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, Barclays Bank PLC, Citigroup Global Markets Inc., The Hongkong and Shanghai Banking Corporation Limited, Merrill Lynch International, J.P. Morgan Securities plc, Standard Chartered Bank, Australia and New Zealand Banking Group Limited, BNP Paribas, Crédit Agricole Corporate and Investment Bank, DBS Bank Ltd., Deutsche Bank AG, Singapore Branch, Mizuho Securities USA LLC, Morgan Stanley & Co. International plc, Scotia Capital (USA) Inc., SMBC Nikko Securities America, Inc. and Société Générale (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.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The information contained in this preliminary offering memorandum is not complete and may be changed. The preliminary offering memorandum is not an offer to sell these securities and is not soliciting an offer to buy securities in any jurisdiction where such offer or sale is not permitted.

CONFIDENTIAL

OFFERING MEMORANDUM

US$800,000,000

Reliance Industries Limited

(incorporated in India with limited liability)

US$800,000,000 3.667% Senior Notes Due 2027

The 3.667% Senior Notes due 2027 (the "Notes") will be the unsecured senior obligations of Reliance Industries Limited (the "Company"). The Notes will bear interest at a rate of 3.667% per year. Interest will be paid on the Notes semiannually and in arrears on May 30 and November 30 of each year, beginning on May 30, 2018. Unless previously repurchased, cancelled or redeemed, the Notes will mature on November 30, 2027.

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 163.

Offering Price for the Notes: 100% plus accrued interest, if any, from November 30, 2017

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 Global Ratings, a division of S&P Global 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.

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 November 30, 2017.

Joint Global Coordinators and Joint Bookrunning Managers

BofA Merrill Lynch **Citigroup** **HSBC**

Joint Bookrunning Managers

Barclays	**BofA Merrill Lynch**	**Citigroup**	**HSBC**	**J.P. Morgan**	**Standard Chartered Bank**
ANZ	**BNP PARIBAS**	**Crédit Agricole CIB**	**DBS Bank Ltd.**	**Deutsche Bank**	**Mizuho Securities**
	Morgan Stanley	**Scotiabank**	**SMBC Nikko**	**Société Générale Corporate & Investment Banking**	

The date of this Offering Memorandum is November 20, 2017.

TABLE OF CONTENTS

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 at March 31, 2017 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 64.850 and Indian rupee amounts as at September 30, 2017 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 65.285. 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, 2017 was Rs. 64.850 per US$1.00, as at September 29, 2017 was Rs. 65.300 per US$1.00 and as at November 9, 2017 was Rs. 64.96 per US$1.00. The translations into US Dollars set forth herein are for convenience only and are neither reviewed nor 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 Barclays Bank PLC, Citigroup Global Markets Inc., The Hongkong and Shanghai Banking Corporation Limited, Merrill Lynch International, J.P. Morgan Securities plc, Standard Chartered Bank, Australia and New Zealand Banking Group Limited, BNP Paribas, Crédit Agricole Corporate and Investment Bank, DBS Bank Ltd., Deutsche Bank AG, Singapore Branch, Mizuho Securities USA LLC, Morgan Stanley & Co. International plc, Scotia Capital (USA) Inc., SMBC Nikko Securities America, Inc. and Société Générale (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 at 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 at 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. 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 provisions 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*".

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 were 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 at 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

With effect from April 1, 2016, the Company has adopted accounting standards as required by rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") for certain classes of companies from April 1, 2016 with a transition date of April 1, 2015. Ind AS has replaced the previous Indian generally accepted accounting principles prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP"), which the Company applied prior to April 1, 2016.

Accordingly, the audited financial statements of the Company, on a non-consolidated basis, as at and for the fiscal year ended March 31, 2016, which include comparative financial information, on a non-consolidated basis, as at and for the fiscal year ended March 31, 2015, (the "FY2016 Annual Financial Statements") included elsewhere in this Offering Memorandum and the audited financial statements of the Company, on a non-consolidated basis, as at and for the fiscal year ended March 31, 2015, not included in this Offering Memorandum, have each been prepared in accordance with Indian GAAP and reporting guidelines prescribed by Indian regulatory authorities.

The audited financial statements of the Company, on a non-consolidated basis, as at and for the fiscal year ended March 31, 2017 (the "FY2017 Annual Financial Statements" and together with the FY2016 Annual Financial Statements, the "Annual Financial Statements"), the unaudited financial results of the Company prepared pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, on a non-consolidated basis, as at September 30, 2017 and for the six months ended September 30, 2017 (the "6M FY2018 Financial Information") included elsewhere in this Offering Memorandum and the unaudited financial results of the Company prepared pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, on a non-consolidated basis, as at September 30, 2016 and for the six months ended September 30, 2016 (the "6M FY2017 Financial Information") not included in this Offering Memorandum have each been prepared in accordance with Ind AS and reporting guidelines prescribed by Indian regulatory authorities.

The FY2017 Annual Financial Statements include comparative financial information, on a non-consolidated basis, as at and for the fiscal year ended March 31, 2016, restated from Indian GAAP to Ind AS. The 6M FY2018 also include comparative financial information, on a non-consolidated basis, as at and for the six months ended September 30, 2017 and a comparative balance sheet as at March 31, 2017.

For further information on the effects of the adoption of Ind AS as compared to Indian GAAP, see "*Operating and Financial Review—Critical Accounting Judgments and Key Sources of Estimation Uncertainty—First Time Adoption of Ind AS*" and Note 41 to the FY2017 Annual Financial Statements.

In this Offering Memorandum, references to "FY2017", "FY2016" and "FY2015" refer to the Company's fiscal years ended March 31, 2017, 2016 and 2015, respectively, and references to "6M FY2018" and "6M FY2017" are to the six months ended September 30, 2017 and 2016, respectively.

In this Offering Memorandum, unless otherwise noted, FY2016 financial information restated in accordance with Ind AS is presented when compared with FY2017 financial information, and FY2016 financial information prepared in accordance with Indian GAAP is presented when compared with FY2015 financial information.

Ind AS 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 Ind AS and US GAAP, see "*Description of Certain Differences between Ind AS 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 Ind AS 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 6M FY2018 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 unaudited financial results of the Company for 6M FY2018 included in this Offering Memorandum has been jointly reviewed by S R B C & CO LLP, Chartered Accountants and D T S & Associates, Chartered Accountants.

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 of India Limited, with respect to the latter. As a result, they can differ with respect to the various line items and terminology.

Reporting Segments

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

- 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, styrene butadiene rubber, caustic soda and polyethylene terephthalate; and

- the oil and gas segment ("Oil and Gas"), which includes exploration, development and production of crude oil and natural gas;

- 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, amortization and depletion. 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*". Cash and Cash Equivalents discussed in the Offering Memorandum is a non-GAAP measure and not the same as disclosed in the financial results or financial statements. The non-GAAP financial measures described herein are not a substitute for Ind AS 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 at 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 at November 17, 2017.

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
2013	54.3000	54.4336	57.15	50.72
2014	59.9100	60.4612	68.80	53.80
2015	62.4950	61.1544	63.6650	58.4675
2016	66.2500	65.4488	68.7100	62.1800
2017	64.8450	67.0754	68.7600	64.8450
2018 (to November 17, 2017)	65.0200	64.5154	65.7200	63.5900

Month	Period End(1)	Average(1)(2)	High	Low
May 2017	64.50	64.4340	64.8850	64.0550
June 2017	64.5750	64.4433	64.6275	64.21
July 2017	64.1800	64.4519	64.8750	64.1075
August 2017	63.90	63.9548	64.1500	63.5800
September 2017	65.2800	64.4575	65.7100	63.7800
October 2017	64.7450	65.0531	65.4950	64.7400
November 2017 (to November 17, 2017)	65.0200	64.9952	65.4250	64.5450

(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 November 17, 2017 as reported by the RBI was Rs. 64.85 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 at March 31, 2017 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 64.850, and Indian rupee amounts as at September 30, 2017 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 65.285. 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, 2017 was Rs. 64.850 per US$1.00, as at September 29, 2017 was Rs. 65.300 per US$1.00 and as at November 9, 2017 was 64.96 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" 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 or continuing to invest in 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;
"crore"	a unit in the Indian number system equal to ten million (10,000,000);
"KT"	kilotons;
"lakh"	a unit in the Indian numbering system equal to one hundred thousand (100,000);
"Mmbbl"	million barrels;
"MMBPD"	million barrels per day;
"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;
"Companies Act, 1956"	Companies Act, 1956 and the rules, regulations, modifications and clarifications made there under, as the context requires;

"Companies Act, 2013"	Companies Act, 2013 and the rules, regulations, modifications and clarifications thereunder to the extent notified;
"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, and/or the Companies Act, 1956, as applicable;
"Insider Trading Regulations"	SEBI (Prohibition of Insider Trading) Regulations, 2015;
"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;
"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;
"circles"	refers to the division of areas of India into zones, or telecom circles, by the Department of Telecommunications of India;
"CGP"	central gathering point;
"Chevron"	Chevron Corporation;
"Clearstream"	Clearstream Banking, societe 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 "e"	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;
"GRM"	gross refining margin;
"GST"	Goods and Services Tax;
"Ind AS"	accounting standards as required by rule 4 of the Companies (Indian Accounting Standards) Rules, 2015;
"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;
"Jio"	Reliance Jio Infocomm Limited;
"IHS Markit"	IHS Markit database;
"India"	the Republic of India;
"Indian GAAP"	Indian generally accepted accounting principles prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014;
"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., a subsidiary of Moody's Corporation, and its successors;
"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;
"RCOM"	Reliance Communications Limited;
"Recron"	Recron (Malaysia) Sdn Bhd;
"RGTIL"	Reliance Gas Transportation Infrastructure Limited;
"RGPL"	Reliance Gas Pipeline Limited;
"RHUSA"	Reliance Holding USA, Inc.;
"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 Global Ratings, a division of S&P Global 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;
"TRAI"	Telecom Regulatory Authority of India;
"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 "Y"	Japanese Yen.

In addition, certain terms taken from the Annual Financial Statements or the 6M FY2018 Financial Information are capitalized herein.

[Page Intentionally left blank]

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" 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 petroleum refining, petrochemical manufacturing and oil and gas and operates principally in India. The Company was India's largest private sector enterprise based on Turnover and Profit After Tax for FY2017 with a turnover of Rs. 2,650.4 billion (US$40.9 billion), cash profit of Rs. 409.1 billion (US$6.3 billion) and net profit of Rs. 314.3 billion (US$4.8 billion) for FY2017. Its operations are divided into three principal business segments: (i) refining and marketing of petroleum products ("Refining"), (ii) petrochemicals, including the manufacturing and marketing of polymers, polyester, polyester intermediates and chemicals ("Petrochemicals") and (iii) exploration, development, and production of oil and natural gas ("Oil and Gas").

In addition to being a leading player in the Indian economy, the Company also enjoys global leadership in its principal businesses. According to IHS Markit, the Company is the world's second largest producer of paraxylene and among the world's top five producers of polypropylene, purified terephthalic acid, and according to Petrochemical International ("PCI"), the Company, along with its subsidiaries, is the second 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, with a design capacity for processing 1.24 MMBPD of crude.

The Company's primary manufacturing operations are in India. The Company had significant domestic sales in India and exported products to 108 countries around the world in FY2017. 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 development agreements in the United States and thereby acquired interests in shale deposits in the Marcellus and Eagle Ford Shales. The Company has recently announced that its subsidiary has entered into a purchase and sale agreement for the divestment of its assets in the Marcellus Shale, for which it had entered into a joint development agreement with a subsidiary of Carrizo Oil & Gas.

In the last ten years, the Company's subsidiary has expanded its operations and diversified into new businesses, such as digital services (where the Company had 138.6 million subscribers as at September 30, 2017) and retail (where the Company had a network of more than 3,679 operational stores as at September 30, 2017).

In FY2017, the Company was the largest exporter in India with exports of Rs. 1,478 billion, representing 8% of India's total merchandise exports and 56% of the Company's Turnover for the relevant period (source for India's total exports: www.commerce.nic.in). The Company's Turnover has grown from Rs. 1,184 billion (Indian GAAP) in the fiscal year ended March 31, 2007, to Rs. 2,650 billion in FY2017 (Ind AS), and it has also seen Profit Before Tax rise during this period from Rs. 145 billion to Rs. 408 billion.

