the voting interests held in an investee, direct interests and those indirect interests held through a subsidiary are considered.	For the purposes of identifying the voting interests held in an investee, all direct and indirect interests are considered. Entities where the minority shareholder has protective rights only are consolidated. Entities where the minority shareholder has substantive participating rights overcome the presumption that the majority shareholder controls the entity thus precluding consolidation of the results of that entity. In such cases, the equity method of accounting applies.
	Reporting date differences between the parent and the subsidiary cannot be more than six months. Adjustments should be made for effects of significant transactions occurring between two dates.	Reporting date difference between the parent and the subsidiary cannot be more than three months. Disclosures should be made for significant intervening transactions.
	Consolidated financial statements should be prepared using uniform accounting policies. If not practicable, the proportions of the items accounted for using the different accounting policies should be disclosed.	Uses the Variable Interest Entity (VIE) model, and consolidation decisions are driven solely by the right to receive expected residual returns or exposure to expected losses. VIE in which a party could face risk of loss without having an equity interest are consolidated. Voting interest model is followed only when the VIE model is not applicable.
Investments in Associates or Affiliates	The equity method of accounting for investments in associates is required in consolidated financial statements wherever the same are prepared (generally for listed companies). There is no requirement to apply the equity method of accounting in the standalone financial statements of the parent and the same are accounted for in the same manner as other investments in the standalone financial statements of the parent.	Investments over which the investor can exert significant influence (generally presumed when the investor owns between 20% and 50% of the voting stock). Such investments are required to be accounted for using the equity method.
Interests in Joint Ventures in Consolidated Financial Statements	In the consolidated financial statements, the venturer should consolidate the joint venture if it is also a subsidiary or else report its interest in the jointly controlled entity using the proportionate consolidation method. The consolidation of such an entity does not preclude other venturer(s) from treating such an entity as a joint venture.	Predominantly uses the equity method, while the practice of proportional consolidation is found in the oil and gas industry in limited circumstances.

Description	Indian GAAP	US GAAP
Contents of Financial Statements—Disclosures	Generally, disclosures are not as extensive as under US GAAP. Disclosures are driven by the requirements of the Indian Companies Act and the accounting standards collectively referred to as Indian GAAP.	In general, US GAAP has extensive disclosure requirements. Areas where US GAAP requires specific additional disclosures include, among other things, concentrations of credit risk, significant customers and suppliers, use of estimates, income taxes, pensions and comprehensive income.
Business Combinations	No comprehensive accounting standard on business combinations. Existing standard applies to amalgamation under the Indian Companies Act and permits merger as well as acquisition method of accounting depending upon compliance with certain criteria.	Contains detailed guidelines. A business combination occurs when an entity acquires net assets that constitute a business or acquires equity interests of one or more entities and obtains control over that entity or entities.
	An entity acquired, other than on amalgamation, is taken at book value (actual cost incurred for acquiring the entity) for the purpose of consolidation. No fair value adjustments are considered in the consolidated accounts for such acquired entities. On consolidation, the assets and liabilities of the acquired entity are incorporated at their existing carrying amounts.	The use of the purchase method of accounting for business combinations is mandated. It requires intangible assets to be recognized. In case an intangible asset does not arise from contractual or other legal rights, it shall be recognized as an asset apart from goodwill only if it is separable.
	Under pooling method, the difference between consideration paid and the amount of share capital of transferor company is accounted in "Reserves/Goodwill". Under purchase method, net asset of the transferor company is recorded either at their existing carrying amounts or at its fair value. The difference between consideration paid and net asset acquired is taken to Goodwill/Capital Reserve.	Under purchase accounting, the consideration is measured at fair value, the purchase price is allocated to the fair values of the net assets acquired including intangibles, and goodwill is recognized for the difference between the consideration paid and the fair value of the net assets acquired. In case the sum of the amounts assigned to net assets exceed the cost of the acquired entity, the excess shall be allocated as a pro rata reduction of the amounts that otherwise would have been assigned to all of the acquired assets. If any excess remains after reducing the assets, the remaining excess shall be recognized as an extraordinary gain.
Start-up Costs and Intangible Assets	Expenditure incurred from the date of incorporation to the date of commencement of commercial operations and directly attributable to fixed assets is capitalized as part of the cost of the respective asset.	Costs in respect of any start-up are expensed as incurred.

Description	Indian GAAP	US GAAP
	The useful life of an intangible asset may be very long, but is always finite.	All intangible assets that have an indefinite useful life are required to be tested at least annually for impairment.
	If an intangible asset is amortized over a period exceeding ten years from the date when the asset is available for use, the company should estimate the recoverable amount of an intangible asset at least at each financial year-end, even if there is no indication that the asset is impaired. There is a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.	
Research and Development Cost	Research expenses are expensed when incurred. Expenses on development are allowed to be capitalized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.	All research and development costs are expensed when incurred except for such costs of materials and equipment or facilities that are acquired or constructed for research and development activities that have alternative future uses (such costs are capitalized).
Depreciation	A company selects the most appropriate method of depreciation based on factors such as the type, nature and use of such asset and circumstances prevailing in the business so as to charge a fair proportion of the depreciable amount in each accounting period during the expected useful life of the asset.	Depreciation is provided in a systematic and rational manner over the estimated useful economic life of the assets.
Impairment of Assets	Companies must assess whether there is any indication that an asset is impaired at each balance sheet date. If such an indication exists, the company is required to estimate the recoverable amount of the asset. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of such asset is reduced to its recoverable amount. Such reduction is reported as an impairment loss.	Impairment is indicated, and a detailed calculation must be performed, if an asset's carrying amount exceeds the expected future cash flows to be derived from the asset on an undiscounted basis. Impairment is measured based on fair value. The impairment review is based on undiscounted cash flows at the lowest level of independent cash flows. If the undiscounted cash flows are less than the carrying amount, the impairment loss must be measured using fair value.
	Reversal of an impairment loss is subjected to certain conditions.	Reversal of an impairment loss is prohibited.

Description	Indian GAAP	US GAAP
Borrowing Costs and Capitalized Interest	Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalized as a cost of such asset. The capitalization period begins when activities to ready the asset for use commence and ends when the asset is ready for use. Other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalized interest is expensed over the estimated useful life of the asset as part of the depreciation charge.	Interest costs are capitalized as part of the cost of an asset that is constructed or produced for a company's own use. The capitalization period begins when activities to ready the asset for use commence, and ends when the asset is ready for use. Capitalized interest is expensed over the estimated useful life of the asset as part of the depreciation charge. Borrowing costs generally include only interest. Income on temporary investments of funds borrowed for construction of an asset generally does not reduce borrowing costs eligible for capitalization.
	As per Accounting Standard 16, foreign exchange losses arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost are treated as a part of borrowing cost.	Foreign exchange gains or losses are not included in interest cost.
Investments	Investments are classified as long-term investments or current investments.	Investments in marketable equity and all debt securities are classified, according to management's holding intent and ability, into one of the following categories: trading, available-for-sale ("AFS") or held-to-maturity ("HTM").
	Long-term investments are measured at cost. Diminution in value of a long-term investment is provided for if it is considered as other than temporary in nature.	Trading securities are marked to fair value, with the resulting unrealized gain or loss recognized in the income statement.
	Current investments are carried at lower of cost and net realizable value.	AFS securities are marked to fair value, with the resulting unrealized gain or loss recorded directly in a separate component of equity called "other comprehensive income" until realized, at which time the gain or loss is reported in income.
		HTM debt securities are carried at amortized cost.
		Non-temporary impairments in the value of HTM and AFS investments are accounted for as realized losses.
		Reclassification is required from AFS into trading if the asset is put in a portfolio with a pattern of short-term profit taking. No reclassification from trading to AFS.

Description	Indian GAAP	US GAAP
		If investments classified as HTM are sold, such assets cannot be classified as HTM again.
Derivative Financial Instruments	In respect of forward contracts or instruments that are in substance forward exchange contracts with an underlying premium/discount at the inception is amortized over the life of contract. At each balance sheet date, these forward contracts are revalued at the closing rate.	US GAAP contains detailed guidance on accounting and reporting standards for derivative instruments and hedging activities, including certain derivative instruments embedded in other contracts, and requires that an entity recognize all derivatives as assets or liabilities in the balance sheet and measure them at fair value, with changes in fair value being recognized in earnings, unless it uses the effective hedge criterion, in which case the changes in fair value are recognized as other comprehensive income under shareholder's equity. The gain or loss on derivative financial instruments that are designated and effective as hedges is generally recognized as earnings in the same period as the corresponding gain or loss on the underlying transaction being hedged. In a fair value hedge, a derivative instrument is marked to its fair value through earning with an offsetting partial mark-to-fair-value of the hedged item (for the risk being hedged) through earnings. In a cash flow hedge, a derivative instrument is first marked to its fair value with the effective portion of the gain or loss reported initially in comprehensive income (equity) and the ineffective portion reported in earnings. The gain or loss on the derivative instrument is reclassified from equity into earnings in the same period as the loss or gain on the hedged cash flow.
Revenue Recognition	Principles of revenue recognition are promulgated. Revenue can be recognized when no uncertainty as to determination/realization exists.	Normative guidance prescribed for revenue recognition including segregation of transactions to reflect economic values.

Description	Indian GAAP	US GAAP
Inventories	Inventories are measured at lower of cost and net realizable value. Net realizable value is the estimated selling price less the estimated costs of completion and sale	Inventories are measured at the lower of cost and market. "Market" means current replacement cost. However, Market shall not exceed net realizable value and shall not be less than net realizable value reduced by an allowance for an approximately normal profit margin.
Deferred Taxation	Deferred tax is generally recognized for all timing differences. Timing differences are the differences between taxable income and accounting income for a period, which originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the enacted or the substantially enacted tax rate. A deferred tax asset should be recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets under existence of unabsorbed depreciation and carried forward losses under tax laws should be recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities should be disclosed under a separate heading in the balance sheet, separately from current assets and current liabilities.	Deferred tax liabilities and assets are recorded for the tax effect of all temporary differences between the tax and book bases of assets and liabilities and operating loss carry-forwards, at currently enacted tax rates expected to be in force when the temporary differences reverse. Changes in tax rates are reported in the income statement in the period of enactment. A valuation allowance is made against deferred taxes if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized. For companies entitled to a tax holiday, the tax consequences of temporary differences that reverse after the tax holiday, and which give rise to a liability, are recognized.
Retirement Benefits	AS-15 deals with accounting for retirement benefits. Actuarial gains or losses are recognized in the income statement.	Actuarial gains or losses are recognized in "Other Comprehensive Income" ("OCI") and amortized in the income statement over the remaining service period of the employees. Past service costs is presented within OCI with unrecognized actuarial gains and losses.
Compensated Absences	Leave encashment for compensated absences is viewed as retirement/long-term benefit and is reported based on actuarial valuation.	Compensated absences earned but not taken are reported as a liability based on the actual number of days of entitlement, priced at the balance sheet salary rate.

Description	Indian GAAP	US GAAP
Employee Stock Compensation	Listed companies have to comply with stipulations of Employee Stock Options Schemes and Employee Stock Purchase Scheme guidelines of the SEBI. The guidelines permit intrinsic and fair valuation accounting with detailed disclosure requirements.	Detailed guidelines prescribed with only fair valuation permitted for the purposes of measurement.
Foreign Exchange Differences	All exchange differences relating to monetary assets and liabilities are required to be charged to profit and loss account with an irrevocable option up to March 31, 2020 in respect of long-term monetary items in relation to acquisition of fixed assets, where the exchange difference can be adjusted to the carrying value of such fixed assets or for other long-term monetary items, in which case the exchange difference is transferred to "Foreign Currency Monetary Item Translation Difference Account" to be amortized by March 31, 2020 or settlement of such assets/liabilities, whichever is earlier.	Exchange differences relating to monetary assets and liabilities are recognized in the income statement.
Dividends	Presented as a part of Shareholders' fund being appropriation of accumulated profits. Dividends are accounted as liability in the years for which they are declared or proposed even after the balance sheet date but before the approval of the financial statements.	Dividends are recorded when they are declared and notice has been given to the shareholders.
Issuance and Redemption Costs for Certain Borrowings	Certain debts (bonds and securities), issuance costs and redemption premium payable upon the redemption of certain debts may be charged to the Securities Premium Account as per Section 78 of the Indian Companies Act, 1956. However, the Indian Companies Act, 2013 provides that certain companies having Accounting Standard compliant financial statements can provide for premiums payable on redemption of preference shares only out of profit.	All debt issuance costs are amortized using the effective interest rate method over the life of the debt. Redemption premiums are accrued as a yield adjustment over the life of the debt.

Description	Indian GAAP	US GAAP
Provisions	Discounting of liabilities is not permitted and all provisions are carried at their full values.	Where the effect of the time value of money is material, the amount of a provision may be the present value of the expenditures expected to be required to settle the obligation. The discount rate should be a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate should not reflect risks for which future cash-flow estimates have been adjusted and any change in present value of a provision is recognized as interest cost. A provision must only be discounted when the timing of the cash flows is fixed.
Guarantees	Guarantees are required to be disclosed as contingent liabilities.	A guarantor is required to recognize at inception a liability for the fair value of the obligation undertaken in issuing the guarantee, except for certain types of guarantees that are accounted for as derivatives or are reported as equity or guarantees between parents and subsidiaries.
Mandatorily Redeemable Preferred Shares	Instruments characterized as preferred shares are recorded as equity, even if they are mandatorily redeemable. Payment related to them is characterized as a dividend.	Mandatorily redeemable preferred shares are generally classified as a liability and any payments related to them, even if characterized as a dividend, are recorded as interest expense.
Segment Reporting	Reports primary and secondary (business and geographic) segments based on risks and returns and internal reporting structure.	Reports based on operating segments and the way the chief operating decision-maker evaluates financial information for purposes of allocating resources and assessing performance.
	Uses group accounting policies or entity accounting policy.	Uses internal financial reporting policies (even if accounting policies differ from group accounting policy).
Cash Flow Statements	Standard headings, but limited flexibility of contents. Uses direct or indirect method. However, for listed companies, only indirect method is required.	Similar headings to Indian GAAP, but more specific guidance for items included in each category. Uses direct or indirect method.

LEGAL MATTERS

Certain legal matters in connection with this offering will be passed upon for the Company by Davis Polk & Wardwell London LLP, the Company's US counsel, as to matters of United States federal and New York State law and by AZB & Partners, the Company's Indian law counsel, as to matters of Indian law. Certain legal matters in connection with this offering will be passed upon for the Initial Purchasers by Shearman & Sterling, the Initial Purchasers' US counsel, as to matters of United States federal and New York State law, and by J. Sagar Associates, the Initial Purchasers' Indian counsel, as to matters of Indian law.

INDEPENDENT AUDITORS

The financial statements of the Company as at and for each of the fiscal years ended March 31, 2014, 2013 and 2012 included in this Offering Memorandum have been audited by Deloitte Haskins & Sells LLP, Chaturvedi & Shah and Rajendra & Co., Chartered Accountants, as stated in their reports included herein.

The unaudited financial information of the Company for 9M FY2015 included in this Offering Memorandum has been reviewed by Deloitte Haskins & Sells LLP, Chaturvedi & Shah and Rajendra & Co., Chartered Accountants.

INDEX TO FINANCIAL STATEMENTS

Important Information

In the Annual Financial Statements included herein, the income statement is headed "Statement of Profit and Loss". Furthermore, information in the Annual Financial Statements is stated in rupees in "crore" or "lakh" (unless otherwise stated therein), whereas in the rest of this Offering Memorandum, financial information is stated in millions of rupees unless otherwise specified. One "crore" is equal to ten million. One "lakh" is equal to one hundred thousand.

Capitalized terms used in the Annual Financial Statements included herein may be defined differently than in the rest of this Offering Memorandum.

References in the Annual Financial Statements to "previous year" are to the financial year ended March 31 of the year immediately preceding that indicated in the header of the relevant page.

Reliance Industries Limited
Quarter/Nine Months Ended December 31, 2014
Unaudited Interim Non-Consolidated Financial Statements

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED 31st DECEMBER 2014

(₹ in crore, except per share data)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31 Dec'14	30 Sep'14	31 Dec'13	31 Dec'14	31 Dec'13	31 Mar'14 (Audited)
1	**Income from Operations**						
	(a) Net Sales/Income from operations (Net of excise duty and service tax)	80,196	96,486	103,521	273,033	294,924	390,117
	Total income from operations (net)	**80,196**	**96,486**	**103,521**	**273,033**	**294,924**	**390,117**
2	**Expenses**						
	(a) Cost of materials consumed	58,543	78,851	86,124	218,360	248,218	329,313
	(b) Purchases of stock-in- trade	1,951	1,736	3	5,403	511	524
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	4,907	(576)	2,579	2,211	1,648	412
	(d) Employee benefits expense	832	932	715	2,693	2,422	3,370
	(e) Depreciation, amortization and depletion expense	2,105	2,227	2,143	6,356	6,514	8,789
	(f) Other expenses	6,755	7,308	6,478	21,393	19,579	25,621
	Total Expenses	**75,093**	**90,478**	**98,042**	**256,416**	**278,892**	**368,029**
3	**Profit from operations before other income and finance costs**	**5,103**	**6,008**	**5,479**	**16,617**	**16,032**	**22,088**
4	Other Income	2,402	2,140	2,305	6,588	6,900	8,936
5	**Profit from ordinary activities before finance costs**	**7,505**	**8,148**	**7,784**	**23,205**	**22,932**	**31,024**
6	Finance costs	881	758	792	1,963	2,407	3,206
7	**Profit from ordinary activities before tax**	**6,624**	**7,390**	**6,992**	**21,242**	**20,525**	**27,818**
8	Tax expense	1,539	1,648	1,481	4,766	4,172	5,834
9	**Net Profit for the Period**	**5,085**	**5,742**	**5,511**	**16,476**	**16,353**	**21,984**
10	Paid up Equity Share Capital, Equity Shares of ₹ 10/- each.	3,235	3,234	3,231	3,235	3,231	3,232
11	Reserves excluding revaluation reserves						1,93,842
12	Earnings per share (Face value of ₹ 10)						
	(a) Basic	15.7	17.7	17.1	50.9	50.6	68.0
	(b) Diluted	15.7	17.7	17.1	50.9	50.6	68.0
A	**PARTICULARS OF SHAREHOLDING**						
1	Public shareholding (including GDR holders)						
	- Number of Shares (in crore)	177.11	177.02	176.73	177.11	176.73	176.79
	- Percentage of Shareholding (%)	54.75	54.74	54.69	54.75	54.69	54.70
2	Promoters and Promoter Group shareholding						
	a) Pledged / Encumbered						
	- Number of shares (in crore)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of Promoters and Promoter Group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
	b) Non – Encumbered						
	- Number of shares (in crore)	146.40	146.40	146.39	146.40	146.39	146.40
	- Percentage of shares (as a % of the total shareholding of Promoters and Promoter Group)	100	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	45.25	45.26	45.31	45.25	45.31	45.30

Reliance Industries Limited
Quarter/Nine Months Ended December 31, 2014
Unaudited Interim Non-Consolidated Financial Statements

Notes:

1. The figures for the corresponding previous periods have been reworked/regrouped wherever necessary, to make them comparable.

2. The Government of India (GoI), by its letters dated 2nd May, 2012, 14th November, 2013 and 10th July, 2014 has communicated that it proposes to disallow certain costs which the Production Sharing Contract (PSC), relating to Block KG-DWN-98/3 entitles the Company to recover. Based on legal advice received, the Company continues to maintain that a Contractor is entitled to recover all of its costs under the terms of the PSC and there are no provisions that entitle the Government to disallow the recovery of any Contract Cost as defined in the PSC. The Company has already referred the issue to arbitration and already communicated the same to GoI for resolution of disputes.

3. Pursuant to the enactment of the Companies Act 2013 (the Act), the Company has, effective 1st April 2014, reviewed and revised the estimated useful lives of its fixed assets, generally in accordance with the provisions of Schedule II to the Act. The consequential impact (after considering the transition provision specified in Schedule II) on the depreciation charged and on the results for the quarter is not material.

4. Based on alternate interpretation for calculation of diluted EPS as per Accounting Standard (AS) 20 the diluted EPS for the quarter ending Dec 14, Sep 14 & Dec 13, Nine month ending Dec 14 & Dec 13 and Year ended Mar 14 are ₹ 15.7, ₹ 17.7, ₹ 17.0, ₹ 50.8, ₹ 50.5 and ₹ 67.9 respectively.

5. There were no investor complaints pending as on 1st October 2014. All the 646 complaints received during the quarter ended 31st December 2014 were resolved and no complaints were outstanding as on 31st December 2014.

6. The Audit Committee has reviewed the above results and the Board of Directors have approved the above results and its release at their respective meetings held on 16th January 2015. The Statutory Auditors of the Company have carried out a Limited Review of the aforesaid results.

Reliance Industries Limited
Quarter/Nine Months Ended December 31, 2014
Unaudited Interim Non-Consolidated Financial Statements

UNAUDITED STANDALONE SEGMENT INFORMATION FOR THE QUARTER / NINE MONTHS ENDED 31st DECEMBER 2014

₹ in crore

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31 Dec'14	30 Sep'14	31 Dec'13	31 Dec'14	31 Dec'13	31 Mar'14 (Audited)
1.	**Segment Revenue**						
	- Petrochemicals	21,306	24,932	25,280	69,953	72,122	96,465
	- Refining	73,152	91,781	95,432	255,931	274,346	361,970
	- Oil and Gas	1,347	1,380	1,733	4,284	4,651	6,068
	- Others	373	221	209	787	1,155	1,549
	Gross Turnover (Turnover and Inter Segment Transfers)	**96,178**	**118,314**	**122,654**	**330,955**	**352,274**	**466,052**
	Less: Inter Segment Transfers	13,531	18,544	16,271	49,154	48,779	64,750
	Turnover	**82,647**	**99,770**	**106,383**	**281,801**	**303,495**	**401,302**
	Less: Excise Duty / Service Tax Recovered	2,451	3,284	2,862	8,768	8,571	11,185
	Net Turnover	**80,196**	**96,486**	**103,521**	**273,033**	**294,924**	**390,117**
2.	**Segment Results**						
	- Petrochemicals	2,197	2,403	2,124	6,485	6,516	8,612
	- Refining	3,199	3,788	3,141	10,760	9,266	13,220
	- Oil and Gas	267	332	540	1,086	1,248	1,626
	- Others	74	66	94	192	220	419
	Total Segment Profit before Interest and Tax	**5,737**	**6,589**	**5,899**	**18,523**	**17,250**	**23,877**
	(i) Interest Expense	(881)	(758)	(792)	(1,963)	(2,407)	(3,206)
	(ii) Interest Income	1,333	1,441	1,847	4,131	5,026	6,472
	(iii) Other Un-allocable Income (Net of Expenditure)	435	118	38	551	656	675
	Profit before Tax	**6,624**	**7,390**	**6,992**	**21,242**	**20,525**	**27,818**
	(i) Provision for Current Tax	(1,378)	(1,539)	(1,459)	(4,424)	(4,286)	(5,812)
	(ii) Provision for Deferred Tax	(161)	(109)	(22)	(342)	114	(22)
	Profit after Tax	**5,085**	**5,742**	**5,511**	**16,476**	**16,353**	**21,984**
3.	**Capital Employed (Segment Assets – Segment Liabilities)**						
	- Petrochemicals	46,765	47,158	44,910	46,765	44,910	44,595
	- Refining	79,086	70,888	54,828	79,086	54,828	66,373
	- Oil and Gas	31,454	30,701	29,888	31,454	29,888	28,571
	- Others	38,982	38,376	33,799	38,982	33,799	38,709
	- Unallocated	117,534	117,762	125,124	117,534	125,124	124,288
	Total Capital Employed	**313,821**	**304,885**	**288,549**	**313,821**	**288,549**	**302,536**

Reliance Industries Limited
Quarter/Nine Months Ended December 31, 2014
Unaudited Interim Non-Consolidated Financial Statements

Notes to Segment Information (Standalone) for the Quarter/ Nine Months Ended 31st December 2014

1. As per Accounting Standard 17 on 'Segment Reporting' (AS 17), the Company has reported 'Segment Information', as described below:

    a) The **petrochemicals** segment includes production and marketing operations of petrochemical products namely, High density Polyethylene, Low density Polyethylene, Linear Low density Polyethylene, Polypropylene, Polyvinyl Chloride, Polyester Yarn, Polyester Fibres, Purified Terephthalic Acid, Paraxylene, Ethylene Glycol, Olefins, Aromatics, Linear Alkyl Benzene, Butadiene, Acrylonitrile, Poly Butadiene Rubber, Caustic Soda and Polyethylene Terephthalate.

    b) The **refining** segment includes production and marketing operations of the petroleum products.

    c) The **oil and gas** segment includes exploration, development and production of crude oil and natural gas.

    d) The smaller business segments not separately reportable have been grouped under the **others** segment.

    e) Capital employed on other investments / assets and income from the same are considered under unallocable.

Reliance Industries Limited
2014 Audited Non-Consolidated Financial Statements

Independent Auditors' Report

TO THE MEMBERS OF
RELIANCE INDUSTRIES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Reliance Industries Limited (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013
   e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Chaturvedi & Shah**	For **Deloitte Haskins & Sells LLP**	For **Rajendra & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
(Registration No. 101720W)	(Registration No. 117366W/ W-100018)	(Registration No. 108355W)
D. Chaturvedi	**A. B. Jani**	**A. R. Shah**
Partner	**Partner**	**Partner**
Membership No.: 5611	Membership No.: 46488	Membership No.:47166

Mumbai

Date : April 18, 2014

Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

1. In respect of its fixed assets:
   a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
   b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
   c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
   a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
   b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
   c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
   a) The Company has given loans to two subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year was ₹ 20,955 crore and the year-end balance is ₹ 18,941 crore (including interest free loan of ₹ 13,454 crore).
   b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company, are not prima facie prejudicial to the interest of the Company.
   c) The principal amounts are repayable over a period of three to five years, while the interest is payable annually, both at the discretion of the Company.
   d) In respect of the said loans and interest thereon, there are no overdue amounts.
   e) The Company has not taken any loan during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
   (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
   a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund,

Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date of becoming payable. Amounts due and outstanding for a period exceeding 6 months as at March 31, 2014 to be credited to Investor Education and Protection Fund of ₹ 12 crore, which are held in abeyance due to pending legal cases, have not been considered.

b) Details of dues of Sale Tax, Custom Duty and Excise Duty which have not been deposited as on March 31, 2014 on account of disputes are given below:

Sr. No	Name of the Statute	Nature of the Dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
1.	Central Excise Act, 1944	Excise Duty and Service Tax	17	Various years from 1990-91 to 2012-13	Commissioner of Central Excise (Appeals)
			132	Various years from 1991-92 to 2012-13	Central Excise & Service Tax Appellate Tribunal
			1	1982-83 to 1985-86	Supreme Court
2.	Central Sales Tax Act, 1956 and Sales Tax Acts of various states	Sales Tax/ VAT and Entry Tax	60	Various years from 1991-92 to 2009-10	Joint/Deputy Commissioner/ Commissioner (Appeals)
			488	Various years from 1993-94 to 2008-09	Sales Tax Appellate Tribunal
			125	Various years from 1994-95 to 2009-10	High Court
			1	2007-08 to 2008-09	Supreme Court
3.	Customs Act, 1962	Custom Duty	20	2007-08	Central Excise & Service Tax Appellate Tribunal
	TOTAL		**844**		

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
15. The Company has given guarantees for loans taken by Others from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not *prima facie* prejudicial to the interest of the Company.
16. The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has created securities / charges in respect of secured debentures issued.
20. The Company has not raised any monies by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **Chaturvedi & Shah** Chartered Accountants (Registration No. 101720W)	For **Deloitte Haskins & Sells LLP** Chartered Accountants (Registration No. 117366W/ W-100018)	For **Rajendra & Co.** Chartered Accountants (Registration No. 108355W)
D. Chaturvedi **Partner** Membership No.: 5611	**A. B. Jani** **Partner** Membership No.: 46488	**A. R. Shah** **Partner** Membership No.:47166

Mumbai

Date : April 18, 2014

Reliance Industries Limited
Balance Sheet as at 31st March, 2014

(₹ in crore)

	Note	As at 31st March, 2014		As at 31st March, 2013	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	3,232		3,229	
Reserves and Surplus	2	1,93,842		1,76,766	
			1,97,074		1,79,995
Share Application Money Pending Allotment	1		17		25
Non-Current Liabilities					
Long Term Borrowings	3	62,711		43,012	
Deferred Tax Liability (net)	4	12,215		12,193	
			74,926		55,205
Current Liabilities					
Short Term Borrowings	5	22,770		11,511	
Trade Payables	6	57,862		45,787	
Other Current Liabilities	7	10,767		21,640	
Short Term Provisions	8	4,167		4,348	
			95,566		83,286
TOTAL			3,67,583		3,18,511
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	9	80,424		82,962	
Intangible Assets	9	28,982		26,786	
Capital Work-in-Progress	9	32,673		13,525	
Intangible Assets under Development	9	9,043		5,591	
Non-Current Investments	10	52,692		24,143	
Long Term Loans and Advances	11	28,436		21,528	
			2,32,250		1,74,535
Current Assets					
Current Investments	12	33,370		28,366	
Inventories	13	42,932		42,729	
Trade Receivables	14	10,664		11,880	
Cash and Bank Balances	15	36,624		49,547	
Short Term Loans and Advances	16	11,277		10,974	
Other Current Assets	17	466		480	
			1,35,333		1,43,976
TOTAL			3,67,583		3,18,511
Significant Accounting Policies					
Notes on Financial Statements	1 to 37				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For **Rajendra & Co.**
Chartered Accountants

D. Chaturvedi
Partner

A. B. Jani
Partner

A.R. Shah
Partner

Mumbai
Date : April 18, 2014

Alok Agarwal
Chief Financial Officer

K. Sethuraman
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani
H.R. Meswani
P.M.S. Prasad
P. K. Kapil
Executive Directors

M.L. Bhakta
Y.P. Trivedi
Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
Adil Zainulbhai
Directors

Reliance Industries Limited
2014 Audited Non-Consolidated Financial Statements

Reliance Industries Limited
Statement of Profit and Loss for the year ended 31st March, 2014

(₹ in crore)

	Note	2013-14		2012-13	
INCOME :					
Revenue from Operations					
Sale of Products	18	4,01,200		3,71,021	
Income from Services		102		98	
		4,01,302		3,71,119	
Less: Excise Duty / Service Tax Recovered		11,185		10,822	
Net Revenue from Operations			3,90,117		3,60,297
Other Income	19		8,936		7,998
Total Revenue			3,99,053		3,68,295
EXPENDITURE :					
Cost of Materials Consumed	20		3,29,313		3,06,127
Purchases of Stock-in-Trade			524		502
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	21		412		(3,317)
Employee Benefits Expense	22		3,370		3,354
Finance Costs	23		3,206		3,036
Depreciation and Amortisation Expense	24		8,789		9,465
Other Expenses	25		25,621		22,844
Total Expenses			3,71,235		3,42,011
Profit Before Tax			27,818		26,284
Tax Expenses					
Current Tax			5,812		5,244
Deferred Tax			22		37
Profit for the year			21,984		21,003
Earnings per equity share of face value of ₹ 10 each					
Basic and Diluted (in ₹)	30		68.05		64.82
Significant Accounting Policies					
Notes on Financial Statements	1 to 37				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

A. B. Jani
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Mumbai
Date : April 18, 2014

Alok Agarwal
Chief Financial Officer

K. Sethuraman
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani
H.R. Meswani
P.M.S. Prasad
P. K. Kapil
Executive Directors

M.L. Bhakta
Y.P. Trivedi
Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
Adil Zainulbhai
Directors

Reliance Industries Limited
Cash Flow Statement for the year 2013-14

(₹ in crore)

		2013-14			2012-13
A:	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit before tax as per Statement of Profit and Loss		**27,818**		26,284
	Adjusted for:				
	Net Prior Year Adjustments	-		3	
	Write off of investment	**25**		-	
	Loss on Sale / Discard of Assets (net)	**44**		34	
	Depreciation and Amortisation Expense	**8,789**		9,465	
	Effect of Exchange Rate Change	**2,739**		1,039	
	Net gain on Sale of Investments	**(2,348)**		(1,658)	
	Dividend Income	**(91)**		(77)	
	Interest Income	**(6,472)**		(6,245)	
	Finance Costs	**3,206**		3,036	
			5,892		5,597
	Operating Profit before Working Capital Changes		**33,710**		31,881
	Adjusted for:				
	Trade and Other Receivables	**413**		5,594	
	Inventories	**(203)**		(6,086)	
	Trade and Other Payables	**14,305**		6,274	
			14,515		5,782
	Cash Generated from Operations		**48,225**		37,663
	Net Prior Year Adjustments		-		(3)
	Taxes Paid (net)		**(6,065)**		(4,665)
	Net Cash from Operating Activities		**42,160**		32,995
B:	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets		**(32,456)**		(15,944)
	Sale of Fixed Assets		**57**		33
	Purchase of Investments		**(7,78,343)**		(4,79,071)
	Sale / Redemption of Investments		**7,47,111**		4,81,203
	Movement in Loans and Advances		**(3,911)**		(7,546)
	Investment in fixed deposits		**(3,400)**		-
	Interest Income		**6,838**		6,451
	Dividend Income		**91**		77
	Net Cash (used in) Investing Activities		**(64,013)**		(14,797)

Cash Flow Statement for the year 2013-14 (Continued)

(₹ in crore)

		2013-14	2012-13
C:	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from Issue of Share Capital	**183**	12
	Share Application Money	**17**	25
	Buyback of Equity Shares	**-**	(3,087)
	Proceeds from Long Term Borrowings	**20,500**	10,262
	Repayment of Long Term Borrowings	**(19,672)**	(10,306)
	Short Term Borrowings (net)	**11,648**	1,274
	Dividends Paid (including dividend distribution tax)	**(3,093)**	(2,924)
	Interest Paid	**(4,053)**	(3,505)
	Net Cash Generated from / (used in) Financing Activities	**5,530**	(8,249)
	Net (Decrease)/ Increase in Cash and Cash Equivalents	**(16,323)**	9,949
	Opening Balance of Cash and Cash Equivalents	**49,547**	39,598
	Add: On Amalgamation ₹ NIL (Previous Year ₹ 16,96,263) (Refer Note No. 33)	**-**	-
	Closing Balance of Cash and Cash Equivalents (Refer Note No. 15)	**33,224**	49,547

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

A. B. Jani
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Mumbai
Date : April 18, 2014

Alok Agarwal
Chief Financial Officer

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Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani
H.R. Meswani
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Executive Directors

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Y.P. Trivedi
Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
Adil Zainulbhai
Directors

Significant Accounting Policies

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The financial statements are prepared on accrual basis under the historical cost convention, except for certain fixed assets which are carried at revalued amounts. The financial statements are presented in Indian rupees rounded off to the nearest rupees in crore.

B. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

C. FIXED ASSETS

Tangible Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress.

Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

D. LEASES

a) Operating Leases: Rentals are expensed on a straight line basis with reference to lease terms and other considerations.

b) (i) Finance leases prior to 1st April, 2001: Rentals are expensed with reference to lease terms and other considerations.

   (ii) Finance leases on or after 1st April, 2001: The lower of the fair value of the assets and present value of the minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Statement of Profit and Loss.

c) However, rentals referred to in (a) or (b) (i) above and the interest component referred to in (b) (ii) above, pertaining to the period upto the date of commissioning of the asset are capitalised.

d) All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Initial direct costs in respect of lease are expensed in the period in which such costs are incurred. Income from lease assets is accounted by applying the interest rate implicit in the lease to the net investment.

E. DEPRECIATION, AMORTISATION AND DEPLETION

Tangible Assets

Depreciation on fixed assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method except in case of assets pertaining to Refining segment and SEZ units / developer where depreciation is provided on Straight Line Method (SLM). Depreciation is provided at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following assets, where rates higher than those prescribed in Schedule XIV are used;

Significant Accounting Policies

Particular	Depreciation
Fixed bed catalyst (useful life:2 years or more)	Over its useful life as technically assessed
Fixed bed catalyst (useful life: up to 2 years)	100% depreciated in the year of addition
Assets acquired from 1st April, 2001 under finance lease	Over the period of lease term
Premium on leasehold land	Over the period of lease term

In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets, depreciation is provided as aforesaid over the residual life of the respective assets. In respect of amounts added on revaluation, depreciation is provided as aforesaid over the residual lives of the assets as certified by the valuers'.

Intangible Assets

These are amortised as under:

Particular	Amortisation / Depletion
Technical Know-how	Over the useful life of the underlying assets
Computer software	Over a period of 5 years
Development Rights	Depleted in proportion of oil and gas production achieved vis-a-vis the proved reserves (net of reserves to be retained to cover abandonment costs as per the production sharing contract and the Government of India's share in the reserves, where applicable) considering the estimated future expenditure on developing the reserves as per technical evaluation
Others	Over the period of agreement of right to use, provided that in case of jetty, the aggregate amount amortised to date is not less than the aggregate rebate availed by the Company.

F. IMPAIRMENT

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

G. FOREIGN CURRENCY TRANSACTIONS

a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

b. Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

c. Non-monetary foreign currency items are carried at cost.

d. In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year end rates.

e. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss, except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

H. INVESTMENTS

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

Significant Accounting Policies

I. INVENTORIES

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

J. REVENUE RECOGNITION

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, service tax, excise duty and sales during trial run period, adjusted for discounts (net), and gain/loss on corresponding hedge contracts.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

EXCISE DUTY / SERVICE TAX

Excise duty / Service tax is accounted on the basis of both, payments made in respect of goods cleared / services provided and provisions made for goods lying in bonded warehouses.

K. EMPLOYEE BENEFITS

Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Statement of Profit and Loss.

Employee Separation Costs

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is charged to the Statement of Profit and Loss in the year of exercise of option by the employee.

L. BORROWING COSTS

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

Significant Accounting Policies

M. RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised.

N. FINANCIAL DERIVATIVES AND COMMODITY HEDGING TRANSACTIONS

In respect of derivative contracts, premium paid, gains/losses on settlement and losses on restatement are recognised in the Statement of Profit and Loss except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

O. INCOME TAXES

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/ period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

P. PREMIUM ON REDEMPTION OF BONDS / DEBENTURES

Premium on redemption of bonds/debentures, net of tax impact, are adjusted against the Securities Premium Reserve.

Q. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

R. ACCOUNTING FOR OIL AND GAS ACTIVITY

The Company has adopted Full Cost Method of accounting for its' Oil and Gas activities and all costs incurred are accumulated considering the country as a cost centre. Costs incurred on acquisition of interest in oil and gas blocks and on exploration and evaluation are accounted for as capital work-in-progress. Upon a reserve being either 'proved' or deemed to be 'dry', the costs accumulated in capital work-in-progress are capitalised to intangible assets. Development costs incurred thereafter in respect of 'proved' reserves are capitalised to the said intangible asset. All costs relating to production are charged to the Statement of Profit and Loss.

Oil and Gas Joint Ventures are in the nature of Jointly Controlled Assets. Accordingly, assets and liabilities as well as income and expenditure are accounted on the basis of available information on a line-by-line basis with similar items in the Company's financial statements, according to the participating interest of the Company.

Notes on Financial Statements for the Year ended 31st March, 2014

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

1. SHARE CAPITAL

(₹ in crore)

			As at 31st March, 2014		As at 31st March, 2013
Authorised Share Capital:					
500,00,00,000 (500,00,00,000)	Equity Shares of ₹ 10 each		**5,000**		5,000
100,00,00,000 (100,00,00,000)	Preference Shares of ₹ 10 each		**1,000**		1,000
			6,000		6,000
Issued, Subscribed and Paid up:					
323,19,01,858 (322,86,63,382)	Equity Shares of ₹ 10 each fully paid up	**3,232**		3,229	
	Less: Calls in arrears - by others [₹ 3,113 (Previous Year ₹ 3,653)]	-		-	
			3,232		3,229
TOTAL			**3,232**		3,229

1.1	162,67,93,078 (162,67,93,078)	Shares were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium and Reserves.
1.2	6,92,52,623 (6,92,52,623)	Shares were allotted in the last five years pursuant to the Scheme of amalgamation with Reliance Petroleum Limited without payments being received in cash.
1.3	45,04,27,345 (45,04,27,345)	Shares were allotted on conversion / surrender of Debentures and Bonds, conversion of Term Loans, exercise of warrants, against Global Depository Shares (GDS) and re-issue of forfeited equity shares, since inception.
1.4	17,18,83,624 (17,18,83,624)	Shares held by Subsidiaries do not have Voting Rights and are not eligible for Bonus Shares
1.5	4,62,46,280 (4,62,46,280)	Shares were bought back and extinguished in the last five years.

1.6 The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2014 No. of Shares	% held	As at 31st March, 2013 No. of Shares	% held
Life Insurance Corporation of India	**26,35,20,679**	**8.15**	25,77,59,467	7.98

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

Particulars	As at 31st March, 2014 No. of Shares	As at 31st March, 2013 No. of Shares
Equity Shares at the beginning of the year	**322,86,63,382**	327,10,59,340
Add : Shares issued on exercise of Employee Stock Options	**32,38,476**	1,86,891
Less : Shares cancelled on buy back of Equity Shares	**-**	4,25,82,849
Equity Shares at the end of the year	**323,19,01,858**	322,86,63,382

1.8 The Company has reserved issuance of 13,05,05,114 (Previous year 13,37,43,590) Equity Shares of ₹ 10 each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Scheme (ESOS). During the year, the Company has granted 60,866 (Previous Year NIL) options to the eligible employees at a price of ₹ 860 per option plus all applicable taxes, as may be levied in this regard on the Company. The options would vest over a maximum period of 7 years or such other period as may be decided by the Human Resources, Nomination and Remuneration Committee from the date of grant based on specified criteria.

1.9 Share application money pending allotment represents application money received on account of Employees Stock Option Scheme.

Notes on Financial Statements for the Year ended 31st March, 2014

2. RESERVES AND SURPLUS

(₹ in crore)

	As at 31st March, 2014		As at 31st March, 2013	
Capital Reserve				
As per last Balance Sheet		**291**		291
Capital Redemption Reserve				
As per last Balance Sheet	**48**		4	
Add : On Amalgamation (Refer Note No. 33)	-		1	
Add : Transferred from Profit and Loss Account on buy back of Equity Shares	-		43	
		48		48
Securities Premium Reserve				
As per last Balance Sheet	**47,645**		50,677	
Add : On issue of shares	**205**		12	
	47,850		50,689	
Less : On buy back of Equity Shares	-		3,044	
	47,850		47,645	
Less: Calls in arrears - by others [₹ 1,93,288 (Previous Year ₹ 2,21,548)]	-		-	
		47,850		47,645
Debentures Redemption Reserve				
As per last Balance Sheet		**1,117**		1,117
Revaluation Reserve				
As per last Balance Sheet	**1,055**		3,127	
Less: Transferred to Profit and Loss Account (Refer Note No. 9.7)	**1,055**		2,072	
		-		1,055
General Reserve*				
As per last Balance Sheet	**1,18,000**		1,00,000	
Add: Transferred from Profit and Loss Account	**18,000**		18,000	
Less: Transferred to Profit and Loss Account (Refer Note No. 9.7)	**790**		-	
		1,35,210		1,18,000
Profit and Loss Account				
As per last Balance Sheet	**8,610**		7,609	
Add : On Amalgamation (Refer Note No. 33)	-		1,116	
Add: Profit for the year	**21,984**		21,003	
	30,594		29,728	
Less: Appropriations				
Transferred to General Reserve	**18,000**		18,000	
Transferred to Capital redemption reserve on buy back of Equity Shares	-		43	
Proposed dividend on Equity Shares** [Dividend per Share ₹ 9.5/- (Previous year ₹ 9.0/-)]	**2,793**		2,628	
Tax on dividend**	**475**		447	
		9,326		8,610
TOTAL		**1,93,842**		1,76,766

* Cumulative amount withdrawn on account of Depreciation on Revaluation is ₹ 3,353 crore (Previous Year ₹ 2,563 crore).

Notes on Financial Statements for the Year ended 31st March, 2014

** Proposed Dividend on Equity Shares and Tax on Dividend are net of reversal of excess provision of previous year pertaining to Equity Shares bought back before the record date of Dividend, aggregating to ₹ NIL (Previous Year ₹ 17 crore).

3. LONG TERM BORROWINGS

(₹ in crore)

	As at 31st March, 2014		As at 31st March, 2013	
	Non Current	Current	Non Current	Current
Secured				
Non Convertible Debentures	**1,434**	**434**	1,842	4,182
Long Term Maturities of Finance Lease Obligations (Refer Note No. 9.10 and 31)	**122**	**25**	147	22
	1,556	**459**	1,989	4,204
Unsecured				
Bonds	**9,941**	**-**	9,066	-
Term Loans- from banks	**51,211**	**4,025**	31,951	13,697
Deferred payment liabilities	**3**	**3**	6	3
	61,155	**4,028**	41,023	13,700
TOTAL	**62,711**	**4,487**	43,012	17,904

3.1 Non Convertible Debentures referred above to the extent of:

a) ₹ 370 crore are secured by way of first mortgage / charge on the immovable properties situated at Hazira Complex and at Jamnagar Complex (other than SEZ units) of the Company.

b) ₹ 917 crore are secured by way of first mortgage / charge on all the properties situated at Hazira Complex and at Patalganga Complex of the Company.

c) ₹ 30 crore are secured by way of first mortgage / charge on certain properties situated at Surat in the State of Gujarat and on fixed assets situated at Allahabad Complex of the Company.

d) ₹ 51 crore are secured by way of first mortgage / charge on movable and immovable properties situated at Thane in the State of Maharashtra and on movable properties situated at Baulpur Complex of the Company.

e) ₹ 500 crore are secured by way of first mortgage / charge on the immovable properties situated at Jamnagar Complex (SEZ unit) of the Company.

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

(₹ in crore)

	Non current						Current
Rate of Interest	2020-21	2018-19	2017-18	2016-17	2015-16	**TOTAL**	2014-15
6.25%	-	134	133	133	133	**533**	133
8.75%	500	-	-	-	-	**500**	-
9.25%	-	-	-	-	-	**-**	250
10.75%	-	370	-	-	-	**370**	-
Zero Coupon Debentures	-	-	-	-	31	**31**	51
TOTAL	**500**	**504**	**133**	**133**	**164**	**1,434**	**434**

3.3 Finance Lease Obligations are secured against leased assets.

Notes on Financial Statements for the Year ended 31st March, 2014

3.4 Maturity profile and Rate of interest of Bonds are as set out below : (₹ in crore)

	Maturity Profile							
Rate of Interest	2096-97	2046-47	2027-28	2026-27	2018-19	2016-17	2015-16	TOTAL
2.86%	-	-	-	-	-	-	964	**964**
6.21%	-	-	-	-	-	300	-	**300**
6.24%	-	-	-	-	-	971	-	**971**
6.34%	-	-	-	-	228	-	-	**228**
6.51%	-	-	-	-	-	779	-	**779**
6.61%	-	-	-	-	1,019	-	-	**1,019**
7.63%	-	-	30	-	-	-	-	**30**
8.25%	-	-	-	203	-	-	-	**203**
9.38%	-	-	-	132	-	-	-	**132**
10.25%	74	-	-	-	-	-	-	**74**
10.38%	-	-	-	-	-	391	-	**391**
10.50%	-	57	-	-	-	-	-	**57**
TOTAL	**74**	**57**	**30**	**335**	**1,247**	**2,441**	**964**	**5,148**

3.5 Bonds include, 5.875% Senior Perpetual Notes (the "Notes") of ₹ 4,793 crore. The Notes have no fixed maturity date and the Company will have an option, from time to time, to redeem the Notes, in whole or in part, on any semi-annual interest payment date on or after February 5, 2018 at 100% of the principal amount plus accrued interest.

3.6 Maturity Profile of Unsecured Term Loans are as set out below :

(₹ in crore)

	Maturity Profile			
	6-11 years	2-5 years	TOTAL	1 year
Term Loans- from banks	9,602	41,609	**51,211**	4,025

4. DEFERRED TAX LIABILITY (Net)

(₹ in crore)

	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liability		
Related to fixed assets	**12,376**	12,293
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	**161**	100
TOTAL	**12,215**	12,193

5. SHORT TERM BORROWINGS

(₹ in crore)

	As at 31st March, 2014		As at 31st March, 2013	
Secured				
Working Capital Loans				
From Banks				
Foreign Currency Loans	**600**		406	
Rupee Loans	**7,389**		27	
		7,989		433
From Others				
Rupee Loans		**1,199**		-
Unsecured				
Other Loans and Advances				
From Banks				
Foreign Currency Loans - Buyers/Packing Credit	**13,582**		10,978	
Rupee Loans	-		100	
		13,582		11,078
TOTAL		**22,770**		11,511

Notes on Financial Statements for the Year ended 31st March, 2014

5.1 Working Capital Loans from Banks referred above to the extent of:

(a) ₹ 3,906 crore are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares (not relating to plant and machinery), book debts, outstanding monies, receivables, claims, bills, materials in transit, etc. save and except receivables of Oil and Gas Division.

(b) ₹ 3,105 crore are secured by way of lien on fixed deposits and ₹ 978 crore are secured by lien on Government Securities.

5.2 Working Capital Loan from Others of ₹ 1,199 crore are secured by lien on Government Securities.

6. TRADE PAYABLES

(₹ in crore)

	As at 31st March, 2014	As at 31st March, 2013
Micro, Small and Medium Enterprises	108	66
Others	57,754	45,721
TOTAL	57,862	45,787

6.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

	As at 31st March, 2014	As at 31st March, 2013
Particulars		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

7. OTHER CURRENT LIABILITIES

(₹ in crore)

	As at 31st March, 2014		As at 31st March, 2013	
Current maturities of Long Term Debt	4,462		17,882	
Current maturities of Finance Lease Obligations	25		22	
(Refer Note No. 3 and 9.10)		4,487		17,904
Interest accrued but not due on borrowings		194		340
Unclaimed Dividends #		175		152
Application money received and due for refund #		1		1
Unpaid matured debentures and interest accrued thereon #		1		1
Other Payables *		5,909		3,242
TOTAL		10,767		21,640

\# These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 12 crore (Previous Year ₹ 10 crore) which is held in abeyance due to legal cases pending.

* Includes statutory dues, security deposit, creditors for capital expenditure and advance from customers.

8. SHORT TERM PROVISIONS

(₹ in crore)

	As at 31st March, 2014	As at 31st March, 2013
Provisions for Employee Benefits (Refer Note No. 22.1)	190	126
Proposed Dividend	2,793	2,643
Tax on Dividend	475	449
Provision for Wealth Tax	60	44
Other Provisions #	649	1,086
TOTAL	4,167	4,348

Notes on Financial Statements for the Year ended 31st March, 2014

The Company had recognised liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on 31st March, 2013 of ₹ 336 crore as per the estimated pattern of despatches. During the year, ₹ 336 crore was utilised for clearance of goods. Provision recognised under this class for the year is ₹ 300 crore which is outstanding as on 31st March, 2014. Actual outflow is expected in the next financial year. The Company had recognised customs duty liability on goods imported of ₹ 747 crore as at 31st March, 2013. During the year, further provision of ₹ 38 crore was made and sum of ₹ 439 crore was reversed on fulfilment of export obligation. Closing balance on this account as at 31st March, 2014 is ₹ 346 crore. Other class of provisions where recognition is based on substantial degree of estimation relate to disputed customer / supplier / third party claims, rebates or demands against the Company. Any additional information in this regard can be expected to seriously prejudice the position of the Company.

9. FIXED ASSETS

(₹ in crore)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04 2013	Additions / Adjustment	Deductions/ Adjustments	**As at 31-03-2014**	As at 01-04-2013	For the Year#	Deductions/ Adjustments	**As at 31-03-2014**	**As at 31-03-2014**	As at 31-03-2013
TANGIBLE ASSETS :										
OWN ASSETS :										
Leasehold Land	1,622	-	36	**1,586**	296	53	9	**340**	**1,246**	1,326
Freehold Land	1,309	196	1	**1,504**	-	-	-	**-**	**1,504**	1,309
Buildings	8,516	668	13	**9,171**	3,084	280	3	**3,361**	**5,810**	5,432
Plant & Machinery	1,37,573	4,481	1,024	**1,41,030**	69,834	7,609	977	**76,466**	**64,564**	67,739
Electrical Installations	3,591	107	5	**3,693**	1,728	163	2	**1,889**	**1,804**	1,863
Equipments $	6,550	571	4	**7,117**	1,856	322	1	**2,177**	**4,940**	4,694
Furniture & Fixtures	522	14	7	**529**	352	29	5	**376**	**153**	170
Vehicles	377	73	30	**420**	200	54	21	**233**	**187**	177
Ships	387	-	-	**387**	268	13	-	**281**	**106**	119
Aircrafts & Helicopters	46	-	-	**46**	27	3	-	**30**	**16**	19
SUB-TOTAL	1,60,493	6,110	1,120	**1,65,483**	77,645	8,526	1,018	**85,153**	**80,330**	82,848
LEASED ASSETS :										
Plant & Machinery	318	-	-	**318**	204	20	-	**224**	**94**	114
Ships	10	-	-	**10**	10	-	-	**10**	**-**	-
SUB-TOTAL	328	-	-	**328**	214	20	-	**234**	**94**	114
TOTAL (A)	1,60,821	6,110	1,120	**1,65,811**	77,859	8,546	1,018	**85,387**	**80,424**	82,962
INTANGIBLE ASSETS :*										
Technical Knowhow fees	3,403	-	-	**3,403**	1,910	181	-	**2,091**	**1,312**	1,493
Software	481	127	-	**608**	426	38	-	**464**	**144**	55
Development Rights	39,270	4,294	-	**43,564**	22,267	1,951	-	**24,218**	**19,346**	17,003
Others	9,179	-	-	**9,179**	944	55	-	**999**	**8,180**	8,235
TOTAL (B)	52,333	4,421	-	**56,754**	25,547	2,225	-	**27,772**	**28,982**	26,786
TOTAL (A + B)	2,13,154	10,531	1,120	**2,22,565**	1,03,406	10,771	1,018	**1,13,159**	**1,09,406**	1,09,748
PREVIOUS YEAR	2,05,493	8,251	590	**2,13,154**	91,770	12,140	504	**1,03,406**	**1,09,748**	
Capital work-in-progress									**32,673**	13,525
Intangible Assets under Development									**9,043**	5,591

$ Includes Office Equipments

* Other than internally generated

Depreciation for the year includes depreciation of ₹ 137 crore (Previous Year ₹ NIL) capitalised during the year.

9.1 Leasehold Land includes ₹ 203 crore (Previous Year ₹ 203 crore) in respect of which lease-deeds are pending execution.

9.2 Buildings include :

i) Cost of shares in Co-operative Housing Societies ₹ 1 crore (Previous Year ₹ 1 crore).

ii) ₹ 5 crore (Previous Year ₹ 5 crore) in respect of which conveyance is pending.

Notes on Financial Statements for the Year ended 31st March, 2014

iii) ₹ 93 crore (Previous Year ₹ 93 crore) in shares of Companies / Societies with right to hold and use certain area of Buildings.

9.3 Intangible Assets - Others include :

i) Jetties amounting to ₹ 812 crore (Previous Year ₹ 812 crore), the Ownership of which vests with Gujarat Maritime Board. However, under an agreement with Gujarat Maritime Board, the Company has been permitted to use the same at a concessional rate.

ii) ₹ 8,367 crore (Previous Year ₹ 8,367 crore) in preference shares of subsidiaries and lease premium paid with right to hold and use Land and Buildings.

9.4 Capital Work-in-Progress and Intangible Assets under development include :

i) ₹ 4,204 crore (Previous Year ₹ 2,795 crore) on account of project development expenditure.

ii) ₹ 10,951 crore (Previous Year ₹ 4,685 crore) on account of cost of construction materials at site.

9.5 Project Development Expenditure

(in respect of Projects up to 31st March, 2014, included under Capital work-in-progress and Intangible Assets under development)

(₹ in crore)

			2013-14		2012-13
Opening Balance			**2,795**		2,320
Add:	Transferred from Profit and Loss Account				
	(Refer Note no. 25)	**715**		98	
	Interest Capitalised (Refer Note no. 23)	**701**		385	
			1,416		483
			4,211		2,803
Less:	Project Development Expenses Capitalised during the year		**7**		8
Closing Balance			**4,204**		2,795

9.6 Gross Block includes ₹ 12,901 crore added on revaluation of Building, Plant & Machinery and Equipments as at 01.01.2009 based on reports issued by international valuers.

9.7 The Gross Block of Fixed Assets includes ₹ 38,122 crore (Previous Year ₹ 38,122 crore) on account of revaluation of Fixed Assets carried out since inception. Consequent to the said revaluation there is an additional charge of depreciation of ₹ 1,845 crore (Previous Year ₹ 2,072 crore) and an equivalent amount has been withdrawn from Revaluation Reserve/ General Reserve.

9.8 Additions in Plant and Machinery, Capital Work-in-Progress, Intangible Assets - Development Rights and Intangible Assets under development includes ₹ 8,678 crore (net loss) [Previous Year ₹ 5,070 crore (net loss)] on account of exchange difference during the year.

9.9 Additions for the previous year includes freehold land ₹ 56 crore, buildings ₹ 674 crore, plant and machinery ₹ 1,189 crore, furniture and fixtures ₹ 12 crore, vehicles ₹ 10 crore and software ₹ 1 crore on amalgamation of Reliance Jamnagar Infrastructure Limited with the Company. Accumulated depreciation of ₹ 603 crore on the above assets has been included in depreciation for the previous year.

9.10 i) In respect of Fixed Assets acquired on finance lease on or after 1st April, 2001, the minimum lease rentals outstanding as on 31st March, 2014 are as follows:

(₹ in crore)

	Total Minimum Lease Payments outstanding As at 31st March		Future interest on Outstanding Lease Payments		Present value of Minimum Lease Payments As at 31st March	
	2014	2013	**2013-14**	2012-13	**2014**	2013
Within one year	**37**	37	**12**	15	**25**	22
Later than one year and not later than five years	**146**	147	**24**	35	**122**	112
Later than five years	**-**	36	**-**	1	**-**	35
TOTAL	**183**	220	**36**	51	**147**	169

Notes on Financial Statements for the Year ended 31st March, 2014

ii) General Description of Lease terms:

Assets are taken on lease over a period of 5 to 10 years.

iii) Fixed assets taken on finance lease prior to 1st April, 2001, amount to ₹ 444 crore (Previous Year ₹ 444 crore). Future obligations towards lease rentals under the lease agreements as on 31st March, 2014 amount to ₹ 2 crore (Previous Year ₹ 2 crore).

(₹ in crore)

	2013-14	2012-13
Within one year ₹ 44,00,000 (Previous Year ₹ 44,00,000)	-	-
Later than one year and not later than five years	2	2
TOTAL	**2**	2

10. NON-CURRENT INVESTMENTS

(Long Term Investments)

(Valued at Cost less other than temporary diminution in value, if any)

(₹ in crore)

		As at 31st March, 2014		As at 31st March, 2013	
Trade Investments					
In Equity Shares - Unquoted, fully paid up					
1,00,00,000 (1,00,00,000)	Petronet India Limited of ₹ 10 each	**10**		10	
		10		10	
In Equity Shares of Associate Companies -					
Unquoted, fully paid up					
64,29,20,000 (64,29,20,000)	Gujarat Chemical Port Terminal Company Limited of ₹ 1 each	**64**		64	
62,63,125 (62,63,125)	Indian Vaccines Corporation Limited of ₹ 10 each	**1**		1	
11,08,500 (11,08,500)	Reliance Europe Limited of Sterling Pound 1 each	**4**		4	
52,00,000 (52,00,000)	Reliance Utilities and Power Private Limited Class 'A' shares of ₹ 1 each [₹ 40,40,000 (Previous Year ₹ 40,40,000)]	**-**		-	
		69		69	
In Preference Shares of Associate Company -					
Unquoted, fully paid up					
50,00,00,000 (50,00,00,000)	9% Non-Cumulative Redeemable Preference Shares of Reliance Gas Transportation Infrastructure Limited of ₹ 10 each	**2,000**		2,000	
		2,000		2,000	
Total Trade Investments (A)			**2,079**		2,079
Other Investments					
In Equity Shares of Associate Company -					
Quoted, fully paid up					
68,60,064 (68,60,064)	Reliance Industrial Infrastructure Limited of ₹ 10 each	**16**		16	
		16		16	

Notes on Financial Statements for the Year ended 31st March, 2014

		As at 31st March, 2014		As at 31st March, 2013	
In Equity Shares of Associate Company -					
Unquoted, fully paid up					
22,500 (22,500)	Reliance LNG Limited of ₹ 10 each [₹ 2,25,000 (Previous Year ₹ 2,25,000)]	-		-	
		-		-	
In Equity Shares of Subsidiary Companies -					
Unquoted, fully paid up					
22,69,44,90,000 (4,79,76,90,000)	Reliance Jio Infocomm Limited of ₹10 each	**22,695**		4,798	
2,00,000 (2,00,000)	Reliance Global Business B.V. of Euro 0.01 each [₹ 1,25,400 (Previous Year ₹ 1,25,400)]	-		-	
14,75,04,400 (14,75,04,400)	Reliance Industrial Investments and Holdings Limited of ₹10 each	**148**		148	
42,450 (42,450)	Reliance Industries (Middle East) DMCC of AED 1000 each	**46**		46	
20,20,200 (20,20,200)	Reliance Strategic Investments Limited of ₹ 10 each	**2**		2	
26,91,150 (26,91,150)	Reliance Ventures Limited of ₹ 10 each	**2,351**		2,351	
- (65,50,001)	RIL (Australia) Pty Ltd of Aus $ 1 each	-		25	
12,50,000 (50,000)	Reliance Energy Generation and Distribution Limited of ₹ 10 each (Previous Year ₹ 5,00,000)]	**1**		-	
5,66,70,00,000 (5,66,70,00,000)	Reliance Retail Ventures Limited of ₹ 10 each	**5,667**		5,667	
50,000 (50,000)	Reliance Gas Pipelines Limited of ₹ 10 each [₹ 5,01,256 (Previous Year ₹ 5,01,256)]	-		-	
		30,910		13,037	
			30,926		13,053
In Preference Shares of Subsidiary Companies -					
Unquoted, fully paid up					
8,04,83,61,211 (5,92,70,31,111)	Reliance Global Business B.V. 'A' Class Shares of Euro 0.01 each	**572**		382	
4,02,800 (4,02,800)	9% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Strategic Investments Limited of ₹ 1 each	**113**		113	
63,436 (63,436)	5% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Industries (Middle East) DMCC of AED 1000 each	**85**		85	
- (2,64,70,00,000)	9% Cumulative Redeemable Preference Shares of Reliance Jio Infocomm Limited of ₹ 10 each	-		2,647	
			770		3,227
In Debentures of Subsidiary Companies - Unquoted, Fully paid up					
2,79,90,000 (2,79,90,000)	0% Unsecured Convertible Debentures of Reliance Industrial Investments and Holdings Limited of ₹ 100 each	**280**		280	

