

Touching lives. Transforming India.





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Small steps lead to giant leaps.
You start at the base and climb the peak.
You start by TOUCHING LIVES around you.
And reach out to the wider community and beyond.
You begin with dreams in your eyes.
And move on to share them with others.
You derive inspiration from the visions of prosperity.
And share it with fellow-citizens.
You nurture the finest young minds with commitment to excellence.
And unleash their positive energy with the magic of enterprise.
With all this, you create history by TRANSFORMING INDIA.

These are the unforgettable lessons from the life of our Founder Chairman
Shri Dhirubhai H. Ambani.

Today, our Chairman Shri Mukesh D. Ambani is taking his legacy forward.

Under his able leadership Reliance is expanding to new horizons.

From refineries to oil and gas exploration, chemicals and textiles to retail,
Special Economic Zones to overseas ventures.

The world is waking up to a new resurgent Reliance.

It showcases the arrival of a new global India.

We soar in the sky, with our feet firmly on the ground.

With every Reliance face lit with confidence and optimism.

Letter to Shareholders

Dear Shareowners,

I have great pleasure in sharing with you the highlights of another year of great achievements. We set new records for turnover, net profits and dividend payout.

Reliance achieved several milestones during the year. We became India's first company in the private sector to surpass cash profit of Rs.25,000 crores and net profit of Rs.15,000 crores (excluding exceptional income). We increased our dividend payout to 130% amounting to Rs.1631 crores, a new record for us as well as for private sector in India.

In our upstream business, we had nine discoveries in the various explorations blocks in India. We also added to our international footprint by signing production sharing contracts in several countries.

We also made very creditable progress in the implementation of the KGD6 project. This is one of the largest and most complex deepwater gas projects in the world. As we bring this field to commercial production it will be a proud day for Reliance and an important day in India's hydrocarbon history.

Energy prices, both oil and gas, scaled new heights globally this year. The development of new hydrocarbon resources is now more challenging and expensive than ever before. Reliance has successfully taken up this challenge in building a world class organization and mobilizing resources to develop its upstream portfolio.

Our Jamnagar refinery clearly demonstrated its best-in-class operations with another year of high capacity utilization and record margins. The flexibility, scale and complexity of the refinery were manifest in its operating performance far exceeding the regional benchmarks. We were also able to capture the 'Clean and Green' premium from supplying low sulphur petroleum products to discerning markets worldwide.

During the year we took over the operations of Gulf Africa Petroleum Corporation (GAPCO)

and started shipping products to the East African market. GAPCO owns and operates large storage terminalling facilities and a retail distribution network including 250 retail outlets in several countries.

Reliance Petroleum Limited (RPL), a subsidiary of our Company has completed 90% progress in building a new refinery. This will be an even more complex and flexible refinery than the existing refinery. Based on the progress so far, we expect to complete the new refinery ahead of schedule.

Both Reliance and RPL Shareholders have gained from the value creation during the project's implementation.

The Indian economy grew at nearly 9% this year. Our Polyester and Polymer businesses also exhibited impressive growth.

In Polyester, we commissioned the largest expansion in the world last year and consolidated our market position both in India and globally. In addition, we entered into agreements to acquire the assets of Hualon Malaysia, which will add another 5 lakh tonnes of globally competitive capacity. Reliance will now account for nearly 7% of global Polyester production this year.

Our polymers business also benefited from a 15% growth in demand in India. We have expanded customer reach, introduced new applications and increased market share to 55% in our polymer business.

Reliance Retail Ltd. (RRL) continued its roll out of stores during the year across various verticals and formats. With 590 stores in 57 cities, spanning 13 states, and over 3.5 million square feet of trading space, I am confident that our newest business will scale the same heights as all our other businesses have. Additionally, I believe that with the stated aim of generating 1 million jobs in retail, this is a truly transformational venture whose success will further our national priorities.