The Company's core business segments of Refining and Petrochemicals accounted for 98.7% of Segment Revenue Before Inter-Segment Transfers for FY2017 (FY2016: 98.1%). Segment Result Before Interest and Tax for Petrochemicals, Refining and the Company's remaining segments (including the Oil and Gas and other segments); was 34% (FY2016: 30%), 65% (FY2016: 68%) and 0.8% (FY2016: 2.0%), respectively, during these periods. As at September 30, 2017, the Company's foreign currency debt was rated Baa2 (Stable) by Moody's and BBB+ (Stable) by S&P, which is two notches above India's sovereign rating. The Company's long-term debt is rated AAA by CRISIL, India's leading credit agency and a subsidiary of S&P and 'Ind AAA' by India Ratings, the highest rating awarded by both these agencies. In respect of Indian domestic ratings, the Company's short-term debt is rated 'CRISIL A1+' 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 through its subsidiaries has diversified into new growth areas such as organized retail and digital services. In the Company's principal businesses of Refining, Petrochemicals, and Oil and Gas, it has leading positions and a strong platform for future growth.

In the Refining business, based on Company estimates, the Company has one of the largest and most complex refining assets 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 second largest producer of polyester fiber and yarn. According to IHS Markit, the Company is the second largest producer of paraxylene and the fifth largest producer of polypropylene in the world.

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.

Outside India, the Company, through its subsidiaries, currently has shale gas operations in the United States.

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 has also rolled out an advanced, pan-India digital services 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. Integration between refining and downstream petrochemical products is among the Company's key competitive advantages. 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 and manage the impact of external supply shocks. With both naphtha and gas-based crackers, the Company is able to process a diverse set of raw materials, which helps mitigate risks involved with raw material sourcing and margin volatility.

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 at September 30, 2017, the Company had a total indebtedness (comprising non-current borrowings included in financial liabilities, current borrowings included in financial liabilities and current maturity of non-current borrowings, included in other financial liabilities) of Rs. 1,235.2 billion, or US$18.9 billion, and Cash and Cash Equivalents of Rs. 681.0 billion or US$10.4 billion (converted at the exchange rate of US$1.00 = Rs. 65.285).

According to Fortune 500, a leading international publication, the Company was ranked 203rd among Fortune Global 500 companies in terms of revenues and 110th among Fortune Global 500 companies in terms of profits in 2017. The Company also ranked 106th among the Forbes Global 2000 companies for 2017, which is the highest ranking among Indian companies.

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 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 deep-water 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 in the final stages of what it believes to be the largest ever capital expenditure program in India's corporate history. It has started operations of its refinery off-gas cracker ("ROGC"), monoethylene glycol ("MEG") and Linear Low Density Poly Ethylene ("LLDPE") plants at Jamnagar. Currently, these plants are under stabilization. Earlier this year the Company commissioned its paraxylene ("PX") facility and the Ethane import project. The installation and mechanical completion of the gasification project linked to the Domestic Tariff Area ("DTA") refinery has been completed and the pre-commissioning and start-up activities are underway. The installation and mechanical completion of the gasification linked to the Company's Special Economic Zone ("SEZ") refinery has also been substantially completed and the Company is planning to commence pre-commissioning activities.

- Through its subsidiary, the Company has launched an advanced, pan-India digital services venture.

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 Refining, the Company is building one of the largest coke gasification facilities in the world, which the Company expects will, combined with the refinery off-gas cracker, increase the complexity and profitability of the refineries at Jamnagar. The installation and mechanical completion for the gasification project linked to the DTA refinery has been completed and the pre-commissioning and start-up activities are underway. The installation and mechanical completion for the gasification linked to RIL's SEZ refinery has also been substantially completed and pre-commissioning activities are expected to start soon.

In Petrochemicals, the Company is exploring opportunities for organic growth, expansion of capacities, acquisitions and improved efficiencies. In particular, the Company is in the final stages of its current expansion program of its existing petrochemical capacities. The Company has commissioned its PX facility and the Ethane import project. It has also started operations of its ROGC cracker, MEG and LLDPE plants at Jamnagar. Currently, these plants are under stabilization.

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

Pursue value accretive growth opportunities in core businesses through targeted acquisitions

The Company has traditionally focused on organic growth by pursuing green-field and brown-field expansion opportunities in India. For example, in September 2017, the Company successfully bid to acquire the assets of Kemrock Industries & Exports Limited as part of its efforts to expand its petrochemicals business into the composites business and establish a leadership position in this significant and growing market in India. 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 actions of the Government that have partially deregulated the market for natural gas and refining products. The Company has also commenced commercial production from the coal bed methane ("CBM") block in Sohagpur (West), Madhya Pradesh. With the commissioning of the CBM fields, the Company believes it will become one of India's largest producers of unconventional natural gas.

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 digital services 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. To serve the innovation vision of the Reliance Innovation Council, the Company has set up the Reliance Innovation Leadership Centre which, along with the Company's leadership, implements Reliance's innovation agenda by seeking to deploy the best and next innovation practices.

Recent Developments

Reliance Jio Infocomm Limited ("Jio") reported its first quarterly financial performance

In October 2017, Jio, the wholly-owned digital services subsidiary of the Company, reported its first quarterly performance for the period ended September 30, 2017. Jio reported positive EBITDA and EBIT in its first quarter of commercial operations, given significant uptake by subscribers and cost advantages generated through the use of efficient 4G technology. For the quarter ended September 30, 2017, standalone EBITDA was Rs. 14.4 billion (US$221 million) and EBIT at Rs. 2.6 billion (US$39.8 million).

As at September 30, 2017, Jio had 138.6 million subscribers.

Sale of assets in the Marcellus Shale

In October 2017, Reliance Marcellus II, LLC, a subsidiary of Reliance Holding USA, Inc. ("RHUSA") and the Company, announced the signing of agreements to divest all of its interest in certain upstream assets in north-eastern and central Pennsylvania in the Marcellus Shale. The assets, which are currently operated by a subsidiary of Carrizo Oil & Gas, Inc., are to be sold to BKV Chelsea, LLC, an affiliate of Kalnin Ventures LLC, for consideration of US$126 million, subject to customary closing terms and conditions. Additionally, under the agreements, Reliance could receive contingent payments of up to US$11.25 million in the aggregate if natural gas prices exceed certain thresholds over the next three years.

Company's entry into new materials business

In September 2017, the Company announced that it had participated in an on-line e-bidding process held recently by Allahabad Bank as the leader of a consortium of 11 banks to sell the assets of Kemrock Industries & Exports Limited of Vadodara (Gujarat) and has been declared as the winner in such bidding process.

This participation is a part of the Company's efforts to enter the composites business and establish a leadership position in this significant and growing market in India. Composites are used in a variety of applications and industries such as renewable energy, mass transportation, infrastructure and a host of other industrial products. The Company believes that assets will pave the way for the Company to enter into new materials markets (composites and carbon fiber) and further strengthen its petrochemicals business portfolio.

Development of already-discovered deep-water gas fields

In June 2017, the Company and BP announced that they will develop already-discovered deep-water gas fields, bringing new gas production for India. The two companies have agreed to deepen and expand their partnership to work jointly across a wide range of areas throughout India's energy sector.

Contracts will be awarded to progress development of the 'R-Series' deep-water gas fields in Block KG-D6 off the east coast of India. The project is expected to produce up to 12 million cubic meters (425 million cubic feet) of gas per day and to come on stream in 2020.

Commissioning of the last crystallization train (Train 3) of the paraxylene ("PX") complex

In June 2017, the Company announced the successful commissioning of the last crystallization train (Train 3) of the PX complex at Jamnagar. This plant is built with state-of-the-art crystallization technology from BP which is highly energy efficient. With the commissioning of this plant, the Company's PX capacity has more than doubled, making it the world's second largest producer of PX with approximately 11% of global production according to PCI.

Earlier in December 2016 and April 2017, the Company had announced the successful commissioning of the first (Train 1) and second (Train 2), respectively.

Partnership with Germany's Resysta to bring innovative wood alternative to India

In April 2017, the Company announced that it has entered into a license agreement with Resysta International GmbH (Resysta) which gives the Company exclusive rights of production and marketing of RelWood™, a Natural Fiber Polymer Composite (NFPC), in India. This compound will be the raw material for the production of sheets and various profiles used in a wide range of wood and plywood replacement applications.

The Company and Resysta intend to offer Indian consumers an innovative technological product as an alternative to natural wood.

Commercial production of Coal Bed Methane ("CBM")

In April 2017, the Company announced that it had commenced commercial production from its CBM block SP (West) – CBM – 2001/1 from March 24, 2017.

CBM is an environmental friendly natural gas extracted from coal-bed and has become an important source of unconventional gas in many parts of the world. The Company was awarded the license to explore two adjacent CBM blocks SP(West) and SP(East) with an area of 995 sq.km in Round 1 of CBM block bidding by the Government of India in 2001.

Commissioning of world's largest and most complex Ethane Project

In April 2017, the Company announced successful completion of its Ethane Project, including commissioning of its ethane receipt and handling facilities and ethane cracking, at its Dahej Manufacturing Facility in Gujarat in less than three years, which the Company believes is significantly shorter than commissioning times of comparable projects worldwide.

The Company believes that it is the first globally to import ethane on a large scale from North America to India as feedstock for its cracker portfolio. The project required seamless integration of several elements across a complex infrastructure value chain. This includes securing ethane refrigeration capacity in the US Gulf coast; delivery of dedicated Very Large Ethane Carriers (VLECs) to carry ethane from the US Gulf Coast to the West Coast of India; construction of ethane receipt and handling facilities; laying pipelines and upgrading crackers (to receive ethane) at Dahej, Hazira and Nagothane Manufacturing Facilities. The Company believes that this successful start-up underlines the Company's ability to build competitive capacities and infrastructure using complex technologies, such as marine transportation of cryogenic ethane, handling of ethane at (-) 90 deg.C, supply of ethane to the crackers in an energy efficient way and pump ethane from Dahej to other locations.

SUMMARY NON-CONSOLIDATED FINANCIAL AND OPERATING DATA

The summary non-consolidated financial data for the Company as at March 31, 2017 and 2016 and for each of FY2017, FY2016 and FY2015, 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 at September 30, 2017 and 2016, and for 6M FY2018 and 6M FY2017, respectively, set forth below has been derived or calculated from the 6M FY2018 Financial Results included elsewhere in this Offering Memorandum and is qualified thereby. This financial information should be read in conjunction with "Presentation of Financial and Other Data", "Selected Non-Consolidated Financial and Operating Data", "Operating and Financial Review", "Unaudited Financial Results for the Six Months Ended September 30, 2017", the Annual Financial Statements and the 6M FY2018 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 6M FY2018 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 Company has adopted Ind AS with effect from April 1, 2016, with comparatives being restated. The FY2017 Annual Financial Statements, including restated comparative FY2016 financial information, and the 6M 2018 Financial Information and the 6M 2017 Financial Information have been prepared in accordance with Ind AS and reporting guidelines prescribed by Indian regulatory authorities. The FY2016 Annual Financial Statements have been prepared in accordance with Indian GAAP and reporting guidelines prescribed by Indian regulatory authorities. FY2016 financial information restated in accordance with Ind AS is presented when compared with FY2017 financial information, and FY2016 financial information prepared in accordance with Indian GAAP is presented when compared with FY2015 financial information.

Ind AS differs in certain respects from US GAAP. For a discussion of certain significant differences between Ind AS and US GAAP, see "*Description of Certain Differences Between Ind AS 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 6M FY2018 Financial results have been jointly reviewed by S R B C & CO., LLP, Chartered Accountants and DTS & Associates, Chartered Accountants.

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.

Certain summary non-consolidated financial data for the Company as at March 31, 2017 and for FY2017 is presented below (the "FY2017 Financial Information") together with a comparative column containing certain FY2016 financial information. The FY2017 Financial Information and comparative FY2016 financial information have been prepared in accordance with Ind AS, The FY2017 Financial Information has been audited by Deloitte Haskins & Sells LLP, Chaturvedi & Shah and Rajendra & Co., Chartered Accountants, as set forth in their audit reports included herein. This financial information should be read in conjunction with "Selected Non-Consolidated Financial Data".

	Year Ended March 31,			
	2017	2017	2016	2015
		(Ind AS)		(Indian GAAP)
	(US$ in millions)[1] (Unaudited)		(Rs. in millions) (Audited)	
Income Statement Data:				
Revenue from Operations[2]	40,870	2,650,411	2,512,409	3,408,143
Total Income[3]	42,213	2,737,497	2,590,618	3,495,357
Depreciation/Amortization and Depletion Expense	1,305	84,647	85,904	84,875
Finance Costs	420	27,226	25,619	23,668
Profit after tax for the Year	4,846	314,246	273,837	227,191

(1) Rupee amounts from the Annual Financial Statements as at March 31, 2017 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 64.85. The translation into US Dollars is for convenience only.

