

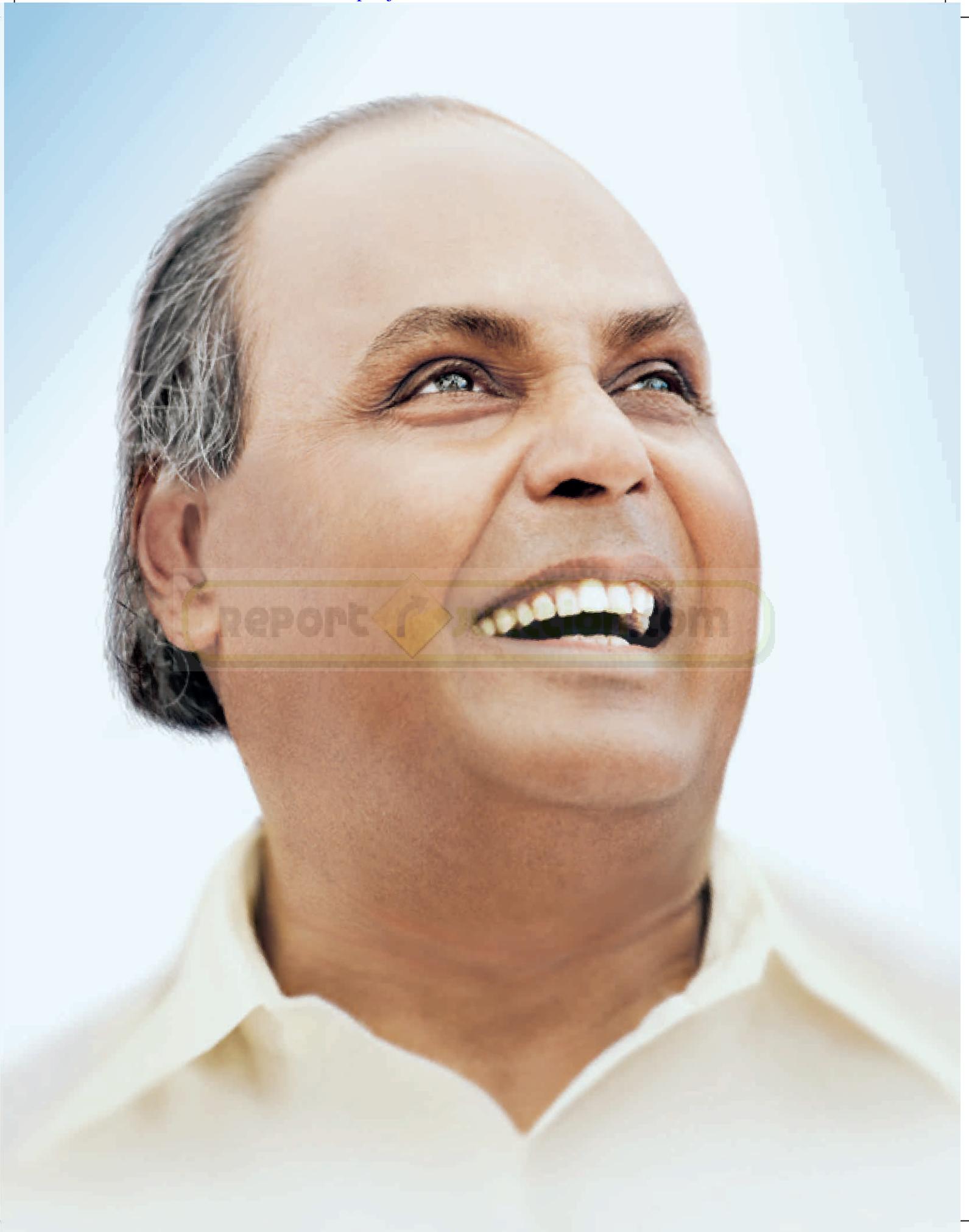
Annual Report 2008-2009



“Enhancing Lives. Energising India.
The Reliance Way”

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The life cycle of a human being
comprises birth, growth and regeneration before the inevitable.
While birth and rest are God's gifts
Regeneration and renewal need human intervention.