Last year, at our Annual General Meeting I had talked about infusing a new spirit of

innovativeness in the company. Innovation is truly the new watchword for companies that want to survive beyond and into the next century. Our recent measures including that of setting up an Innovation Council comprising some of the best minds, has borne fruit. We were recently ranked 19th in the list of the "World's 25 Most Innovative Companies" compiled by Business Week in collaboration with the Boston Consulting Group.

Our pride in our people and performance was endorsed by influential global bodies. Reliance's Hazira manufacturing division won the "Deming Quality Control Award" for the Operations Business Unit (2007), making it the world's first petrochemical company to win this award. Our Jamnagar refinery was adjudged the winner of "Golden Peacock National Training Award 2007" while the Hazira manufacturing division won the "Golden Peacock Innovation Award 2007".

India is globalizing rapidly and is today a force to reckon with in the marketplace. India's growth is creating wealth and jobs across the world. We are an integral part of this evolution and have the responsibility to accelerate India's growth by reinvesting our cash flow in our businesses.

I am confident that Reliance will firmly establish itself as one of the world's most successful and admired companies in the years to come.

I would like to express my gratitude to our Board of Directors for their unstinting support and guidance. I am also grateful to all our stakeholders – our customers, suppliers, bankers, employees and shareholders, who have reposed their trust in us and given us their constant support.

With best wishes,
Sincerely,



Mukesh D Ambani
Chairman & Managing Director

April 21, 2008

"The development of new hydrocarbon resources is now more challenging and expensive than ever before. Reliance has successfully taken up this challenge in building a world class organization and mobilizing resources to develop its upstream portfolio."





Financial Highlights

| | |
|---------------------------------------|---------------------------------------|
| Turnover | Rs. 139,269 crore (\$ 34,713 million) |
| PBDIT | Rs. 24,201 crore (\$ 6,032 million) |
| Cash Profit | Rs. 25,205 crore (\$ 6,282 million) |
| Net Profit | Rs. 19,458 crore (\$ 4,850 million) |
| Net Profit (excl. exceptional income) | Rs. 15,261 crore (\$ 3,804 million) |
| Net Profit 5 years CAGR | 30% |
| Total Assets | Rs. 149,792 crore (\$ 37,336 million) |

Significant contribution to India's economic growth

- Revenues equivalent to about 3% of India's GDP
- 13.4% of India's total exports
- 4.9% of the Government of India's indirect tax revenues
- 6.6% of the total market capitalisation in India
- Weightage of 16.5% in the BSE Sensex
- Weightage of 12.5% in the Nifty Index

Growing importance across the globe

- Largest producer of Polyester fibre and yarn
- 4th largest producer of Paraxylene (PX) and Purified Terephthalic Acid (PTA)
- 6th largest producer of Mono Ethylene Glycol (MEG)
- 7th largest producer of Polypropylene (PP)

Featured above is the Board of Directors of Reliance Industries Limited.








Standing from left to right: 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 S. Venkitaramanan, Shri Mahesh P. Modi, Shri Hital R. Meswani, Shri Hardev Singh Kohli and Prof. Ashok Misra.



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Major Products and Brands

| Business/ Brand | Product | Brand Logo | End Uses | Technology Partner |
|-------------------------------------|--|---|---|--|
| 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, pharmaceuticals | |
| | Petroleum Coke | | Fuel for power plants and cement plants | |
| Polymers | | | | |
| Repol | Polypropylene (PP) |  | Woven sacks for cement, food-grains, 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, geotextiles, fibres for socks, sports wear, soft luggage. | DOW, USA |
| Relene | High Density Polyethylene (HDPE) |  | 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. | NOVA, Canada |
| Reclair | Liner Low Density Polyethylene (LLDPE) |  | 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. | NOVA, Canada |
| 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. | Oxyvinyl, USA |
| Relpipe | Poly-Olefin (HDPE & PP) Pipes |  | Irrigation, water supply, drainage, industrial effluents, telecom cable ducts, gas distribution. | |
| Chemicals | | | | |
| Relab | Linear Alkyl Benzene (LAB) |  | Detergents | UOP, USA |
| Indolab | Linear Alkyl Benzene (LAB) | | Detergents | UOP, USA |
| Fibre Intermediates | Paraxylene (PX) | | Raw material - PTA | UOP, USA, |
| | Purified Terephthalic Acid (PTA) | | Raw material - Polyester | ICI, UK/DuPont/Investa |
| | Mono Ethylene Glycol (MEG) | | Raw material - Polyester | ABB Lummus Crest Netherlands (Shell Process) |