(2) Revenue from operations includes sale of goods, services, service tax, excise duty and adjusted for discounts (net), and gain/loss on corresponding hedge contracts.

(3) Total 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,			
	2017	2017	2016	2015
		(Ind AS)		(Indian GAAP)
	(US$ in millions)[1] (Unaudited)		(Rs. in millions) (Audited)	
Balance Sheet Data:				
Cash and Cash Equivalents[2]	10,692	693,366	795,074	782,913
Total Assets	84,309	5,467,460	4,816,738	3,977,853
Total Secured Borrowings[3]	1,634	105,944	46,852	22,273
Total Unsecured Borrowings[4]	14,935	968,520	1,024,193	953,898
Total Equity[5]	44,458	2,883,132	2,539,983	2,161,590

(1) Rupee amounts from the Annual Financial Statements as at March 31, 2017 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 64.85. The translation into US Dollars is for convenience only.

(2) Cash and Cash Equivalents includes cash on hand, balance with banks FMP, government securities and current investments, fixed deposits with banks and investments in debentures and bonds (quoted). See "*Presentation of Financial and Other Data — Non-GAAP Financial Measures*".

(3) Secured borrowings (including current maturities) includes current borrowings and non-current borrowings from banks and bonds/non-convertible debentures that are secured by assets of the Company.

(4) Unsecured borrowings (including current maturities) includes current borrowings and non-current borrowings from banks and bonds/non-convertible debentures that are 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,		
	2017	2016	2015
	(Ind AS)		(Indian GAAP)
	(Unaudited)		
Other Financial Data and Ratios:			
EBITDA[1] (Rs. in millions)	519,640	471,681	403,227
EBITDA[1][2][3] (US$ in millions)	8,013	—	—
EBITDA Margin[4]	19.6%	18.8%	11.8%
Net Profit Margin[5]	11.9%	10.9%	6.7%
EBITDA/Interest	19.1	18.4	17.0
Total indebtedness[8]/EBITDA	2.1	2.3	2.4
Total indebtedness[8]/Equity[6]	0.37	0.42	0.45
Secured Non-current Borrowings[8]/Total Fixed Assets[7]	0.004	0.005	0.008
Total Secured Borrowings[8]/Total Assets	0.02	0.01	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, Work-in-progress and Stock-in-Trade, Excise Duty and Service Tax, 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. 64.85. The translation into US Dollars is for convenience only.

(3) US Dollar conversion of EBITDA is provided for FY2017 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 property, plant and equipment, capital work-in-progress, Intangible Assets and Intangible assets under development.

(8) Includes current maturities of Borrowings.

Financial Information as at and for 6M FY2018 and 6M FY2017

The following tables set forth the summary unaudited non-consolidated financial information of the Company as at and for 6M FY2018 and 6M FY2017. This financial information has been prepared in accordance with Ind AS and should be read in conjunction with "Unaudited Financial Results for the half year ended Sep 30, 2017" and "Selected Non-Consolidated Financial and Operating Data".

	Six Months Ended September 30,		
	2017[1]	2017	2016
		(Ind AS)	
	(US$ in millions)	(Rs. in millions)	
	(Unaudited)		
Income Statement Data:			
Revenue from Operations	21,781	1,421,945	1,238,374
Total Income[2]	22,390	1,461,700	1,281,504
Depreciation/Amortization and Depletion Expense	678	44,256	39,792
Finance Costs	322	21,020	15,572
Profit for the Period	2,521	164,610	152,518

(1) Rupee amounts from the 6M FY2018 Financial Information as at September 30, 2017 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 65.285. The translation into US Dollars is for convenience only.

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

	As at September 30,		
	2017[1]	2017	2016
		(Ind AS)	
	(US$ in millions)	(Rs. in millions)	
		(Unaudited)	
Balance Sheet Data:			
Cash and Cash Equivalents[2]	10,431	681,000	744,233
Total Assets	88,695	5,790,444	4,996,497
Total Secured Borrowings[3]	1,345	87,828	15,277
Total Unsecured Borrowings[4]	17,574	1,147,328	1,021,781
Total Equity[5]	45,933	2,998,715	2,703,401

(1) Rupee amounts from the 6M FY2018 Financial Information as at September 30, 2017 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 65.285. The translation into US Dollars is for convenience only.

(2) Cash and Cash Equivalents includes cash on hand, balance with banks FMP, government securities and current investments, fixed deposits with banks and investments in debentures and bonds (quoted). See "*Presentation of Financial and Other Data — Non-GAAP Financial Measures*".

(3) Secured Borrowings (including current maturities) includes current borrowings and non-current borrowings from banks and bonds/non-convertible debenture holders that are secured by assets of the Company.

(4) Unsecured Borrowings (including current maturities) includes current borrowings and non-current borrowings from banks and bonds/non-convertible debenture holders that are not secured by assets of the Company.

(5) Total Equity includes Equity share capital and other equity.

	As at and for the Six Months Ended September 30,	
	2017	2016
	(Ind AS)	
	(Unaudited)	
Other Financial Data and Ratios:		
EBITDA[1] (Rs. in millions)	285,465	256,856
EBITDA[1][2][3] (US$ in millions)	4,373	—
EBITDA Margin[4]	20.1%	20.7%
Net Profit Margin[5]	11.6%	12.3%
EBITDA/Interest	13.6	16.5
Total indebtedness[9]/Annualized EBITDA[6]	2.2	2.02
Total indebtedness[9]/Equity[7]	0.41	0.38
Secured Non-current Borrowings[9]/Non-current borrowings[9]	0.01	0.02
Secured Non-current Borrowings[9]/Total Fixed Assets[8]	0.004	0.04
Total Secured Borrowings[9]/Total Assets	0.015	0.03

(1) EBITDA is calculated as Total Income less the total sum of expenses comprising of Cost of Material Consumed, Purchases of stock-in-trade, Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade, Excise Duty and Service Tax, 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. 65.285. The translation into US Dollars is for convenience only.

(3) US Dollar conversion of EBITDA is provided for 6M FY2018 only.

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

(5) Net Profit Margin is calculated by dividing Profit for the Period by Revenue from Operations.

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

(7) Equity is comprised of Equity share capital and other equity.

(8) Total Fixed Assets are defined as property, plant and equipment, capital work-in-progress, Intangible Assets and Intangible assets under development.

(9) Includes current maturities of Borrowings.

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 FY2017, FY2016 and FY2015, respectively.

	Proved Reserves			**Proved Developed Reserves**		
	As at and for the Year Ended March 31,			**As at and for the Year Ended March 31,**		
	2017	**2016**	**2015**	**2017**	**2016**	**2015**
	(Ind AS)		**(Indian GAAP)**	**(Ind AS)**		**(Indian GAAP)**
	(Audited) (Million MT)					
Oil:[1]						
Beginning of the year	4.32	1.96	2.47	1.05	1.47	2.09
Revision of Estimates[2]	(0.26)	2.78	(0.06)	(0.12)	—	(0.17)
Production	(0.35)	(0.42)	(0.45)	(0.35)	(0.42)	(0.45)
Closing balance	**3.71**	**4.32**	**1.96**	**0.58**	**1.05**	**1.47**

	Proved Reserves			**Proved Developed Reserves**		
	As at and for the Year Ended March 31,			**As at and for the Year Ended March 31,**		
	2017	**2016**	**2015**	**2017**	**2016**	**2015**
	(Ind AS)		**(Indian GAAP)**	**(Ind AS)**		**(Indian GAAP)**
	(Audited) (Million cubic meters)[1]					
Gas:[1]						
Beginning of the year	71,731	65,741	86,230	14,582	18,812	15,444
Revision of Estimates[2]	(8,500)	9,008	(17,047)	1,995	(1,212)	6,810
Production	(2,280)	(3,018)	(3,442)	(2,280)	(3,018)	(3,442)
Closing balance	**60,951**	**71,731**	**65,741**	**14,297**	**14,582**	**18,812**

(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$800,000,000 aggregate principal amount of 3.667% Senior Notes due 2027.
Issue Price	100% of principal amount, plus accrued interest, if any, from November 30, 2017.
Maturity Date	November 30, 2027
Interest	The Notes will bear interest from November 30, 2017 at the rate of 3.667% per annum, payable semi-annually in arrears.
Interest Payment Dates	May 30 and November 30 of each year, commencing on May 30, 2018.
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 20 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 Q1B s 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 societe 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 expects that the proceeds to it from its sale of the Notes pursuant to this Offering Memorandum will amount to US$800,000,000. Any underwriting commissions and offering expenses will be paid separately by the Company. The proceeds of this offering will be used by the Company to redeem its US$800 million 5.875% Senior Perpetual Notes ("Existing Perpetual Notes") pursuant to the terms of the Existing Perpetual Notes, in compliance with end-use guidelines set forth in the master direction on external commercial borrowings issued by the RBI from time to time and in compliance with all laws and regulations of India applicable to the Company. The RBI has by its letter dated November 10, 2017 granted its approval to the Company for the sale of the Notes pursuant to this Offering Memorandum.
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, cash flows 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 further 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, cash flows 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, styrene butadiene 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. During the periods under review, average Brent crude oil prices fell by 45% from US$85.40/bbl for FY2015 to US$47.4/bbl for FY2016. Brent crude oil prices stabilized in FY2017, averaging US$48.6/bbl. 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, cash flows 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 FY2017 the Company's imports of crude oil amounted to Rs. 1,429.11 billion (FY2016: Rs. 1,235.45 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 and Latin America regions. Events, such as hostilities, strikes, natural disasters, protests and political developments in petroleum-producing regions, 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.

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 Latin America;

- 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 to petroleum products, such as biodiesel, electricity and other renewable energy sources;

- 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. During the periods under review, average Brent crude oil prices fell by 45% from US$85.40/bbl for FY2015 to US$47.4/bbl for FY2016. Brent crude oil prices stabilized in FY2017, averaging US$48.6/bbl.

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, cash flows, 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: results of 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 and regulatory 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 at 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 changes in 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 hydro-dynamic conditions or pressures, change in seismic interpretation or characterization, unexpected reservoir behavior, unexpected or different fluids or fluid properties, premature decline of reservoir flow rates, 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, cash flows 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, 2017, 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, CB-ONN-2003/1 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.

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 FY2017 and FY2016—Segment Revenue—Oil and Gas*".

The Company has limited experience in developing oil and gas reserves, including offshore and deep-water 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 deep-water 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 deep-water 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 deep-water exploration, which is a particularly high-risk and capital-intensive activity. Furthermore, the deep-water operations generally lack the physical service infrastructure present at onshore developments. As a result, a significant amount of time may pass between a deep-water 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 deep-water projects economically or in a timely manner, or at all, the Company's business, financial condition, cash flows 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 also investing, through its subsidiaries, in new growth areas such as digital 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 FY2017 amounted to Rs. 348 billion (FY2016: Rs. 536.3 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, cash flows, 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 liabilities under, and 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, cash flows, 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, cash flows 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, cash flows 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, cash flows 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, cash flows 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, cash flows 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 deep-water 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, cash flows 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 the BP Statistical Review 2017, gas accounts for 6% of India's energy consumption. This is modest by international norms since the global average mix of gas is about 24% according to BP Statistical Review 2017. According to IEA India Energy Outlook's Special Report 2015, India's future natural gas demand is expected to grow at 4.6% per year on average from 2013 through 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. Further, the Company also has plans to invest in already discovered deep-water gas fields in the KG-D6 Block off the eastern coast of India.

Under the NELP PSC and the CBM contract in respect of a block, the Company is required to sell all gas produced at arm's-length prices for the benefit of the parties to the contract. The formula or basis on which prices are determined needs to be approved by the Government prior to the sale of gas.

In 2008, the Government adopted the Gas Utilization Policy (the "GUP") which 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.

The Company has been supplying gas from its existing fields in the KG-D6 Block to various consumers as per the GUP since 2009 at prices based upon the formula or basis approved by the Government. In March 2016, the Government introduced guidelines which allowed marketing and pricing freedom in respect of commercial natural gas production with effect from January 1, 2016 from deep-water, ultra deep-water and high pressure-high temperature discoveries, subject to a ceiling price determined on the basis of the landed price of alternative fuels. Similarly, in April 2017 the Government introduced the Policy Framework for Early Monetization of Coal Bed Methane, which provides marketing and pricing freedom for CBM.