Notes on Financial Statements for the Year ended 31st March, 2014

		As at 31st March, 2014		As at 31st March, 2013	
8,83,143 (8,83,143)	0% Unsecured Convertible Redeemable Debentures of Reliance Industrial Investments and Holdings Limited of ₹ 5,000 each	442		442	
			722		722
In Government Securities-Unquoted					
	6 Years National Savings Certificate (Deposited with Sales Tax Department and other Government Authorities) [₹ 1,37,420 (Previous Year ₹ 1,69,920)]	-			-
In Government Securities-Quoted					
	8.33% GOI 2026	-		650	
	8.12% GOI 2020	3,111		-	
	7.16% GOI 2023	2,246		-	
			5,357		650
In Fixed Maturity Plan - Quoted fully paid up					
25,90,00,000 (2,50,00,000)	Axis Fixed Maturity Plan - (Series 34/47/49/52/55/59/60) - Growth	259		25	
6,00,00,000 (2,50,00,000)	Baroda Pioneer Fixed Maturity Plan - (Series C/M/N) - Growth	60		25	
63,10,00,000 (19,00,00,000)	Birla Sun Life Fixed Term Plan - (Series GA/GB/GF/ JR/JX/KA/KE/KJ/KM/KO/KP/KR/KT) - Growth	631		190	
- (3,00,00,000)	BNP Paribas Fixed Term Fund - (Series 24A) - Growth	-		30	
15,50,00,000 (40,00,00,000)	DSP BlackRock Fixed Term Plan - (Series 36/37/88/ 89/91/93/150/152) - Growth	155		400	
22,80,00,000 (17,00,00,000)	DWS Fixed Maturity Plan - (Series 26/28/30/45/49/ 52/53/47) - Growth	228		170	
14,00,00,000 (-)	DWS Fixed Maturity Plan - Close ended debt fund - (Series 54/57/63) - Growth	140		-	
80,00,00,000 (35,20,00,000)	HDFC Fixed Maturity Plan - (Series 23/28/29) - Growth	800		352	
6,00,00,000 (1,50,00,000)	HSBC Fixed Term Plan - (Series 90/105) - Growth	60		15	
83,50,00,000 (86,50,00,000)	ICICI Fixed Maturity Plan - (Series 65/66/67/71/72/73) - Growth	835		865	
28,80,00,000 (7,00,00,000)	IDFC Fixed Maturity Plan - (Series 11/14/21/51/60/ 64/66/70/72/75/79/84/86) - Growth	288		70	
10,50,00,000 (34,50,00,000)	JP Morgan India Fixed Maturity Plan - (Series 12/13/16/18/30/33) - Growth	105		345	
40,00,00,000 (29,50,00,000)	Kotak Fixed Maturity Plan - (Series 97/98/99/101/ 102/103/132/133/141/142/145/146/147/149) - Growth	400		295	
19,50,00,000 (12,50,00,000)	L&T Fixed Maturity Plan – (Series X/VII/IX) – (Plan B/H/J/M/Q/S/T) - Growth	195		125	
12,00,00,000 (6,50,00,000)	LIC Nomura Mutual Fund Fixed Maturity Plan - (Series 56/58/64/72/76/77/79) - Growth	120		65	
2,50,00,000 (-)	Principal PNB Fixed Maturity Plan - (Series B10) - Growth	25		-	
30,00,00,000 (45,00,00,000)	Reliance Fixed Horizon Fund - (Series 2/5/9/27/33) - (Plan - XXII/XXIII/XXV/XXVI) - Growth	300		450	

Notes on Financial Statements for the Year ended 31st March, 2014

			As at 31st March, 2014		As at 31st March, 2013
3,50,00,000 (12,00,00,000)	Religare Fixed Maturity Plan - (Series XVII/XVIII) - (Plan A/B/D/F/H) - Growth	**35**		120	
57,50,00,000 (38,00,00,000)	SBI Debt Fund - (Series A - 1/2/3/5/10/11/14/15/25) - Growth	**575**		380	
7,00,00,000 (-)	SBI Debt Fund - Double Indexation Benefit - (Series A-14) - Growth	**70**		-	
8,80,00,000 (10,00,00,000)	Sundaram Fixed Term Plan - (Series DC/DF/DH/EU/EX/FD/FI) Growth	**88**		100	
17,00,00,000 (25,00,00,000)	Tata Fixed Maturity Plan - (Series 42/46) - (Scheme B/C/G/H/K/M/N/Q/T) - Growth	**170**		250	
13,50,00,000 (14,00,00,000)	UTI Fixed Term Income Fund - (Series XIII-III/ XIV-VIII/XVII-VII/XVII-XIV/XVIII-I/XVII-IV) - Growth	**135**		140	
			5,674		4,412
In Debentures or Bonds - Unquoted					
3,000 (-)	Tata Sons Limited	**300**		-	
			300		-
In Debentures or Bonds - Quoted					
6,350 (-)	LIC Housing Finance Limited	**635**		-	
650 (-)	Tata Steel Limited	**58**		-	
20 (-)	Power Grid Corporation of India Limited	**3**		-	
42,81,393 (-)	Power Finance Corporation Limited	**1,385**		-	
700 (-)	Rural Electrification Corporation Limited	**70**		-	
32,550 (-)	Housing Development Finance Corporation Limited	**3,293**		-	
3,500 (-)	Infrastructure Development Finance Company Limited	**350**		-	
550 (-)	National Bank for Agriculture and Rural Development	**55**		-	
49,44,752 (-)	National Highways Authority of India	**494**		-	
42,62,612 (-)	Indian Railway Finance Corporation Limited	**426**		-	
9,49,946 (-)	National Thermal Power Company Limited	**95**		-	
			6,864		-
Total Other Investments (B)			**50,613**		22,064
Total Non Current Investments (A + B)			**52,692**		24,143
	Aggregate amount of quoted investments		**17,911**		5,078
	Market Value of quoted investments		**18,039**		5,329
	Aggregate amount of unquoted investments		**34,781**		19,065

Notes on Financial Statements for the Year ended 31st March, 2014

11. LONG TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

(₹ in crore)

	As at 31st March, 2014	As at 31st March, 2013
Capital Advances #	**4,407**	1,208
Deposits with Related parties (Refer Note No. 31)	**1,499**	1,463
Loans and Advances to Related Parties (Refer Note No. 31)	**21,740**	18,314
Advance Income Tax (Net of Provision)	**728**	475
Other Loans and Advances*	**62**	68
TOTAL	**28,436**	21,528

Includes ₹ 5 crore (Previous Year ₹ NIL) to Reliance Utilities and Power Private Limited and ₹ 2 crore (Previous Year ₹ 2 crore) to Reliance Industrial Infrastructure Limited which are related parties.

* Includes Loans to Employees.

11.1 Loans and Advances in the nature of Loans given to Subsidiaries and Associates:

A) Loans and Advances in the nature of Loans **(₹ in crore)**

Sr No.	Name of the Company		As at 31st March, 2014	Maximum Balance during the year	As at 31st March, 2013	Maximum Balance during Previous year
1.	Reliance Industrial Investments and Holdings Limited*	Subsidiary	**18,941**	**20,555**	17,306	19,135
2.	Reliance Ventures Limited	Subsidiary	**14**	**4,351**	-	1,767
3.	Reliance Strategic Investments Limited	Subsidiary	**471**	**1,158**	-	2,421
4.	Reliance Retail Limited	Subsidiary	**1,737**	**1,737**	920	1,181
5.	Reliance Exploration & Production DMCC	Subsidiary	**78**	**78**	71	72
6.	Reliance Brands Limited	Subsidiary	**-**	**32**	11	11
7.	Reliance Corporate IT Park Limited	Subsidiary	**945**	**1,290**	-	-
8.	Reliance Gas Pipelines Limited	Subsidiary	**33**	**33**	-	-
9.	Reliance Jio Infocomm Limited	Subsidiary	**-**	**400**	-	-
10.	Gujarat Chemical Port Terminal Company Limited	Associate	**6**	**6**	6	6
	TOTAL		**22,225**		18,314	

* Excluding Debentures of ₹ 722 crore (Previous Year ₹ 722 crore)

(a) Loans and Advances shown above, fall under the category of 'Long Term Loans and Advances' in nature of Loans and are re-payable within 3 to 5 years except Short Term Loans and Advances to Reliance Ventures Limited and Reliance Strategic Investments Limited.

(b) All the above loans and advances are interest bearing except for an amount of ₹ 13,454 crore given to Reliance Industrial Investments and Holdings Limited and ₹ 33 crore paid to Reliance Gas Pipelines Limited.

(c) Loans to employees as per Company's policy are not considered.

B) (i) Investment by the loanee in the shares of the Company

*None of the loanees and loanees of subsidiary companies have, per se, made investments in shares of the Company. These investments represent shares of the Company allotted as a result of amalgamation of erstwhile Reliance Petroleum Limited (amalgamated in 2001-02) and Indian Petrochemicals Corporation Limited with the Company under the Schemes approved by the Hon'ble High Court of Judicature at Bombay and Gujarat and certain subsequent inter se transfer of shares.

Notes on Financial Statements for the Year ended 31st March, 2014

(₹ in crore)

Sr No.	Name of the Company	No. of Shares held in RIL	Amount of Loan Given
1.	*Reliance Aromatics and Petrochemicals Limited	2,98,89,898	71
2.	*Reliance Energy and Project Development Limited	20,58,000	303

(ii) Investment by Reliance Industrial Investments and Holdings Limited in subsidiaries

In Equity Shares :

Sr No.	Name of the Company	No. of Shares
1	Reliance Commercial Land & Infrastructure Limited	4,30,10,000
2	Reliance Global Business B.V.	18,00,000
3	Reliance Gas Corporation Limited	50,000
4	Reliance Universal Enterprises Limited	64,25,000
5	Indiawin Sports Private Limited	26,50,000
6	Reliance Corporate Services Limited	10,000
7	Reliance Industries Investment and Holding Limited	50,000
8	Reliance Security Solutions Limited	50,000
9	Mark Project Services Private Limited	5,000
10	GenNext Innovation Ventures Limited	50,000
11	Kanhatech Solutions Limited	1,65,60,000
12	Reliance Sibur Elastomers Private Limited	8,83,86,308
13	Reliance Payment Solutions Limited	88,92,000
14	Reliance Exploration & Production DMCC	1,76,200
15	Reliance Jio Electronics Private Limited	25,500
16	Reliance Aromatics and Petrochemicals Limited	10,09,300
17	Reliance Energy and Project Development Limited	10,09,280
18	Reliance Chemicals Limited	10,10,600
19	Reliance Polyolefins Limited	10,10,000
20	Reliance Retail Finance Limited	20,20,000
21	Reliance Retail Insurance Broking Limited	40,00,000
22	Reliance World Trade Private Limited	1,000

In Preference Shares :

Sr No.	Name of the Company	No. of Shares
1	Reliance Industries Investment and Holding Limited	31,93,100
2	Reliance Jio Infocomm Limited	12,50,00,000
3	Reliance Exploration & Production DMCC	14,51,846
4	Reliance Corporate Services Limited	50,000
5	Mark Project Services Private Limited	1200

(iii) Investment by Reliance Exploration & Production DMCC in Subsidiaries

In Equity Shares :

Sr No.	Name of the Company	No. of Shares
1	Gulf Africa Petroleum Corporation	16,720
2	Central Park Enterprises DMCC	367

(iv) Investment by Reliance Retail Limited in Subsidiaries

In Equity Shares :

Sr No.	Name of the Company	No. of Shares
1	Reliance Review Cinema Limited	50,000
2	Reliance Trading Limited	10,50,000
3	Delight Proteins Limited	50,000
4	Reliance Financial Distribution and Advisory Services Limited	50,.000
5	Reliance-GrandOptical Private Limited	50,000
6	Achman Commercial Private Limited	50,000

Notes on Financial Statements for the Year ended 31st March, 2014

	Sr No.	Name of the Company	No. of Shares
	7	Reliance F & B Services Limited	50,000
	8	Reliance Petro Marketing Limited	50,000
	9	Reliance Food Processing Solutions Limited	50,000
	10	Reliance Dairy Foods Limited	50,000
	11	Reliance Clothing India Private Limited	50,000
	12	Reliance Agri Ventures Private Limited	50,000
	In Preference Shares :		
	Sr No.	**Name of the Company**	**No. of Shares**
	1	Reliance Petro Marketing Limited	39,95,800
	2	Achman Commercial Private Limited	8,000
	3	Delight Proteins Limited	64,000
	4	Reliance Dairy Foods Limited	2,00,000
	5	Reliance F & B Services Limited	8,000
	6	Reliance Food Processing Solutions Limited	2,76,000
	7	Reliance Financial Distribution and Advisory Services Limited	70,000
	8	Reliance Agri Ventures Private Limited	2,820
	9	Reliance Review Cinema Limited	2,000
(v)	**Investment by Reliance Ventures Limited in Subsidiaries in Equity Shares:**		
	Sr No.	**Name of the Company**	**No. of Shares**
	1	Reliance Haryana SEZ Limited	46,250
(vi)	**Investment by Reliance Strategic Investments Limited in Subsidiaries in Equity Shares:**		
	Sr No.	**Name of the Company**	**No. of Shares**
	1	Reliance Global Commercial Limited	25,500
	2	Reliance Universal Commercial Limited	25,000
(vii)	**Investment by Reliance Corporate IT Park Limited in Subsidiaries**		
	In Equity Shares:		
	Sr No.	**Name of the Company**	**No. of Shares**
	1	Reliance Corporate Center Limited	50,000
	2	Reliance Infrastructure Management Services Limited	50,000
	3	Reliance People Serve Limited	50,000
	4	Strategic Manpower Solutions Limited	50,000
	In Preference Shares :		
	Sr No.	**Name of the Company**	**No. of Shares**
	1	Reliance People Serve Limited	8,000

11.2 (i) Assets given on finance lease on or after 1st April, 2001

(₹ in crore)

Particulars	**Total**		Not later than one year		Later than one year and not later than five years		Later than five years	
	2013-14	2012-13	**2013-14**	2012-13	**2013-14**	2012-13	**2013-14**	2012-13
Gross Investment	-	3	-	3	-	-	-	-
Less: Unearned Finance Income	-	-	-	-	-	-	-	-
Present Value of Minimum Lease Rental	-	3	-	3	-	-	-	-

(ii) General Description of Lease terms:

- Lease rentals are charged on the basis of agreed rate of interest.
- Assets are given on lease for a period of five years.

Notes on Financial Statements for the Year ended 31st March, 2014

12. CURRENT INVESTMENTS

(Carried at lower of cost and quoted / fair value, including current portion of long term investment)

(₹ in crore)

		As at 31st March, 2014		As at 31st March, 2013
Investment in Government Securities - Quoted				
1.44% IIGS 2023	**256**		-	
7.28% GOI 2019	**509**		-	
7.59% GOI 2016	**5**		5	
8.12% GOI 2020	**72**		-	
8.20% GOI 2025	**-**		278	
8.33% GOI 2026	**-**		102	
8.83% GOI 2023	**301**		-	
8.97% GOI 2030	**-**		149	
9.47% GSEC 2024	**100**		-	
9.48% GSEC 2024	**75**		-	
		1,318		534
Collateral Borrowing and Lending Obligation - Unquoted		**355**		-
Investment in Debentures or Bonds - Quoted, Fully Paid up				
- (300) Export Import Bank of India	**-**		30	
3,050 (38,200) Housing Development Finance Corporation Limited	**303**		3,828	
- (6,500) Infrastructure Development Finance Company Limited	**-**		647	
- (15,095) India Infrastructure Finance Company Limited	**-**		149	
- (42,63,562) Indian Railway Finance Corporation Limited	**-**		521	
- (5,150) LIC Housing Finance Limited	**-**		515	
- (7,250) National Bank for Agriculture and Rural Development	**-**		726	
- (49,44,752) National Highways Authority of India	**-**		494	
100 (42,74,393) Power Finance Corporation Limited	**10**		688	
20 (40) Power Grid Corporation of India Limited	**3**		5	
- (595) Rural Electrification Corporation Limited	**-**		59	
- (650) Tata Steel Limited	**-**		58	
- (1,320) Tata Power Company Limited	**-**		133	
		316		7,853
Investment in Debentures or Bonds - Unquoted, Fully Paid up				
- (3,000) Tata Sons Limited		**-**		300

Notes on Financial Statements for the Year ended 31st March, 2014

		As at 31st March, 2014	As at 31st March, 2013
Investment in Fixed Maturity Plan - Quoted, Fully Paid up			
2,50,00,000 (5,00,00,000)	Axis Fixed Term Plan - (Series 21/22/34) - Growth	**25**	50
9,80,00,000 (2,50,00,000)	Baroda Pioneer Fixed Maturity Plan - (Series A/C/E/G/J) - Growth	**98**	25
- (2,50,00,000)	Birla Sun Life Fixed Term Plan - (Series FP) - Dividend	**-**	25
1,89,00,00,000 (67,00,00,000)	Birla Sun Life Fixed Term Plan - (Series ES/EV/EY/FC/FD/FM/FO/GA/GB/GF/GT/GV/HD/HI/HK/HL/HM/HQ/HS/HV/HY/IA/JA/JE/JG/JI/JL/JN/JO/JQ/JT/JU/JY/JZ/KC/KD/KF/KG/KH/KI/KK/KN/KQ) - Growth	**1,890**	670
26,00,00,000 (1,50,00,000)	Birla Sunlife Interval Income Fund - (Annual Plan V/VIII/IX/X) - Growth	**260**	15
13,50,00,000 (5,00,00,000)	BNP Paribas Fixed Term Fund - (Series 24A/25A/26A/26C/29B) - Growth	**135**	50
1,67,00,00,000 (53,00,00,000)	DSP BlackRock Fixed Maturity Plan - (Series 37/38/43/44/88/89/90/91/93/94/95/103/104/105/107/108/109/110/113/117/130/144/146/149/151/153/155) - Growth	**1,670**	530
47,50,00,000 (29,80,00,000)	DWS Fixed Maturity Plan - (Series 6/7/9/10/26/27/28/29/30/32/34/36/42/43/46/48/50) - Growth	**475**	298
- (3,00,00,000)	DWS Fixed Maturity Plan - (Series 18) - Dividend	**-**	30
7,50,00,000 (-)	DWS Fixed Maturity Plan - Close ended debt fund - (Series 51/55/62) - Growth	**75**	-
5,00,00,000 (-)	DWS Interval Fund Annual Plan - Growth	**50**	-
- (5,00,00,000)	HDFC Annual Interval Fund - (Series 1) - Growth	**-**	50
2,13,70,00,000 (62,70,00,000)	HDFC Fixed Maturity Plan - (Series 366D/369D/370D/371D/372D/384D/390D/391D/392D/398D/399D/400D/526D/566D) - Growth	**2,137**	627
13,50,00,000 (4,50,00,000)	HSBC Fixed Term Plan - (Series 86/90/94/96/101-104) - Growth	**135**	45
19,99,03,904 (5,98,46,064)	ICICI Prudential Fixed Maturity Annual Interval Plan - (Series VI/VII) - (Plan C/D/F/I) - Cumulative	**208**	62
1,75,00,00,000 (88,00,00,000)	ICICI Prudential Fixed Maturity Plan - (Series 62/63/65/66/67/68/69/70/71) - (Plan A/B/C/D/E/F/G/H/I/J/K/M) - Cumulative	**1,750**	880
92,40,00,000 (-)	ICICI Prudential Fixed Maturity Plan - (Series 72/73) - (Plan A/B/C/D/G/H/I/K/M/P/R/T) - Growth	**924**	-
- (9,96,19,002)	ICICI Prudential Long Term Plan - Premium Plus - Dividend	**-**	100
2,00,00,000 (-)	IDBI Fixed Maturity Plan - (Series III) - Dividend	**20**	-
- (2,50,00,000)	IDBI Fixed Maturity Plan - (Series III) - Growth	**_**	25

Notes on Financial Statements for the Year ended 31st March, 2014

		As at 31st March, 2014	As at 31st March, 2013
85,50,00,000 (34,70,00,000)	IDFC Fixed Maturity Plan - (Series 7/8/11/12/13/14/24/25/27/31/32/33/34/49/50/54/59/65/67/69/74/85/78/81/85) - Growth	**855**	347
- (9,60,00,000)	IDFC Fixed Maturity Plan - (Series 74/78/79) - Dividend	**-**	96
11,07,54,164 (12,00,00,000)	IDFC Yearly Interval Fund - (Series I/II/III) - Growth	**113**	120
- (3,50,00,000)	Indiabulls Fixed Maturity Plan - Growth	**-**	35
2,50,00,000 (-)	JM Fixed Maturity Plan - (Series FXXIV) - (Plan C)- Growth	**25**	-
50,00,00,000 (21,50,00,000)	JP Morgan India Fixed Maturity Plan - (Series 6/12/13/16/17/18/21/31/32) - Growth	**500**	215
1,14,00,00,000 (36,00,00,000)	Kotak Fixed Maturity Plan - (Series 76/80/82/97/98/99/100/101/102/104/105/106/107/110/111/112/114/116/118/119/136/137/138/139/143/144/152) - Growth	**1,140**	360
33,70,00,000 (4,00,00,000)	L & T Fixed Maturity Plan - (Series VII/VIII/IX/X) - (Plan A/D/G/I/J/L) - Growth	**337**	40
31,00,00,000 (14,50,00,000)	LIC Nomura Fixed Maturity Plan - (Series 52/53/54/55/56/58/60/61/62/63/66/68/73/75) - Growth	**310**	145
68,00,038 (-)	LIC Nomura Interval Fund - (Series 1) - Growth	**10**	-
4,95,01,683 (-)	Reliance Annual Interval Fund - (Series 1) - Growth	**60**	-
68,00,00,000 (11,00,00,000)	Reliance Fixed Horizon Fund - (Series XXII/XXIII/XXVI/XXV/XXIV) - Growth	**680**	110
24,78,28,132 (-)	Reliance Yearly Interval Fund - (Series 3/6/8) - Growth	**250**	-
15,50,00,000 (24,80,00,000)	Religare Fixed Maturity Plan - (Series XIII/XIV/XVII/XVIII/XXII) - (Plan A/B/C/D/E/F) - Growth	**155**	248
19,50,00,000 (-)	Religare Invesco Fixed Maturity Plan - (Series XIX/XXI/XXII) - (Plan A/C/E/F/G) - Growth	**195**	-
62,00,00,000 (45,50,00,000)	SBI Debt Fund - (Series 1/2/12/13/14/15/23/24/25/28/29) - Growth	**620**	455
- (14,00,00,000)	SBI Debt Fund - (Series 5/7) - Dividend	**-**	140
1,10,00,00,000 (7,50,00,000)	SBI Debt Fund - (Series 9/12/13/16/18/32/33/34/36/37/38/39/41/47/48/49/51/52/53/54) - Growth	**1,100**	75
31,00,00,000 (6,50,00,000)	Sundaram Fixed Term Plan - (Series CQ/DC/DF/DG/DH/DO/DQ/DR/EW/EY/FB/FF/FJ) - Growth	**310**	65
96,90,00,000 (13,50,00,000)	Tata Fixed Maturity Plan - (Series 39/40/42/43/44/45/46) - (Scheme A/B/C/D/E/G/H/I/L/O/P) - Growth	**969**	135
8,50,00,000 (-)	UTI Fixed Term Income Fund - (Series XVII-I/XVII-V) - Growth	**85**	-
3,04,93,690 (5,49,80,083)	UTI Fixed Income Interval Fund - Annual Interval Plan (Series - II/III/IV) - Growth	**40**	70
1,33,50,00,000 (22,50,00,000)	UTI Fixed Term Income Fund - (Series XIII-III/XIV-V/XIV-VI/XIV-VII/XIV-VIII/XV-I/XV-II/XVI-IV/XVI-VII/XVII-X/XVII-XVI/XVI-I/XV-III/XVII-II/XV-IV/XV-V/XV-VI/XV-VII/XV-X/XVII-XX/XVIII-III/XVIII-IV/XVII-XIII) - Growth	**1,335**	225

Notes on Financial Statements for the Year ended 31st March, 2014

		As at 31st March, 2014	As at 31st March, 2013
- (13,00,00,000)	UTI Fixed Term Income Fund - (Series - XII-IV/XIII) - Dividend	-	130
		18,941	6,493
Investment in Mutual Fund - Unquoted			
2,27,889 (-)	Axis Banking Debt Fund - Growth	**25**	-
7,59,94,772 (11,08,67,422)	Axis Short Term Fund - Growth	**96**	135
29,22,23,922 (1,31,48,48,855)	Birla Sunlife Dynamic Bond Fund - Retail - Growth	**549**	2,418
22,34,01,784 (5,56,20,512)	Birla Sunlife Short Term Fund - Growth	**1,000**	225
- (2,31,91,812)	Canara Robeco Short Term Fund - Regular Growth	-	30
- (4,59,45,325)	Canara Robeco Short Term Institutional Growth Fund	-	60
4,95,70,718 (-)	DSP Black Rock Banking & PSU Debt Fund - Regular Plan - Growth	**50**	-
- (5,96,310)	DSP Black Rock Liquidity Fund - Institutional Plan Growth	-	100
7,22,79,657 (11,14,37,619)	DSP Black Rock Short Term Fund - Growth	**147**	210
- (48,23,954)	DSP Black Rock Strategic Bond Fund -Institutional Plan - Growth	-	625
- (11,66,82,484)	DWS GILT Fund - Regular Plan - Growth	-	150
3,61,86,149 (-)	DWS InstaCashPlus Fund Super Institutional Plan Annual Bonus	**600**	-
- (1,04,54,867)	DWS InstaCashPlus Fund Super Institutional Plan Bonus	-	-
- (4,66,90,013)	DWS Money Plus Fund - Regular Plan (Principle Units) - Bonus	-	46
2,40,93,515 (-)	DWS Mutual Fund ICP-Bonus	**236**	-
- (14,48,86,484)	DWS Premier Bond Fund - Premium Plus Plan - Growth	-	150
- (12,93,69,261)	DWS Short Maturity Fund - Premium Plus Growth	-	147
- (60,38,424)	DWS Treasury Fund - Cash - Regular Plan - Bonus	-	59
1,84,06,566 (-)	DWS Treasury Fund - Investment - Regular Plan - Bonus	**18**	-
11,79,24,798 (5,81,04,402)	DWS Treasury Fund - Investment - Regular Plan - Growth	**159**	75
3,25,53,638 (-)	Franklin India Savings Plus Fund - Growth	**75**	-
29,63,61,644 (19,73,54,869)	HDFC Short Term Opportunities Fund - Growth	**400**	240

Notes on Financial Statements for the Year ended 31st March, 2014

		As at 31st March, 2014	As at 31st March, 2013
50,00,000 (-)	HDFC Debt Fund for Cancer Cure - 50% Regular Option - Dividend Donation	**5**	-
11,23,62,581 (14,69,19,109)	HDFC Floating Rate Income Fund - Long Term Plan - Growth	**250**	300
- (22,67,48,577)	HDFC High Interest Fund - Short Term Plan - Growth	**-**	500
- (86,58,009)	HDFC Liquid Fund - Growth	**-**	20
21,41,12,926 (25,68,76,110)	HDFC Medium Term Opportunities Fund - Growth	**278**	305
- (22,68,83,560)	HDFC Short Term Plan - Growth	**-**	485
- (16,70,54,915)	HSBC Income Fund Short Term Institutional Plus Growth	**-**	180
3,61,78,141 (-)	ICICI Prudential Banking and PSU Debt Fund - Growth	**50**	-
4,06,37,366 (-)	ICICI Prudential Blended Plan A - Dividend	**55**	-
11,08,46,926 (-)	ICICI Prudential Blended Plan B - Growth	**200**	-
3,98,32,730 (-)	ICICI Prudential Equity Arbitrage Fund - Dividend	**55**	-
2,41,47,124 (-)	ICICI Prudential Gilt Fund Treasury Plan - Quarterly Dividend Reinvestment	**25**	-
- (3,46,29,245)	ICICI Prudential Gilt Treasury Plan - Regular Growth	**-**	100
- (31,83,61,805)	ICICI Prudential Institutional Short Term Plan - Cumulative	**-**	725
- (14,42,759)	ICICI Prudential Liquid - Regular Plan - Growth	**-**	25
- (10,86,67,777)	ICICI Prudential Short Term Plan - Regular Growth	**-**	250
16,20,52,229 -	ICICI Prudential Ultra Short Term - Direct Plan - Growth	**200**	-
- (4,39,26,695)	IDBI Short Term Bond Fund - Growth	**-**	50
10,88,83,711 -	IDFC Super Saver Income Fund - Short Term-Direct Plan-Growth	**275**	-
12,63,13,875 (-)	IDFC Arbitrage Fund - Direct Plan - Dividend	**160**	-
- (2,33,10,265)	IDFC - Super Saver Income Fund - Medium Term Growth	**-**	45
- (42,82,45,478)	IDFC - Super Saver Income Fund - Short Term - Growth	**-**	625
29,82,16,282 (9,99,03,094)	IDFC Banking Debt Fund - Regular Plan - Growth	**319**	100
- (1,75,479)	IDFC Cash Fund - Growth - (Regular Plan)	**-**	25

Notes on Financial Statements for the Year ended 31st March, 2014

		As at 31st March, 2014	As at 31st March, 2013
21,48,65,792 (-)	IDFC Money Manager Fund- Investment Plan-Growth-Direct Plan	**400**	-
- (23,42,26,669)	IDFC Super Saver Income Fund -Medium Term - Plan B - Growth	**-**	285
8,15,59,748 (-)	IDFC Super Saver Income Fund Short Term Plan - Growth-(Regular Plan)	**200**	-
2,50,000 (-)	Indiabulls Short Term Fund - Direct Plan - Growth Option	**25**	-
- (10,38,13,700)	J P Morgan India Short term Income Fund - Growth	**-**	125
61,49,62,892 (46,01,17,659)	J P Morgan India Treasury Fund - Bonus	**629**	700
- (11,10,88,159)	JM High Liquidity Fund - Bonus	**-**	109
4,50,68,027 (-)	JM Money Manager Fund - Super Plan - Bonus	**44**	-
19,71,60,883 (-)	JM Money Manager Fund - Super Plus Plan - Bonus	**199**	-
1,36,85,132 (-)	JM Money Manager Fund Super Plan - Growth	**25**	-
13,40,05,771 (8,84,33,460)	Kotak Bond Short Term Plan - Growth	**304**	185
10,68,70,464 (-)	Kotak Equity Arbitrage Fund - Dividend	**115**	-
- (7,51,00,293)	L & T - Short Term Opportunities Fund - Growth	**-**	80
16,54,740 (-)	L&T Cash Bonus Liquid Fund	**169**	-
7,21,37,997 (-)	L&T Floating Rate Fund - Growth	**83**	-
10,75,21,101 (-)	L&T Triple Ace Bond Fund - Bonus	**133**	-
10,76,394 (1,17,585)	LIC Nomura MF Liquid Fund - Growth	**250**	25
- (4,70,53,586)	Morgan Stanley Short Term Bond Fund - Institutional Plus - Growth	**-**	60
1,62,107 (-)	Principal Bank CD Fund - Growth	**25**	-
- (12,02,16,390)	Reliance Income Fund - Growth Plan - Bonus	**-**	131
- (13,27,54,784)	Religare Active Income Fund - Growth	**-**	175
10,68,81,070 (-)	Religare Invesco Arbitrage - Bonus	**115**	-
17,98,180 (18,67,562)	Religare Invesco Short Term Fund - Growth	**295**	285
- (52,63,28,065)	SBI Dynamic Bond Fund - Growth	**-**	725
- (1,90,032)	SBI Premier Liquid Fund - Growth	**-**	35

Notes on Financial Statements for the Year ended 31st March, 2014

		As at 31st March, 2014	As at 31st March, 2013
36,08,46,691 (18,37,26,275)	SBI Short Term Debt Fund - Growth	**487**	235
6,20,51,677 (4,32,75,524)	Sundaram Flexible Fund Short - Term Plan - Growth	**121**	80
17,81,54,863 (-)	Sundaram Flexible Fund Short Term Plan - Bonus	**175**	-
17,58,87,636 (-)	Sundaram Money Fund Direct Plan - Bonus	**272**	-
- (3,02,49,315)	Sundaram Monthly Income Plan Bonus	**-**	34
9,57,31,798 (-)	Sundaram Select Debt Short Term Asset Plan - Bonus	**100**	-
- (9,21,73,180)	Tata Income Fund Plan A - Appreciation - Bonus	**-**	97
- (1,94,65,573)	Tata Short Term Bond Fund Plan A - Growth	**-**	40
36,10,159 (37,23,783)	UTI Floating Rate Fund - Growth	**715**	700
- (1,90,537)	UTI Money Market Fund - Growth	**-**	25
35,25,25,179 (30,35,68,335)	UTI Short Term Income Fund - Institutional Plan - Growth	**518**	400
- (20,30,859)	UTI Treasury Advantage Fund - Institutional Plan	**-**	250
		10,626	**13,186**
Investments in Treasury Bills - Quoted		**15**	-
Investments in Commercial Paper - Unquoted			
	Housing Development Finance Corporation Limited	**369**	-
Investment in Certificate of Deposits - Unquoted			
	Andhra Bank	**9**	-
	Canara Bank	**44**	-
	Central Bank of India	**187**	-
	Indian Bank	**287**	-
	Oriental Bank of Commerce	**263**	-
	State Bank of Patiala	**71**	-
	UCO Bank	**478**	-
	Union Bank of India	**91**	-
		1,430	-
	Total Current Investments	**33,370**	28,366
Aggregate amount of quoted investments		**20,590**	14,880
Market Value of quoted investments		**21,655**	15,460
Aggregate amount of unquoted investments		**12,780**	13,486

Notes on Financial Statements for the Year ended 31st March, 2014

13. INVENTORIES

(₹ in crore)

	As at 31st March, 2014	As at 31st March, 2013
Raw Materials	**7,309**	7,882
Raw Materials in Transit	**16,145**	13,820
Stock-in-Process	**6,546**	6,361
Finished Goods	**10,071**	10,819
Stores, Chemicals and Packing Materials	**2,789**	3,794
Stock-in-Trade	**72**	53
TOTAL	**42,932**	42,729

14. TRADE RECEIVABLES

(₹ in crore)

(Unsecured and Considered Good)

	As at 31st March, 2014	As at 31st March, 2013
Outstanding for a period exceeding six months	**65**	41
Others	**10,599**	11,839
TOTAL	**10,664**	11,880

15. CASH AND BANK BALANCES

(₹ in crore)

	As at 31st March, 2014	As at 31st March, 2013
Cash and cash equivalents:		
Cash on hand	**21**	15
Bank Balances:		
In current accounts*	**996**	740
In deposit **	**32,207**	48,792
Sub-total	**33,224**	49,547
Other bank balances		
In deposit #	**3,400**	-
Sub-total	**3,400**	-
TOTAL	**36,624**	49,547

* Includes unclaimed dividend of ₹ 175 crore (Previous Year ₹ 152 crore).