To truly nurture life,
we need rapid growth based on bold and innovative thinking
Such growth comes from envisioning a grand future
And, then moving towards it with firm, steady and rapid steps.

Moving in such a direction has always been The Reliance Way –
a code of conduct, which aims at enriching the present
while embracing the challenges of the future.

Our Founder Chairman Shri Dhirubhai Ambani
saw it as his divine dharma and so he first conceived a grand vision for India
in which we were no longer limited in terms of scale or ability.

He then taught us how to work such that we could achieve his ambitious goals.

The results were swift and evident and their rewards were shared
with millions of shareholders who bought into his dreams.

It is a legacy taken forward by our Chairman, Shri Mukesh D. Ambani
His energy and missionary zeal has guided our push to becoming
one of the world's largest energy majors.

Drilling in uncharted waters under hostile weather conditions,
Reliance has opened a new chapter in India's energy security.
The first flow of crude oil and gas from Krishna-Godavari basin
is a major milestone for India in its march towards energy security.

In the process, we are creating unprecedented value for you our
stakeholders, an integral part of our circle of prosperity.

And that is how it will always be as we stay true to our vision:

Enhancing Lives and Energising India.
The Reliance Way.



Letter to Shareholders

Dear Fellow Shareowners,

This has been a truly transformational year at Reliance Industries (RIL). The successful commissioning of the KG-D6 oil and gas production fields and the safe start-up of the world-class, complex refinery in the Special Economic Zone at Jamnagar catapults RIL into the league of integrated energy companies globally. RIL is now among the ten largest non-state owned refining companies and one of the largest deepwater oil and gas operators in the world.

Through these path-breaking initiatives, RIL is set to radically change India's energy landscape. Gas production from KG-D6 will double India's indigenous production while the new refinery will make India a major supplier of 'green-fuels' to the world. The emergence of a reliable, eco-friendly energy source will enable India to take giant strides towards ensuring its energy security and fuelling growth in core sectors like fertilizer, power and transportation. It will also help India conserve precious foreign exchange reserves and reduce the subsidy burden for the Government. This is our contribution towards energising India's growth and its sustainable development in the future.

Over the years, our initiatives have enabled the enrichment of millions of lives in India. RIL's hydrocarbon initiatives have further extended our basic philosophy of 'share and prosper'. The vastly increased availability of natural gas will help our farmers access reliable power and cheaper fertilisers. Assured availability of gas will ensure sustainable livelihood for millions of workers engaged in sectors that depend on natural gas as a feedstock. Through enhanced hydrocarbon availability, we will enable easy availability of cooking gas for households, electricity for the common man and meet growing transportation needs in an eco-friendly manner.

We had committed to reward our shareholders on the successful completion of our two world class projects. The Board of Directors of RIL have proposed the issue of bonus shares in the ratio of one equity share for every one equity share held in the Company. The Board also declared dividend of Rs 13 per share for the financial year 2008-09. Both the bonus shares and dividend will also accrue to the shareholders of erstwhile Reliance Petroleum Limited which has been amalgamated recently with the Company.

The year 2008-09 was undoubtedly one of the most challenging periods in recent history. The credit crisis, heightened volatility

in commodity prices and an economic meltdown led to unprecedented turbulence that impacted individuals and businesses alike the world over. Emerging economies of Asia led by India and China provided the much needed support by cushioning the impact of global slowdown and are seen to be best positioned for early recovery.

Your Company responded to these challenges in a timely manner and delivered record revenues and net profits. We focused on improving efficiency, leveraging on the quality of our assets and remaining nimble. This reflects the strength of our business model, robustness of our systems and processes, farsighted planning, meticulous execution and above all, our indomitable will to succeed.