The Government's policy interventions from time to time impact the Company's ability to realize the market price of gas, which could have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

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, cash flows 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, cash flows 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. Coal has been the dominant fuel in the Indian energy sector, representing approximately 56% of the total primary energy consumption in 2016. Oil's share of the energy mix has remained relatively stable, representing 29.4% of the total primary energy consumption in 2016. However, gas's share has remained stagnant at approximately 6% in 2016 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-2017).

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 may remain constrained due to delay in development and implementation of natural gas transmission 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 or may in the future have interests in countries and regions that 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 FY2017, FY2016 and FY2015, the Company's export sales (including deemed exports) constituted 56%, 58% and 67% 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, cash flows, financial condition and results of operations.

The Company is dependent on the continued operation of a single pipeline to connect its CBM gas fields with the Indian gas grid.

Reliance Gas Pipeline Limited ("RGPL"), a subsidiary of Company, has completed the pipeline connecting its CBM gas fields with the Indian gas grid providing access to end consumers.

RGPL's pipeline will require regular upgrades and maintenance to remain operational and the Company depends on this pipeline to connect its CBM fields with the Indian gas grid. In the event of any interruption, the Company may not be able to find a substitute means to supply gas to the end consumers and this may have an adverse effect on the Company's business, financial condition, cash flows 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. The Government has sent notices to the contractor under the KG-D6 PSC disallowing cost recovery to the contractor under the KG-D6 PSC for alleged under-utilization of capacity due to failure to comply with the approved development plan and has demanded an additional share of petroleum profit. The Company contends that there are no provisions in the PSC for block KG-D6 which entitle the Government to disallow cost recovery on this basis.

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 fiscal years 2007 and 2008. 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 cost recovery provisions of the PSC with respect to the KG-D6 block. Both the Company and the Government have appointed arbitrators and filed their pleadings. 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, and the hearing on merits by the Arbitration Tribunal is scheduled in the first half of 2019.

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 CAG audits/reports and further CAG audits/reports may contain adverse findings and require the Company to take certain actions that could impact the Company's business, results of operations and financial condition.

In 2010, the Comptroller and Auditor General of India ("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 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 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 of this audit was tabled before the Parliament on November 28, 2014. Another CAG audit has been conducted by the CAG for FY2013 and FY2014 for the KG-D6 Block. The Report

(Chapter XIV) containing CAG observations for the KG-D6 Block was tabled before both Houses of the Parliament on April 28, 2016. Further steps, if any, taken on the basis of findings in the CAG's existing and future audit reports could impact the Company's business, results of operations, cash flows and financial condition.

The Government of India has demanded approximately US$1.16 billion from the Company under the Panna-Mukta and Tapti Production Sharing Contracts.

In December 2010, the Company and BG Exploration and Production India Limited (together, the "Claimants") referred a number of disputes, differences and claims arising under two PSCs entered into in 1994 among the Claimants, Oil & Natural Gas Corporation Limited ("ONGC") and the Government 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 Arbitration Tribunal has issued a Final Partial Award dated October 12, 2016 ("Partial Award").

The Government has notified the Company, as a party to the Panna Mukta and Tapti PSCs of the Government's computation of US$1.16 billion as the purported share of the Government's petroleum profit and royalties alleged to be payable by the contractor pursuant to the Government's interpretation of the Arbitration Tribunal's Partial Award.

The Company has contended that the Government's demand notice is premature. The Company believes that the quantification of liabilities (if any) of the parties arising out of the Partial Award is required to be determined by the Arbitration Tribunal after the parties have made their respective submissions on quantification. The Arbitration Tribunal is yet to schedule the timeline for the quantification phase. Before process of quantification can commence certain outstanding issues will have to be appropriately resolved.

The Company has challenged the Partial Award before the English commercial court. The outcome of the arbitration process and attendant legal proceedings may have an adverse effect on the Company's business, financial condition, cash flows and results of operations.

The Government has demanded US$1.55 billion as restitution of the value of gas alleged to have migrated from neighboring blocks which was produced by the Company from Block KG-DWN-98/3 ("KG-D6").

The Government sent a notice to the KG-D6 contractor on November 4, 2016 asking the KG-D6 Contractor to deposit approximately US$1.55 billion on account of gas produced from Block KG-D6 which is alleged to have migrated from ONGC's adjoining blocks. The Government contends that the KG-D6 Contractor is entitled to produce only gas situated within the KG-D6 contract area as at the date of the signing of the KG-D6 PSC.

The Company has disputed this contention and, for and on behalf of the KG-D6 contractor parties, has initiated arbitration under the terms of the relevant PSC. The Company contends that all petroleum operations have been conducted in accordance with the relevant PSC and the applicable laws and the KG-D6 contactor is entitled to retain all benefits from and recover costs for its petroleum operations. The outcome of the arbitration process may have an adverse effect on the Company's business, financial condition, cash flows and results of operations.

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 sections of the global petrochemicals industry, and particularly in the polyester chain, as capacity additions have outpaced demand growth. There can be no assurance that future growth in product demand will be sufficient to utilize current or additional capacity that is being built around the world. The global economic and political environment continues to be uncertain, adding to the volatility of product demand and raw material and energy costs, and 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 in the future.

The Company has and may continue to invest significant amounts in new ventures, and there can be no assurances as to the timing and amount of returns that the Company may receive on such investments, if any.

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, Jio, for provision of digital 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 digital 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, and the Company may not have or be able to obtain the funds for such 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 at March 31, 2017, the Company's non-current borrowings amounted to approximately Rs. 849 billion (March 31, 2016: Rs. 926 billion). The Company has also guaranteed certain debt obligations of its subsidiaries, including Jio, RSEPL and Recron in connection with certain credit facilities and RHUSA in connection with certain bonds. For more information, see Note 32 to the Annual Financial Statements for FY2017.

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, cash flows 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, 2017 was US$14.4 billion (converted at the exchange rate of US$1.00 = Rs. 64.85), 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 and may continue to invest significant amounts in its United States shale gas operations through its subsidiary, RHUSA, and there can be no assurances as to the timing and amount of returns that the Company may receive on such investments, if any.

The Company has made and may continue to make certain capital investments, loans, advances and other commitments to support RHUSA and its shale gas operations in the United States. If the business and operations of RHUSA deteriorate, the Company may be required to write down or write off investments or make further capital injections, and the Company may not have or be able to obtain the funds for such 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 additional capital under the Company's commitments to support RHUSA. Adverse effects on RHUSA's business, results of operations or financial condition may have an adverse effect on the Company's business, cash flows, results of operations or financial condition.

RHUSA has limited experience in the development of shale plays in the United States.

Since 2010, the Company, through its subsidiary RHUSA, has been a partner in various joint development programs to develop shale plays in the United States. Though RHUSA 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, RHUSA has so far not directly operated any actual shale operation in the United States. As a participant in each of its joint developments, RHUSA relies on the operator of the asset to run the operation and has not built organizational capability to become a successful developer itself. RHUSA's lack of organizational capability to directly develop and operate United States shale plays by exercising its right to become an operator in portions of the joint development acreages may have adverse effect on RHUSA's business, cash flows, results of operations and financial condition.

RHUSA has limited experience in drilling wells in the shale plays, and wells drilled by operators of joint development in the shale plays may be deeper, more expensive and more susceptible to operational problems in drilling and completing and may recover less hydrocarbon than wells in the other areas or in same play.

Over the last seven years, the relevant joint development operators have drilled more than 1,000 development wells in the shale plays; however, the non-homogeneity in the Marcellus and Eagle Ford Shale plays introduces additional uncertainty to the drilling and completion 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 casing 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. There is significant uncertainty on recoverable hydrocarbon, and shale wells show heterogeneous performance even within the shale play. These wells may recover less hydrocarbon than wells in other areas or in the same area. Lease operating expenses and other costs of recovering hydrocarbon may be higher than other areas. 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 RHUSA's business, cash flows, results of operations and financial condition.

Existing, new and proposed US federal, state and local legislative and regulatory legal requirements relating to hydraulic fracturing and greenhouse gas emissions could subject RHUSA to liabilities, increase RHUSA'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 has considered legislation that would provide for federal regulation of hydraulic fracturing and require disclosure of the chemicals used in the fracturing process, and in May 2014, the EPA issued an advance notice of proposed rulemaking under the Toxic Substances Control Act ("TSCA") to obtain data on chemical substances and mixtures used in hydraulic fracturing. The DOI, through the Bureau of Land Management (the "BLM"), also finalized a rule in 2015 requiring the disclosure of chemicals used, mandating well integrity measures, and imposing other requirements relating to hydraulic fracturing on federal lands. The eventual timing of effectiveness of this rule is uncertain. 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.

The EPA released its final report on drinking water impacts from hydraulic fracturing on December 12, 2016, which concluded that activities involved in hydraulic fracturing can have impacts on drinking water under certain circumstances. Further, 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 existing or proposed 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 RHUSA or 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 RHUSA's proprietary chemical formulas could diminish the value of those operations and result in competitive harm to RHUSA, which could impact its business, cash flows, financial condition and results of operations.

In addition, RHUSA's hydraulic fracturing operations are subject to the requirements of the U.S. 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. In addition, on March 26, 2016, the U.S. Occupational Safety and Health Administration ("OSHA") issued a final rule, with effective dates of 2018 and 2021 for the hydraulic fracturing industry, which imposes stricter standards for worker exposure to silica, including worker exposure to sand in hydraulic fracturing. OSHA is also increasingly focusing on and investigating potential worker exposure to hydrocarbon vapors from certain production and flowback tanks.

Finally, there are also a number of existing and proposed federal, state, regional and local legislative and regulatory requirements to restrict or otherwise regulate the emission of greenhouse gases, which some believe to be contributing to climate change. These legislative and regulatory requirements 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", recent EPA rules regarding leak detection, control requirements and information requests for fracturing operations, taxes or other charges to deter emissions of greenhouse gases or energy efficiency requirements to reduce demand. In addition, the United States reached an agreement during the December 2015 United Nations climate change conference in Paris (the "Paris Agreement") pursuant to which the United States initially pledged to make a 26-28 percent reduction in its GHG emissions by 2025 against a 2005 baseline and committed to periodically update this pledge every five years starting in 2020. However, in June 2017, the Trump administration announced the United States' intention to withdraw from the Paris Agreement. Although it is not currently possible to predict how any such current, proposed or future greenhouse gas legislation or regulation will impact RHUSA or its subsidiaries, any such legislation or regulation of greenhouse gas emissions affecting areas in which RHUSA or its 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 RHUSA's business, financial condition and results of operations.

RHUSA and its 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 RHUSA'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 RHUSA 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 RHUSA or its 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 RHUSA's or its 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 RHUSA's compliance costs and the cost of any remediation that may become necessary. RHUSA may not be able to recover remediation costs under its insurance policies.

RHUSA's and its subsidiaries' share of capital expenditure for the proposed development plan adds up to substantial amounts.

Based on the joint venture agreements signed by RHUSA through its subsidiaries, RHUSA 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 RHUSA 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 RHUSA's business, cash flows, financial condition and results of operations.

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

RHUSA and its 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 RHUSA'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 RHUSA succeeds in raising the required resources, such an effort for pursing growth opportunities may materially alter the risk profile of RHUSA and in turn have an adverse effect on its business, cash flows, financial condition and results of operations.

RHUSA's products may witness price volatility and low margins.

RHUSA's products are sold in markets that are highly competitive and are easily influenced by global economic and political developments. These products may see very high volatility in prices. RHUSA may not be able to stabilize its margins in such a market and low margins may have a significant and adverse effect on its business.

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

RHUSA has a positive long-term outlook on gas demand and gas prices in the United States. However, RHUSA 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 RHUSA 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, cash flows, financial condition and results of operations of RHUSA.

Risks Relating to the Company's Digital Services Business

The Company has and may continue to invest significant amounts in its digital services business through its subsidiary, Jio, and there can be no assurances as to the timing and amount of returns that the Company may receive on such investments, if any.

The Company has made and may continue to make certain capital investments, loans, advances and other commitments to support Jio and its digital services business. If the business and operations of Jio deteriorate or the benefits the Company expects to realize from its investments in Jio fail to materialize, the Company may be required to write down or write off investments or make further capital injections, and the Company may not have or be able to obtain the funds for such 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 additional capital under the Company's commitments to support Jio. Adverse effects on Jio's business, results of operations or financial condition may have an adverse effect on the Company's business, cash flows, results of operations or financial condition.

Complexities associated with deploying new technologies present substantial risk. The failure of Jio's service offering to meet customer expectations could limit Jio's ability to attract new customers and/or retain existing customers and could have an adverse effect on Jio's business, cash flows, financial condition or results of operations.