** Includes deposits of ₹ 1 crore (Previous Year ₹ 13,173 crore) with maturity of more than 12 months.

Deposits of ₹ 3,400 crore (Previous Year ₹ NIL) are given as lien against Short Term Borrowings.

15.1 Cash and cash equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

16. SHORT TERM LOANS AND ADVANCES

(₹ in crore)

(Unsecured and Considered Good)

	As at 31st March, 2014	As at 31st March, 2013
Loans and Advances to Related Parties (Refer Note No. 31)	**4,366**	3,674
Balance with Customs, Central Excise Authorities	**2,727**	2,549
Deposits	**681**	399
Others#	**3,503**	4,352
TOTAL	**11,277**	10,974

Includes primarily Interest Receivable on Fixed Deposits with Banks, Advance to sundry creditors.

Notes on Financial Statements for the Year ended 31st March, 2014

17. OTHER CURRENT ASSETS

(₹ in crore)

	As at 31st March, 2014	As at 31st March, 2013
Interest accrued on Investment	466	480
TOTAL	466	480

18. SALE OF PRODUCTS

(₹ in crore)

Particulars of Sale of products	2013-14	2012-13
Petroleum Products	2,97,746	2,73,790
Petrochemicals Products	96,383	88,108
Oil & Gas	6,055	8,173
Others	1,016	950
TOTAL	4,01,200	3,71,021

19. OTHER INCOME

(₹ in crore)

	2013-14		2012-13	
Interest				
From Current Investments	442		892	
From Long Term Investments	1,025		460	
From Others	5,005		4,893	
		6,472		6,245
Dividend				
From Current Investments	88		74	
From Long Term Investments	3		3	
		91		77
Net gain on sale of Investments				
From Current Investments	1,716		1,234	
From Long Term Investments	632		424	
		2,348		1,658
Other non operating income *		25		18
TOTAL		8,936		7,998

* Other non operating income includes income from finance lease of ₹ 6,85,777 (Previous Year ₹ 1 crore).

20. COST OF MATERIALS CONSUMED

(₹ in crore)

	(₹ in crore)	2013-14 % of Consumption	(₹ in crore)	2012-13 % of Consumption
Imported	2,95,338	89.68	2,77,824	90.75
Indigenous	33,975	10.32	28,303	9.25
TOTAL	3,29,313	100.00	3,06,127	100.00

20.1 Particulars of Materials Consumed

(₹ in crore)

Particulars	2013-14	2012-13
Crude Oil	2,98,950	2,79,316
Others	30,363	26,811
TOTAL	3,29,313	3,06,127

21. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

(₹ in crore)

		2013-14		2012-13
Inventories (at close)				
Finished Goods / Stock-in-Trade	**10,143**		10,872	
Stock-in-Process	**6,546**		6,361	
		16,689		17,233
Inventories (at commencement)				
Finished Goods / Stock-in-Trade	**10,872**		7,998	
Stock-in-Process	**6,361**		5,274	
	17,233		13,272	
Less: Capitalised during the year	**132**		-	
Add: On Amalgamation (Refer Note No. 33)	-		644	
		17,101		13,916
TOTAL		**412**		(3,317)

22. EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

Particulars	2013-14	2012-13
Salaries and wages	**2,877**	2,925
Contribution to provident and other funds	**233**	218
Staff welfare expenses	**260**	211
TOTAL	**3,370**	3,354

22.1 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

Particulars	2013-14	2012-13
Employer's Contribution to Provident Fund	**100**	91
Employer's Contribution to Superannuation Fund	**15**	15
Employer's Contribution to Pension Scheme	**21**	19

The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-a-vis statutory rate.

Defined Benefit Plan

The employees' gratuity fund scheme managed by a Trust (Life Insurance Corporation of India for SEZ unit of the Company) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated Absences is recognised in the same manner as gratuity.

Notes on Financial Statements for the Year ended 31st March, 2014

I) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in crore)

	Gratuity (Funded)		Compensated Absences (Unfunded)	
	2013-14	2012-13	**2013-14**	2012-13
Defined Benefit obligation at beginning of the year	**500**	436	**128**	137
On Amalgamation (Refer Note No. 33)	**-**	2	**-**	1
Current Service Cost	**33**	31	**10**	9
Interest Cost	**39**	34	**9**	9
Actuarial (gain) / loss	**(16)**	26	**60**	25
Benefits paid	**(35)**	(29)	**(18)**	(53)
Defined Benefit obligation at year end	**521**	500	**189**	128

II) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in crore)

	Gratuity (Funded)	
	2013-14	2012-13
Fair value of Plan assets at beginning of year	**503**	394
On Amalgamation (Refer Note No. 33)	**-**	2
Expected return on plan assets	**39**	34
Actuarial gain / (loss)	**3**	10
Employer contribution	**11**	92
Benefits paid	**(35)**	(29)
Fair value of Plan assets at year end	**521**	503
Actual return on plan assets	**42**	44

III) Reconciliation of fair value of assets and obligations

(₹ in crore)

	Gratuity (Funded) As at 31st March		Compensated Absences (Unfunded) As at 31st March	
	2014	2013	**2014**	2013
Fair value of Plan assets	**521**	503	**-**	-
Present value of obligation	**521**	500	**189**	128
Amount recognised in Balance Sheet	**-**	(3)	**189**	128

IV) Expenses recognised during the year

(₹ in crore)

	Gratuity (Funded)		Compensated Absences (Unfunded)	
	2013-14	2012-13	**2013-14**	2012-13
Current Service Cost	**33**	31	**10**	9
Interest Cost	**39**	34	**9**	9
Expected return on Plan assets	**(39)**	(34)	**-**	-
Actuarial (gain) / loss	**(19)**	16	**60**	25
Net Cost	**14**	47	**79**	43

V) **Investment Details :**

	As at 31st March, 2014		As at 31st March, 2013	
	₹ in crore	**% Invested**	₹ in crore	% Invested
GOI Securities	**24**	**4.64**	29	5.70
Public Securities	**21**	**4.08**	23	4.60
State Government Securities	**8**	**1.52**	8	1.68
Insurance Policies	**464**	**89.0**	442	87.84
Others (including bank balances)	**4**	**0.76**	1	0.18
	521	**100.00**	503	100.00

VI) **Actuarial assumptions**

	Gratuity (Funded)		Compensated Absences (Unfunded)	
	2013-14	2012-13	**2013-14**	2012-13
Mortality Table	**2006-08 (Ultimate)**	1994-96 (Ultimate)	**2006-08 (Ultimate)**	1994-96 (Ultimate)
Discount rate (per annum)	**8%**	8%	**8%**	8%
Expected rate of return on plan assets (per annum)	**8%**	8%	**-**	-
Rate of escalation in salary (per annum)	**6%**	6%	**6%**	6%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

VII) **Amounts recognised in current year and previous four years** (₹ in crore)

Particular	As at 31st March				
Gratuity	**2014**	2013	2012	2011	2010
Defined benefit obligation	**521**	500	436	383	301
Fair value of plan assets	**521**	503	394	327	269
(Surplus) / Deficit in the plan	**-**	(3)	42	56	32
Actuarial (gain) / loss on plan obligation	**(16)**	26	17	40	28
Actuarial gain / (loss) on plan assets	**3**	10	2	2	6

VIII) The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2013-14.

22.2 The Company had announced Voluntary Separation Scheme (VSS) for the employees of Silvassa manufacturing division during the year. A sum of ₹ 31 crore (Previous Year ₹ NIL) has been paid during the year and debited to Statement of Profit and Loss under the head "Employee Benefits Expense".

23. FINANCE COSTS

(₹ in crore)

	2013-14	2012-13
Interest Expenses*	**1,867**	2,152
Other borrowing costs	**14**	16
Applicable loss on foreign currency transactions and translation	**1,325**	868
TOTAL	**3,206**	3,036

* Interest Expenses are net of Interest Capitalised of ₹ 701 crore (Previous Year ₹ 385 crore) (Refer Note No.9.5)

Notes on Financial Statements for the Year ended 31st March, 2014

24. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in crore)

	2013-14	2012-13
Depreciation and Amortisation (Refer Note No. 9)	**10,634**	11,537
Less: Transferred from revaluation reserve (Refer Note No. 9.7)	**1,055**	2,072
Less: Transferred from general reserve (Refer Note No. 9.7)	**790**	-
TOTAL	**8,789**	9,465

25. OTHER EXPENSES

(₹ in crore)

	2013-14		2012-13	
Manufacturing Expenses				
Stores, Chemicals and Packing Materials	**4,446**		3,799	
Electric Power, Fuel and Water	**10,153**		7,166	
Labour Processing, Production Royalty and Machinery Hire Charges	**1,288**		1,569	
Repairs to Building	**23**		28	
Repairs to Machinery	**786**		698	
Exchange Difference (Net)	**(111)**		(73)	
Excise Duty #	**(2)**		36	
Lease Rent (Previous Year ₹ 44,00,000)	**1**		-	
		16,584		13,223
Selling and Distribution Expenses				
Warehousing and Distribution Expenses	**5,119**		4,935	
Sales tax / VAT	**939**		1,102	
Other Selling and Distribution Expenses	**724**		635	
		6,782		6,672
Establishment Expenses				
Professional fees	**787**		1,090	
General Expenses*	**316**		404	
Rent	**74**		97	
Insurance	**647**		611	
Rates & Taxes	**108**		145	
Other Repairs	**237**		229	
Travelling Expenses	**131**		122	
Payment to Auditors	**18**		18	
Loss on Sale /Discard of Fixed Assets	**57**		48	
Charity and Donations	**595**		283	
		2,970		3,047
Less: Transferred to Project Development Expenditure		**715**		98
TOTAL		**25,621**		22,844

\# Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.

* Includes write off of Investments of ₹ 25 crore (Previous Year ₹ NIL).

Notes on Financial Statements for the Year ended 31st March, 2014

25.1 Value of Stores, Chemicals and Packing Materials Consumed :

	2013-14		2012-13	
	₹ in crore	% of Consumption	₹ in crore	% of Consumption
Imported	1,843	41.46	1,725	45.41
Indigenous	2,603	58.54	2,074	54.59
TOTAL	4,446	100.00	3,799	100.00

25.2 Payment to Auditors as :

(₹ in crore)

		2013-14	2012-13
(a)	Auditor:		
	Statutory Audit Fees	8	7
	Tax Audit Fees	1	1
(b)	Certification and Consultation Fees	8	9
(c)	Cost Audit Fees	1	1
	TOTAL	18	18

26. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

(₹ in crore)

	2013-14	2012-13
Raw Materials and Stock-in-Trade	3,02,630	2,81,719
Stores, Chemicals and Packing Materials	3,719	3,260
Capital goods	4,218	2,204

27. EXPENDITURE IN FOREIGN CURRENCY :

(₹ in crore)

	2013-14	2012-13
Oil and Gas Activity	3,308	1,565
Repairs to Machinery (Includes ₹ 4 crore for SEZ units)	33	42
Repairs to Building ₹ 8,45,220 (Previous Year ₹ 8,41,593)	-	-
Employee Benefits Expense (Includes ₹ 22,76,702 for SEZ units)	19	24
Sales Promotion Expenses (Includes ₹ 1 crore for SEZ units)	44	34
Brokerage and Commission (Includes ₹ 4 crore for SEZ units)	220	46
Ocean Freight (Includes ₹ 558 crore for SEZ units)	1,234	1,328
Warehousing and Distribution Expenses (Includes ₹ 1,255 crore for SEZ units)	1,598	1,487
Insurance (Includes ₹ 17,64,247 for SEZ units)	2	2
Rent	5	6
Rates & Taxes	1	1
Other Repairs (Includes ₹ 8 crore for SEZ units)	17	13

Notes on Financial Statements for the Year ended 31st March, 2014

(₹ in crore)

	2013-14	2012-13
Travelling Expenses (Includes ₹ 35,87,730 for SEZ units)	**28**	13
Professional Fees (Includes ₹ 27 crore for SEZ units)	**144**	179
Charity and Donations	**15**	12
Labour Processing, Production Royalty and Hire Charges (Includes ₹ 17,08,131 for SEZ units)	**1**	11
Bank Charges (Includes ₹ 8 crore for SEZ units)	**19**	19
General Expenses (Includes ₹ 55 crore for SEZ units)	**153**	114
Interest Expenses (Includes ₹ 373 crore for SEZ units)	**1,380**	1,501

28. EARNINGS IN FOREIGN EXCHANGE

(₹ in crore)

	2013-14	2012-13
FOB value of exports [Excluding captive transfers to Special Economic Zone of ₹ 16,861 crore (Previous Year ₹ 21,480 crore)]	**2,61,118**	2,27,883
Interest	**5**	2
Others	**243**	207

29. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External Account (NRE A/c). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given herein below:

			2013-14 (Final Dividend)	2012-13 (Final Dividend)
a)	Number of Non Resident Shareholders		**37,150**	40,266
b)	Number of Equity Shares held by them		**58,20,62,860**	57,01,32,298
c)	(i)	Amount of Dividend Paid (Gross) (₹ in Crore)	**524**	485
	(ii)	Tax Deducted at Source	**-**	-
	(iii)	Year to which dividend relates	**2012-13**	2011-12

30. EARNINGS PER SHARE (EPS)

		2013-14	2012-13
i)	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in crore)	**21,984**	21,003
ii)	Weighted Average number of equity shares used as denominator for calculating EPS	**3,23,06,12,815**	3,23,99,64,480
iii)	Basic and Diluted Earnings per share (₹)	**68.05**	**64.82**
iv)	Face Value per equity share (₹)	**10.00**	10.00

Notes on Financial Statements for the Year ended 31st March, 2014

31. RELATED PARTY DISCLOSURES :

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industrial Investments and Holdings Limited	Subsidiary Companies
2	Reliance Ventures Limited	
3	Reliance Strategic Investments Limited	
4	Reliance Industries (Middle East) DMCC	
5	Reliance Retail Limited (Erstwhile, amalgamated with Reliance Fresh Limited w.e.f. 01.04.2012)	
6	Reliance Retail Limited (Formerly known as Reliance Fresh Limited)	
7	Reliance Haryana SEZ Limited	
8	Retail Concepts and Services (India) Limited (amalgamated with Reliance Financial Distribution and Advisory Services Limited w.e.f. 01.04.2012)	
9	Reliance Retail Insurance Broking Limited	
10	Reliance Dairy Foods Limited	
11	Reliance Exploration & Production DMCC	
12	Reliance Retail Finance Limited	
13	RESQ Limited (amalgamated with Erstwhile Reliance Fresh Limited w.e.f. 01.04.2012)	
14	Reliance Retail Ventures Limited #	
15	Reliancedigital Retail Limited (amalgamated with Erstwhile Reliance Trends Limited w.e.f. 01.04.2012)	
16	Reliance Financial Distribution and Advisory Services Limited	
17	RIL (Australia) Pty Ltd	
18	Gapco Kenya Limited	
19	Gapco Rwanda Limited	
20	Gapco Tanzania Limited	
21	Gapco Uganda Limited	
22	Gapoil (Zanzibar) Limited	
23	Gulf Africa Petroleum Corporation	
24	Transenergy Kenya Limited	
25	Recron (Malaysia) Sdn Bhd	
26	Reliance Payment Solutions Limited	
27	Reliance Brands Limited	
28	Reliance Footprint Limited (amalgamated with Erstwhile Reliance Trends Limited w.e.f. 01.04.2012)	
29	Reliance Trading Limited ##	
30	Reliance Lifestyle Holdings Limited	
31	Reliance Universal Ventures Limited (amalgamated with Reliance Industrial Investments and Holdings Limited w.e.f. 01.10.2013)	
32	Delight Proteins Limited	
33	Reliance Autozone Limited (amalgamated with Erstwhile Reliance Fresh Limited w.e.f. 01.04.2012)	
34	Reliance F&B Services Limited	

Formerly knows as Reliance Commercial Associates Limited
Formerly knows as Reliance Trends Limited

Notes on Financial Statements for the Year ended 31st March, 2014

Sr. No.	Name of the Related Party	Relationship
35	Reliance Gems and Jewels Limited (amalgamated with Erstwhile Reliance Trends Limited w.e.f. 01.04.2012)	
36	Reliance Integrated Agri Solutions Limited (amalgamated with Reliance Financial Distribution and Advisory Services Limited w.e.f. 01.04.2012)	
37	Strategic Manpower Solutions Limited	
38	Reliance Agri Products Distribution Limited (amalgamated with Reliance Financial Distribution and Advisory Services Limited w.e.f. 01.04.2012)	
39	Reliance Digital Media Limited (amalgamated with Erstwhile Reliance Fresh Limited w.e.f. 01.04.2012)	
40	Reliance Food Processing Solutions Limited	
41	Reliance Home Store Limited (amalgamated with Reliance Financial Distribution and Advisory Services Limited w.e.f. 01.04.2012)	
42	Reliance Leisures Limited (amalgamated with Erstwhile Reliance Trends Limited w.e.f. 01.04.2012)	
43	Reliance Loyalty & Analytics Limited (amalgamated with Reliance Financial Distribution and Advisory Services Limited w.e.f. 01.04.2012)	
44	Reliance Retail Securities and Broking Company Limited (amalgamated with Reliance Financial Distribution and Advisory Services Limited w.e.f. 01.04.2012)	
45	Reliance Supply Chain Solutions Limited (amalgamated with Reliance Financial Distribution and Advisory Services Limited w.e.f. 01.04.2012)	Subsidiary Companies
46	Reliance Trade Services Centre Limited (amalgamated with Reliance Financial Distribution and Advisory Services Limited w.e.f. 01.04.2012)	
47	Reliance Vantage Retail Limited	
48	Wave Land Developers Limited	
49	Reliance-GrandOptical Private Limited	
50	Reliance Universal Commercial Limited	
51	Reliance Petroinvestments Limited	
52	Reliance Global Commercial Limited	
53	Reliance People Serve Limited	
54	Reliance Infrastructure Management Services Limited	
55	Reliance Global Business B.V.	
56	Reliance Gas Corporation Limited	
57	Reliance Global Energy Services Limited	
58	Kanhatech Solutions Limited	
59	Reliance Global Energy Services (Singapore) Pte. Limited	
60	Reliance Personal Electronics Limited (amalgamated with Reliance Financial Distribution and Advisory Services Limited w.e.f. 01.04.2012)	
61	Reliance Polymers (India) Limited (amalgamated with Reliance Industrial Investments and Holdings Limited w.e.f. 01.10.2013)	
62	Reliance Polyolefins Limited	

Notes on Financial Statements for the Year ended 31st March, 2014

Sr. No.	Name of the Related Party	Relationship
63	Reliance Aromatics and Petrochemicals Limited	
64	Reliance Energy and Project Development Limited	
65	Reliance Chemicals Limited	
66	Reliance Universal Enterprises Limited	
67	Reliance Review Cinema Limited	
68	Reliance Replay Gaming Limited (amalgamated with Erstwhile Reliance Fresh Limited w.e.f. 01.04.2012)	
69	Reliance Nutritious Food Products Limited*	
70	RIL USA Inc.	
71	Reliance Commercial Land & Infrastructure Limited	
72	Reliance Corporate IT Park Limited	
73	Reliance Eminent Trading & Commercial Private Limited	
74	Reliance Progressive Traders Private Limited	
75	Reliance Prolific Traders Private Limited	
76	Reliance Universal Traders Private Limited	
77	Reliance Prolific Commercial Private Limited	
78	Reliance Comtrade Private Limited	
79	Reliance Ambit Trade Private Limited	
80	Reliance Petro Marketing Limited	
81	LPG Infrastructure (India) Limited	
82	Reliance Corporate Centre Limited	
83	Reliance Convention and Exhibition Centre Limited	
84	Central Park Enterprises DMCC	Subsidiary Companies
85	Reliance International B. V. (Liquidated w.e.f. 18.03.2014)	
86	Reliance Corporate Services Limited	
87	Indiawin Sports Private Limited	
88	Reliance Holding USA Inc.	
89	Reliance Marcellus LLC	
90	Reliance Jio Infocomm Limited	
91	Reliance Strategic (Mauritius) Limited	
92	Reliance Eagleford Midstream LLC	
93	Reliance Eagleford Upstream LLC	
94	Reliance Eagleford Upstream GP LLC	
95	Reliance Eagleford Upstream Holding LP	
96	Mark Project Services Private Limited	
97	Reliance Energy Generation and Distribution Limited	
98	Reliance Marcellus II LLC	
99	Reliance Security Solutions Limited	
100	Reliance Industries Investment and Holding Limited	
101	Reliance Office Solutions Private Limited (amalgamated with Reliance Financial Distribution and Advisory Services Limited w.e.f. 01.04.2012)	
102	Reliance Style Fashion India Private Limited	
103	GenNext Innovation Ventures Limited	

* Formerly known as Two Sisters Foods India Limited

Notes on Financial Statements for the Year ended 31st March, 2014

Sr. No.	Name of the Related Party	Relationship
104	Reliance Home Products Limited (amalgamated with Reliance Financial Distribution and Advisory Services Limited w.e.f. 01.04.2012)	Subsidiary Companies
105	Infotel Telecom Limited	
106	Reliance Styles India Limited	
107	Rancore Technologies Private Limited	
108	Omni Symmetry LLC (amalgamated with Reliance Jio Infocomm USA Inc w.e.f. 31.03.2014)	
109	Reliance Sibur Elastomers Private Limited	
110	Surela Investment and Trading Private Limited	
111	Model Economic Township Limited	
112	Delta Corp East Africa Limited	
113	Delta Square Limited (Desubsidiarized w.e.f. 20.08.2013)	
114	Kaizen Capital LLP	
115	Affinity Names Inc	
116	Reliance USA Gas Marketing LLC	
117	Reliance Aerospace Technologies Limited	
118	Reliance Gas Pipelines Limited	
119	Achman Commercial Private Limited	
120	Reliance Jio Infocomm Pte Limited	
121	Reliance do Brasil Industria e Comercio de Produtos Texteis, Quimicos, Petroquimicos e Derivados Ltda.	
122	Reliance Jio Electronics Private Limited	
123	Reliance Jio Infocomm USA Inc	
124	Reliance Jio Infocomm UK Limited	
125	Reliance Clothing India Private Limited	
126	Reliance Agri Ventures Private Limited	
127	Reliance World Trade Private Limited	
128	Reliance Marcellus Holding LLC	
129	Reliance Industrial Infrastructure Limited	Associates
130	Reliance Europe Limited	
131	Reliance LNG Limited	
132	Indian Vaccines Corporation Limited	
133	Gujarat Chemical Port Terminal Company Limited	
134	Reliance Utilities and Power Private Limited	
135	Reliance Ports and Terminals Limited	
136	Reliance Gas Transportation Infrastructure Limited	
137	Reliance Commercial Dealers Limited	
138	Shri Mukesh D. Ambani	Key Managerial Personnel
139	Shri Nikhil R. Meswani	
140	Shri Hital R. Meswani	
141	Shri P. M. S. Prasad	
142	Shri P. K. Kapil	
143	Dhirubhai Ambani Foundation	Enterprises over which Key Managerial Personnel are able to exercise significant influence
144	Jamnaben Hirachand Ambani Foundation	
145	Hirachand Govardhandas Ambani Public Charitable Trust	
146	HNH Trust and HNH Research Society	
147	Reliance Foundation	

Notes on Financial Statements for the Year ended 31st March, 2014

ii) Transactions during the year with related parties :

(₹ in crore)

Sr. No.	Nature of Transactions (Excluding reimbursements)	Subsidiaries	Associates	Key Managerial Personnel	Others	TOTAL
1.	Purchase of Fixed Assets	**2,063**	**44**	-	-	**2,107**
		917	*43*	-	-	*960*
2.	Purchase / Subscription of Investments	**22,620**	-	-	-	**22,620**
		8,317	-	-	-	*8,317*
3.	Sale / Transfer / Redemption of Investments	**7,179**	-	-	-	**7,179**
		11,498	-	-	-	*11,498*
4.	Capital Advance given	-	**7**	-	-	**7**
		-	*2*	-	-	*2*
5.	Net Loans and advances, Deposits given / (returned)	**3,910**	**36**	-	-	**3,946**
		7,546	*27*	-	-	*7,573*
6.	Revenue from Operations	**28,394**	**403**	-	-	**28,797**
		26,166	*336*	-	-	*26,502*
7.	Other Income	**1,068**	**8**	-	-	**1,076**
		842	*9*	-	-	*851*
8.	Purchases / Material Consumed	**2,575**	**184**	-	-	**2,759**
		2,319	*167*	-	-	*2,486*
9.	Electric Power, Fuel and Water	-	**1,466**	-	-	**1,466**
		-	*1,325*	-	-	*1,325*
10.	Hire Charges	-	**523**	-	-	**523**
		-	*408*	-	-	*408*
11.	Employee Benefits Expense	**16**	-	-	-	**16**
		6	-	-	-	*6*
12.	Payment to Key Managerial Personnel	-	-	**47**	-	**47**
		-	-	*44*	-	*44*
13.	Sales and Distribution Expenses	**171**	**2,885**	-	-	**3,056**
		21	*2,845*	-	-	*2,866*
14.	Rent	-	**8**	-	-	**8**
		-	-	-	-	-
15.	Professional Fees	**592**	**51**	-	-	**643**
		760	*56*	-	-	*816*
16.	General Expenses	**29**	**274**	-	-	**303**
		41	*258*	-	-	*299*
17.	Donations	-	-	-	**529**	**529**
		-	-	-	*218*	*218*
18.	Finance Cost	**14**	-	-	-	**14**
		16	-	-	-	*16*
19.	Investment written off	**25**	-	-	-	**25**
		-	-	-	-	-
Balance as at 31st March, 2014						
20.	Investments	**32,402**	**2,085**	-	-	**34,487**
		16,986	*2,085*	-	-	*19,071*
21.	Trade Receivables	**4,620**	**39**	-	-	**4,659**
		5,977	*30*	-	-	*6,007*

Notes on Financial Statements for the Year ended 31st March, 2014

(₹ in crore)

Sr. No.	Nature of Transactions (Excluding reimbursements)	Subsidiaries	Associates	Key Managerial Personnel	Others	TOTAL
22.	Capital Advance	**-**	**8**	**-**	**-**	**8**
		-	*2*	*-*	*-*	*2*
23.	Loans & Advances	**26,092**	**14**	**-**	**-**	**26,106**
		21,973	*15*	*-*	*-*	*21,988*
24.	Deposits	**-**	**1,499**	**-**	**-**	**1,499**
		-	*1,463*	*-*	*-*	*1,463*
25.	Trade and other payables	**380**	**309**	**-**	**-**	**689**
		540	*252*	*-*	*-*	*792*
26.	Finance Lease Obligations	**146**	**1**	**-**	**-**	**147**
		167	*2*	*-*	*-*	*169*
27.	Financial Guarantees	**30,993**	**1,315**	**-**	**-**	**32,308**
		29,867	*1,213*	*-*	*-*	*31,080*
28.	Performance Guarantees	**159**	**114**	**-**	**-**	**273**
		134	*1*	*-*	*-*	*135*

Note :
Figures in italic represents Previous Year's amount.