| Business/ Brand | Product | Brand Logo | End Uses | Technology Partner |
|------------------------------|---|--|---|---|
| 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 | E.I. DuPont, USA Zimmer, Germany Barmag, Germany Toray, Japan, Murata, Japan, ICI, UK, Rieter, Switzerland |
| 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 | Kooltex | Active sports and high performance wear applications | |
| Recron Fibrefill | Hollow fibres with high bounce and resilience | Recron™ Fibrefill | Pillows, cushions, quilts, mattresses, furniture, toys & non-wovens | E.I. DuPont, USA |
| Recron 3S | Secondary Reinforcement Products | Recron 3s | Construction industry (concrete / mortar), asbestos 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 | India's first certified Pillows, Cushions & Bedcovers, made as per the quality norms and inputs specified by Reliance | |
| Relpet | Polyethylene Terephthalate (PET) | relpet | Packaging-water, soft drinks, beverages, confectionary, pharmaceutical, agro-chemical, food products | E.I. DuPont, USA Sinco, Italy |
| Textiles | | | | |
| Vimal | Suitings, Shirtings, Readymade Garments | VIMAL <small>PREMIUM SUITING, SHIRTING & APPAREL</small> | Fabrics, Suits, Jackets, Shirts & Trousers | |
| Harmony | Furnishing fabrics, Day curtains, Automotive upholstery | Harmony | Furnishings, home textiles | |
| RueRel | Suitings | RueRel <small>SUITINGS</small> | Fabrics | |
| V2 | Ready-to-stitch, Take away fabric | V2 | Fabrics | |

| Business/ Brand | Product | Brand Logo | End Uses |
|--------------------|--|---|--|
| Retail | Reliance Retail |  | Organised Retail |
| | Food & Grocery Specialty Store |  Fruits & vegetables, grocery speciality store | Fresh vegetables, grocery, general and convenience merchandise and more |
| | Mini Hypermarket |  Mini hypermarket | Grocery, Clothing, Leisure, Beauty and style, Electronics, Home merchandise and more |
| | Hypermarket |  India's largest hypermarket today | Grocery, Clothing, Leisure, Beauty and style, Electronics, Home merchandise, Furniture, Jewellery and more |
| | Electronics Specialty Store |  Electronics speciality store | Computers, Mobiles, Entertainment, Gaming merchandise and more |
| | Exclusive Apple Store |  Exclusive Apple products store | Range of Apple products like ipod, imac and more |
| | Apparel Specialty Store |  Apparel speciality store | Men, Ladies, Children clothing and accessories and more |
| | Health, Wellness & Pharma Specialty Store |  Health, wellness and pharma speciality store | Pharma, Opticals, Natural remedies, Nutrition, fitness, skin and personal care merchandise and more |
| | Footwear Specialty Store |  Footwear speciality store | Men, Ladies, Children footwear, sports, handbags, accessories and more |
| | Jewellery Specialty Store |  Jewellery speciality store | Fine jewellery |
| | Books, Music, Toys & Gifts Specialty Store |  Books, music, consumer goods, toys | Books, Music, Stationary, Toys, Gifts merchandise and more |
| | Transportation fuels |  Reliance Petroleum Retail | |
| | Fleet Management Services |  Fleet Management Programme | |
| | Highway Hospitality Services |  India's largest Highway Hospitality Chain | |
| | Vehicle Care Services |  Vehicle Care Services | |
| | Convenience Shopping |  Convenience Shopping | |