The Company through its subsidiary, Jio, has built a next generation all-IP telecommunications network using latest 4G LTE technology and Jio is the first telecom operator to hold a pan-India Unified License. The license allows Jio to offer all telecom services, including voice telephony, under a single license. Jio's total spectrum footprint stands at 1,108 MHz (uplink + downlink) across three spectrum bands namely 800 MHz, 1,800 MHz and 2,300 MHz band across each of the 22 circles.

Jio has expended significant resources and made substantial investments to deploy its 4G LTE network, however there may be certain technological developments which may require additional investment into the network. The LTE facilities may not perform as expected, and, therefore, Jio 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 Jio's ability to attract subscribers, increase its costs of providing services or increase its churn. Other competing technologies may have advantages over Jio'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 Jio rolls out its LTE network, which may allow those operators to compete more effectively or may require Jio to deploy more advanced technologies.

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

In addition, the continuing level of customer demand for Jio's 4G networks and products is uncertain, and customer acceptance of Jio's digital services could be impacted by factors such as the range of services offered, 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 Jio's networks, as well as macro-economic factors.

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

The digital services business is capital-intensive and Jio has incurred significant indebtedness. Jio may also require additional debt or equity financing and the Company cannot guarantee that Jio will be able to raise such financing on acceptable terms, or at all.

The digital services business is capital intensive and Jio has incurred significant indebtedness (including other financial liabilities) in connection with the development of its operations.

Jio may also incur additional indebtedness (including other financial liabilities) in the future, subject to limitations imposed by Jio's financing arrangements and applicable law, as a substantial amount of capital is required to maintain and operate Jio's digital services, enterprise and 4G LTE networks. Jio also requires a significant amount of capital to further develop, market and distribute its services and products, to develop and implement new technologies, to acquire and invest in new businesses, to acquire spectrum rights or in case of operational losses.

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 Jio's networks, unanticipated expenses and responding to regulatory changes and engineering, design and technological changes, among other things. To the extent that Jio's capital requirements exceed available resources, Jio will be required to seek additional debt and/or equity financing, which may not be available on attractive terms or at all.

Additional debt financing could increase Jio's interest expense and may require Jio to comply with additional restrictive covenants under its financing agreements. Jio's ability to obtain additional financing on acceptable terms, or at all, will depend on a number of factors, including (i) Jio's future financial condition, results of operations and cash flows, (ii) general market conditions for digital services companies and (iii) economic, political and other conditions in the markets where Jio operates. Any inability to obtain sufficient financing could result in the delay or abandonment of Jio's development and expansion plans or an inability to provide appropriate levels of service in all or a portion of Jio's markets. Jio 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 Jio to do so. As a result, if adequate capital is not available, there may be an adverse effect on Jio's business, results of operations and financial condition.

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

The Government along with the Department of Telecommunications ("DoT") and the Telecom Regulatory Authority of India ("TRAI") regulates many aspects of the digital services industry in India. The extensive regulatory structure under which Jio operates may constrain its flexibility to respond to market conditions, technological developments, competition or changes in its cost structure.

In addition, Jio is required to maintain a wide variety of approvals from various regulatory bodies. The Company cannot guarantee that these approvals will be forthcoming or renewed on a timely basis, or at all, which could have an adverse effect on Jio's business and results of operations.

The Government, the DoT or the TRAI may replace or amend laws, regulations or policies, including guidelines for licensing, spectrum allocation, quality of service, tariffs, interconnect charges and pricing rules among others. The TRAI may disallow certain tariff plans of Jio which may impact Jio's ability to achieve its planned revenues. Regulation of the over-the-top applications and net neutrality related regulation may affect Jio's business and operations. The DoT may amend the license fees or the spectrum usage charges payable by Jio, which may have an adverse financial impact on Jio. Jio may also incur additional expenditure to comply with changes in regulation.

For example, in 2012, the DoT issued directions on implementation of green technologies in the digital services 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 digital services companies such as Jio with respect to computation of revenue share for DoT.

Required licenses and permits may be difficult to obtain, and once obtained may be amended or revoked or may not be renewed, and as a result, Jio may be fined or penalized for alleged violations of law or regulations.

Jio's right to use spectrum is limited in time and will be subject to satisfying renewal requirements from time to time. The earliest that certain of Jio's spectrum is due for renewal is in the financial year ending March 31, 2021. The renewal of Jio's licenses is also subject to specified terms and conditions, and Jio could be charged substantial fees, which could have an adverse effect on Jio's business. Jio 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 Jio.

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

In addition to Jio'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 and laying fiber. These approvals include building, construction and environmental approvals, antenna and mast deployment approvals and other planning permissions. Jio may experience difficulties in obtaining or maintaining some of these approvals. This may force Jio to seek alternative cell sites or incur considerable effort and expense where a suitable alternative cell site is not available. Further, some of Jio's telecommunication interconnect agreements may be terminated in the event of termination or nonrenewal of such licenses and approvals. The inability to obtain the required approvals in a timely manner, or at all, may have an adverse effect on Jio's business, cash flows, results of operations and financial condition.

Further, Jio is required to comply with various environmental laws and regulations in India related to its digital services 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. Jio may also be sued by third parties for damages and costs resulting from health hazards emanating from its properties. Delay or non-receipt of approvals may impact the ability of Jio to provide desired services and may have an adverse effect on Jio's business, cash flows, results of operations and financial condition.

There are roll-out obligations associated with the spectrum acquired by Jio, and Jio 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 Jio, 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 Jio to comply with these license conditions may result in forfeiture of such spectrum and may adversely affect Jio's business, cash flows, results of operations and financial condition.

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

Jio 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 Jio 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 Jio's business, cash flows, results of operations and financial condition.

Intense competition in the Indian telecommunications sector may adversely affect Jio's business.

The Indian telecommunication industry for broadband internet and mobile and digital services is highly competitive, and from the start of its telecommunications operations, Jio has faced significant competition from other companies (including primarily, Bharti Airtel, Idea Cellular Limited and Vodafone India).

Since then, competition in the Indian telecommunications industry has increased notably due to deregulation, resulting in consolidation, and strengthening the competitive position of remaining providers, within the industry and Jio expects the level and intensity of competition to continue to increase from both existing competitors and new market entrants (both foreign and domestic). Additionally, due to advances in technology, influx of new market entrants and strategic alliances and cooperative relationships among industry participants, Jio, along with its competitors, may be subject to competition from providers of new telecommunication services. For example, Internet-based services, such as Google Voice, WhatsApp, Yahoo Voice and Skype, allow users to make calls, send short messaging service and offer other advanced features such as the ability to route calls to multiple handsets and access to Internet services. Increased competition may affect Jio's subscriber growth and profitability by causing both a decrease in tariff rate and average revenue per user as well as an increase in customer churn and selling and promotional expenses.

If Jio is not able to successfully compete in its markets, this could have a material adverse effect on its business, cash flows, results of operations and financial condition.

Jio's infrastructure, including its network equipment and systems may be vulnerable to natural disasters, security risks and other events that may disrupt its services and could affect its business, financial condition, cash flows and results of operations.

Jio's business depends on providing subscribers with service reliability, network capacity, security and account management. The delivery of these services, however, may be subject to disruptions resulting from numerous factors, including component failure, physical attack, theft of fiber or cable and equipment, fire, explosion, flood, power failure, overheating or extreme cold, problems encountered during upgrades and major changes, leakage of customer data, the failure of key suppliers, signal jamming, power outages, acts of terrorism and vandalism, equipment or system failures and breaches of network or information technology security.

Jio may not have insurance against all of these contingencies, or its insurance may not be adequate to cover all losses from these events. If any of these events were to occur, it could cause limited or severe service disruption which could result in subscriber dissatisfaction, regulatory penalties or reduced revenues. In addition, Jio relies on manufacturers of telecommunications equipment for continued maintenance service and supply, and continued cooperation on the part of these manufacturers is important for Jio to maintain its operations without disruption (See also "— *Jio relies on a limited number of third parties for key network and other equipment and services*"). Any interruption of services could harm Jio's business reputation and reduce the confidence of its subscribers and consequently impair Jio's ability to obtain and retain subscribers and could lead to a violation of the terms of Jio's various licenses, each of which could materially or adversely affect its business, cash flows, results of operations and financial condition.

Also, Jio's operations are dependent on various information technology systems and applications which may not be adequately supported by a robust business continuity plan, which could seriously impact Jio's business in the event of a disaster of any nature. A cyber-security incident or logical attack could also trigger service interruption. A breach of Jio's security, compromise of data or resilience affecting its operations, or those of Jio's customers, could lead to an extended interruption to its services.

The impact of such a failure could include immediate financial losses due to fraud and theft, termination of contracts, immediate loss of revenue where orders and invoices cannot be processed, contractual penalties, lost productivity and unplanned costs of restoration and improvement. Additionally, reputational damage may arise, undermining market confidence and jeopardizing future revenues.

Jio relies on a limited number of third parties for key network and other equipment and services.

Jio depends upon a small number of suppliers to provide it with key equipment and services required to build, develop, maintain and rollout the networks and operate the business. These suppliers also provide maintenance support. Jio is substantially dependent on these vendors for critical components for future expansions, and it is uncertain whether Jio will be able to obtain satisfactory equipment and service on acceptable terms or that the vendors will perform as expected.

The failure of one of these suppliers to meet its obligations could cause significant harm to Jio's business. Although Jio evaluates and monitors any associated risks where geo-political and market forces could impact its suppliers' ability to support Jio, Jio may nevertheless find it difficult to replace a vendor on a timely basis without significant capital expenditure, which could significantly disrupt Jio's services. While the size of the impact from a supplier failure can vary, all supplier failures typically result in an increased cost and have the potential to adversely impact on customer service, which may in turn have an adverse effect on Jio's business, cash flows, results of operations and financial condition.

Jio's exposure to litigation may affect its reputation and business and lead to additional legal expenses and decreased mobile communications usage.

Jio is exposed to various litigations on matters ranging from tariff plans, interconnect usage charges, construction related activities and other matters. Final pronouncements in some of these matters may have adverse implications for Jio, including Jio's reputation, business, results of operations and financial condition. These matters may also result in additional legal expenses that Jio may not have provided for.

Actual or perceived health risks or other problems relating to exposure to electromagnetic fields ("EMF"), mobile handsets or transmission and/or network infrastructure could lead to litigation or decreased mobile communications usage.

Concerns have been raised regarding the possible health risks linked to exposure to EMF from telecommunications equipment, with some consumers filing litigations and matters pending in courts. Although the health authorities have until now found no health risks below the limits recommended by the specialist international committees, Jio cannot rule out that exposure to electromagnetic fields or other emissions originating from wireless handsets or transmission infrastructure is not, or will not be found to be, a health risk. Likewise, Jio cannot predict the conclusions of future scientific research or studies by international organizations and scientific committees or the view taken by the courts. If, as a result of perceived or actual health risks or other problems relating to EMFs, customers limit or cease their usage of wireless handsets and other transmission infrastructure or lead to increased regulation of the industry, it could have a material adverse effect on Jio's business, results of operations and financial condition.

Risks Relating to India

Most of the Company's plants are located in India, and approximately 44% of its Turnover for FY2017 was derived from the Indian domestic market (FY2016: 42%). 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 and the current 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 6M FY2018, approximately 45% of the Company's Turnover was derived from domestic activities (6M FY2017: 43%).

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, goods and 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. On June 23, 2016, the United Kingdom held a referendum on its membership of the European Union and voted to leave ("Brexit"). There is significant uncertainty at this stage as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments. A lack of clarity over the process for managing the exit and uncertainties surrounding the economic impact could lead to a further slowdown and instability in financial markets. These and other related events have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States, Europe and global credit and financial markets. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any announcement by the United State Federal Reserve to increase interest rates may lead to an increase in the borrowing costs in the United States and may impact borrowing globally as well. Further, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressures for protectionism are building up and such developments could have the potential to affect exports from India.

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, cash flows, 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 at the date of this Offering Memorandum, India's sovereign rating was Baa2 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 audit report of the previous independent auditors included in this Offering Memorandum, the Company's financial statements are prepared in accordance with Ind AS, 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. Ind AS differs in certain respects from US GAAP and IFRS. For a discussion of certain significant differences between Ind AS and US GAAP, see "*Description of Certain Differences Between Ind AS and US GAAP*".

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 at September 30, 2017, the Company had secured borrowings of Rs. 87,828 million or US$1,345 million (converted at the exchange rate of US$1.00 = Rs. 65.285).