Disclosure in Respect of Material Related Party Transactions during the year :

(₹ in crore)

	Particulars	Relationship	2013-14	2012-13
1	**Purchase of Fixed Assets**			
	Reliancedigital Retail Limited	Subsidiary	**-**	4
	Reliance Corporate IT Park Limited	Subsidiary	**2,031**	865
	Reliance Footprint Limited	Subsidiary	**-**	1
	Reliance Haryana SEZ Limited	Subsidiary	**-**	43
	Reliance Gas Transportation Infrastructure Limited	Associate	**4**	-
	Reliance Industrial Infrastructure Limited	Associate	**3**	2
	Reliance Ports and Terminals Limited	Associate	**36**	41
	Reliance Retail Limited (Formerly known as Reliance Fresh Limited)	Subsidiary	**31**	1
	Reliance Security Solutions Limited	Subsidiary	**-**	3
	Gujarat Chemical Port Terminal Company Limited	Associate	**1**	-
2	**Purchase / Subscription of Investments**			
	RIL (Australia) Pty Ltd	Subsidiary	**-**	3
	Reliance Energy Generation and Distribution Limited	Subsidiary	**1**	-
	Reliance Global Business B.V.	Subsidiary	**222**	-
	Reliance Jio Infocomm Limited	Subsidiary	**22,397**	2,647
	Reliance Retail Ventures Limited (Formerly known as Reliance Commercial Associates Limited)	Subsidiary	**-**	5,667
3	**Sale / Transfer of Investments**			
	Reliance Industrial Investments and Holdings Limited	Subsidiary	**-**	1,544
	Reliance Universal Ventures Limited	Subsidiary	**-**	7,800

Notes on Financial Statements for the Year ended 31st March, 2014

(₹ in crore)

	Particulars	Relationship	2013-14	2012-13
4	**Redemption of Investments**			
	Reliance Exploration & Production DMCC	Subsidiary	**-**	1,673
	Reliance Global Business B.V.	Subsidiary	**32**	49
	Reliance Industries (Middle East) DMCC	Subsidiary	**-**	431
	Reliance Jio Infocomm Limited	Subsidiary	**7,147**	-
	Reliance Netherlands B.V.	Subsidiary	**-**	1
5	**Capital Advance Given**			
	Reliance Industrial Infrastructure Limited	Associate	**2**	2
	Reliance Utilities and Power Private Limited	Associate	**5**	-
6	**Net Loans and Advances, Deposits Given/ (Returned)**			
	Reliance Brands Limited	Subsidiary	**(11)**	11
	Reliance Corporate IT Park Limited	Subsidiary	**945**	-
	Reliance Energy Generation and Distribution Limited	Subsidiary	**(1)**	-
	Reliance Exploration & Production DMCC	Subsidiary	**7**	71
	Reliance Gas Pipelines Limited	Subsidiary	**33**	-
	Reliance Industrial Investments and Holdings Limited	Subsidiary	**1,635**	7,684
	Reliance Prolific Traders Private Limited	Subsidiary	**-**	(523)
	Reliance Retail Limited	Subsidiary	**-**	303
	Reliance Retail Limited (Formerly known as Reliance Fresh Limited)	Subsidiary	**817**	-
	Reliance Strategic Investments Limited	Subsidiary	**471**	-
	Reliance Ventures Limited	Subsidiary	**14**	-
	Gujarat Chemicals Port Terminal Company Limited	Associate	**36**	27
7	**Revenue from Operations**			
	Gapco Kenya Limited	Subsidiary	**9,898**	6,559
	Gapco Tanzania Limited	Subsidiary	**1,972**	2,937
	LPG Infrastructure (India) Limited	Subsidiary	**458**	392
	Recron (Malaysia) Sdn Bhd	Subsidiary	**2,685**	367
	Reliance Commercial Land & Infrastructure Limited	Subsidiary	**1**	-
	Reliance Commercial Dealers Limited	Associate	**12**	-
	Reliance Corporate IT Park Limited	Subsidiary	**12**	2
	Reliancedigital Retail Limited	Subsidiary	**-**	4
	Reliance Eminent Trading & Commercial Private Limited	Subsidiary	**-**	2
	Reliance Gems and Jewels Limited	Subsidiary	**-**	475
	Reliance Gas Transportation Infrastructure Limited	Associate	**69**	86
	Reliance Industrial Investments and Holdings Limited	Subsidiary	**948**	679
	Reliance Jio Infocomm Limited	Subsidiary	**546**	408
	Reliance Petro Marketing Limited	Subsidiary	**156**	77
	Reliance Ports and Terminals Limited	Associate	**2**	6
	Reliance Progressive Traders Private Limited	Subsidiary	**-**	5
	Reliance Prolific Traders Private Limited	Subsidiary	**-**	1

Notes on Financial Statements for the Year ended 31st March, 2014

(₹ in crore)

	Particulars	Relationship	2013-14	2012-13
	Reliance Retail Limited (Formerly known as Reliance Fresh Limited)	Subsidiary	**567**	9
	Reliance Trading Limited (Formerly known as Reliance Trends Limited)	Subsidiary	**-**	6
	Reliance Utilities and Power Private Limited	Associate	**320**	243
	RIL USA Inc.	Subsidiary	**11,149**	14,242
	Gujarat Chemical Port Terminal Company Limited	Associate	**-**	1
8	**Other Income**			
	Gapco Kenya Limited	Subsidiary	**2**	2
	Gapco Tanzania Limited	Subsidiary	**6**	2
	Gapco Uganda Limited	Subsidiary	**1**	1
	Recron (Malaysia) Sdn Bhd	Subsidiary	**5**	6
	Reliance Corporate IT Park Limited	Subsidiary	**26**	1
	Reliance Europe Limited	Associate	**4**	5
	Reliance Exploration & Production DMCC	Subsidiary	**5**	2
	Reliance Holding USA Inc.	Subsidiary	**204**	122
	Reliance Industrial Investments and Holdings Limited	Subsidiary	**557**	371
	Reliance Jio Infocomm Limited	Subsidiary	**48**	41
	Reliance Marcellus LLC	Subsidiary	**-**	3
	Reliance Ports and Terminals Limited	Associate	**1**	1
	Reliance Retail Limited (Formerly known as Reliance Fresh Limited)	Subsidiary	**66**	-
	Reliance Retail Limited	Subsidiary	**-**	72
	Reliance Strategic Investments Limited	Subsidiary	**35**	86
	Reliance Utilities and Power Private Limited	Associate	**3**	3
	RIL USA Inc.	Subsidiary	**12**	25
	Reliance Ventures Limited	Subsidiary	**98**	108
9	**Purchases / Material Consumed**			
	Recron (Malaysia) Sdn Bhd	Subsidiary	**-**	1
	Reliance Footprint Limited	Subsidiary	**-**	2
	Reliance Industries (Middle East) DMCC	Subsidiary	**2,550**	2,314
	Reliance Industrial Infrastructure Limited	Associate	**13**	12
	Reliance Petro Marketing Limited	Subsidiary	**25**	2
	Reliance Ports and Terminals Limited	Associate	**167**	154
	Gujarat Chemical Port Terminal Company Limited	Associate	**4**	1
10	**Electric Power, Fuel and Water**			
	Reliance Utilities and Power Private Limited	Associate	**1,466**	1,325
11	**Hire Charges**			
	Gujarat Chemical Port Terminal Company Limited	Associate	**86**	57
	Reliance Industrial Infrastructure Limited	Associate	**26**	30
	Reliance Gas Transportation Infrastructure Limited	Associate	**185**	196
	Reliance Ports and Terminals Limited	Associate	**226**	125

Notes on Financial Statements for the Year ended 31st March, 2014

(₹ in crore)

	Particulars	Relationship	2013-14	2012-13
12	**Employee Benefit Expense**			
	Reliance F&B Services Limited	Subsidiary	**1**	-
	Reliance People Serve Limited	Subsidiary	**4**	3
	Reliance Retail Limited (Formerly known as Reliance Fresh Limited)	Subsidiary	**11**	3
13	**Payment To Key Managerial Personnel**			
	Shri. Mukesh D Ambani	Key Managerial Personnel	**15**	15
	Shri. Nikhil R. Meswani	Key Managerial Personnel	**12**	11
	Shri. Hital R. Meswani	Key Managerial Personnel	**12**	11
	Shri PMS Prasad	Key Managerial Personnel	**6**	5
	Shri P.K.Kapil	Key Managerial Personnel	**2**	2
14	**Sales & Distribution Expenses**			
	Recron (Malaysia) Sdn Bhd	Subsidiary	**171**	-
	Reliance Commercial Land & Infrastructure Limited	Subsidiary	**-**	5
	Reliance Polyolefins Limited	Subsidiary	**-**	16
	Reliance Ports and Terminals Limited	Associate	**2,869**	2,835
	Gujarat Chemical Port Terminal Company Limited	Associate	**16**	10
15	**Rent**			
	Reliance Industrial Infrastructure Limited	Associate	**8**	-
16	**Professional Fees**			
	Indiawin Sports Private Limited	Subsidiary	**25**	23
	Reliance Corporate IT Park Limited	Subsidiary	**567**	736
	Reliance Europe Limited	Associate	**32**	37
	Reliance Industrial Infrastructure Limited	Associate	**19**	19
	Reliance Security Solutions Limited	Subsidiary	**-**	1
17	**General Expenses**			
	Indiawin Sports Private Limited	Subsidiary	**12**	12
	Reliance Commercial Dealers Limited	Associate	**274**	258
	Reliancedigital Retail Limited	Subsidiary	**-**	1
	Reliance Gems and Jewels Limited	Subsidiary	**-**	7
	Reliance Retail Limited (Formerly known as Reliance Fresh Limited)	Subsidiary	**17**	14
	Reliance Trading Limited (Formerly known as Reliance Trends Limited)	Subsidiary	**-**	6
18	**Donations**			
	Dhirubhai Ambani Foundation	Others	**-**	1
	Hirachand Govardhandas Ambani Public Charitable Trust	Others	**1**	1
	Jamnaben Hirachand Ambani Foundation	Others	**8**	8
	HNH Trust and HNH Research Society	Others	**-**	2
	Reliance Foundation	Others	**520**	206

Notes on Financial Statements for the Year ended 31st March, 2014

(₹ in crore)

	Particulars	Relationship	2013-14	2012-13
19	**Finance Cost**			
	Reliance Corporate IT Park Limited	Subsidiary	**14**	16
20	**Investment Written Off**			
	RIL (Australia) Pty Ltd	Subsidiary	**25**	-
	Balances as at 31st March, 2014			
21	**Loans & Advances**			
	Gapco Kenya Limited	Subsidiary	**2**	2
	Gapco Tanzania Limited	Subsidiary	**2**	2
	Gapco Uganda Limited	Subsidiary	**1**	1
	Recron (Malaysia) Sdn Bhd	Subsidiary	**1**	6
	Reliance Brands Limited	Subsidiary	**-**	11
	Reliance Corporate IT Park Limited	Subsidiary	**969**	3
	Reliance Energy Generation and Distribution Limited	Subsidiary	**3,263**	3,265
	Reliance Europe Limited	Associate	**8**	8
	Reliance Exploration & Production DMCC	Subsidiary	**80**	72
	Reliance Gas Pipelines Limited	Subsidiary	**33**	-
	Reliance Industrial Investments and Holdings Limited	Subsidiary	**19,443**	17,642
	Reliance Holding USA Inc.	Subsidiary	**35**	-
	Reliance Retail Limited	Subsidiary	**-**	928
	Reliance Retail Limited (Formerly known as Reliance Fresh Limited)	Subsidiary	**1,745**	-
	Reliance Strategic Investments Limited	Subsidiary	**503**	-
	Reliance Ventures Limited	Subsidiary	**14**	42
	Gujarat Chemical Port Terminal Company Limited	Associate	**6**	6
22	**Deposits**			
	Gujarat Chemical Port Terminal Company Limited	Associate	**99**	63
	Reliance Ports and Terminals Limited	Associate	**1,050**	1,050
	Reliance Utilities and Power Private Limited	Associate	**350**	350

32.1 (a) Disclosure of the Company's Interest in Oil and Gas Joint Ventures (Jointly Controlled Assets):

Sr. No.	Name of the Fields in the Joint Ventures	Company's % Interest		Partners and their Participating Interest (PI)
1	Panna Mukta	**30%**	(30%)	BG Exploration & Production India Limited - 30% ; Oil and Natural Gas Corporation Limited - 40%
2	Tapti	**30%**	(30%)	BG Exploration & Production India Limited - 30% ; Oil and Natural Gas Corporation Limited - 40%
3	NEC - OSN - 97/2	**60%**	(60%)	Niko (NELPIO) Limited - 10% ; BP Exploration (Alpha) Limited - 30%
4	KG - DWN - 98/3	**60%**	(60%)	Niko (NECO) Limited - 10% ; BP Exploration (Alpha) Limited - 30%
5	GS - OSN - 2000/1	**90%**	(90%)	Hardy Exploration and Production (India) Inc - 10%
6	KG-DWN-2003/1	**60%**	(60%)	Hardy Exploration and Production (India) Inc - 10% ; BP Exploration (Alpha) Limited - 30%

Sr. No.	Name of the Fields in the Joint Ventures	Company's % Interest		Partners and their Participating Interest (PI)
7	CY-PR-DWN-2001/3	**70%**	(70%)	BP Exploration (Alpha) Limited - 30%
8	CY-DWN-2001/2	**70%**	(70%)	BP Exploration (Alpha) Limited - 30%
9	CB-ONN-2003/1	**70%**	(70%)	BP Exploration (Alpha) Limited - 30%

Figures in bracket represent Previous Year's (%) Interest.

(b) **Disclosure of the blocks surrendered during the year:**

Sr. No.	Name of the Fields	% Interest	Sr. No.	Name of the Fields	% Interest
1	KG-DWN-2004/4	70%	3	MN-DWN-2004/2	70%
2	MN-DWN-2004/1	70%	4	KG-DWN-2005/2	50%

32.2 (a) **Net Quantities of Company's Interest (on gross basis) in proved reserves and proved developed reserves :**

	Proved Reserves (Million MT)		Proved Developed Reserves (Million MT)	
	2013-14	2012-13	**2013-14**	2012-13
Oil:				
Beginning of the year	**2.46**	3.06	**1.82**	2.42
Revision of estimates	**0.47**	-	**0.73**	-
Production	**(0.46)**	(0.60)	**(0.46)**	(0.60)
Closing balance for the year	**2.47**	2.46	**2.09**	1.82

	Proved Reserves (Million M3*)		Proved Developed Reserves (Million M3*)	
	2013-14	2012-13	**2013-14**	2012-13
Gas:				
Beginning of the year	**97,285**	1,03,958	**18,470**	25,159
Revision of estimates	**(7,195)**	59	**834**	43
Production	**(3,860)**	(6,732)	**(3,860)**	(6,732)
Closing balance for the year	**86,230**	97,285	**15,444**	18,470

* 1 cubic meter (M3) = 35.315 cubic feet, 1 cubic feet = 1000 BTU and 1 MT = 7.5 bbl

(b) In case of producing field and fields where development of drilling activities is in progress, the geological and reservoir simulation are updated as and when new well information is available. In all cases, Reserve evaluation is carried out at least once in a year.

(c) The Government of India, by its letters dated 2nd May 2012 and 14th November 2013 has communicated that it proposes to disallow certain costs which the Production Sharing Contract (PSC), relating to Block KG-DWN-98/3 entitles the Company to recover. Based on legal advice received, the Company continues to maintain that a Contractor is entitled to recover all of its costs under the terms of the PSC and there are no provisions that entitle the Government to disallow the recovery of any Contract Cost as defined in the PSC. The Company has already referred the issue to arbitration and already communicated the same to GoI for the resolution of dispute.

33. The figures for the previous year include figures of Reliance Jamnagar Infrastructure Limited, the wholly owned subsidiary company engaged in infrastructure development and maintenance developer of the operating Special Economic Zone, which was amalgamated with the Company with effect from 1st April, 2011 as per the Scheme of Amalgamation (the Scheme) sanctioned by the Hon'ble High Court of Gujarat at Ahmedabad.

The Scheme became effective on 22nd October, 2012, the appointed date of the Scheme being 1st April, 2011.

In accordance with the scheme and as per approval of the High Court:

Notes on Financial Statements for the Year ended 31st March, 2014

a) The assets, liabilities, reserves, rights and obligations of erstwhile Reliance Jamnagar Infrastructure Limited have been transferred to and vested with the Company with effect from 1st April, 2011 and have been recorded at their respective book values, under the pooling of interest method of accounting for amalgamation as prescribed in Accounting Standard 14 on Accounting for Amalgamations.

b) Being a wholly owned subsidiary company, 10,00,00,000 equity shares & 18,50,000, 10% non-cumulative optionally convertible preference shares of erstwhile Reliance Jamnagar Infrastructure Limited held by the Company have been cancelled against Share Capital of the amalgamating company and no shares have been issued in pursuance to the scheme of amalgamation.

c) Amount added on amalgamation to profit and loss account of previous year is inclusive of profit for the period 1st April 2011 till 31st March 2012 and is net of stamp duty paid on amalgamation.

34. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in crore)

	As at 31st March, 2014	As at 31st March, 2013
(I) Contingent Liabilities		
(A) Claims against the company / disputed liabilities not acknowledged as debts		
(a) In respect of Joint Ventures	**414**	-
(b) In respect of others	**1,433**	1,663
(B) Guarantees		
(i) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties		
(a) In respect of Joint Ventures	**-**	-
(b) In respect of others	**32,308**	31,080
(ii) Performance Guarantees		
(a) In respect of Joint Ventures	**-**	-
(b) In respect of others	**290**	258
(iii) Outstanding guarantees furnished to Banks and Financial Institutions including in respect of Letters of Credits		
(a) In respect of Joint Ventures	**700**	160
(b) In respect of others	**4,843**	5,099
(C) Other Money for which the company is contingently liable		
(i) Liability in respect of bills discounted with Banks (Including third party bills discounting)		
(a) In respect of Joint Ventures	**-**	-
(b) In respect of others	**4,970**	3,961
(II) Commitments		
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
(a) In respect of Joint Ventures	**1,168**	441
(b) In respect of others	**25,349**	7,948
(B) Other commitments		
(a) Sales tax deferral liability assigned	**1,563**	2,345
(b) Guarantee against future cash calls *	**2,917**	1,645

* The Company has issued guarantees against future cash calls to be made by JV Partners of its wholly owned subsidiary Reliance Marcellus LLC.

(III) The Income-Tax assessments of the Company have been completed up to Assessment Year 2010-11. The disputed demand outstanding up to the said Assessment Year is ₹ 1,207 crore. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

Notes on Financial Statements for the Year ended 31st March, 2014

35. FINANCIAL AND DERIVATIVE INSTRUMENTS

a) Derivative contracts entered into by the Company and outstanding as on 31st March, 2014

(i) For Hedging Currency and Interest Rate Related Risks:

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March amount to ₹ 1,03,772 crore (Previous Year ₹ 1,27,469 crore). Category wise break up is given below:

(₹ in crore)

Sr. No.	Particulars	As at 31st March, 2014 Amount (₹ in Crore)	As at 31st March, 2013 Amount (₹ in Crore)
1	Forward Contract	**66,733**	89,412
2	Currency Swap	**1,772**	3,319
3	Interest rate swap	**32,851**	32,431
4	Option	**2,416**	2,307

(ii) For Hedging Commodity related risks :

Category wise break up is given below :

(in Kbbl)

Sr. No.	Particulars	As at 31st March, 2014		As at 31st March, 2013	
		Petroleum product sales	**Crude Oil purchases**	Petroleum product sales	Crude oil purchases
1	Forward swaps	**16,544**	**21,321**	7,334	16,575
2	Futures	**6,308**	**7,066**	3,794	5,488
3	Spreads	**35,456**	**86,016**	44,900	50,366
4	Option	**-**	**36,550**	-	23,895

In addition the Company has net margin hedges outstanding for contracts relating to petroleum product sales of 1,05,627 kbbl (Previous Year 85,168 kbbl).

b) Foreign Currency exposures that are not hedged by derivative instruments as on 31st March 2014 amounting to ₹ 64,918 crore (Previous Year ₹ 71,627 crore). The unhedged exposures are naturally hedged by future foreign currency earnings and earnings linked to foreign currency.

36. As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

37. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively read with General Circular No. 08/2014 dated 4th April 2014 has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For **Rajendra & Co.**
Chartered Accountants

D. Chaturvedi
Partner

A. B. Jani
Partner

A.R. Shah
Partner

Mumbai
Date : April 18, 2014

Alok Agarwal
Chief Financial Officer

K. Sethuraman
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani
H.R. Meswani
P.M.S. Prasad
P. K. Kapil
Executive Directors

M.L. Bhakta
Y.P. Trivedi
Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
Adil Zainulbhai
Directors

Independent Auditors' Report

To the Members of
Reliance Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
   e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Chaturvedi & Shah** Chartered Accountants (Registration No. 101720W)	For **Deloitte Haskins & Sells** Chartered Accountants (Registration No. 117366W)	For **Rajendra & Co.** Chartered Accountants (Registration No. 108355W)
D. Chaturvedi **Partner** Membership No.: 5611	**A. Siddharth** **Partner** Membership No.: 31467	**A. R. Shah** **Partner** Membership No.:47166

Mumbai
Date : April 16, 2013

Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

1. In respect of its fixed assets:
   a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
   b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
   c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
   a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
   b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
   c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
   a) The Company has given loans to two subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year was ₹ 20,316 crore and the year-end balance is ₹ 18,226 crore (including interest free loan of ₹ 13,944 crore).
   b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company, are not prima facie prejudicial to the interest of the Company.
   c) The principal amounts are repayable over a period of three to five years, while the interest is payable annually at the discretion of the Company.
   d) In respect of the said loans and interest thereon, there are no overdue amounts.
   e) The Company has not taken any loan during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
   (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
   a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales

Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date of becoming payable. Amounts due and outstanding for a period exceeding 6 months as at March 31, 2013 to be credited to Investor Education and Protection Fund of ₹ 10 crore, which are held in abeyance due to pending legal cases, have not been considered.

b) The disputed statutory dues aggregating ₹ 1,035 crore that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Sr. No	Name of the Statute	Nature of the Dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
1.	Central Excise Act, 1944	Excise Duty and Service Tax	17	Various years from 1995-96 to 2010-11	Commissioner of Central Excise (Appeals)
			111	Various years from 1991-92 to 2010-11	Central Excise & Service Tax Appellate Tribunal
			1	Various years from 1982-83 to 1985-86	High Court
2.	Central Sales Tax Act, 1956 and Sales Tax Acts of various states	Sales Tax/ VAT and Entry Tax	60	Various years from 1991-92 to 2009-10	Joint/Deputy Commissioner/ Commissioner (Appeals)
			450	Various years from 1993-94 to 2008-09	Sales Tax Appellate Tribunal
			125	Various years from 1994-95 to 2009-10	High Court
			1	2007-08 to 2008-09	Supreme Court
3.	Customs Act, 1962	Custom Duty	15	2007-08	Joint/Deputy Commissioner/ Commissioner (Appeals)
			255	2007-08	Central Excise & Service Tax Appellate Tribunal
	TOTAL		1,035		

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
15. The Company has given guarantees for loans taken by Others from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
16. The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has created securities / charges in respect of secured debentures issued.
20. The Company has not raised any monies by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **Chaturvedi & Shah**	For **Deloitte Haskins & Sells**	For **Rajendra & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
(Registration No. 101720W)	(Registration No. 117366W)	(Registration No. 108355W)
D. Chaturvedi	**A. Siddharth**	**A. R. Shah**
Partner	**Partner**	**Partner**
Membership No.: 5611	Membership No.: 31467	Membership No.:47166

Mumbai

Date : April 16, 2013

Reliance Industries Limited
2013 Audited Non-Consolidated Financial Statements

Reliance Industries Limited
Balance Sheet as at 31st March, 2013

(₹ in crore)

	Note	As at 31st March, 2013		As at 31st March, 2012	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	**3,229**		3,271	
Reserves and Surplus	2	**1,76,766**		1,62,825	
			1,79,995		1,66,096
Share Application Money Pending Allotment	1		**25**		-
Non-Current Liabilities					
Long Term Borrowings	3	**43,012**		48,034	
Deferred Tax Liability (net)	4	**12,193**		12,122	
			55,205		60,156
Current Liabilities					
Short Term Borrowings	5	**11,511**		10,593	
Trade Payables	6	**45,787**		40,324	
Other Current Liabilities	7	**21,640**		13,713	
Short Term Provisions	8	**4,348**		4,258	
			83,286		68,888
TOTAL			**3,18,511**		2,95,140
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	9	**82,962**		88,001	
Intangible Assets	9	**26,786**		25,722	
Capital Work-in-Progress	9	**13,525**		3,695	
Intangible Assets under Development	9	**5,591**		4,059	
Non-Current Investments	10	**24,143**		26,979	
Long Term Loans and Advances	11	**21,528**		14,340	
			1,74,535		1,62,796
Current Assets					
Current Investments	12	**28,366**		27,029	
Inventories	13	**42,729**		35,955	
Trade Receivables	14	**11,880**		18,424	
Cash and Bank Balances	15	**49,547**		39,598	
Short Term Loans and Advances	16	**10,974**		11,089	
Other Current Assets	17	**480**		249	
			1,43,976		1,32,344
TOTAL			**3,18,511**		2,95,140
Significant Accounting Policies					
Notes on Financial Statements	1 to 36				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Deloitte Haskins & Sells**
Chartered Accountants

A. Siddharth
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Mumbai
Date : April 16, 2013

K. Sethuraman
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani
H.R. Meswani
P.M.S. Prasad
P. K. Kapil
} Executive Directors

R.H. Ambani
M.L. Bhakta
Y.P. Trivedi
Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
} Directors

Reliance Industries Limited
Statement of Profit and Loss for the year ended 31st March, 2013

(₹ in crore)

	Note	2012-13	2011-12
INCOME :			
Revenue from Operations	18	**3,60,297**	3,29,904
Other Income	19	**7,998**	6,192
Total Revenue		**3,68,295**	3,36,096
EXPENDITURE :			
Cost of Materials Consumed	20	**3,06,127**	2,74,814
Purchases of Stock-in-Trade		**502**	1,441
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	21	**(3,317)**	(872)
Employee Benefits Expense	22	**3,354**	2,862
Finance Costs	23	**3,036**	2,667
Depreciation and Amortisation Expense	24	**9,465**	11,394
Other Expenses	25	**22,844**	18,040
Total Expenses		**3,42,011**	3,10,346
Profit Before Tax		**26,284**	25,750
Tax Expenses			
Current Tax		**5,244**	5,150
Deferred Tax		**37**	560
Profit for the year		**21,003**	20,040
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	26	**64.82**	**61.21**
Significant Accounting Policies Notes on Financial Statements	1 to 36		

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Deloitte Haskins & Sells**
Chartered Accountants

A. Siddharth
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Mumbai
Date : April 16, 2013

K. Sethuraman
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani
H.R. Meswani
P.M.S. Prasad
P. K. Kapil
Executive Directors

R.H. Ambani
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Y.P. Trivedi
Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
Directors

Reliance Industries Limited
Cash Flow Statement for the year 2012-13

(₹ in crore)

			2012-13		2011-12
A:	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit before tax as per Statement of Profit and Loss		**26,284**		25,750
	Adjusted for:				
	Net Prior Year Adjustments	**3**		1	
	Loss on Sale / Discard of Assets (net)	**34**		21	
	Depreciation and Amortisation Expense	**11,537**		13,734	
	Transferred from Revaluation Reserve	**(2,072)**		(2,340)	
	Effect of Exchange Rate Change	**1,039**		801	
	Net gain on Sale of Investments	**(1,658)**		(1,635)	
	Dividend Income	**(77)**		(10)	
	Interest Income	**(6,245)**		(4,414)	
	Finance Costs	**3,036**		2,667	
			5,597		8,825
	Operating Profit before Working Capital Changes		**31,881**		34,575
	Adjusted for:				
	Trade and Other Receivables	**5,594**		(516)	
	Inventories	**(6,086)**		(6,130)	
	Trade and Other Payables	**6,274**		3,876	
			5,782		(2,770)
	Cash Generated from Operations		**37,663**		31,805
	Net Prior Year Adjustments		**(3)**		(1)
	Taxes Paid (net)		**(4,665)**		(4,830)
	Net Cash from Operating Activities		**32,995**		26,974
B:	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets		**(15,944)**		(8,008)
	Sale of Fixed Assets / Transfer of Participating Interest		**33**		23,245
	Purchase of Investments		**(4,79,071)**		(3,32,438)
	Sale / Redemption of Investments		**4,81,203**		3,15,388
	Movement in Loans and Advances		**(7,546)**		(3,126)
	Interest Income		**6,451**		1,883
	Dividend Income		**77**		10
	Net Cash (used in) Investing Activities		**(14,797)**		(3,046)

Cash Flow Statement for the year 2012-13 (Contd.)

		2012-13	(₹ in crore) 2011-12
C:	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from Issue of Share Capital	**12**	87
	Share Application Money	**25**	-
	Buyback of Equity Shares	**(3,087)**	(279)
	Proceeds from Long Term Borrowings	**10,262**	5,229
	Repayment of Long Term Borrowings	**(10,306)**	(8,456)
	Short Term Borrowings (net)	**1,274**	(2,111)
	Dividends Paid (including dividend distribution tax)	**(2,924)**	(2,772)
	Interest Paid	**(3,505)**	(3,163)
	Net Cash (used in) Financing Activities	**(8,249)**	(11,465)
	Net Increase in Cash and Cash Equivalents	**9,949**	12,463
	Opening Balance of Cash and Cash Equivalents	**39,598**	27,135
	Add: On Amalgamation (₹ 16,96,263) (Refer Note No. 33)	**-**	-
	Closing Balance of Cash and Cash Equivalents	**49,547**	39,598

Note :

Share application money given to Subsidiary / Associate aggregating to ₹ NIL (Previous Year ₹ 935 crore) have been converted into investments in Equity / Preference Shares.

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Deloitte Haskins & Sells**
Chartered Accountants

A. Siddharth
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Mumbai
Date : April 16, 2013

K. Sethuraman
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

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M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
} Directors

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

C. Own Fixed Assets

Fixed Assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

D. Leased Assets

a) Operating Leases: Rentals are expensed with reference to lease terms and other considerations.

b) (i) Finance leases prior to 1st April, 2001: Rentals are expensed with reference to lease terms and other considerations.

(ii) Finance leases on or after 1st April, 2001: The lower of the fair value of the assets and present value of the minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Profit and Loss account.

c) However, rentals referred to in (a) or (b) (i) above and the interest component referred to in (b) (ii) above pertaining to the period upto the date of commissioning of the assets are capitalised.

d) All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Initial direct costs in respect of lease are expensed in the year in which such costs are incurred. Income from lease assets is accounted by applying the interest rate implicit in the lease to the net investment.

E. Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalised.

F. Depreciation and Amortisation

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life except, on fixed assets pertaining to refining segment and SEZ units, depreciation is provided on Straight Line method (SLM) over their useful life; on fixed bed catalyst with a life of 2 years or more, depreciation is provided over its useful life; on fixed bed catalysts having life of less than 2 years, 100% depreciation is provided in the year of addition; on additions or extensions forming an integral part of existing plants, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets and insurance spares, depreciation is provided as aforesaid over the residual life of the respective plants; premium on leasehold land is amortised over the period of lease; technical know how is amortised over the useful life of the underlying assets and computer software is amortised over a period of 5 years; on intangible assets - development rights, depletion is provided in proportion of oil and gas production achieved vis-a-vis the proved reserves (net of reserves to be

SIGNIFICANT ACCOUNTING POLICIES

retained to cover abandonment costs as per the production sharing contract and the Government of India's share in the reserves) considering the estimated future expenditure on developing the reserves as per technical evaluation; intangible assets - others are amortised over the period of agreement of right to use, provided in case of jetty the aggregate amount amortised to date is not less than the aggregate rebate availed by the Company; on amounts added on revaluation, depreciation is provided as aforesaid over the residual life of the assets as certified by the valuers'; on assets acquired under finance lease from 1st April 2001, depreciation is provided over the lease term.

G. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

H. Foreign Currency Transactions

(a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

(b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

(c) Non monetary foreign currency items are carried at cost.

(d) In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year end rates.

(e) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

I. Investments

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

J. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis. By-products are valued at net realisable value.

K. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net), Value Added Tax (VAT) and gain / loss on corresponding hedge contracts. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

L. Excise Duty / Service Tax and Sales Tax / Value Added Tax

Excise duty / Service tax is accounted on the basis of both, payments made in respect of goods cleared / services

SIGNIFICANT ACCOUNTING POLICIES

provided as also provision made for goods lying in bonded warehouses. Sales tax / Value added tax paid is charged to Profit and Loss account.

M. Employee Benefits

(i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.

(ii) Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

N. Employee Separation Costs

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is charged to the Profit and Loss account in the year of exercise of option.

O. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

P. Financial Derivatives and Commodity Hedging Transactions

In respect of derivative contracts, premium paid, gains / losses on settlement and losses on restatement are recognised in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

Q. Accounting for Oil and Gas Activity

The Company has adopted Full Cost Method of accounting for its Oil and Gas activity and all costs incurred in acquisition, exploration and development are accumulated considering the country as a cost centre. Oil and Gas Joint Ventures are in the nature of Jointly Controlled Assets. Accordingly, assets and liabilities as well as income and expenditure are accounted on the basis of available information on line by line basis with similar items in the Company's financial statements, according to the participating interest of the Company.

R. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

S. Premium on Redemption of Bonds / Debentures

Premium on redemption of bonds / debentures, net of tax impact, are adjusted against the Securities Premium Account.

T. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes on Financial Statements for the Year ended 31st March, 2013

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

1. SHARE CAPITAL

(₹ in crore)

			As at 31st March, 2013		As at 31st March, 2012
Authorised Share Capital:					
500,00,00,000 (500,00,00,000)	Equity Shares of ₹ 10 each		**5,000**		5,000
100,00,00,000 (100,00,00,000)	Preference Shares of ₹ 10 each		**1,000**		1,000
			6,000		6,000
Issued, Subscribed and Paid up:					
322,86,63,382 (327,10,59,340)	Equity Shares of ₹ 10 each fully paid up	**3,229**		3,271	
	Less: Calls in arrears - by others [₹ 3,653 (Previous Year ₹ 3,653)]	**-**		-	
			3,229		3,271
TOTAL			**3,229**		3,271

1.1 162,67,93,078 (162,67,93,078) Shares were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium and Reserves.