While staying focused on our long-term strategy, we have remained committed to protecting our employees, ensuring their safety, supporting local communities and safeguarding the environment. As a responsible corporate citizen, RIL has chosen to refrain from reacting to the propaganda in the national media with regards to the KG-D6 gas court case. We would like to assure all our stakeholders that our objective is to act in a manner that is fully in consonance with our respect for the law and is protective of the national interests.

Looking forward, we see exciting opportunities for growth in the energy sector. The global economy is showing signs of revival and the response to stimulus from leading nations has thus far been encouraging. Growth is likely to be led by emerging economies of Asia, like India and China. The world is expected to need about 50% more energy in 2030 than it does today. The ongoing evolution in environment concerns will necessitate thrust on 'green fuels', which

will further enhance the strength of modern energy companies like RIL.

At RIL, we have always invested aggressively into businesses of the future. Our recent investments in the oil and gas and refining businesses have created a strong growth platform. These can now be leveraged to take the giant leap forward. In preparation for the next phase of growth, we are focussed on strengthening internal processes and controls, streamlining operations, developing strong leadership and a performance culture to ensure sustainable, superior growth. RIL is on its way to becoming a competitive, integrated, global energy company. Conservative financial management and strong operating expertise will ensure that we maximize value for all our stakeholders in a consistent manner.

I take this opportunity to warmly welcome RPL shareholders into the RIL family, which now comprises around 3.5 million shareowners and is among the largest family of shareholders anywhere in the world.

I am grateful to the Board of Directors for their unwavering support and guidance. I would also like to express my gratitude to all our stakeholders, who have reposed their trust in us and given us their constant support.

With best wishes,
Sincerely,



Mukesh D. Ambani
Chairman & Managing Director

October 7, 2009

“Through these path-breaking initiatives, RIL is set to radically change India’s energy landscape. Gas production from KG-D6 will double India’s indigenous production while the new refinery will make India a major supplier of ‘green-fuels’ to the world.”





HIGHLIGHTS

Turnover	: Rs 1,46,328 crore (\$ 28,850 million)
PBDIT	: Rs 25,743 crore (\$ 5,076 million)
Cash Profit	: Rs 22,365 crore (\$ 4,410 million)
Net Profit	: Rs 15,309 crore (\$ 3,018 million)
Net Profit (excl. exceptional item)	: Rs 15,637 crore (\$ 3,083 million)
Net Profit 5 years CAGR	: 25 %
Total Assets	: Rs. 2,45,706 crore (\$ 48,444 million)

Significant contribution to India's economic growth

- 10.4 % of India's total exports
- 2.9 % of the Government of India's indirect tax exports
- 6.1 % of the total market capitalisation in India
- Weightage of 13.6 % in the BSE Sensex
- Weightage of 11.1 % in the S&P CNX Nifty Index

Growing importance across the globe

- Largest refining capacity at any single location
- Largest producer of Polyester Fibre and Yarn
- 4th largest producer of Polypropylene (PP) and Paraxylene (PX)
- 6th Largest producer of Purified Terephthalic Acid (PTA)
- 7th largest producer of Mono Ethylene Glycol (MEG)



THE BOARD OF DIRECTORS OF RELIANCE INDUSTRIES LIMITED

Standing from left to right: Shri P.M.S. Prasad, Dr. Raghunath Anant Mashelkar, Prof. Dipak C. Jain, Shri Nikhil R. Meswani, Dr. Dharam Vir Kapur, Shri Ramniklal H. Ambani, Shri Mansingh L. Bhakta, Shri Mukesh D. Ambani, Shri Yogendra P. Trivedi, Shri Mahesh P. Modi, Shri Hital R. Meswani, Shri Hardev Singh Kohli, Prof. Ashok Misra and Shri R. Ravimohan.