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 November 20, 2017. 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 expects that the proceeds to it from its sale of the Notes pursuant to this Offering Memorandum will amount to US$800,000,000. Any underwriting commissions and offering expenses will be paid separately by the Company. The proceeds of this offering will be used by the Company to redeem its US$800 million 5.875% Senior Perpetual Notes ("Existing Perpetual Notes") pursuant to the terms of the Existing Perpetual Notes, in compliance with end-use guidelines set forth in the master direction on external commercial borrowings issued by the RBI from time to time and in compliance with all laws and regulations of India applicable to the Company. The RBI has by its letter dated November 10, 2017 granted its approval to the Company for the sale of the Notes pursuant to this Offering Memorandum.

CAPITALIZATION

The following table sets forth the Company's current borrowings and non-current borrowings and shareholders' equity as at September 30, 2017 on a non-consolidated basis and as adjusted to give effect to the issuance of the Notes offered hereby and 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", "Description of the Notes" and the Annual Financial Statements included herein.

	As at September 30, 2017[1]		
	Actual		As adjusted[2]
	(US$ in millions)[4] (Unaudited)	(Rs. in millions) (Unaudited)	(US$ in millions)
Indebtedness:			
Current borrowings	4,587	299,479	4,587
Non-current borrowings[2]	14,332	935,677	14,332
Total indebtedness[3]	**18,919**	**1,235,156**	**18,919**
Equity:			
Equity Share Capital	970	63,326	970
Other Equity	44,963	2,935,390	44,963
Total Equity	**45,933**	**2,998,716**	**45,933**
Total indebtedness and equity	**64,852**	**4,233,872**	**64,852**

(1) Except as disclosed herein, there have been no material changes in the Company's capitalization since September 30, 2017.

(2) Non-current borrowings includes current maturities thereof. As adjusted non-current borrowings amounts as at September 30, 2017 reflect the issuance of the Notes of US$800,000,000 hereby and the redemption of the Company's Existing Perpetual Notes of US$800,000,000, as if such transactions had occurred as at September 30, 2017. The Company expects to redeem the Existing Perpetual Notes pursuant to their terms in February 2018. Accordingly, the Company expects that its balance sheet following the transaction, and as at December 31, 2017, will reflect the issuance, as well as the cash proceeds of the issuance, of the Notes hereby and the Company's Existing Perpetual Notes. On a net basis, the offering of the Notes will not result in any increase in non-current borrowings.

(3) Total indebtedness comprises non-current borrowings included in financial liabilities, current borrowings included in financial liabilities and current maturity of non-current borrowings included in other financial liabilities. As at September 30, 2017, the Company's secured and unsecured borrowings totaled Rs. 87,828 million and Rs. 1,147,328 million, respectively. For more information regarding the Company's secured and unsecured borrowings, see "*Operating and Financial Review*".

(4) Rupee amounts as at September 30, 2017 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 65.285. 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 at March 31, 2017 and 2016 and for each of FY2017, FY2016 and FY2015, 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 at September 30, 2017 and 2016, and for 6M FY2018 and 6M FY2017, respectively, set forth below has been derived or calculated from the 6M FY2018 Financial results included elsewhere in this Offering Memorandum and is qualified thereby. This financial information should be read in conjunction with "Presentation of Financial and Other Data", "Operating and Financial Review", "Unaudited Financial Results for the Six Months ended September 30, 2017", the Annual Financial Statements and the 6M FY2018 Financial results 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 6M FY2018 Financial results 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 Company has adopted Ind AS with effect from April 1, 2016, with comparatives being restated. The FY2017 Annual Financial Statements, including restated comparative FY2016 financial information, and the 6M FY2018 Financial results and the 6M FY2017 Financial results have been prepared in accordance with Ind AS and reporting guidelines prescribed by Indian regulatory authorities. The FY2016 Annual Financial Statements have been prepared in accordance with Indian GAAP and reporting guidelines prescribed by Indian regulatory authorities. 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 6M FY2018 Financial results have been jointly reviewed by S R B C & CO., LLP, Chartered Accountants and DTS & Associates, Chartered Accountants. The presentation of the respective Income Statements for FY2017, FY2016 and FY2015 and for 6M FY2018 and 6M FY2017 differs in certain respects. FY2016 financial information restated in accordance with Ind AS is presented when compared with FY2017 financial information, and FY2016 financial information prepared in accordance with Indian GAAP is presented when compared with FY2015 financial information.

The preparation of financial statements in accordance with Ind AS 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 FY2017 Annual Financial Statements. Ind AS differs in certain respects from US GAAP and IFRS. For a discussion of certain significant differences between Ind AS and US GAAP, see "*Description of Certain Differences between Ind AS and US GAAP*".

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.

Certain summary non-consolidated financial data for the Company as at March 31, 2017 and for FY2017 is presented below (the "FY2017 Financial Information") together with a comparative column containing certain FY2016 financial information. The FY2017 Financial Information and comparative FY2016 financial information has been prepared in accordance with Ind AS. The FY2017 Financial Information has been audited by Deloitte Haskins & Sells LLP, Chaturvedi & Shah and Rajendra & Co., Chartered Accountants, as set forth in their audit reports included herein. This financial information should be read in conjunction with "Selected Non-Consolidated Financial and Operating Data".

Annual Financial Data

Income Statement Data

	Year Ended March 31,		
	2017	2017	2016
		(Ind AS)	
	(US$ in millions)[1] (Unaudited)	(Rs. in millions) (Audited)	
INCOME			
Revenue from Operations			
Sale of Products	40,849	2,649,086	2,510,998
Income from Services	20	1,325	1,411
	40,870	2,650,411	2,512,409
Other Income	1,343	87,086	78,209
Total Revenue	**42,213**	**2,737,497**	**2,590,618**
EXPENDITURE			
Cost of Materials Consumed	25,328	1,642,496	1,527,693
Purchases of Stock-in-Trade	796	51,612	42,410
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	(746)	(48,389)	41,711
Excise Duty and Service Tax	3,549	230,163	180,831
Employee Benefits Expense	684	44,342	42,616
Finance Costs	420	27,226	25,619
Depreciation/Amortization and Depletion Expense	1,305	84,647	85,904
Other Expenses	4,590	297,632	283,675
Total Expenses	**35,925**	**2,329,729**	**2,230,459**
Profit Before Tax	6,288	407,768	360,159
Tax Expenses			
Current Tax	1,285	83,328	78,014
Deferred Tax	157	10,194	8,308
Profit for the Year	**4,846**	**314,246**	**273,837**

(1) Rupee amounts from the Annual Financial Statements for FY2017 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 64.85. The translation into US Dollars is for convenience only.

	Year Ended March 31,		
	2016	2016	2015
		(Indian GAAP)	
	(US$ in millions)[(1)] (Unaudited)	(Rs. in millions) (Audited)	
INCOME			
Revenue from Operations	37,920	2,512,409	3,408,143
Other Income	1,144	75,817	87,214
Total Revenue	**39,065**	**2,588,226**	**3,495,357**
EXPENDITURE			
Cost of Materials Consumed	23,058	1,527,694	2,559,984
Purchases of Stock-in-Trade	640	42,412	71,340
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	630	41,711	19,427
Excise Duty and Service Tax	2,729	180,831	117,384
Employee Benefits Expense	643	42,598	36,862
Finance Costs	370	24,541	23,668
Depreciation/Amortization and Depletion Expense	1,444	95,657	84,875
Other Expenses	4,162	275,777	287,133
Total Expenses	**33,676**	**2,231,221**	**3,200,673**
Profit Before Tax	5,388	357,005	294,684
Tax Expenses			
Current Tax	1,178	78,016	61,242
Deferred Tax	73	4,820	6,251
Profit for the Year	**4,138**	**274,169**	**227,191**

(1) Rupee amounts from the Annual Financial Statements for FY2016 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 66.255. The translation into US Dollars is for convenience only.

Segmental Income Statement Data

	Segment Revenue[(1)]			Segment Results Before Interest and Tax[(2)]		
	Year Ended March 31,					
	2017	2016	2015	2017	2016	2015
	(Ind AS)		(Indian GAAP)	(Ind AS)		(Indian GAAP)
	(Rs. in millions) (Audited)					
Refining	2,178,621	2,025,043	3,045,701	248,713	232,006	154,871
Petrochemicals	876,233	769,818	900,091	131,776	102,640	86,067
Oil and Gas	27,870	42,588	55,068	(1,314)	3,728	12,498
Others	11,736	10,859	11,550	4,224	2,952	3,165
Inter-Segment Transfers[(3)]	(444,049)	(335,899)	(604,267)			
Total	**2,650,411**	**2,512,409**	**3,408,143**	**383,399**	**341,326**	**256,601**

(1) Segment Revenue is revenue earned by the relevant segment prior to any Inter-Segment Transfers in respect of sales between segments. Total Segment Revenue, which is after Inter-Segment Transfers, is equal to value of sales and services.

(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 Finance Costs) and is presented before tax.

(3) Inter-Segment Transfers 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,		
	2017	2017	2016
		(Ind AS)	
	(US$ in millions)(1) (Unaudited)	(Rs. in millions) (Audited)	
ASSETS			
Non-Current Assets			
Property Plant and Equipment	21,108	1,368,824	1,326,621
Capital Work-in-Progress	19,781	1,282,827	9,69,939
Intangible Assets	2,506	162,484	148,810
Intangible Assets under Development	911	59,063	139,109
Financial Assets			
Investments	21,672	1,405,437	1,151,338
Loans	1,606	104,179	118,124
Other Non-current assets	337	21,839	37,416
Total Non-current assets	**67,921**	**4,404,653**	**3,891,357**
Current Assets			
Inventories	5,246	340,179	280,339
Financial Assets			
Investments	8,004	519,058	421,161
Trade Receivables	844	54,718	34,948
Cash & cash equivalents	271	17,542	68,924
Loans	756	49,004	49,733
Others Financial Asset	520	33,717	27,231
Other Current Assets	749	48,589	43,045
Total Current Assets	**16,339**	**1,062,807**	**925,381**
Total Assets	**84,309**	**5,467,460**	**4,816,738**
EQUITY & LIABILITIES			
Equity			
Equity Share Capital	501	32,513	32,404
Other Equity	43,957	2,850,619	2,507,579
Total Equity	**44,458**	**2,883,132**	**2,539,983**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	12,139	787,234	778,302
Provisions	327	21,177	10,656
Deferred Tax Liability (net)	3819	247,662	237,467
Total non-current liabilities	**16,285**	**1,056,073**	**1,026,425**

	As at March 31,		
	2017	2017	2016
		(Ind AS)	
	(US$ in millions)(1) (Unaudited)	(Rs. in millions) (Audited)	
Current liabilities			
Financial Liabilities			
Borrowings	3,482	225,804	144,895
Trade Payables	10,511	681,605	545,207
Other Financial Liabilities	6,772	439,195	465,040
Other Current liabilities	2,606	168,974	83,484
Short Term Provisions	195	12,676	11,704
Total Current Liabilities	**23,566**	**1,528,255**	**1,250,330**
Total Liabilities	**39,851**	**2,584,333**	**2,276,758**
Total Equity and Liabilities	**84,309**	**5,467,460**	**4,816,738**

(1) Rupee amounts from the Annual Financial Statements for FY2017 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 64.85. The translation into US Dollars is for convenience only.

	As at March 31,	
	2017	2016
	(Ind AS)	
	(Rs. in millions) (Audited)	
Refining	1,777,575	1,631,235
Petrochemicals	1,030,292	862,803
Oil and Gas	339,787	243,644
Others	929,430	589,764
Unallocated	1,390,376	1,489,292
Total Assets	**5,467,460**	**4,816,738**

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 6M FY2018 and 6M FY2017

Income Statement Data

	Six Months Ended September 30,		
	2017	2017	2016
		(Ind AS)	
	(US$ in millions)[(1)]	(Rs. in millions) (Unaudited)	
Revenue from Operations	21,781	1,421,945	1,238,374
Expenses			
Costs of Materials Consumed	13,379	873,441	753,066
Purchases of Stock-In-Trade	607	39,627	27,464
Changes in Inventories of Finished Goods Work in Progress and Stock-in-Trade	57	3694	(20,264)
Excise Duty and Service Tax	1,447	94,456	107,638
Employee Benefits Expense	360	23,523	22,670
Depreciation/Amortization and Depletion Expenses	678	44,256	39,792
Other Expenses	2,167	141,493	134,070
Total Expenses	**18,695**	**1,220,490**	**1,064,436**
Profit from Operations Before Other Income Interest and Tax	3,086	201,455	173,938
Other Income	609	39,754	43,125
Profit from Ordinary Activities Before Finance Costs	**3,695**	**241,209**	**217,063**
Finance Costs	322	21,020	15,572
Profit from Ordinary Activities Before Tax	**3,373**	**220,189**	**201,491**
Tax Expense	851	55,579	48,974
Profit for the Period	**2,521**	**164,610**	**152,518**

(1) Rupee amounts from the 6M FY2018 Financial Information for 6M FY2018 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 65.285. The translation into US Dollars is for convenience only.