1.2 6,92,52,623 (12,93,93,183) Shares were allotted in the last five years pursuant to the various Schemes of amalgamation without payments being received in cash.

1.3 45,04,27,345 (45,04,27,345) Shares were allotted on conversion / surrender of Debentures and Bonds, conversion of Term Loans, exercise of warrants, against Global Depository Shares (GDS) and re-issue of forfeited equity shares, since inception.

1.4 17,18,83,624 (17,18,83,624) Shares held by Subsidiaries do not have Voting Rights and are not eligible for Bonus Shares

1.5 4,62,46,280 (36,63,431) Shares were bought back and extinguished in the last five years.

1.6 The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2013 No. of Shares	% held	As at 31st March, 2012 No. of Shares	% held
Life Insurance Corporation of India	**25,77,59,467**	**7.98**	23,19,67,257	7.09

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

Particulars	As at 31st March, 2013 No. of Shares	As at 31st March, 2012 No. of Shares
Equity Shares at the beginning of the year	**327,10,59,340**	327,33,74,008
Add : Shares issued on exercise of Employee Stock Options	**1,86,891**	13,48,763
Less : Shares cancelled on buy back of Equity Shares	**4,25,82,849**	36,63,431
Equity Shares at the end of the year	**322,86,63,382**	327,10,59,340

1.8 The Company has reserved issuance of 13,37,43,590 (Previous year 13,39,30,481) Equity Shares of ₹ 10 each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Scheme (ESOS). During the year, the Company has not granted any options to the eligible employees [Previous year 68,817 options, which includes 4,100 options at a price of ₹ 972 per option, 18,000 options at a price of ₹ 871 per option, 23,717 options at a price of ₹ 847 per option, 15,000 options at a price of ₹ 765 per option and 8,000 options at a price of ₹ 715 per option plus all applicable taxes, as may be levied in this regard on the Company]. The options would vest over a maximum period of 7 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specified criteria.

1.9 Share application money pending allotment represents application money received on account of employees stock option scheme.

2. RESERVES AND SURPLUS

(₹ in crore)

	As at 31st March, 2013		As at 31st March, 2012	
Revaluation Reserve				
As per last Balance Sheet	3,127		5,467	
Less: Transferred to Profit and Loss Account (Refer Note No. 9.9)	2,072		2,340	
		1,055		3,127
Capital Reserve				
As per last Balance Sheet		291		291
Capital Redemption Reserve				
As per last Balance Sheet	4		-	
Add : On Amalgamation (Refer Note No. 33)	1		-	
Add : Transferred from Profit and Loss Account on buy back of Equity Shares	43		4	
		48		4
Securities Premium Reserve				
As per last Balance Sheet	50,677		50,878	
Add : On issue of shares	12		85	
	50,689		50,963	
Less : On Redemption of Debentures/Bonds	-		11	
Less : On buy back of Equity Shares	3,044		275	
	47,645		50,677	
Less: Calls in arrears - by others	-		-	
[₹ 2,21,548 (Previous Year ₹ 2,21,548)]				
		47,645		50,677
Debentures Redemption Reserve				
As per last Balance Sheet		1,117		1,117
General Reserve*				
As per last Balance Sheet	1,00,000		84,000	
Add: Transferred from Profit and Loss Account	18,000		16,000	
		1,18,000		1,00,000
Profit and Loss Account				
As per last Balance Sheet	7,609		6,514	
Add : On Amalgamation (Refer Note No. 33)	1,116		-	
Add: Profit for the year	21,003		20,040	
	29,728		26,554	
Less: Appropriations				
Transferred to General Reserve	18,000		16,000	
Transferred to Capital Redemption Reserve on buy back of Equity Shares	43		4	
Proposed Dividend on Equity Shares**	2,628		2,531	
[Dividend per Share ₹ 9.0/- (Previous year ₹ 8.5/-)]				
Tax on Dividend**	447		410	
		8,610		7,609
TOTAL		1,76,766		1,62,825

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

** Proposed Dividend on Equity Shares and Tax on Dividend are net of reversal of excess provision of previous year pertaining to Equity Shares bought back before the record date of Dividend, aggregating to ₹ 17 crore.

3. LONG TERM BORROWINGS

(₹ in crore)

	As at 31st March, 2013		As at 31st March, 2012	
	Non Current	Current	Non Current	Current
Secured				
Non Convertible Debentures	**1,842**	**4,182**	6,024	3,044
Long Term Maturities of Finance Lease Obligations (Refer Note No. 9.7 and 30)	**147**	**22**	168	20
	1,989	**4,204**	6,192	3,064
Unsecured				
Bonds	**9,066**	**-**	4,564	-
Term Loans- from banks	**31,951**	**13,697**	37,269	6,753
Deferred payment liabilities	**6**	**3**	9	3
	41,023	**13,700**	41,842	6,756
TOTAL	**43,012**	**17,904**	48,034	9,820

3.1 Non Convertible Debentures referred above to the extent of:

a) ₹ 1,593 crore are secured by way of first mortgage / charge on the immovable properties situated at Hazira Complex and at Jamnagar Complex (other than SEZ units) of the Company.

b) ₹ 2,500 crore are secured by way of first mortgage / charge on the immovable properties situated at Jamnagar Complex (other than SEZ units) of the Company.

c) ₹ 1,300 crore are secured by way of first mortgage / charge on all the properties situated at Hazira Complex and at Patalganga Complex of the Company.

d) ₹ 50 crore are secured by way of first mortgage / charge on certain properties situated at Ahmedabad in the State of Gujarat and on fixed assets situated at Nagpur Complex of the Company.

e) ₹ 30 crore are secured by way of first mortgage / charge on certain properties situated at Surat in the State of Gujarat and on fixed assets situated at Allahabad Complex of the Company.

f) ₹ 51 crore are secured by way of first mortgage / charge on movable and immovable properties situated at Thane in the State of Maharashtra and on movable properties situated at Baulpur Complex of the Company.

g) ₹ 500 crore are secured by way of first mortgage / charge on the immovable properties situated at Jamnagar Complex (SEZ unit) of the Company.

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

(₹ in crore)

Rate of Interest	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2020-21**
6.25%	133	133	133	133	133	-
8.75%	-	-	-	-	-	500
9.25%	250	-	-	-	-	-
10.75%	-	-	-	-	370	-
Zero Coupon Debentures	26	31	-	-	-	-

3.3 Finance Lease obligations are secured against leased assets.

Notes on Financial Statements for the Year ended 31st March, 2013

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

(₹ in crore)

	Maturity Profile						
Rate of Interest	2015-16	2016-17	2018-19	2026-27	2027-28	2046-47	2096-97
2.86%	932	-	-	-	-	-	-
6.21%	-	271	-	-	-	-	-
6.24%	-	879	-	-	-	-	-
6.34%	-	-	206	-	-	-	-
6.51%	-	706	-	-	-	-	-
6.61%	-	-	923	-	-	-	-
7.63%	-	-	-	-	27	-	-
8.25%	-	-	-	184	-	-	-
9.38%	-	-	-	120	-	-	-
10.25%	-	-	-	-	-	-	68
10.38%	-	355	-	-	-	-	-
10.50%	-	-	-	-	-	52	-

3.5 Bonds include, 5.875% Senior Perpetual Notes (the "Notes") of ₹ 4,343 crore. The Notes have no fixed maturity date and the Company will have an option, from time to time, to redeem the Notes, in whole or in part, on any semi-annual interest payment date on or after February 5, 2018 at 100% of the principal amount plus accrued interest.

3.6 Maturity Profile of Unsecured Term Loans are as set out below :

(₹ in crore)

	Maturity Profile			
	1-2 years	2-3 years	3-4 years	Beyond 4 years
Term Loans- from banks	3,637	6,525	8,854	12,935

4. DEFERRED TAX LIABILITY (Net)

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Deferred Tax Liability		
Related to fixed assets	**12,293**	12,207
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	**100**	85
TOTAL	**12,193**	12,122

5. SHORT TERM BORROWINGS

(₹ in crore)

	As at 31st March, 2013		As at 31st March, 2012	
Secured				
Working Capital Loans				
From Banks				
Foreign Currency Loans	**406**		738	
Rupee Loans	**27**		19	
		433		757
Unsecured				
Other Loans and Advances				
From Banks				
Foreign Currency Loans - Buyers/Packing Credit	**10,978**		9,736	
Rupee Loans	**100**		100	
		11,078		9,836
TOTAL		**11,511**		10,593

5.1 Working capital loans are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares (not relating to plant and machinery), book debts, outstanding monies, receivables, claims, bills, materials in transit, etc. save and except receivables of Oil and Gas Division.

Notes on Financial Statements for the Year ended 31st March, 2013

6. TRADE PAYABLES

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Micro, Small and Medium Enterprises	**66**	33
Others	**45,721**	40,291
TOTAL	**45,787**	40,324

6.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

(₹ in crore)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

7. OTHER CURRENT LIABILITIES

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Current maturities of long term debt (Refer Note No. 3)	**17,882**	9,800
Current maturities of finance lease obligations (Refer Note No. 3 and 9.7)	**22**	20
Interest accrued but not due on borrowings	**340**	424
Unclaimed Dividends #	**152**	129
Application money received and due for refund #	**1**	1
Unpaid matured debentures and interest accrued thereon #	**1**	1
Creditors for Capital Expenditure	**1,430**	1,189
Other Payables *	**1,812**	2,149
TOTAL	**21,640**	13,713

* Includes statutory dues, security deposit and advance from customers.

\# These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 10 crore (Previous Year ₹ 9 crore) which is held in abeyance due to legal cases pending.

8. SHORT TERM PROVISIONS

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Provisions for Employee Benefits (Refer Note No. 22.1)	**126**	191
Proposed Dividend	**2,643**	2,531
Tax on Dividend	**449**	410
Provision for Wealth Tax	**44**	79
Other Provisions #	**1,086**	1,047
TOTAL	**4,348**	4,258

\# The Company had recognised liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on 31st March, 2012 of ₹ 326 crore as per the estimated pattern of despatches. During the year, ₹ 326 crore was utilised for clearance of goods. Provision recognised under this class for the year is ₹ 336 crore which is outstanding as on 31st March, 2013. Actual outflow is expected in the next financial year. The Company had recognised customs duty liability on goods imported of ₹ 704 crore as at 31st March, 2012. During the year, further provision of ₹ 339 crore was made and sum of ₹ 296 crore was reversed on fulfilment of export obligation. Closing balance on this account as at 31st March, 2013 is ₹ 747 crore. Other class of provisions where recognition is based on substantial degree of estimation relate to disputed customer / supplier / third party claims, rebates or demands against the Company. Any additional information in this regard can be expected to seriously prejudice the position of the Company.

9. FIXED ASSETS (₹ in crore)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2012	Additions / Adjustment	Deductions/ Adjustments	As at 31-03-2013	As at 01-04-2012	For the Year	Deductions/ Adjustments	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
TANGIBLE ASSETS :										
OWN ASSETS :										
Leasehold Land	1,577	45	-	**1,622**	242	54	-	**296**	**1,326**	1,335
Freehold Land	1,221	89	1	**1,309**	-	-	-	**-**	**1,309**	1,221
Buildings	7,792	730	6	**8,516**	2,568	518	2	**3,084**	**5,432**	5,224
Plant & Machinery	1,34,993	3,066	486	**1,37,573**	62,319	7,950	435	**69,834**	**67,739**	72,674
Electrical Installations	3,582	9	-	**3,591**	1,564	164	-	**1,728**	**1,863**	2,018
Equipments $	6,459	106	15	**6,550**	1,556	314	14	**1,856**	**4,694**	4,903
Furniture & Fixtures	524	18	20	**522**	336	35	19	**352**	**170**	188
Vehicles	316	90	29	**377**	171	50	21	**200**	**177**	145
Ships	386	1	-	**387**	254	14	-	**268**	**119**	132
Aircrafts & Helicopters	46	-	-	**46**	23	4	-	**27**	**19**	23
Sub-Total	1,56,896	4,154	557	**1,60,493**	69,033	9,103	491	**77,645**	**82,848**	87,863
LEASED ASSETS :										
Plant & Machinery	318	-	-	**318**	180	24	-	**204**	**114**	138
Ships	10	-	-	**10**	10	-	-	**10**	**-**	-
Sub-Total	328	-	-	**328**	190	24	-	**214**	**114**	138
Total (A)	1,57,224	4,154	557	**1,60,821**	69,223	9,127	491	**77,859**	**82,962**	88,001
INTANGIBLE ASSETS : *										
Technical Knowhow fees	3,403	-	-	**3,403**	1,725	185	-	**1,910**	**1,493**	1,678
Software	488	6	13	**481**	428	11	13	**426**	**55**	60
Development Rights	35,179	4,091	-	**39,270**	19,525	2,742	-	**22,267**	**17,003**	15,654
Others	9,199	-	20	**9,179**	869	75	-	**944**	**8,235**	8,330
Total (B)	48,269	4,097	33	**52,333**	22,547	3,013	13	**25,547**	**26,786**	25,722
Total (A + B)	2,05,493	8,251	590	**2,13,154**	91,770	12,140	504	**1,03,406**	**1,09,748**	1,13,723
Previous Year	2,21,253	12,981	28,741	**2,05,493**	78,546	13,734	510	**91,770**	**1,13,723**	
Capital Work-in-Progress									**13,525**	3,695
Intangible Assets under Development									**5,591**	4,059

$ Includes Office Equipments

* Other than internally generated

9.1 Leasehold Land includes ₹ 203 crore (Previous Year ₹ 203 crore) in respect of which lease-deeds are pending execution.

9.2 Buildings include :

i) Cost of shares in Co-operative Housing Societies ₹ 1 crore (Previous Year ₹ 1 crore).

ii) ₹ 5 crore (Previous Year ₹ 5 crore) in respect of which conveyance is pending.

iii) ₹ 93 crore (Previous Year ₹ 93 crore) in shares of Companies / Societies with right to hold and use certain area of Buildings.

Notes on Financial Statements for the Year ended 31st March, 2013

9.3 Intangible assets - Others include :

i) Jetties amounting to ₹ 812 crore (Previous Year ₹ 812 crore), the Ownership of which vests with Gujarat Maritime Board. However, under an agreement with Gujarat Maritime Board, the Company has been permitted to use the same at a concessional rate.

ii) ₹ 8,367 crore (Previous Year ₹ 8,387 crore) in preference shares of subsidiaries and lease premium paid with right to hold and use Land and Buildings.

9.4 Capital Work-in-Progress and Intangible Assets under development include :

i) ₹ 2,795 crore (Previous Year ₹ 2,320 crore) on account of project development expenditure.

ii) ₹ 4,685 crore (Previous Year ₹ 933 crore) on account of cost of construction materials at site.

9.5 Gross Block includes ₹ 12,901 crore added on revaluation of Building, Plant & Machinery and Equipments as at 01.01.2009 based on reports issued by international valuers.

9.6 Additions in Plant and Machinery, Capital Work-in-Progress, Intangible Assets - Development Rights and Intangible Assets under development includes ₹ 5,070 crore (net loss) [Previous Year ₹ 7,558 crore (net loss)] on account of exchange difference during the year.

9.7 i) In respect of Fixed Assets acquired on finance lease on or after 1st April, 2001, the minimum lease rentals outstanding as on 31st March, 2013 are as follows:

(₹ in crore)

	Total Minimum Lease Payments outstanding As at 31st March		**Future interest on Outstanding Lease Payments**		**Present value of Minimum Lease Payments As at 31st March**	
	2013	2012	**2012-13**	2011-12	**2013**	2012
Within one year	**37**	36	**15**	16	**22**	20
Later than one year and not later than five years	**147**	146	**35**	44	**112**	102
Later than five years	**36**	73	**1**	7	**35**	66
Total	**220**	255	**51**	67	**169**	188

ii) General Description of Lease terms:

(a) Lease rentals are charged on the basis of agreed terms.

(b) Assets are taken on lease over a period of 5 to 10 years.

9.8 Project Development Expenditure

(in respect of Projects up to 31st March, 2013, included under Capital work-in-progress and Intangible Assets under development)

(₹ in crore)

		2012-13		2011-12
Opening Balance		**2,320**		1,886
Add: Transferred from Profit and Loss Account				
(Refer Note No. 25)	**98**		37	
Interest Capitalised	**385**		430	
		483		467
		2,803		2,353
Less: Project Development Expenses Capitalised during the year		**8**		33
Closing Balance		**2,795**		2,320

9.9 The Gross Block of Fixed Assets includes ₹ 38,122 crore (Previous Year ₹ 38,122 crore) on account of revaluation of Fixed Assets carried out since inception. Consequent to the said revaluation there is an additional charge of depreciation of ₹ 2,072 crore (Previous Year ₹ 2,340 crore) and an equivalent amount has been withdrawn from Revaluation Reserve and credited to the Profit and Loss Account. This has no impact on profit for the year.

9.10 Additions for the year includes freehold land ₹ 56 crore, buildings ₹ 674 crore, plant and machinery ₹ 1,189 crore, furniture and fixtures ₹ 12 crore, vehicles ₹ 10 crore and software ₹ 1 crore on amalgamation of Reliance Jamnagar Infrastructure Limited with the Company. Accumulated depreciation of ₹ 603 crore on the above assets has included in depreciation for the year. (Refer Note No. 33)

Notes on Financial Statements for the Year ended 31st March, 2013

10. NON-CURRENT INVESTMENTS

(Long Term Investments)

(₹ in crore)

		As at 31st March, 2013		As at 31st March, 2012	
Trade Investments					
In Equity Shares - Unquoted, fully paid up					
1,00,00,000 (1,00,00,000)	Petronet India Limited of ₹ 10 each	**10**		10	
		10		10	
In Equity Shares of Associate Companies - Unquoted, fully paid up					
64,29,20,000 (64,29,20,000)	Gujarat Chemical Port Terminal Company Limited of ₹ 1 each	**64**		64	
62,63,125 (62,63,125)	Indian Vaccines Corporation Limited of ₹ 10 each	**1**		1	
11,08,500 (11,08,500)	Reliance Europe Limited of Sterling Pound 1 each	**4**		4	
52,00,000 (26,00,000)	Reliance Utilities and Power Private Limited Class 'A' shares of ₹ 1 each [₹ 40,40,000 (Previous Year ₹ 19,90,000)]	**-**		-	
- (26,00,000)	Reliance Utilities Private Limited Class 'A' shares of ₹ 1 each [₹ NIL (Previous Year ₹ 20,50,000)]	**-**		-	
		69		69	
In Preference Shares of Associate Company - Unquoted, fully paid up					
50,00,00,000 (50,00,00,000)	9% Non-Cumulative Redeemable Preference Shares of Reliance Gas Transportation Infrastructure Limited of ₹ 10 each	**2,000**		2,000	
		2,000		2,000	
Total Trade Investments (A)			**2,079**		2,079
Other Investments					
In Equity Shares of Associate Company - Quoted, fully paid up					
68,60,064 (68,60,064)	Reliance Industrial Infrastructure Limited of ₹ 10 each	**16**		16	
		16		16	
In Equity Shares of Associate Company - Unquoted, fully paid up					
22,500 (22,500)	Reliance LNG Limited of ₹ 10 each [₹ 2,25,000 (Previous Year ₹ 2,25,000)]	**-**		-	
		-		-	

Notes on Financial Statements for the Year ended 31st March, 2013

(₹ in crore)

		As at 31st March, 2013		As at 31st March, 2012	
In Equity Shares of Subsidiary Companies - Unquoted, fully paid up					
4,79,76,90,000 (4,79,76,90,000)	Reliance Jio Infocomm Limited of ₹10 each	**4,798**		4,798	
- (1,76,200)	Reliance Exploration & Production DMCC of AED 1000 each	**-**		211	
2,00,000 (2,00,000)	Reliance Global Business B.V. of Euro 0.01 each [₹ 1,25,400 (Previous Year ₹ 1,25,400)]	**-**		-	
14,75,04,400 (14,75,04,400)	Reliance Industrial Investments and Holdings Limited of ₹10 each	**148**		148	
42,450 (42,450)	Reliance Industries (Middle East) DMCC of AED 1000 each	**46**		46	
- (10,00,00,000)	Reliance Jamnagar Infrastructure Limited of ₹ 10 each	**-**		100	
- (5,22,00,00,000)	Reliance Retail Limited of ₹10 each	**-**		5,220	
20,20,200 (20,20,200)	Reliance Strategic Investments Limited of ₹ 10 each	**2**		2	
26,91,150 (26,91,150)	Reliance Ventures Limited of ₹ 10 each	**2,351**		2,351	
65,50,001 (59,00,001)	RIL (Australia) Pty Limited of Aus $ 1 each	**25**		22	
50,000 (50,000)	Reliance Energy Generation and Distribution Limited of ₹ 10 each [₹ 5,00,000 (Previous Year ₹ 5,00,000)]	**-**		-	
5,66,70,00,000 (-)	Reliance Commercial Associates Limited of ₹ 10 each	**5,667**		-	
50,000 (-)	Reliance Gas Pipelines Limited of ₹ 10 each [₹ 5,01,256 (Previous Year ₹ NIL)]	**-**		-	
		13,037		12,898	
			13,053		12,914
In Preference shares of Subsidiary Companies - Unquoted, fully paid up					
5,92,70,31,111 (6,60,77,27,511)	Reliance Global Business B.V. Class 'A' Shares of Euro 0.01 each	**382**		426	
4,02,800 (4,02,800)	9% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Strategic Investments Limited of ₹ 1 each	**113**		113	
63,436 (3,54,156)	5% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Industries (Middle East) DMCC of AED 1000 each	**85**		474	

Notes on Financial Statements for the Year ended 31st March, 2013

(₹ in crore)

		As at 31st March, 2013		As at 31st March, 2012	
- (24,82,316)	5% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Exploration & Production DMCC of AED 1000 each	-		3,121	
- (18,50,000)	10% Non-Cumulative Optionally Convertible Preference Shares of Reliance Jamnagar Infrastructure Limited of ₹ 10 each	-		925	
- (62,000)	Reliance Netherlands B.V. Class 'A' Shares of Euro 1 each [₹ NIL (Previous Year ₹ 37,57,820)]	-		-	
- (2,58,00,00,000)	9% Cumulative Optionally Convertible Preference Shares of Reliance Retail Limited of ₹ 10 each	-		2,580	
2,64,70,00,000 (-)	9% Cumulative Redeemable Preference Shares of Reliance Jio Infocomm Limited of ₹ 10 each	**2,647**		-	
		3,227		7,639	
In Preference shares of Subsidiary Company - Unquoted, partly paid up					
- (1,37,000)	Reliance Netherlands B.V. Class 'A' Shares of Euro 1 each (Euro 0.60 each paid up)	-		1	
		-		1	
			3,227		7,640
In Debentures of Subsidiary Companies - Unquoted, Fully paid up					
2,79,90,000 (2,79,90,000)	0% Unsecured Convertible Debentures of Reliance Industrial Investments and Holdings Limited of ₹ 100 each	**280**		280	
8,83,143 (8,83,143)	0% Unsecured Convertible Redeemable Debentures of Reliance Industrial Investments and Holdings Limited of ₹ 5,000 each	**442**		442	
			722		722
In Government Securities-Unquoted					
	6 Years National Savings Certificate (Deposited with Sales Tax Department and other Government Authorities) [₹ 1,69,920 (Previous Year ₹ 2,43,420)]		-		-
In Government Securities-Quoted					
	8.33% GOI 2026		**650**		-
In Fixed Maturity Plan - Quoted fully paid up					
2,50,00,000 (5,00,00,000)	Axis Fixed Term Plan - (Series 21/22/34) - Growth	**25**		50	
2,50,00,000 (-)	Baroda Pioneer Fixed Maturity Plan - Series C - Growth	**25**		-	
19,00,00,000 (47,00,00,000)	Birla Sunlife Fixed Term Plan - (Series ES/EV/EY/FC/GA/GB/GF) - Growth	**190**		470	

Notes on Financial Statements for the Year ended 31st March, 2013

(₹ in crore)

		As at 31st March, 2013		As at 31st March, 2012	
3,00,00,000 (-)	BNP Paribas Fixed Term Fund - Series 24 A - Growth	**30**		-	
40,00,00,000 (40,50,00,000)	DSP Blackrock Fixed Maturity Plan - (Series 37/38/43/88/89/91/93) - Growth	**400**		405	
17,00,00,000 (20,30,00,000)	DWS Fixed Maturity Plan - (Series 6/7/9/10/26/28/30) - Growth	**170**		203	
35,20,00,000 (54,70,00,000)	HDFC Fixed Maturity Plan - Growth (Series 21/23/24)	**352**		547	
1,50,00,000 (4,50,00,000)	HSBC Fixed Term Plan - (Series 86/90) - Growth	**15**		45	
86,50,00,000 (71,50,00,000)	ICICI Prudential Fixed Maturity Plan - Cumulative (Series 62/63/65/66/67)	**865**		715	
7,00,00,000 (19,20,00,000)	IDFC Fixed Maturity Plan - (Series 7/8/11/14/65) - Growth	**70**		192	
- (3,50,00,000)	India Bulls Fixed Maturity Plan - Growth	**-**		35	
34,50,00,000 (15,00,00,000)	JP Morgan Fixed Maturity Plan - (Series 6/12/13/16/18) - Growth	**345**		150	
29,50,00,000 (27,00,00,000)	Kotak Fixed Maturity Plan - (Series 76/80/82/97/98/99/101/102/103) - Growth	**295**		270	
12,50,00,000 (-)	L&T Fixed Maturity Plan - VII - Growth	**125**		-	
6,50,00,000 (3,50,00,000)	LIC Nomura MF Fixed Maturity Plan - (Series 52/56/58) - Growth	**65**		35	
45,00,00,000 (-)	Reliance Fixed Horizon Fund - XXII/XXIII (Series 5/9/33) - Growth	**450**		-	
12,00,00,000 (17,30,00,000)	Religare Fixed Maturity Plan - (Series XIII/XIV/XVII/XVIII) - Growth	**120**		173	
38,00,00,000 (16,00,00,000)	SBI Debt Fund - (Series 2/12/13/14/15/25) - Growth	**380**		160	
10,00,00,000 (4,00,00,000)	Sundaram Fixed Term Plan - (Series CQ/DC/DF/DH) - Growth	**100**		40	
25,00,00,000 (13,50,00,000)	Tata Fixed Maturity Plan - (Series 39/40/42) - Growth	**250**		134	
14,00,00,000 (-)	UTI Fixed Income Fund - (Series XIII - III / XIV - VII) - Growth	**140**		-	
			4,412		3,624
Total Other Investments (B)			**22,064**		24,900
Total Non Current Investments (A + B)			**24,143**		26,979
	Aggregate amount of quoted investments		**5,078**		3,640
	Market Value of quoted investments		**5,329**		3,945
	Aggregate amount of unquoted investments		**19,065**		23,339

Notes on Financial Statements for the Year ended 31st March, 2013

11. LONG TERM LOANS AND ADVANCES

(₹ in crore)

(Unsecured and Considered Good)	As at 31st March, 2013	As at 31st March, 2012
Capital Advances #	**1,208**	1,190
Deposits with Related parties (Refer Note No. 30)	**1,469**	1,741
Loans and Advances to Related Parties (Refer Note No. 30)	**18,308**	10,243
Advance Income Tax (Net of Provision)	**475**	1,100
Other Loans and Advances*	**68**	66
TOTAL	**21,528**	14,340

* Includes Loans to Employees.

\# Includes ₹ NIL (Previous Year ₹ 42 crore) to Reliance Haryana SEZ Limited, ₹ 2 crore (Previous Year ₹ NIL) to Reliance Industrial Infrastructure Limited.

11.1 Loans and Advances in the nature of Loans given to Subsidiaries :

A) Loans and Advances in the nature of Loans

(₹ in crore)

Sr No.	Name of the Company		As at 31st March, 2013	As at 31st March, 2012	Maximum Balance during the year
1.	Reliance Industrial Investments and Holdings Limited*	Subsidiary	**17,306**	9,622	19,135
2.	Reliance Ventures Limited	Subsidiary	**-**	-	1,767
3.	Reliance Strategic Investments Limited	Subsidiary	**-**	-	2,421
4.	Reliance Retail Limited	Subsidiary	**920**	617	1,181
5.	Reliance Exploration & Production DMCC	Subsidiary	**71**	-	72
6.	Reliance Brands Limited	Subsidiary	**11**	-	11

* Excluding Debentures of ₹ 722 crore (Previous Year ₹ 722 crore)

(a) Loans and Advances shown above, fall under the category of ‘Long Term Loans & Advances’ in nature of Loans and are re-payable within 3 to 5 years.

(b) All the above loans and advances are interest bearing except for an amount of ₹ 13,944 crore paid to Reliance Industrial Investments and Holdings Limited.

(c) Loans to employees as per Company’s policy are not considered.

B) (i) Investment by the loanee in the shares of the Company

*None of the loanees and loanees of subsidiary companies have, per se, made investments in shares of the Company. These investments represent shares of the Company allotted as a result of amalgamation of erstwhile Reliance Petroleum Limited (amalgamation in 2001-02) and Indian Petrochemicals Corporation Limited with the Company under the Schemes approved by the Hon’ble High Court of Judicature at Bombay and Gujarat and certain subsequent inter se transfer of shares.

(₹ in crore)

Sr No.	Name of the Company	No. of Shares	Amount
1.	*Reliance Aromatics and Petrochemicals Limited	2,98,89,898	274
2.	*Reliance Energy and Project Development Limited	20,58,000	303

(ii) Investment by Reliance Industrial Investments and Holdings Limited in subsidiaries

In Equity Shares :

Sr No.	Name of the Company	No. of Shares
1	Reliance Commercial Land & Infrastructure Limited	4,30,10,000
2	Reliance Global Business B.V.	18,00,000
3	Reliance Gas Corporation Limited	50,000

Sr No.	Name of the Company	No. of Shares
4	Reliance Universal Enterprises Limited	38,55,000
5	Indiawin Sports Private Limited	26,50,000
6	Reliance Corporate Services Limited	10,000
7	Reliance Industries Investment and Holding Limited	50,000
8	Reliance Security Solutions Limited	50,000
9	Mark Project Services Private Limited	5,000
10	GenNext Innovation Ventures Limited	50,000
11	Kanhatech Solutions Limited	72,00,000
12	Reliance Sibur Elastomers Private Limited	8,83,86,308
13	Reliance Payment Solutions Limited	20,00,000
14	Reliance Exploration & Production DMCC	1,76,200

In Preference Shares :

Sr No.	Name of the Company	No. of Shares
1	Reliance Industries Investment and Holding Limited	32,12,300
2	Reliance Jio Infocomm Limited	12,50,00,000
3	Reliance Exploration & Production DMCC	13,79,816

(iii) Investment by Reliance Exploration & Production DMCC in Subsidiaries

In Equity Shares :

Sr No.	Name of the Company	No. of Shares
1	Gulf Africa Petroleum Corporation	16,720
2	Central Park Enterprises DMCC	367

(iv) Investment by Reliance Retail Limited in Subsidiaries in Equity Shares:

Sr No.	Name of the Company	No. of Shares
1	Reliance Fresh Limited	10,50,000
2	Reliance Retail Finance Limited	20,20,000
3	Reliance Retail Insurance Broking Limited	40,00,000
4	Reliance Financial Distribution and Advisory Services Limited	50,000
5	Reliance-GrandOptical Private Limited	50,000

(v) Investment by Reliance Brands Limited in Subsidiaries in Equity Shares:

Sr No.	Name of the Company	No. of Shares
1	Reliance Style Fashion India Private Limited	10,10,000
2	Reliance Styles India Limited	50,000
3	Reliance Lifestyle Holdings Limited	50,000

11.2 (i) Assets given on finance lease on or after 1st April, 2001

(₹ in crore)

Particulars	Total		Not later than one year		Later than one year and not later than five years		Later than five years	
	2012-13	2011-12	**2012-13**	2011-12	**2012-13**	2011-12	**2012-13**	2011-12
Gross Investment	**3**	21	**3**	17	-	4	-	-
Less: Unearned Finance Income	-	1	-	1	-	-	-	-
Present Value of Minimum Lease Rental	**3**	20	**3**	16	-	4	-	-

(ii) General Description of Lease terms:

- Lease rentals are charged on the basis of agreed rate of interest.
- Assets are given on lease for a period of five years.