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Major Products and Brands

Business/ Brand	Product	Brand	End Uses
Exploration & Production	Crude Oil and Natural Gas		Refining, power, fertilisers, petrochemicals and other industries
Refining	Liquefied Petroleum Gas (LPG)		Domestic and industrial fuel
	Propylene		Feedstock for polypropylene
	Naphtha		Feedstock for petrochemicals such as ethylene, propylene & fertilisers, etc. and as fuel in power plants
	Gasoline		Transport fuel
	Jet / Aviation Turbine Fuel		Aviation fuel
	Superior Kerosene Oil		Domestic fuel
	High Speed Diesel		Transport fuel
	Sulphur		Feedstock for fertilisers and pharmaceuticals
Petroleum Coke		Fuel for power plants and cement plants	
Polymers			
Repol	Polypropylene (PP)		Woven sacks for cement, food-grain, sugar, fertiliser; leno bags for fruits & vegetables, TQ & BOPP films and containers for packaging textiles, processed food, FMCG, office stationery; components for automobile and consumer durables, moulded furniture, luggage, houseware, geo-textiles & fibres for non-woven textiles.
Relene	Polyethylene (HDPE, LLDPE & LDPE)		Woven sacks, raschel bags for fruits & vegetables, containers for packaging edible oil, processed food, FMCG, lubricants, detergents, chemicals, pesticides, industrial crates & containers, carrier bags, houseware, ropes & twines, pipes for water supply, irrigation, process industry & telecom; films for packaging milk, edible oil, salt, processed food, roto-moulded containers for storage of water, chemical storage and general purpose tanks, protective films and pipes for agriculture, cable sheathing, lids & caps, master batches.
	Ethylene Vinyl Acetate Copolymer (EVA)		Footwear & hotmelt adhesives
Reon	Polyvinyl Chloride (PVC)		Pipes & fittings; door & window profiles, insulation & sheathing for wire & cables, rigid bottles & containers for packaging applications, footwear, flooring, partitions, roofing, I.V. fluid & blood bags.
Relpipe	Poly-Olefin (HDPE & PP) Pipes		Irrigation, water supply, drainage, industrial effluents, telecom cable ducts & gas distribution.
Cisamer	Poly Butadiene Rubber (PBR)		Tyres, tread rubber, conveyor belts, footwear, sports goods, automotive components, rollers, mechanical goods & dock fenders
Chemicals			
Relab	Linear Alkyl Benzene (LAB)		Detergents

Business/ Brand	Product	Brand	End Uses
Fibre Intermediates	Paraxylene (PX)		Raw material for PTA
	Purified Terephthalic Acid (PTA)		Raw material for polyester
	Mono Ethylene Glycol (MEG)		Raw material for polyester

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

Business/ Brand	Product	Brand	End Uses
Polyester			
Recron Swarang	Pre-coloured yarns based on chromophores-molecular technology	Recron Swarang	Apparel, home textiles & institutional products requiring high washing, sublimation & rubbing colour fastness.
Recron FR	Flame retardant Fibres & Yarns	RecronFR	Institutional textiles for hospitality, entertainment, transport, safety etc. Also used in home textiles, fill & comfort products.
Relpet	Polyethylene Terephthalate (PET)	relpet	Packaged-water, beverages, confectionary, pharmaceutical, agro-chemical and food products

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

Retail			
	Reliance Retail		Organised retail
	Food & Grocery Specialty Store		Fresh vegetables, grocery, general and convenience merchandise
	Mini Hypermarket		Grocery, clothing, leisure, beauty and style, electronics and home merchandise
	Hypermarket		Grocery, clothing, leisure, beauty and style, electronics, home merchandise, furniture and jewellery
	Electronics Specialty Store		Computers, mobiles, entertainment, gaming merchandise
	Exclusive Apple Store		Range of Apple products like iPod and iMac
	Apparel Specialty		Men, ladies, children clothing and accessories
	Health, Wellness & Pharma Specialty Store		Pharma, opticals, natural remedies, nutrition, fitness, skin and personal care merchandise
	Footwear Specialty Store		Men, ladies, children footwear, sports, handbags and accessories