	Segment Revenue[(1)]		Segment Results Before Interest and Tax[(2)]	
	Six Months Ended September 30,			
	2017	2016	2017	2016
	(Ind AS)			
	(Rs. in millions) (Unaudited)			
Refining	1,182,259	1,007,839	129,070	124,815
Petrochemicals	509,086	407,023	88,970	63,652
Oil and Gas	13,416	14,841	(3,267)	716
Others	6,404	5,391	2,551	1,894
Inter-Segment Transfers [(3)]	(255,178)	(196,720)	0	0
Total	**1,455,987**	**1,238,374**	**217,324**	**191,077**

(1) Segment Revenue is revenue earned by the relevant segment prior to any Inter-Segment Transfers in respect of sales between segments. Total Segment Revenue, which is after Inter-Segment Transfers, is equal to value of sales and services.

(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 Finance Costs) and is presented before tax.

(3) Inter-Segment Transfers refers to revenue from sales by one segment to another segment, primarily from sales by Refining to Petrochemicals.

Summary Balance Sheet Data

	As at September 30,		
	2017	2017	2016
		(Ind AS)	
	(US$ in millions)(1)	(Rs. in millions) (Unaudited)	
Total Equity	45,933	2,998,715	2,703,401
Net Worth (including retained earnings)(2)	45,323	2,958,936	2,665,884
Non-current Borrowings(3)	14,332	935,677	872,870
Current Borrowings	4,587	299,479	164,188
Total Balance Sheet Borrowings(4)	18,919	1,235,156	1,037,058
Cash and Cash Equivalents(5)	10,431	681,000	744,233
Investments(6)	22,602	1,475,604	901,636

(1) Rupee amounts from the 6M FY2018 Financial Information as at September 30, 2017 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 65.285. The translation into US Dollars is for convenience only.

(2) Net Worth reflects the total equity attributable to shareholders.

(3) Non-current borrowings includes current maturities thereof.

(4) Total Balance Sheet Borrowings includes secured borrowings of US$1,345 million or Rs. 87,828 million as at September 30, 2017, Rs. 105,944 million as at March 31, 2017 and Rs. 15,277 million as at September 30, 2016.

(5) Cash and Cash Equivalents includes cash on hand, balance with banks, FMP, government securities and current investments, fixed deposit with banks and investment in debentures and bonds (quoted). See "*Presentation of Financial and Other Data — Non-GAAP Financial Measures*".

(6) Investments comprises investments made by the Company in its subsidiaries and associates, joint ventures and trusts.

Segmental Balance Sheet Data—Total Assets

	As at September 30,	
	2017	2016
	(Ind AS)	
	(Rs. in millions) (Unaudited)	
Refining	1,868,751	1,711,161
Petrochemicals	1,091,592	948,612
Oil and Gas	336,004	248,860
Others	1,153,536	627,778
Unallocated	1,340,561	1,460,086
Total Segment Assets	**5,790,444**	**4,996,497**

Key Financial Data and Ratios

	As at and for Year Ended March 31,		
	2017	2016	2015
	(Ind AS)		(Indian GAAP)
	(Unaudited)		
EBITDA[1] (Rs. in millions)	519,640	471,681	403,227
EBITDA[1][2][3] (US$ in millions)	8,013	—	—
EBITDA Margin[4]	19.6%	18.8%	11.8%
Net Profit Margin[5]	11.9%	10.9%	6.7%
EBITDA/Interest	19.1	18.4	17.0
Total indebtedness[8]/EBITDA	2.1	2.3	2.4
Total indebtedness[8]/Equity[6]	0.37	0.42	0.45
Secured Non-current borrowings [8]/Total Fixed Assets[7]	0.004	0.005	0.008
Total Secured Borrowings[8]/Total Assets	0.02	0.01	0.01

(1) EBITDA is calculated as Total Income less the total sum of expenses comprising of Cost of Material Consumed, Purchases of stock-in-trade, Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade, Excise Duty and Service Tax, 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. 64.85. The translation into US Dollars is for convenience only.

(3) US Dollar conversion of EBITDA is provided for FY2017 only.

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

(5) Net Profit Margin is calculated by dividing Profit for the period by Revenue from Operations.

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

(7) Total Fixed Assets are defined as property, plant and equipment, capital work-in-progress, Intangible Assets and Intangible assets under development.

(8) Includes current maturities of borrowings.

	As at and for the Six Months Ended September 30,	
	2017	2016
	(Ind AS)	
	(Unaudited)	
Other Financial Data and Ratios:		
EBITDA[1] (Rs. in millions)	285,465	256,856
EBITDA[1][2][3] (US$ in millions)	4,373	—
EBITDA Margin[4]	20.1%	20.7%
Net Profit Margin[5]	11.6%	12.3%
EBITDA/Interest	13.6	16.5
Total indebtedness[9]/Annualized EBITDA[6]	2.2	2.02
Total indebtedness[9]/Equity[7]	0.41	0.38
Secured Non-current Borrowings[9]/Non-current Borrowings[9]	0.01	0.02
Secured Non-current Borrowings[9]/Total Fixed Assets[8]	0.004	0.04
Total Secured Borrowings[9]/Total Assets	0.015	0.003

(1) EBITDA is calculated as Total Income less the total sum of expenses comprising Cost of Material Consumed, Purchases of stock-in-trade, Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade, Excise Duty and Service Tax, 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. 65.285. The translation into US Dollars is for convenience only.

(3) US Dollar conversion of EBITDA is provided for 6M FY2018 only.

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

(5) Net Profit Margin is calculated by dividing Profit for the period by Revenue from Operations.

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

(7) Equity is comprised of Equity share capital and other equity.

(8) Total Fixed Assets are defined as property, plant and equipment, capital work-in-progress, Intangible Assets and Intangible assets under development.

(9) Includes current maturities of Borrowings.

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,		
	2017	2016	2015	2017	2016	2015
	(Ind AS)		(Indian GAAP)	(Ind AS)		(Indian GAAP)
	(Audited) (Million MT)					
Oil:[1]						
Beginning of the year	4.32	1.96	2.47	1.05	1.47	2.09
Revision of Estimates[2]	(0.26)	2.78	(0.06)	(0.12)	—	(0.17)
Production	(0.35)	(0.42)	(0.45)	(0.35)	(0.42)	(0.45)
Closing balance	**3.71**	**4.32**	**1.96**	**0.58**	**1.05**	**1.47**

	Proved Reserves			Proved Developed Reserves		
	As at and for the Year Ended March 31,			As at and for the Year Ended March 31,		
	2017	2016	2015	2017	2016	2015
	(Ind AS)		(Indian GAAP)	(Ind AS)		(Indian GAAP)
	(Audited) (Million cubic meters)[1]					
Gas:[1]						
Beginning of the year	71,731	65,741	86,230	14,582	18,812	15,444
Revision of Estimates[2]	(8,500)	9,008	(17,047)	1,995	(1,212)	6,810
Production	(2,280)	(3,018)	(3,442)	(2,280)	(3,018)	(3,442)
Closing balance	**60,951**	**71,731**	**65,741**	**14,297**	**14,582**	**18,812**

(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.

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, 2017 and 2016 on a non-consolidated basis, as measured in accordance with Ind AS, and as at and for the fiscal years ended March 31, 2016 and 2015 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 "Presentation of Financial and Other Data", "Selected Non-Consolidated Financial and Operating Data" and the Annual Financial Statements and the accompanying schedules and notes.

With effect from April 1, 2016, the Company reports in accordance with Ind AS, and its accounting policies have been established accordingly. Ind AS differs in certain respects from US GAAP. For a discussion of certain significant differences between Ind AS and US GAAP, see "Description of Certain Differences Between Ind AS and US GAAP". Prior to April 1, 2016, the Company applied Indian GAAP. For further information on the effects of the adoption of Ind AS as compared to Indian GAAP, see "—Critical Accounting Judgments and Key Sources of Estimation Uncertainty—First Time Adoption of Ind AS" and Note 41 to the FY2017 Annual Financial Statements.

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 "FY2017", "FY2016" and "FY2015" refer to the Company's fiscal years ended March 31, 2017, 2016 and 2015, respectively. In this operating and financial review, unless otherwise noted, FY2016 financial information restated in accordance with Ind AS is presented when compared with FY2017 financial information, and FY2016 financial information prepared in accordance with Indian GAAP is presented when compared with FY2015 financial information.

The Company was India's largest private sector enterprise based on Turnover and Profit After Tax for FY2017 with a turnover of Rs. 2,650.04 billion (US$40.87 billion), cash profit of Rs. 409.09 billion (US$6.3 billion) and net profit of Rs. 314.25 billion (US$4.8 billion) for FY2017. It has three principal businesses, each of which comprises a financial reporting segment: (i) refining and marketing of petroleum products ("Refining"); (ii) petrochemicals, including principally the manufacturing and marketing of polymers, polyester, polyester intermediates and chemicals ("Petrochemicals"); and (iii) exploration, development and production of oil and natural gas ("Oil and Gas").

The Company had significant domestic sales in India and exports to 108 countries around the world in FY 2017. 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. In addition, its subsidiary, Recron (Malaysia) Sdn Bhd ("Recron"), manufactures polyester products at facilities in two locations at Nilai and Malacca, Malaysia. In 2010, the Company, through its subsidiaries, entered into three joint development agreements 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 has recently announced that its subsidiary has entered into a purchase and sale agreement for the divestment of its assets in the Marcellus Shale, for which it had entered into a joint development agreement with a subsidiary of Carrizo Oil & Gas.

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 56% of its Turnover in FY2017 (FY2016: 58%). Exports of refined petroleum products from the Company's Refining business accounted for 86% of the Company's total exports in FY2017 (FY2016: 86%).

The Company has an integrated production chain and accordingly has significant inter-segment sales. The following table sets out Segment Revenue and Segment Results Before Interest and Tax for each of the Company's reporting segments for FY2017, FY2016 and FY2015:

	Segment Revenue[1]			Segment Results Before Interest and Tax[2]		
	Year Ended March 31,					
	2017	2016	2015	2017	2016	2015
	(Ind AS)		(Indian GAAP)	(Ind AS)		(Indian GAAP)
	(Rs. in millions) (Audited)					
Refining	2,178,621	2,025,043	3,045,701	248,713	232,006	154,871
Petrochemicals	876,233	769,818	900,091	131,776	102,640	86,067
Oil and Gas	27,870	42,588	55,068	(1,314)	3,728	12,498
Others	11,736	10,859	11,550	4,224	2,952	3,165
Inter-Segment Transfers[3]	(444,049)	(335,899)	(604,267)			
Total	**2,650,411**	**2,512,409**	**3,408,143**	**383,399**	**341,326**	**256,601**

(1) Segment Revenue is revenue earned by the relevant segment prior to any Inter-Segment Transfers in respect of sales between segments. Total Segment Revenue, which is after Inter-Segment Transfers, is equal to value of sales and services.

(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 Finance Costs) and is presented before tax.

(3) Inter-Segment Transfers 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. With a portfolio consisting of onshore and offshore blocks in India (including CBM) as well as acreage in US Shale plays, the Company believes it is one of the largest exploration and production businesses in India. As at September 30, 2017, the Company had 8 domestic oil and gas blocks, including one block each in Panna-Mukta and Tapti and two CBM blocks. The total area covered under the domestic blocks, including the CBM blocks, is approximately 6,544 square kilometers as at September 30, 2017.

In addition, the Company has entered, through its subsidiaries, into three joint development agreements 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*". In October 2017, Reliance Marcellus II, LLC, a subsidiary of Reliance Holding USA, Inc. ("RHUSA") and the Company, announced the signing of agreements to divest all of its interest in certain upstream assets in north-eastern and central Pennsylvania in the Marcellus Shale. The assets, which are currently operated by a subsidiary of Carrizo Oil & Gas, Inc., were sold to BKV Chelsea, LLC, an affiliate of Kalnin Ventures LLC, for consideration of US$126 million, subject to customary closing terms and conditions. Additionally, under the agreements, the Company could receive contingent payments of up to US$11.25 million in the aggregate if natural gas prices exceed certain thresholds over the next three years.