Notes on Financial Statements for the Year ended 31st March, 2013

12. CURRENT INVESTMENTS

(₹ in crore)

		As at 31st March, 2013		As at 31st March, 2012	
Investment in Government Securities - Quoted					
	7.59% GOI 2016	**5**		5	
	8.20% GOI 2025	**278**		-	
	8.33% GOI 2026	**102**		-	
	8.97% GOI 2030	**149**		-	
			534		5
Investment in Debentures or Bonds - Quoted, Fully Paid up					
- (250)	Axis Bank Limited	**-**		25	
- (1,000)	CitiFinancial Consumer Finance India Limited	**-**		98	
300 (1,250)	EXIM Bank of India	**30**		120	
38,200 (18,387)	Housing Development Finance Corporation Limited	**3,828**		1,822	
6,500 (10,750)	Infrastructure Development Finance Company Limited	**647**		1,060	
15,095 (15,095)	India Infrastructure Finance Company Limited	**149**		149	
42,63,562 (32,62,862)	Indian Railway Finance Corporation Limited	**521**		350	
5,150 (5,550)	LIC Housing Finance Limited	**515**		545	
7,250 (3,500)	National Bank for Agriculture and Rural Development	**726**		349	
49,44,752 (49,44,752)	National Highways Authority of India	**494**		494	
42,74,393 (42,76,093)	Power Finance Corporation Limited	**688**		858	
40 (920)	Power Grid Corporation of India Limited	**5**		112	
595 (450)	Rural Electrification Corporation Limited	**59**		44	
- (550)	Steel Authority of India Limited	**-**		53	
650 (250)	Tata Steel Limited	**58**		26	
1,320 (1,370)	Tata Power Company Limited	**133**		142	
			7,853		6,247
Investment in Debentures or Bonds - Unquoted, Fully Paid up					
3,000 (-)	Tata Sons Limited		**300**		-
Investment in Fixed Maturity Plan - Quoted, Fully Paid up					
5,00,00,000 (6,50,00,000)	Axis Fixed Term Plan - (Series 15/16/21/22) - Growth	**50**		65	

Notes on Financial Statements for the Year ended 31st March, 2013

(₹ in crore)

		As at 31st March, 2013	As at 31st March, 2012
2,50,00,000 (1,20,00,000)	Baroda Pioneer Fixed Maturity Plan - (Series A/2) - Growth	**25**	12
12,00,00,000 (-)	Birla Sun Life Fixed Term Plan - (Series FM/FO/FP) - Dividend	**120**	-
57,50,00,000 (61,00,00,000)	Birla Sun Life Fixed Term Plan - (Series DB/DL/DN/DO/DQ/ DS/ES/EV/EW/EY/FA/FC/FD/FM/FO/FP/HD)- Growth	**575**	610
1,50,00,000 (-)	Birla Sunlife Interval Income Fund - Annual Plan 5 - Growth	**15**	-
5,00,00,000 (-)	BNP Paribas Fixed Term Fund Series 25A - Growth	**50**	-
- (10,00,00,000)	Canara Robeco Fixed Maturity Plan - (Series 6 / 7) - Growth	**-**	100
53,00,00,000 (41,00,00,000)	DSP Blackrock Fixed Maturity Plan - (Series 7/10/12/16/18/37/38/39/43/44/90/94) - Growth	**530**	410
32,80,00,000 (14,30,00,000)	DWS Fixed Maturity Plan - (Series 6/7/9/10/11/18/27/29/90/92) - Growth	**328**	143
5,00,00,000 (-)	HDFC Annual Interval Fund - Series 1 - Growth	**50**	-
62,70,00,000 (44,00,00,000)	HDFC Fixed Maturity Plan (Series XVI/XVIII/XIX/XXI) - Growth	**627**	440
4,50,00,000 (-)	HSBC Fixed Term Series 86 - Growth	**45**	-
88,00,00,000 (39,00,00,000)	ICICI Prudential Fixed Maturity Plan (Series 54/59/62/63/67) - Cumulative	**880**	390
- (5,00,00,000)	ICICI Prudential Fixed Maturity Plan Series 55 - Dividend	**-**	50
2,98,46,064 (12,04,25,008)	ICICI Prudential Interval Fund Annual Interval Plan - I Institutional Cumulative	**32**	130
3,00,00,000 (-)	ICICI Prudential Interval Fund Series VI Annual Interval Plan - C - Growth	**30**	-
9,96,19,002 (-)	ICICI Prudential Long Term Plan Premium Plus - Annual Dividend	**100**	-
2,50,00,000 (-)	IDBI Fixed Maturity Plan Series - III - Growth	**25**	-
44,30,00,000 (15,50,00,000)	IDFC Fixed Maturity Plan - (Series 7/8/12/13/52/64/65/66/78/79) - Growth	**443**	155
12,00,00,000 (-)	IDFC Series Interval Fund - (Series I/II) - Growth	**120**	-
3,50,00,000 (-)	Indiabulls Fixed Maturity Plan - Growth	**35**	-
21,50,00,000 (10,50,00,000)	JP Morgan India Fixed Maturity Plan - (Series 6/8/17) - Growth	**215**	105
36,00,00,000 (23,00,00,000)	Kotak Fixed Maturity Plan (Series 57/60/62/76/80/82/83/100) - Growth	**360**	230

Notes on Financial Statements for the Year ended 31st March, 2013

(₹ in crore)

		As at 31st March, 2013		As at 31st March, 2012	
4,00,00,000 (-)	L&T Fixed Maturity Plan - VII - Growth	**40**		-	
14,50,00,000 (-)	LIC Nomura MF Fixed Maturity Plan (Series 52/53/54/60/61) - Growth	**145**		-	
11,00,00,000 (-)	Reliance Fixed Horizon Fund - XXIII - Series 6 - Growth	**110**		-	
24,80,00,000 (6,00,00,000)	Religare Fixed Maturity Plan - (Series VIII/IX/XIII/XIV/XVII/XVIII) - Growth	**248**		60	
14,00,00,000 (-)	SBI Debt Fund (Series 5/7) - Dividend	**140**		-	
53,00,00,000 (76,50,00,000)	SBI Debt Fund (Series 1/6/7/11/12/13/17/18/19/23/24) - Growth	**530**		765	
6,50,00,000 (2,20,00,000)	Sundaram Fixed Term Plan (Series BK/BN/CQ/ DG) - Growth	**65**		22	
13,50,00,000 (24,00,00,000)	Tata Fixed Maturity Plan (Series 34/36/37/39/40) - Growth	**135**		240	
5,49,80,083 (6,66,98,706)	UTI Fixed Income Interval Fund - Annual Interval Plan (Series - II/III) - Institutional Growth	**70**		83	
13,00,00,000 (2,61,12,073)	UTI Fixed Term Income Fund Series IX / XII - Dividend	**130**		26	
22,50,00,000 (-)	UTI Fixed Term Income Fund Series XIV - V/VI/VII - Growth	**225**		-	
			6,493		4,036
Investment in Mutual Fund - Unquoted					
11,08,67,422 (-)	Axis Short Term Fund - Institutional Growth	**135**		-	
1,31,48,48,855 (41,19,71,606)	Birla Sunlife Dynamic Bond Fund - Retail - Growth	**2,418**		730	
5,56,20,512 (-)	Birla Sunlife Short Term Fund - Growth	**225**		-	
2,31,91,812 (-)	Canara Robeco Short Term Fund - Regular Growth	**30**		-	
4,59,45,325 (-)	Canara Robeco Short Term Institutional Growth Fund	**60**		-	
5,96,310 (-)	DSP Black Rock Liquidity Fund - Institutional Plan Growth	**100**		-	
11,14,37,619 (-)	DSP BlackRock Short Term Fund - Growth	**210**		-	
48,23,954 (-)	DSP BlackRock Strategic Bond Fund -Institutional Plan - Growth	**625**		-	
11,66,82,484 (-)	DWS GILT Fund - Regular Plan - Growth	**150**		-	
1,04,54,867 (-)	DWS Insta Cash Plus Fund - Super Institutional Plan - Bonus	**-**		-	
4,66,90,013 (-)	DWS Money Plus Fund - Regular Plan (Principle Units) - Bonus	**46**		-	

Notes on Financial Statements for the Year ended 31st March, 2013

(₹ in crore)

		As at 31st March, 2013	As at 31st March, 2012
14,48,86,484 (2,48,38,796)	DWS Premier Bond Fund - Premium Plus Plan - Growth	**150**	25
12,93,69,261 (3,77,86,469)	DWS Short Maturity Fund - Premium Plus Growth	**147**	40
60,38,424 (-)	DWS Treasury Fund - Cash - Regular Plan - Bonus	**59**	-
19,73,54,869 (-)	HDFC Short Term Opportunities Fund - Growth	**240**	-
14,69,19,109 (-)	HDFC Floating Rate Income Fund - Long Term Plan - Growth	**300**	-
22,67,48,577 (-)	HDFC High Interest Fund - Short Term Plan - Growth	**500**	-
86,58,009 (-)	HDFC Liquid Fund Growth	**20**	-
25,68,76,110 (-)	HDFC Medium Term Opportunities Fund - Growth	**305**	-
22,68,83,560 (-)	HDFC Short Term Plan - Growth	**485**	-
16,70,54,915 (-)	HSBC Income Fund Short Term Institutional Plus Growth	**180**	-
3,46,29,245 (-)	ICICI Prudential Gilt Treasury Plan - Growth	**100**	-
42,70,29,582 (3,99,55,814)	ICICI Prudential Institutional Short Term Plan - Cumulative Option	**975**	85
14,42,759 (-)	ICICI Prudential Liquid - Growth	**25**	-
4,39,26,695 (-)	IDBI Short Term Bond Fund - Growth	**50**	-
2,33,10,265 (-)	IDFC - SSIF - Medium Term - Plan - Growth	**45**	-
42,82,45,478 (-)	IDFC - SSIF - Short Term - Plan D - Growth	**625**	-
9,99,03,094 (-)	IDFC Banking Debt Fund - Regular Plan - Growth	**100**	-
1,75,479 (-)	IDFC Cash Fund - Growth - (Regular Plan)	**25**	-
23,42,26,669 (-)	IDFC Super Saver Income Fund -Medium Term - Plan B - Growth	**285**	-
10,38,13,700 (-)	J P Morgan India Short term Income Fund - Growth	**125**	-
46,01,17,659 (-)	J P Morgan India Treasury Fund - Direct Plan - Bonus	**700**	-
11,10,88,159 (-)	JM High Liquidity Fund - Bonus Option - Bonus Units	**109**	-
8,84,33,460 (-)	Kotak Bond (Short Term) - Growth	**185**	-

Notes on Financial Statements for the Year ended 31st March, 2013

(₹ in crore)

		As at 31st March, 2013		As at 31st March, 2012	
7,51,00,293 (-)	L & T - Short Term Opportunities Fund - Growth	**80**		-	
1,17,585 (7,37,24,677)	LIC Nomura MF Liquid Fund - Growth	**25**		141	
5,81,04,402 (-)	DWS Treasury Fund - Investment - Bonus	**75**		-	
4,70,53,586 (-)	Morgan Stanley Short Term Bond Fund - Institutional Plus Growth	**60**		-	
12,02,16,390 (-)	Reliance Income Fund - Growth - Bonus Option	**131**		-	
13,27,54,784 (-)	Religare Active Income Fund - Growth	**175**		-	
18,67,56,236 (-)	Religare Short Term Fund - Growth	**285**		-	
52,63,28,065 (-)	SBI Dynamic Bond Fund - Growth	**725**		-	
1,90,032 (-)	SBI Premier Liquid Fund - Growth	**35**		-	
18,37,26,275 (-)	SBI Short Term Debt Fund - Growth	**235**		-	
4,32,75,524 (-)	Sundaram Flexible Fund Short - Term Plan - Growth	**80**		-	
3,02,49,315 (-)	Sundaram Monthly Income Plan MOD Bonus (Principal Units)	**34**		-	
9,21,73,180 (-)	Tata Income Fund Plan A - Appreciation Option - Bonus	**97**		-	
1,94,65,573 (-)	TATA Short Term Bond Fund Plan A - Growth	**40**		-	
37,23,783 (-)	UTI Floating Rate Fund - STP - Growth	**700**		-	
1,90,537 (-)	UTI Money Market Fund - Institutional Plan - Growth	**25**		-	
30,35,68,335 (-)	UTI Short Term Income Fund Institutional - Growth Option	**400**		-	
20,30,859 (-)	UTI Treasury Advantage Fund - Institutional Plan	**250**		-	
			13,186		1,021
Investment in Certificate of Deposits with Scheduled Banks - Unquoted			**-**		15,720
	Total Current Investments		**28,366**		27,029
Aggregate amount of quoted investments			**14,880**		10,288
Market Value of quoted investments			**15,460**		10,453
Aggregate amount of unquoted investments			**13,486**		16,741

Notes on Financial Statements for the Year ended 31st March, 2013

13. INVENTORIES

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Raw Materials	**7,882**	8,342
Raw Materials in Transit	**13,820**	11,008
Stock-in-Process	**6,361**	5,274
Finished Goods	**10,819**	7,944
Stores, Chemicals and Packing Materials	**3,794**	3,333
Stock-in-Trade	**53**	54
TOTAL	**42,729**	35,955

14. TRADE RECEIVABLES

(Unsecured and Considered Good)

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Over six months	**41**	14
Others	**11,839**	18,410
TOTAL	**11,880**	18,424

15. CASH AND BANK BALANCES

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Balance with Banks #	**740**	875
Cash on hand	**15**	14
Fixed deposits with banks *	**48,792**	38,709
TOTAL	**49,547**	39,598

Balance with Banks includes Unclaimed Dividend of ₹ 152 crore (Previous Year ₹ 129 crore)

* Fixed deposits with banks include deposits of ₹ 13,173 crore (Previous Year ₹ 6,860 crore) with maturity of more than 12 months.

16. SHORT TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Loans and Advances to Related Parties (Refer Note No. 30)	**3,674**	4,169
Balance with Customs, Central Excise Authorities	**2,549**	1,525
Deposits	**399**	358
Others*#	**4,352**	5,037
TOTAL	**10,974**	11,089

* Netted for Loans and Advances considered doubtful ₹ 70 crore (Previous Year ₹ 70 crore)

Includes primarily Interest Receivable on Fixed Deposits with Banks, Advance to sundry creditors.

17. OTHER CURRENT ASSETS

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Interest accrued on Investment	**480**	249
TOTAL	**480**	249

Notes on Financial Statements for the Year ended 31st March, 2013

18. REVENUE FROM OPERATIONS

(₹ in crore)

	2012-13	2011-12
Sale of Products	**3,71,021**	3,39,721
Income from Services	**98**	71
	3,71,119	3,39,792
Less: Excise Duty/ Service Tax Recovered	**10,822**	9,888
TOTAL	**3,60,297**	3,29,904

18.1 PARTICULARS OF SALE OF PRODUCTS

(₹ in crore)

Particulars	2012-13	2011-12
Petroleum Products	**2,73,790**	2,45,335
Petrochemicals Products	**88,108**	80,625
Oil & Gas	**8,173**	12,620
Others	**950**	1,141
TOTAL	**3,71,021**	3,39,721

19. OTHER INCOME

(₹ in crore)

		2012-13		2011-12
Interest				
From Current Investments	**892**		431	
From Long Term Investments	**460**		109	
From Others	**4,893**		3,874	
		6,245		4,414
Dividend				
From Current Investments	**74**		6	
From Long Term Investments	**3**		4	
		77		10
Net gain on Sale of Investments				
From Current Investments	**1,234**		1,060	
From Long Term Investments	**424**		575	
Adjustment to the carrying amount of investments [(₹ NIL (Previous Year ₹ 14,64,610)]	**-**		-	
		1,658		1,635
Other non operating income *		**18**		133
TOTAL		**7,998**		6,192

* Other non operating income includes income from finance lease of ₹ 1 crore (Previous Year ₹ 3 crore).

20. COST OF MATERIALS CONSUMED

	2012-13 ₹ in crore	2012-13 % of Consumption	2011-12 ₹ in crore	2011-12 % of Consumption
Imported	**2,77,824**	**90.75**	2,51,583	91.55
Indigenous	**28,303**	**9.25**	23,231	8.45
TOTAL	**3,06,127**	**100.00**	2,74,814	100.00

20.1 PARTICULARS OF MATERIALS CONSUMED

(₹ in crore)

Particulars	2012-13	2011-12
Crude Oil	**2,79,316**	2,53,997
Others	**26,811**	20,817
TOTAL	**3,06,127**	2,74,814

21. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

(₹ in crore)

		2012-13		2011-12
Inventories (at close)				
Finished Goods / Stock-in-Trade	10,872		7,998	
Stock-in-Process	6,361		5,274	
		17,233		13,272
Inventories (at commencement)				
Finished Goods / Stock-in-Trade	7,998		7,491	
Stock-in-Process	5,274		4,909	
	13,272		12,400	
Add: On Amalgamation (Refer Note No. 33)	644		-	
		13,916		12,400
TOTAL		(3,317)		(872)

22. EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

	2012-13	2011-12
Salaries and Wages	2,925	2,433
Contribution to Provident and Other Funds	218	215
Staff Welfare Expenses	211	214
TOTAL	3,354	2,862

22.1 As per Accounting Standard 15 “Employee benefits”, the disclosures as defined in the Accounting Standard are given below :

Defined Contribution Plans (₹ in crore)

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

	2012-13	2011-12
Employer’s Contribution to Provident Fund	91	80
Employer’s Contribution to Superannuation Fund	15	15
Employer’s Contribution to Pension Scheme	19	15

The Company’s Provident Fund is exempted under section 17 of Employees’ Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-a-vis statutory rate.

Defined Benefit Plan

The employees’ gratuity fund scheme managed by a Trust (Life Insurance Corporation of India for SEZ unit of the Company) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

Notes on Financial Statements for the Year ended 31st March, 2013

I) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in crore)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	**2012-13**	2011-12
Defined Benefit obligation at beginning of year	**436**	383	**137**	179
On Amalgamation (Refer Note No. 33)	**2**	-	**1**	-
Current Service Cost	**31**	27	**9**	8
Interest Cost	**34**	32	**9**	11
Actuarial (gain) / loss	**26**	17	**25**	39
Benefits paid	**(29)**	(23)	**(53)**	(100)
Defined Benefit obligation at year end	**500**	436	**128**	137

II) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in crore)

	Gratuity (Funded)	
	2012-13	2011-12
Fair value of Plan assets at beginning of year	**394**	327
On Amalgamation (Refer Note No. 33)	**2**	-
Expected return on plan assets	**34**	29
Actuarial gain / (loss)	**10**	2
Employer contribution	**92**	59
Benefits paid	**(29)**	(23)
Fair value of Plan assets at year end	**503**	394
Actual return on plan assets	**44**	31

III) Reconciliation of fair value of assets and obligations

(₹ in crore)

	Gratuity (Funded) As at 31st March		Leave Encashment (Unfunded) As at 31st March	
	2013	2012	**2013**	2012
Fair value of Plan assets	**503**	394	**-**	-
Present value of obligation	**500**	436	**128**	137
Amount recognised in Balance Sheet	**(3)**	42	**128**	137

IV) Expenses recognised during the year

(₹ in crore)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	**2012-13**	2011-12
Current Service Cost	**31**	27	**9**	8
Interest Cost	**34**	32	**9**	11
Expected return on Plan assets	**(34)**	(29)	**-**	-
Actuarial (gain) / loss	**16**	15	**25**	39
Net Cost	**47**	45	**43**	58

Notes on Financial Statements for the Year ended 31st March, 2013

V) **Investment Details :**

	% Invested	
	As at 31st March, 2013	As at 31st March, 2012
GOI Securities	**5.70**	7.52
Public Securities	**4.60**	6.18
State Government Securities	**1.68**	2.42
Insurance Policies	**87.84**	83.72
Others (including bank balances)	**0.18**	0.16
	100.00	100.00

VI) **Actuarial assumptions**

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	**2012-13**	2011-12
Mortality Table (LIC)	**1994-96 (Ultimate)**	1994-96 (Ultimate)	**1994-96 (Ultimate)**	1994-96 (Ultimate)
Discount rate (per annum)	**8%**	8.50%	**8%**	8.50%
Expected rate of return on plan assets (per annum)	**8%**	8.50%	**-**	-
Rate of escalation in salary (per annum)	**6%**	6%	**6%**	6%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

22.2 The Company had announced Voluntary Separation Scheme (VSS) for the employees during the previous year. A sum of ₹ NIL (Previous Year ₹ 5 crore) has been paid during the year and debited to Statement of Profit and Loss under the head "Employee Benefits Expense".

23. FINANCE COSTS

(₹ in crore)

	2012-13	2011-12
Interest Expenses	**2,152**	1,966
Other borrowing costs	**16**	18
Applicable loss on foreign currency transactions and translation	**868**	683
TOTAL	**3,036**	2,667

24. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in crore)

	2012-13	2011-12
Depreciation and Amortisation (Refer Note No. 9.10)	**11,537**	13,734
Less: Transferred from revaluation reserve (Refer Note No. 9.9)	**2,072**	2,340
TOTAL	**9,465**	11,394

Notes on Financial Statements for the Year ended 31st March, 2013

25. OTHER EXPENSES

(₹ in crore)

	2012-13	2012-13	2011-12	2011-12
Manufacturing expenses				
Stores, Chemicals and Packing Materials	**3,799**		3,482	
Electric Power, Fuel and Water	**7,166**		4,094	
Labour Processing, Production Royalty and Machinery Hire Charges	**1,569**		1,829	
Repairs to Building	**28**		40	
Repairs to Machinery	**698**		728	
Exchange Difference (Net)	**(73)**		161	
Excise Duty #	**36**		(28)	
Lease Rent [₹ 44,00,000]	**-**		1	
		13,223		10,307
Selling and Distribution Expenses				
Warehousing and Distribution Expenses	**4,935**		4,380	
Sales tax / VAT	**1,102**		821	
Other Selling and Distribution Expenses	**635**		192	
		6,672		5,393
Establishment Expenses				
Professional fees	**1,090**		705	
General Expenses	**404**		255	
Rent	**97**		122	
Insurance	**611**		522	
Rates & Taxes	**145**		83	
Other Repairs	**229**		258	
Travelling Expenses	**122**		82	
Payment to Auditors	**18**		17	
Loss on Sale /Discard of Fixed Assets	**48**		45	
Charity and Donations	**283**		288	
		3,047		2,377
Less: Transferred to Project Development Expenditure		**98**		37
TOTAL		**22,844**		18,040

Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.

25.1 VALUE OF STORES, CHEMICALS AND PACKING MATERIALS CONSUMED :

	2012-13		2011-12	
	₹ in crore	% of Consumption	₹ in crore	% of Consumption
Imported	**1,725**	**45.41**	1,816	52.15
Indigenous	**2,074**	**54.59**	1,666	47.85
TOTAL	**3,799**	**100.00**	3,482	100.00

25.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

(₹ in crore)

	2012-13	2011-12
Raw Materials and Stock-in-Trade	**2,81,719**	2,54,248
Stores, Chemicals and Packing Materials	**3,260**	3,120
Capital goods	**2,204**	325

Notes on Financial Statements for the Year ended 31st March, 2013

25.3 PAYMENT TO AUDITORS AS :

(₹ in crore)

		2012-13	2011-12
(a)	Auditor		
	Statutory Audit Fees	7	7
	Tax Audit Fees	1	1
(b)	Certification and Consultation Fees	9	9
(c)	Cost Audit Fees	1	-
	(Previous Year ₹ 39,85,000)		
	TOTAL	18	17

25.4 A sum of ₹ 3 crore [Previous Year ₹ 1 crore] is included under establishment expenses representing Net Prior Period Items.

25.5 EXPENDITURE IN FOREIGN CURRENCY :

(₹ in crore)

	2012-13	2011-12
Oil and Gas Activity	1,565	1,633
Repairs to Machinery (Includes ₹ 5 crore for SEZ units)	42	84
Repairs to Building (₹ 8,41,593)	-	1
Employee Benefits Expense (Includes ₹ 6,61,989 for SEZ units)	24	40
Sales Promotion Expenses (Includes ₹ 2 crore for SEZ units)	34	29
Brokerage and Commission (Includes ₹ 2 crore for SEZ units)	46	31
Ocean Freight (Includes ₹ 669 crore for SEZ units)	1,328	1,085
Warehousing and Distribution Expenses (Includes ₹ 1,141 crore for SEZ units)	1,487	1,349
Insurance (Includes ₹ 14,78,002 for SEZ units)	2	2
Rent	6	5
Rates & Taxes (Includes ₹ 2,674 for SEZ units)	1	1
Other Repairs (Includes ₹ 1 crore for SEZ units)	13	15
Travelling Expenses	13	9
Professional Fees (Includes ₹ 22 crore for SEZ units)	179	204
Charity and Donations	12	9
Labour Processing, Production Royalty and Hire Charges (Includes ₹ 10 crore for SEZ units)	11	1
Bank Charges (Includes ₹ 8 crore for SEZ units)	19	15
General Expenses (Includes ₹ 9 crore for SEZ units)	114	74
Interest Expenses (Includes ₹ 459 crore for SEZ units)	1,501	1,392

Notes on Financial Statements for the Year ended 31st March, 2013

26. EARNINGS PER SHARE (EPS)

		2012-13	2011-12
i)	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in crore)	**21,003**	20,040
ii)	Weighted Average number of equity shares used as denominator for calculating EPS	**3,23,99,64,480**	3,27,42,26,242
iii)	Basic and Diluted Earnings per share (₹)	**64.82**	61.21
iv)	Face Value per equity share (₹)	**10.00**	10.00

27. EARNINGS IN FOREIGN EXCHANGE

(₹ in crore)

	2012-13	2011-12
FOB value of exports [Excluding captive transfers to Special Economic Zone of ₹ 21,480 crore (Previous Year ₹ 21,278 crore)]	**2,27,883**	1,98,269
Interest	**2**	1
Others	**207**	204

28. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External Account (NRE A/c). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given herein below:

			2012-13 (Final Dividend)	2011-12 (Final Dividend)
a)	Number of Non Resident Shareholders		**40,266**	40,493
b)	Number of Equity Shares held by them		**57,01,32,298**	59,71,01,671
c)	(i)	Amount of Dividend Paid (Gross) (₹ in Crore)	**485**	478
	(ii)	Tax Deducted at Source	**-**	-
	(iii)	Year to which dividend relates	**2011-12**	2010-11

29. Fixed assets taken on finance lease prior to 1st April, 2001, amount to ₹ 444 crore (Previous Year ₹ 444 crore). Future obligations towards lease rentals under the lease agreements as on 31st March, 2013 amount to ₹ 2 crore (Previous Year ₹ 3 crore).

(₹ in crore)

	2012-13	2011-12
Within one year (₹ 44,00,000)	**-**	1
Later than one year and not later than five years	**2**	2
TOTAL	**2**	3

Notes on Financial Statements for the Year ended 31st March, 2013

30. RELATED PARTY DISCLOSURES :

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industrial Investments and Holdings Limited	Subsidiary Companies
2	Reliance Ventures Limited	
3	Reliance Strategic Investments Limited	
4	Reliance Industries (Middle East) DMCC	
5	Reliance Retail Limited	
6	Reliance Netherlands B.V. (Liquidated on 27th March, 2013)	
7	Reliance Haryana SEZ Limited	
8	Reliance Fresh Limited	
9	Retail Concepts and Services (India) Limited	
10	Reliance Retail Insurance Broking Limited	
11	Reliance Dairy Foods Limited	
12	Reliance Exploration & Production DMCC	
13	Reliance Retail Finance Limited	
14	RESQ Limited	
15	Reliance Commercial Associates Limited	
16	Reliancedigital Retail Limited	
17	Reliance Financial Distribution and Advisory Services Limited	
18	RIL (Australia) Pty Limited	
19	Gapco Kenya Limited	
20	Gapco Rwanda Limited	
21	Gapco Tanzania Limited	
22	Gapco Uganda Limited	
23	Gapoil (Zanzibar) Limited	
24	Gulf Africa Petroleum Corporation	
25	Transenergy Kenya Limited	
26	Recron (Malaysia) Sdn Bhd	
27	Reliance Payment Solutions Limited *	
28	Reliance Brands Limited	
29	Reliance Footprint Limited	
30	Reliance Trends Limited	
31	Reliance Lifestyle Holdings Limited	
32	Reliance Universal Ventures Limited	
33	Delight Proteins Limited	
34	Reliance Autozone Limited	
35	Reliance F&B Services Limited	
36	Reliance Gems and Jewels Limited	
37	Reliance Integrated Agri Solutions Limited	
38	Strategic Manpower Solutions Limited	

* Formerly known as Reliance Retail Travel & Forex Services Limited

Sr. No.	Name of the Related Party	Relationship
39	Reliance Agri Products Distribution Limited	
40	Reliance Digital Media Limited	
41	Reliance Food Processing Solutions Limited	
42	Reliance Home Store Limited	
43	Reliance Leisures Limited	
44	Reliance Loyalty & Analytics Limited	
45	Reliance Retail Securities and Broking Company Limited	
46	Reliance Supply Chain Solutions Limited	
47	Reliance Trade Services Centre Limited	
48	Reliance Vantage Retail Limited	
49	Wave Land Developers Limited	
50	Reliance-GrandOptical Private Limited	
51	Reliance Universal Commercial Limited	
52	Reliance Petroinvestments Limited	
53	Reliance Global Commercial Limited	
54	Reliance People Serve Limited	
55	Reliance Infrastructure Management Services Limited	
56	Reliance Global Business B.V.	
57	Reliance Gas Corporation Limited	
58	Reliance Global Energy Services Limited	
59	Kanhatech Solutions Limited **	
60	Reliance Global Energy Services (Singapore) Pte. Limited	Subsidiary Companies
61	Reliance Personal Electronics Limited	
62	Reliance Polymers (India) Limited	
63	Reliance Polyolefins Limited	
64	Reliance Aromatics and Petrochemicals Limited	
65	Reliance Energy and Project Development Limited	
66	Reliance Chemicals Limited	
67	Reliance Universal Enterprises Limited	
68	Reliance Review Cinema Limited	
69	Reliance Replay Gaming Limited	
70	Two Sisters Foods India Limited	
71	International Oil Trading Limited (Liquidated on 7th February 2013)	
72	RIL USA Inc.	
73	Reliance Commercial Land & Infrastructure Limited	
74	Reliance Corporate IT Park Limited	
75	Reliance Eminent Trading & Commercial Private Limited	
76	Reliance Progressive Traders Private Limited	
77	Reliance Prolific Traders Private Limited	
78	Reliance Universal Traders Private Limited	
79	Reliance Prolific Commercial Private Limited	
80	Reliance Comtrade Private Limited	
81	Reliance Ambit Trade Private Limited	
82	Reliance Petro Marketing Limited	

** Formerly known as Reliance One Enterprises Limited

Notes on Financial Statements for the Year ended 31st March, 2013

Sr. No.	Name of the Related Party	Relationship
83	LPG Infrastructure (India) Limited	
84	Reliance Corporate Centre Limited	
85	Reliance Convention and Exhibition Centre Limited	
86	Central Park Enterprises DMCC	
87	Reliance International B. V.	
88	Reliance Corporate Services Limited	
89	Indiawin Sports Private Limited	
90	Reliance Holding USA Inc.	
91	Reliance Marcellus LLC	
92	Reliance Jio Infocomm Limited ***	
93	Reliance Strategic (Mauritius) Limited	
94	Reliance Eagleford Midstream LLC	
95	Reliance Eagleford Upstream LLC	
96	Reliance Eagleford Upstream GP LLC	
97	Reliance Eagleford Upstream Holding LP	
98	Mark Project Services Private Limited	
99	Reliance Energy Generation and Distribution Limited	
100	Reliance Marcellus II LLC	
101	Reliance Security Solutions Limited	
102	Reliance Industries Investment and Holding Limited	
103	Reliance Office Solutions Private Limited	Subsidiary Companies
104	Reliance Style Fashion India Private Limited	
105	GenNext Innovation Ventures Limited	
106	Reliance Home Products Limited	
107	Infotel Telecom Limited	
108	Reliance Styles India Limited	
109	Rancore Technologies Private Limited	
110	Omni Symmetry LLC	
111	Reliance Sibur Elastomers Private Limited	
112	Surela Investment and Trading Private Limited	
113	Model Economic Township Limited	
114	Delta Corp East Africa Limited	
115	Delta Square Limited	
116	Kaizen Capital LLP	
117	Affinity Names Inc	
118	Reliance USA Gas Marketing LLC	
119	Reliance Aerospace Technologies Limited	
120	Reliance Gas Pipelines Limited	
121	Achman Commercial Private Limited	
122	Reliance Jio Infocomm Pte Limited	
123	Reliance do Brasil Industria e Comercio de Produtos Texteis, Quimicos, Petroquimicos e Derivados Ltda.	

*** Formerly known as Infotel Broadband Services Limited

Sr. No.	Name of the Related Party	Relationship
124	Reliance Hyper Realty Limited # (amalgamated with Reliance Commercial Land & Infrastructure Limited w.e.f. 01.04.2012)	Subsidiary Companies
125	Reliance Commercial Realty Assets Limited ## (amalgamated with Reliance Commercial Land & Infrastructure Limited w.e.f. 01.04.2012)	
126	Reliance Oil and Gas Mauritius Limited (amalgamated with Reliance Energy Generation and Distribution Limited w.e.f. 01.04.2012)	
127	Reliance Exploration and Production Mauritius Limited (amalgamated with Reliance Energy Generation and Distribution Limited w.e.f. 01.04.2012)	
128	Reliance Industrial Infrastructure Limited	Associates
129	Reliance Europe Limited	
130	Reliance LNG Limited	
131	Indian Vaccines Corporation Limited	
132	Gujarat Chemical Port Terminal Company Limited	
133	Reliance Utilities and Power Private Limited	
134	Reliance Utilities Private Limited	
135	Reliance Ports and Terminals Limited	
136	Reliance Gas Transportation Infrastructure Limited	
137	Reliance Commercial Dealers Limited	
138	Shri Mukesh D. Ambani	Key Managerial Personnel
139	Shri Nikhil R. Meswani	
140	Shri Hital R. Meswani	
141	Shri P.M.S. Prasad	
142	Shri P.K.Kapil	
143	Dhirubhai Ambani Foundation	Enterprises over which Key Managerial Personnel are able to exercise significant influence
144	Jamnaben Hirachand Ambani Foundation	
145	Hirachand Govardhandas Ambani Public Charitable Trust	
146	HNH Trust and HNH Research Society	
147	Reliance Foundation	

Formerly known as Reliance Hypermart Limited

Formerly known as Reliance Wellness Limited

(ii) Transactions during the year with related parties : (₹ in crore)

Sr. No.	Nature of Transactions (Excluding reimbursements)	Subsidiaries	Associates	Key Managerial Personnel	Others	Total
1.	Purchase of Fixed Assets	**52**	**43**	-	-	**95**
		5	*105*	-	-	*110*
2.	Purchase / Subscription of Investments	**8,317**	-	-	-	**8,317**
		4,225	-	-	-	*4,225*
3.	Sale / Transfer / Redemption of Investments	**11,498**	-	-	-	**11,498**
		3,265	-	-	-	*3,265*
4.	Capital Advance given	-	**2**	-	-	**2**
		42	-	-	-	*42*
5.	Net Loans and advances, Deposits given / (returned)	**7,546**	**27**	-	-	**7,573**
		3,151	*17*	-	-	*3,168*
6.	Revenue from Operations	**26,166**	**336**	-	-	**26,502**
		19,661	*312*	-	-	*19,973*

Notes on Financial Statements for the Year ended 31st March, 2013

(₹ in crore)

Sr. No.	Nature of Transactions (Excluding reimbursements)	Subsidiaries	Associates	Key Managerial Personnel	Others	Total
7.	Other Income	**842**	**9**	-	-	**851**
		673	*7*	-	-	*680*
8.	Purchases / Material Consumed	**2,319**	**167**	-	-	**2,486**
		357	*151*	-	-	*508*
9.	Electric Power, Fuel and Water	-	**1,325**	-	-	**1,325**
		-	*1,140*	-	-	*1,140*
10.	Hire Charges	-	**408**	-	-	**408**
		1	*408*	-	-	*409*
11.	Employee Benefits Expense	**6**	-	-	-	**6**
		29	-	-	-	*29*
12.	Payment to Key Managerial Personnel	-	-	**44**	-	**44**
		-	-	*44*	-	*44*
13.	Sales and Distribution Expenses	**21**	**2,845**	-	-	**2,866**
		53	*2,381*	-	-	*2,434*
14.	Rent	-	-	-	-	-
		29	-	-	-	*29*
15.	Professional Fees	**760**	**56**	-	-	**816**
		261	*36*	-	-	*297*
16.	General Expenses	**41**	**258**	-	-	**299**
		38	-	-	-	*38*
17.	Donations	-	-	-	**218**	**218**
		-	-	-	*210*	*210*
18.	Finance Cost	**16**	-	-	-	**16**
		18	-	-	-	*18*
Balance as at 31st March, 2013						
19.	**Investments**	**16,986**	**2,085**	-	-	**19,071**
		21,260	*2,085*	-	-	*23,345*
20.	**Trade Receivables**	**5,977**	**30**	-	-	**6,007**
		3,952	*25*	-	-	*3,977*
21.	**Capital Advance**	-	**2**	-	-	**2**
		42	-	-	-	*42*
22.	**Loans & Advances**	**21,973**	**9**	-	-	**21,982**
		14,400	*12*	-	-	*14,412*
23.	**Deposits**	-	**1,469**	-	-	**1,469**
		299	*1442*	-	-	*1741*
24.	**Trade and other payables**	**540**	**252**	-	-	**792**
		753	*405*	-	-	*1,158*
25.	**Finance Lease Obligations**	**167**	**2**	-	-	**169**
		187	*1*	-	-	*188*
26.	**Financial Guarantees**	**29,867**	**1,213**	-	-	**31,080**
		28,446	*1137*	-	-	*29,583*
27.	**Performance Guarantees**	**134**	**1**	-	-	**135**
		36	*1*	-	-	*37*

Note :
Figures in italic represents Previous Year's amount including transactions with Erstwhile Reliance Jamnagar Infrastructure Limited.

Notes on Financial Statements for the Year ended 31st March, 2013

Disclosure in Respect of Material Related Party Transactions during the year :

1. Purchase of Fixed Assets include Reliance Fresh Limited ₹ 1 crore (Previous Year ₹ 2 crore), Reliance Industrial Infrastructure Limited ₹ 2 crore (Previous Year ₹ 1 crore), Reliance Jamnagar Infrastructure Limited ₹ NIL (Previous Year ₹ 2 crore), Reliancedigital Retail Limited ₹ 4 crore (Previous Year ₹ 1 crore), Reliance Ports and Terminals Limited ₹ 41 crore (Previous Year ₹ 104 crore), Reliance Footprint Limited ₹ 1 crore (Previous Year ₹ NIL), Reliance Security Solutions Limited ₹ 3 crore (Previous Year ₹ NIL), Reliance Haryana SEZ Limited ₹ 43 crore (Previous Year ₹ NIL).

2. Purchase / Subscription of Investments include Reliance Exploration & Production DMCC ₹ NIL (Previous Year ₹ 558 crore), Reliance Exploration & Production Mauritius Limited ₹ NIL (Previous Year ₹ 348 crore), Reliance Oil & Gas Mauritius Limited ₹ NIL (Previous Year ₹ 95 crore), Reliance Jio Infocomm Limited ₹ 2,647 crore (Previous Year ₹ 642 crore), Reliance Retail Limited ₹ NIL (Previous Year ₹ 2,580 crore), RIL (Australia) Pty Limited ₹ 3 crore (Previous Year ₹ 2 crore), Reliance Commercial Associates Limited ₹ 5,667 crore (Previous Year ₹ NIL).

3. Sale / Transfer of Investments include to Reliance Energy Generation and Distribution Limited ₹ NIL (Previous Year ₹ 3,265 crore), Reliance Industrial Investments and Holdings Limited ₹ 1,544 crore (Previous Year ₹ NIL), Reliance Universal Ventures Limited ₹ 7,800 crore (Previous Year ₹ NIL).

   Redemption of Investments by Reliance Global Business B.V. ₹ 49 crore (Previous Year ₹ NIL), Reliance Industries (Middle East) DMCC ₹ 431 crore (Previous Year ₹ NIL), Reliance Exploration & Production DMCC ₹ 1,673 crore (Previous Year ₹ NIL), Reliance Netherlands B.V. ₹ 1 crore (Previous Year ₹ NIL).

4. Capital Advances given include Reliance Haryana SEZ Limited ₹ NIL (Previous Year ₹ 42 crore), Reliance Industrial Infrastructure Limited ₹ 2 crore (Previous Year ₹ NIL).

5. Loans given during the year include Reliance Industrial Investments and Holdings Limited ₹ 7,684 crore (Previous Year ₹ 2,625 crore), Reliance Retail Limited ₹ 303 crore (Previous Year ₹ 617 crore), Reliance Exploration & Production DMCC ₹ 71 crore (Previous Year ₹ NIL), Reliance Brands Limited ₹ 11 crore (Previous Year ₹ NIL). Deposits given during the year include Gujarat Chemical Port Terminal Company Limited ₹ 27 crore (Previous Year ₹ 17 crore). Loans returned during the year include Gapco Tanzania Limited ₹ NIL (Previous Year ₹ 84 crore), Reliance Exploration & Production DMCC ₹ NIL (Previous Year ₹ 8 crore).

   Advances in the nature of application money returned during the year Reliance Prolific Traders Private Limited ₹ 523 crore (Previous Year ₹ NIL).

6. Revenue from Operations include to Reliance Jamnagar Infrastructure Limited ₹ NIL (Previous Year ₹ 1 crore), Reliance Retail Limited ₹ NIL (Previous Year ₹ 6 crore), Gapco Kenya Limited ₹ 6,559 crore (Previous Year ₹ 4,559 crore), Gapco Tanzania Limited ₹ 2,937 crore (Previous Year ₹ 526 crore), Recron (Malaysia) Sdn Bhd ₹ 367 crore (Previous Year ₹ 124 crore), Reliance Trends Limited ₹ 6 crore (Previous Year ₹ 5 crore), LPG Infrastructure (India) Limited ₹ 392 crore (Previous Year ₹ 269 crore), Reliance Petro Marketing Limited ₹ 77 crore (Previous Year ₹ 216 crore), RIL USA Inc. ₹ 14,242 crore (Previous Year ₹ 12,572 crore), Reliance Industrial Investments and Holdings Limited ₹ 679 crore (Previous Year ₹ 733 crore), Reliance Fresh Limited ₹ 9 crore (Previous Year ₹ 6 crore), Reliance Gems and Jewels Limited ₹ 475 crore (Previous Year ₹ 504 crore), Reliance Utilities Private Limited ₹ NIL (Previous Year ₹ 145 crore), Reliance Utilities and Power Private Limited ₹ 243 crore (Previous Year ₹ NIL), Reliance Ports and Terminals Limited ₹ 6 crore (Previous Year ₹ 20 crore), Reliance Gas Transportation Infrastructure Limited ₹ 86 crore (Previous Year ₹ 147 crore), Reliance Corporate IT Park Limited ₹ 2 crore (Previous Year ₹ 5 crore), Reliance Industries (Middle East) DMCC ₹ NIL (Previous Year ₹ 100 crore), Reliance Jio Infocomm Limited ₹ 408 crore (Previous Year ₹ 35 crore), Reliancedigital Retail Limited ₹ 4 crore (Previous Year ₹ NIL), Reliance Progressive Traders Private Limited ₹ 5 crore (Previous Year ₹ NIL), Reliance Prolific Traders Private Limited ₹ 1 crore (Previous Year ₹ NIL), Reliance Eminent Trading & Commercial Private Limited ₹ 2 crore (Previous Year ₹ NIL), Gujarat Chemical Port Terminal Company Limited ₹ 1 crore (Previous Year ₹ NIL).

7. Other Income from Reliance Industrial Investments and Holdings Limited ₹ 371 crore (Previous Year ₹ 315 crore), Reliance Ventures Limited ₹ 108 crore (Previous Year ₹ 40 crore), Reliance Strategic Investments Limited ₹ 86 crore (Previous Year ₹ 71 crore), Reliance Exploration & Production DMCC ₹ 2 crore (Previous Year ₹ NIL), Gapco Kenya Limited ₹ 2 crore (Previous Year ₹ 4 crore), Gapco Tanzania Limited ₹ 2 crore (Previous Year ₹ 4 crore), Recron (Malaysia) Sdn Bhd ₹ 6 crore (Previous Year ₹ 7 crore), Reliance Jio Infocomm Limited ₹ 41 crore (Previous Year ₹ 39 crore), Reliance Retail Limited ₹ 72 crore (Previous Year ₹ 16 crore), RIL USA Inc. ₹ 25 crore (Previous Year ₹ 18 crore), Reliance Holdings USA Inc. ₹ 122 crore (Previous Year ₹ 132 crore), Reliance Eagleford Upstream Holding LP ₹ NIL (Previous Year ₹ 2 crore), Reliance Marcellus LLC ₹ 3 crore (Previous Year ₹ 10 crore), Reliance Corporate IT Park Limited ₹ 1 crore (Previous Year ₹ 3 crore), Reliance Industrial Infrastructure Limited ₹ NIL (Previous Year ₹ 2 crore), Reliance Europe Limited ₹ 5 crore (Previous Year ₹ 5 crore), Gapco Uganda Limited ₹ 1 crore (Previous Year ₹ 1 crore), Reliance Gems and Jewels Limited ₹ NIL (Previous Year ₹ 11 crore), Reliance Utilities and Power Private Limited ₹ 3 crore (Previous Year ₹ NIL), Reliance Ports and Terminals Limited ₹ 1 crore (Previous Year ₹ NIL).

8. Purchases / material consumed from Recron (Malaysia) Sdn Bhd ₹ 1 crore (Previous Year ₹ 2 crore), Reliance Petro Marketing Limited ₹ 2 crore (Previous Year ₹ 3 crore), Reliance Jamnagar Infrastructure Limited ₹ NIL (Previous Year ₹ 350 crore), Reliance Ports and Terminals Limited ₹ 154 crore (Previous Year ₹ 138 crore), Reliance Industrial Infrastructure Limited ₹ 12 crore (Previous Year ₹ 11 crore), Reliance Footprint Limited ₹ 2 crore (Previous Year ₹ 2 crore), Gujarat Chemical Port Terminal Company Limited ₹ 1 crore (Previous Year ₹ 2 crore), Reliance Industries (Middle East) DMCC ₹ 2,314 crore (Previous Year ₹ NIL).

9. Electric Power, Fuel and Water charges paid to Reliance Utilities and Power Private Limited ₹ 1,325 crore (Previous Year ₹ 369 crore), Reliance Utilities Private Limited ₹ NIL (Previous Year ₹ 771 crore).

10. Hire Charges paid to Reliance Industrial Infrastructure Limited ₹ 30 crore (Previous Year ₹ 21 crore), Gujarat Chemical Port Terminal Company Limited ₹ 57 crore (Previous Year ₹ 66 crore), Reliance Gas Transportation Infrastructure Limited ₹ 196 crore (Previous Year ₹ 235 crore), Reliance Ports and Terminals Limited ₹ 125 crore (Previous Year ₹ 86 crore), Reliance Corporate IT Park Limited ₹ NIL (Previous Year ₹ 1 crore).

11. Employee Benefits Expense include to Reliance People Serve Limited ₹ 3 crore (Previous Year ₹ 3 crore), Reliance Fresh Limited ₹ 3 crore (Previous Year ₹ 20 crore), Reliance Polyolefins Limited ₹ NIL (Previous Year ₹ 5 crore), Reliance Trends Limited ₹ NIL (Previous Year ₹ 1 crore).

12. Payment to Key Managerial Personnel include to Shri Mukesh D. Ambani ₹ 15 crore (Previous Year ₹ 15 crore), Shri Nikhil R. Meswani ₹ 11 crore (Previous Year ₹ 11 crore), Shri Hital R. Meswani ₹ 11 crore (Previous Year ₹ 11 crore), Shri P.M.S. Prasad ₹ 5 crore (Previous Year ₹ 5 crore), Shri P.K. Kapil ₹ 2 crore (Previous Year ₹ 2 crore).

13. Sales and Distribution Expenses include to Reliance Fresh Limited ₹ NIL (Previous Year ₹ 43 crore), Reliance Ports and Terminals Limited ₹ 2,835 crore (Previous Year ₹ 2,370 crore), Gujarat Chemical Port Terminal Company Limited ₹ 10 crore (Previous Year ₹ 11 crore), Reliance Jamnagar Infrastructure Limited ₹ NIL (Previous Year ₹ 7 crore), Gapco Kenya Limited ₹ NIL (Previous Year ₹ 3 crore), Reliance Commercial Land and Infrastructure Limited ₹ 5 crore (Previous Year ₹ NIL), Reliance Polyolefins Limited ₹ 16 crore (Previous Year ₹ NIL).

14. Rent paid to Reliance Jamnagar Infrastructure Limited ₹ NIL (Previous Year ₹ 29 crore).

15. Professional Fees paid to Reliance Supply Chain Solutions Limited ₹ NIL (Previous Year ₹ 18 crore), Reliance Corporate IT Park Limited ₹ 736 crore (Previous Year ₹ 240 crore), Reliance Netherlands B.V. ₹ NIL (Previous Year ₹ 1 crore), Reliance Europe Limited ₹ 37 crore (Previous Year ₹ 27 crore), GenNext Ventures LLP ₹ NIL (Previous Year ₹ 2 crore), Reliance Industrial Infrastructure Limited ₹ 19 crore (Previous Year ₹ 9 crore), Reliance Security Solutions Limited ₹ 1 crore (Previous Year ₹ NIL), Indiawin Sports Private Limited ₹ 23 crore (Previous Year ₹ NIL).

Notes on Financial Statements for the Year ended 31st March, 2013

16. General Expenses include to Reliance Fresh Limited ₹ 14 crore (Previous Year ₹ 11 crore), Reliance Trends Limited ₹ 6 crore (Previous Year ₹ 3 crore), Reliance Gems and Jewels Limited ₹ 7 crore (Previous Year ₹ 7 crore), Reliancedigital Retail Limited ₹ 1 crore (Previous Year ₹ 3 crore), Indiawin Sports Private Limited ₹ 12 crore (Previous Year ₹ 14 crore), Reliance Commercial Dealers Limited ₹ 258 crore.

17. Donations to Dhirubhai Ambani Foundation ₹ 1 crore (Previous Year ₹ 86 crore), Jamnaben Hirachand Ambani Foundation ₹ 8 crore (Previous Year ₹ 8 crore), HNH Trust and HNH Research Society ₹ 2 crore (Previous Year ₹ 3 crore), Hirachand Govardhandas Ambani Public Charitable Trust ₹ 1 crore (Previous Year ₹ 1 crore), Reliance Foundation ₹ 206 crore (Previous Year ₹ 112 crore).

18. Finance Costs include to Reliance Corporate IT Park Limited ₹ 16 crore (Previous Year ₹ 18 crore).

19. Loans and Advances include Reliance Industrial Investments and Holdings Limited ₹ 17,642 crore (Previous Year ₹ 9,905 crore), Reliance Retail Limited ₹ 928 crore (Previous Year ₹ 621 crore), Reliance Strategic Investments Limited ₹ NIL (Previous Year ₹ 22 crore), Gapco Kenya Limited ₹ 2 crore (Previous Year ₹ 2 crore), Gapco Tanzania Limited ₹ 2 crore (Previous Year ₹ 2 crore), Gapco Uganda Limited ₹ 1 crore (Previous Year ₹ 1 crore), Reliance Jio Infocomm Limited ₹ NIL (Previous Year ₹ 10 crore), Recron (Malaysia) Sdn Bhd ₹ 6 crore (Previous Year ₹ 7 crore), Reliance Europe Limited ₹ 8 crore (Previous Year ₹ 12 crore), RIL USA Inc. ₹ NIL (Previous Year ₹ 2 crore), Reliance Holding USA Inc. ₹ NIL (Previous Year ₹ 18 crore), Reliance Marcellus LLC ₹ NIL (Previous Year ₹ 2 crore), Reliance Energy Generation and Distribution Limited ₹ 3,265 crore (Previous Year ₹ 3,265 crore), Reliance Exploration & Production DMCC ₹ 72 crore (Previous Year ₹ NIL), Reliance Corporate IT Park Limited ₹ 3 crore (Previous Year ₹ 20 crore), Reliance Prolific Traders Private Limited (Application Money) ₹ NIL (Previous Year ₹ 523 crore), Reliance Ventures Limited ₹ 42 crore (Previous Year ₹ NIL), Reliance Brands Limited ₹ 11 crore (Previous Year ₹ NIL).

20. Deposits include Reliance Jamnagar Infrastructure Limited ₹ NIL (Previous Year ₹ 299 crore), Gujarat Chemical Port Terminal Company Limited ₹ 69 crore (Previous Year ₹ 42 crore), Reliance Utilities and Power Private Limited ₹ 350 crore (Previous Year ₹ 200 crore), Reliance Ports and Terminals Limited ₹ 1,050 crore (Previous Year ₹ 1,050 crore), Reliance Utilities Private Limited ₹ NIL (Previous Year ₹ 150 crore).

31. (a) Disclosure of the Company's Interest in Oil and Gas Joint Ventures:

Sr. No.	Name of the Fields in the Joint Ventures	% Interest		Sr. No.	Name of the Fields in the Joint Ventures	% Interest	
1	Panna Mukta	**30%**	(30%)	8	CY-PR-DWN-2001/3	**70%**	(70%)
2	Tapti	**30%**	(30%)	9	CY-DWN-2001/2	**70%**	(70%)
3	NEC - OSN - 97/2	**60%**	(60%)	10	CB-ONN-2003/1	**70%**	(70%)
4	KG - DWN - 98/3	**60%**	(60%)	11	KG-DWN-2004/4	**70%**	(70%)
5	GS - OSN - 2000/1	**90%**	(90%)	12	MN-DWN-2004/1	**70%**	(70%)
6	KG-DWN-2003/1	**60%**	(60%)	13	MN-DWN-2004/2	**70%**	(70%)
7	KG-DWN-2005/2	**50%**	(50%)				

Figures in bracket represent Previous Year's (%) Interest.

(b) Disclosure of the blocks surrendered during the year:

Sr. No.	Name of the Fields	% Interest	Sr. No.	Name of the Fields	% Interest
1	KK-DWN-2001/1	70%	5	MN-DWN-2004/3	70%
2	KK-DWN-2001/2	70%	6	MN-DWN-2004/4	70%
3	MN-DWN-2003/1	55%	7	MN-DWN-2004/5	70%
4	KG-DWN-2004/7	70%	8	SH (NORTH)-CBM-2003/11	100%

(c) Net Quantities of Company's interest (on gross basis) in proved reserves and proved developed reserves :

	Proved Reserves (Million MT)		Proved Developed Reserves (Million MT)	
	2012-13	2011-12	**2012-13**	2011-12
Oil:				
Beginning of the year	**3.06**	8.29	**2.42**	7.66
Reduction on transfer of participating interest	**-**	(1.69)	**-**	(1.65)
Revision of estimates	**-**	(2.61)	**-**	(2.66)
Production	**(0.60)**	(0.93)	**(0.60)**	(0.93)
Closing balance for the year	**2.46**	3.06	**1.82**	2.42

	Proved Reserves (Million M3*)		Proved Developed Reserves (Million M3*)	
	2012-13	2011-12	**2012-13**	2011-12
Gas:				
Beginning of the year	**1,03,958**	1,85,821	**25,159**	1,07,362
Reduction on transfer of participating interest	**-**	(56,621)	**-**	(30,543)
Revision of estimates	**59**	(12,418)	**43**	(38,836)
Production	**(6,732)**	(12,824)	**(6,732)**	(12,824)
Closing balance for the year	**97,285**	1,03,958	**18,470**	25,159

* 1 cubic meter (M3) = 35.315 cubic feet and 1 cubic feet = 1000 BTU

(d) The Government of India, by its letter of 02 May 2012 has communicated that it proposes to disallow certain costs which the PSC relating to Block KG-DWN-98/3 entitles RIL to recover. RIL continues to maintain that a Contractor is entitled to recover all of its costs under the terms of the PSC and there are no provisions that entitle the Government to disallow the recovery of any Contract Cost as defined in the PSC. The Company has already initiated arbitration on the above issue.

32. As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

33. The figures for the current year include figures of Reliance Jamnagar Infrastructure Limited (RJIL), the wholly owned subsidiary company engaged in infrastructure development and maintenance developer of the operating Special Economic Zone, which is amalgamated with the Company with effect from 1st April, 2011 as per the Scheme of Amalgamation (the Scheme) sanctioned by the Hon'ble High Court of Gujarat at Ahmedabad, and are therefore to that extent not comparable with those of previous year.

The Scheme became effective on 22nd October, 2012, the appointed date of the Scheme being 1st April, 2011.

In accordance with the scheme and as per approval of the High Court:

a) The assets, liabilities, reserves, rights and obligations of erstwhile RJIL have been transferred to and vested with the Company with effect from 1st April, 2011 and have been recorded at their respective book values, under the pooling of interest method of accounting for amalgamation as prescribed in Accounting Standard 14 on Accounting for Amalgamations.

b) Being a wholly owned subsidiary company, 10,00,00,000 equity shares & 18,50,000, 10% non-cumulative optionally convertible preference shares of erstwhile RJIL held by the Company have been cancelled against Share Capital of the amalgamating company and no shares has been issued in pursuance to scheme of amalgamation.

c) Amount added on amalgamation to profit and loss account is inclusive of profit for the period 1st April 2011 till 31st March 2012 and is net of stamp duty paid on amalgamation.

Notes on Financial Statements for the Year ended 31st March, 2013

34. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
(I) Contingent Liabilities		
(A) Claims against the company / disputed liabilities not acknowledged as debts		
(a) In respect of joint ventures	**-**	-
(b) In respect of others	**1,663**	1,343
(B) Guarantees		
(i) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties		
(a) In respect of joint ventures	**-**	-
(b) In respect of others	**31,080**	29,583
(ii) Performance Guarantees		
(a) In respect of joint ventures	**-**	-
(b) In respect of others	**258**	159
(iii) Outstanding guarantees furnished to Banks and Financial Institutions including in respect of Letters of Credits		
(a) In respect of joint ventures	**160**	228
(b) In respect of others	**5,099**	5,167
(C) Other Money for which the company is contingently liable		
(i) Liability in respect of bills discounted with Banks (Including third party bills discounting)		
(a) In respect of joint ventures	**-**	-
(b) In respect of others	**3,961**	631
(II) Commitments		
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
(a) In respect of Joint Ventures	**441**	340
(b) In respect of others	**7,948**	9,923
(B) Uncalled Liability on Shares and other investments partly paid ₹ NIL [Previous Year ₹ 37,19,139]	**-**	-
(C) Other commitments		
(a) Sales tax deferral liability assigned	**2,345**	3,560
(b) Guarantee against future cash calls *	**1,645**	3,141

* The Company has issued guarantees against future cash calls to be made by JV Partners of its wholly owned subsidiary Reliance Marcellus LLC.

(III) The Income-Tax assessments of the Company have been completed up to Assessment Year 2010-11. The disputed demand outstanding up to the said Assessment Year is ₹ 1,192 crore. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

35. FINANCIAL AND DERIVATIVE INSTRUMENTS

a) Derivative contracts entered into by the Company and outstanding as on 31st March, 2013

(i) For hedging Currency and Interest Rate Related Risks:

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March amount to ₹ 1,27,469 crore (Previous Year ₹ 86,561 crore). Category wise break up is given below:

(₹ in crore)

Sr. No.	Particulars	As at 31st March, 2013	As at 31st March, 2012
1	Interest Rate Swaps	**32,431**	32,193
2	Currency Swaps	**3,319**	4,199
3	Options	**2,307**	25,138
4	Forward Contracts	**89,412**	25,031

(ii) For hedging commodity related risks :

Category wise break up is given below :

(in Kbbl)

Sr. No.	Particulars	As at 31st March, 2013		As at 31st March, 2012	
		Petroleum product sales	Crude Oil purchases	Petroleum product sales	Crude oil purchases
1	Forward swaps	**7,334**	**16,575**	16,722	18,842
2	Futures	**3,794**	**5,488**	2,309	5,879
3	Spreads	**44,900**	**50,366**	25,193	81,337
4	Options	**-**	**23,895**	2,720	8,875

In addition the Company has net margin hedges outstanding for contracts relating to petroleum product sales of 85,168 kbbl (Previous Year 81,869 kbbl).

b) Foreign currency exposures that are not hedged by derivative instruments as on 31st March, 2013 amount to ₹ 71,627 crore (Previous Year ₹ 82,198 crore).

36. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Deloitte Haskins & Sells**
Chartered Accountants

A. Siddharth
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Mumbai
Date : April 16, 2013

K. Sethuraman
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani
H.R. Meswani
P.M.S. Prasad
P. K. Kapil
Executive Directors

R.H. Ambani
M.L. Bhakta
Y.P. Trivedi
Dr. D.V. Kapur
M.P. Modi
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
Directors

REGISTERED OFFICE OF THE COMPANY

Reliance Industries Limited
3rd Floor, Maker Chambers
IV222 Nariman Point
Mumbai 400 021
India

LEGAL ADVISORS TO THE COMPANY

As to US Law

Davis Polk & Wardwell London LLP
99 Gresham Street
London EC2V 7NG
United Kingdom

As to Indian Law

AZB & Partners
23rd Floor, Express Towers
Nariman Point
Mumbai 400 021 India

LEGAL ADVISORS TO THE INITIAL PURCHASERS

As to US Law

Shearman & Sterling
12/F Gloucester Tower
The Landmark
15 Queen's Road
Central Hong Kong

As to Indian Law

J. Sagar Associates
Vakils House
18 Sprott Road
Ballard Estate
Mumbai 400 001 India

AUDITORS OF THE COMPANY

Deloitte Haskins & Sells LLP
Chartered Accountants
India Bulls Finance Centre,
Tower 3, 27th-32nd Floor
Senapati Bapat Marg, Elphinstone
Road (West), Mumbai 400 013 India

Chaturvedi & Shah
Chartered Accountants
714-715, Tulsiani Chambers
212 Nariman Point
Mumbai 400 021 India

Rajendra & Co.
Chartered Accountants
1311 Dalamal Tower
211 Nariman Point
Mumbai 400 021 India

FISCAL AND PAYING AGENT

Citibank, N.A., London Branch
21st Floor, Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

US$1,000,000,000

Reliance Industries Limited

US$1,000,000,000 4.125% Senior Notes Due 2025

OFFERING MEMORANDUM

January 21, 2015

BofA Merrill Lynch
Citigroup
HSBC
Standard Chartered Bank
Barclays
Deutsche Bank
J.P. Morgan
Morgan Stanley
ANZ
BNP PARIBAS
Crédit Agricole CIB
The Royal Bank of Scotland