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 ("GRM") 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 99% of Segment Revenue Before Inter-Segment Transfers for FY2017 (FY2016: 98%), Segment Result Before Interest and Tax was more balanced with Petrochemicals, Refining and Oil and Gas segments accounting for 34% (FY2016: 30%), 65% (FY2016: 68%) and (0.3)% (FY2016: (1.1)%), respectively, in FY2017.

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 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 FY2017 Annual Financial Statements. The Company's critical accounting policies are described below.

Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at their fair value amount:

(1) Certain financial assets and liabilities (including derivative instruments),

(2) Defined benefit plan assets, and

(3) Equity-settled share based payments.

The financial statements of the Company for FY2017 have been prepared to comply with the Indian Accounting Standards ("Ind AS"), including the rules under the relevant provisions of the Companies Act, 2013.

Through and including the fiscal year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles ("Indian GAAP"), which includes Standards under the Companies (Accounting Standards) Rules, 2006 and is referred to as "Previous GAAP".

For the fiscal year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of Ind AS. The financial statements for FY2017 are the Company′s first Ind AS standalone financial statements. The Company's financial statements are presented in Indian Rupees (Rs.), which is also its functional currency.

Summary of Significant Accounting Policies

Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated Depreciation and impairment losses, if any. Such cost includes the purchase price, borrowing cost and any cost directly attributable to bringing the assets to their working condition for their intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed in the financial statements under Capital Work-in-Progress.

Depreciation on property, plant and equipment is provided using the written down value method except in case of certain assets from the Refining segment, the Petrochemicals segment and the SEZ units and developer which are depreciated using the straight line method. Depreciation is provided based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II:

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
Premium on Leasehold Land	Over the period of lease term

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each fiscal year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Leases

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all of the risks and rewards of ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Leased assets: Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reductions of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Intangible assets

Intangible Assets are stated at the cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes the purchase price, borrowing costs, 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 intangible assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

A summary of the amortization policies applied to the Company's intangible assets to the extent of depreciable amount is as follows:

Particular	Depreciation
Technical Know—How	Over the useful life of the underlying assets
Computer Software	Over a period of 5 years
Development Rights	Depleted using the unit of production method. The cost of producing a well along with its related facilities including decommissioning costs are depleted in proportion to oil and gas production achieved vis-à-vis Proved Developed Reserves. The cost for a common facility including its decommissioning costs is depleted using Proved Reserves.
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

Research and Development Expenditure

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 and commercial feasibility has been established, in which case such expenditure is capitalized.

Finance Cost

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 directly 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 substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

Inventories

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

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

Impairment of non-financial assets - property, plant and equipment and intangible assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units ("CGUs") may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

An impairment loss recognized in a prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Decommissioning Liability

The Company records a provision for decommissioning costs towards site restoration activity. Decommissioning costs are provided at the present value of future expenditure using a current pre-tax rate expected to be incurred to fulfil decommissioning obligations and are recognized as part of the cost of the underlying assets. Any change in the present value of the expenditure, other than the unwinding of the discount on the provision, is reflected as an adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of the discount is recognized in the Statement of Profit and Loss.

Employee Benefits Expense

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.

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 the Provident Fund, the Superannuation Fund and the 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 Company pays gratuity to employees who have completed five years of service with the Company at the time of such employee's resignation/superannuation. The gratuity is paid in an amount equal to last drawn monthly basic salary divided by 26 days, and then multiplied by 15 days for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by the respective income tax authorities.

The liability in respect of gratuity 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.

Re-measurement of defined benefit plans in respect of post-employment are charged to Other Comprehensive Income.

Employee Separation Costs

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognizes the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in comprehensive income or in equity, in which case the tax is also recognized in other comprehensive income or equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 26.3 to the Annual Financial Statements.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company′s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on the settlement or translation of monetary items are recognized in the Statement of Profit and Loss (except to the extent of exchange differences which are regarded as adjustments to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets) and are capitalized as costs of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which relate to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss are recognized in Other Comprehensive Income ("OCI") or the Statement of Profit and Loss are also recognized in OCI or Statement of Profit and Loss, respectively).

Revenue recognition

Revenue from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognized when the performance of the agreed contractual task has been completed.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from operations includes sale of goods, services, service tax, excise duty and adjusted for discounts (net), and gain/loss on corresponding hedge contracts.

Interest income

Interest income from a financial asset is recognized using effective interest rate method.

Dividends

Revenue is recognized when the Company's right to receive the payment has been established.

Financial instruments

- Financial Assets

  A. Initial recognition and measurement

  All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

  B. Subsequent measurement

  a) Financial assets carried at amortized cost ("AC")

  A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  b) Financial assets at fair value through other comprehensive income ("FVTOCI")

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss ("FVTPL")

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Investment in subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost.

D. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognized in the Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in Other Comprehensive Income.

E. Impairment of financial assets

In accordance with Ind AS 109, the Company uses the "Expected Credit Loss" ("ECL") model, for evaluating impairment of financial assets other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables, the Company applies the "simplified approach" which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analyzed.

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

- Financial liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

- Derivative financial instruments and Hedge Accounting

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps, forwards and options and commodity contracts to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are recognized in the Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognized in Other Comprehensive Income and in the Statement of Profit and Loss when the hedged item affects profit or loss or is treated as a basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

Cash flow hedge

The Company designates derivative contracts or non-derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognized asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve as part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument is recognized in the cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in the cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Fair Value Hedge

The Company designates derivative contracts or non-derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to Statement of Profit and Loss over the period of maturity.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Accounting For Oil and Gas Activity

The Company has adopted the "Successful Efforts Method" ("SEM") of accounting for its Oil and Gas activities. The policy of recognition of exploration and evaluation expenditure is considered in line with the principle of SEM. Seismic costs, geological and geophysical studies, petroleum exploration license fees and general and administration costs directly attributable to exploration and evaluation activities are recorded as expenses. The costs incurred on the acquisition of interests in oil and gas blocks and on exploration and evaluation other than those which are recorded as expenses are accounted for as

Intangible Assets Under Development. All development costs incurred in respect of Proved Reserves are also capitalized under Intangible Assets Under Development. Until a well is ready to commence commercial production, the costs accumulated in Intangible Assets Under Development are classified as Intangible Assets corresponding to proved developed oil and gas reserves. The exploration and evaluation expenditure which does not result in the discovery of proved oil and gas reserves and all cost pertaining to production are charged to the Statement of Profit and Loss.

The Company used technical estimation of reserves as per the Petroleum Resources Management System guidelines 2011 and standard geological and reservoir engineering methods. The reserve review and evaluation is carried out annually.

Oil and gas joint ventures are in the nature of joint operations. 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.

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimation of oil and gas reserves

The determination of the Company's estimated oil and natural gas reserves requires significant judgements and estimates to be applied and these are regularly reviewed and updated. Factors such as the availability of geological and engineering data, reservoir performance data, acquisition and divestment activity, drilling of new wells and commodity prices all impact on the determination of the Company's estimates of its oil and natural gas reserves. The Company bases its proved reserves estimates on the requirement of reasonable certainty with rigorous technical and commercial assessments based on conventional industry practice and regulatory requirements.

Estimates of oil and natural gas reserves are used to calculate depletion charges for the Company's oil and gas properties. The impact of changes in estimated proved reserves is dealt with prospectively by amortizing the remaining carrying value of the asset over the expected future production. Oil and natural gas reserves also have a direct impact on the assessment of the recoverability of asset carrying values reported in the financial statements.

Details on proved reserves and production on both a product and a geographical basis are provided in Note 31.2 to the Annual Financial Statements.

Decommissioning Liabilities

The liabilities for decommissioning costs are recognized when the Company has an obligation to perform site restoration activity. The recognition and measurement of decommissioning provisions involves the use of estimates and assumptions. These include the timing of abandonment of the well and related facilities which would depend upon the ultimate life of the field, expected utilization of assets by other fields, the scope of abandonment activity and the pre-tax rate applied for discounting.

Depreciation/Amortization and Depletion and useful lives of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are depreciated / amortized over their estimated useful lives, after taking into account the estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortization and depletion to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortization and depletion for future periods is revised if there are significant changes from previous estimates.

Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of the recognition and the quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take into account changing facts and circumstances.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less the costs of its disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, and if no such transactions can be identified, an appropriate valuation model is used.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

First Time Adoption of Ind AS

The Company has adopted Ind AS with effect from April 1, 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at April 1, 2015. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III to the Companies Act, 2013.

Exemptions from retrospective application

Business combination exemption

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2015 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries / associates / joint ventures consummated prior to the Transition Date.

Share-based payment transactions

Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to April 1, 2015.

Fair value as deemed cost exemption

The Company has elected to measure items of property, plant and equipment and intangible assets at their carrying value at the Transition Date except for certain classes of assets which are measured at fair value as deemed cost.

Cumulative translation differences

The Company has elected to apply Ind AS 21 —The Effects of Changes in Foreign Exchange Rate prospectively. Accordingly all cumulative gains and losses recognized are reset to zero by transferring them to retained earnings.

Long Term Foreign Currency Monetary Items

The Company continues its policy of capitalizing exchange differences arising on the translation of long term foreign currency monetary items.

Investments in subsidiaries, joint ventures and associates

The Company has elected to measure its investments in subsidiaries, joint ventures and associates at cost.

Decommissioning liabilities

The Company has elected to apply the transitional provision with respect to recognition of decommissioning, restoration and similar liabilities.

Results of Operations

Revenue from Operations comprises revenue from the sale of goods, services, service tax, excise duty and adjusted for discounts (net), and gain/ loss on corresponding hedge contracts.

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 FY2017 and FY2016

The following table sets forth the Company's income statement data for FY2017 and FY2016, each as presented in accordance with Ind AS, 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,		
	2017		2016
	(Ind AS)		
	(Rs. In millions)	% change (Audited)	(Rs. In millions)
INCOME			
Revenue from Operations	2,649,086	5%	2,510,998
Sale of Products	1,325	(6)%	1,411
Income from Services	2,650,411	5%	2,512,409
Other Income	87,086	11%	78,209
Total Revenue	**2,737,497**	**6%**	**2,590,618**
EXPENDITURE			
Cost of Materials Consumed	1,642,496	8%	1,527,693
Purchases of Stock-in-Trade	51,612	22%	42,412

	Year Ended March 31,		
	2017		2016
	(Ind AS)		
	(Rs. In millions)	% change (Audited)	(Rs. In millions)
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	(48,389)	(216)%	41,710
Excise Duty and Service Tax	230,163	27%	180,831
Employee Benefits Expense	44,342	4%	42,616
Finance Costs	27,226	6%	25,619
Depreciation/Amortization and Depletion Expense	84,647	(1)%	85,904
Other Expenses	297,632	5%	283,675
Total Expenses	**2,329,729**	**4%**	**2,230,459**
Profit Before Tax	407,768	13%	360,159
Tax Expenses			
Current Tax	83,328	7%	78,014
Deferred Tax	10,194	23%	8,308
Profit for the Year	**314,246**	**15%**	**273,837**

Description of Income Statement Items for FY2017 and FY2016

"Revenue from Operations" comprises revenue from sale of goods, services, service tax, excise duty and adjusted for discounts (net), and gain/ loss on corresponding hedge contracts.

"Excise Duty and Service Tax" 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 borrowings.

"Depreciation/Amortization and Depletion 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 FY2016 and FY2015

The following table sets forth the Company's income statement data for FY2016 and FY2015, each as presented in accordance with Indian GAAP, 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,		
	2016		2015
	(Indian GAAP)		
	(Rs. in millions)	% change (Audited)	(Rs. in millions)
INCOME			
Revenue from Operations	2,512,409	(26)%	3,408,143
Other Income	75,817	(13)%	87,214
Total Revenue	**2,588,226**	**(26)%**	**3,495,357**
EXPENDITURE			
Cost of Materials Consumed	1,527,694	(40)%	2,559,984
Purchases of Stock-in-Trade	42,412	(41)%	71,336
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	41,711	115%	19,427
Excise Duty and Service Tax	180,831	54%	117,384
Employee Benefits Expense	42,598	16%	36,862
Finance Costs	24,541	4%	23,668
Depreciation/Amortization and Depletion Expense	95,657	13%	84,875
Other Expenses	275,777	(4)%	287,133
Total Expenses	**2,231,221**	**(30)%**	**3,200,673**
Profit Before Tax	357,005	21%	294,684
Tax Expenses			
Current Tax	78,016	27%	61,242
Deferred Tax	4,820	(23)%	6,251
Profit for the Year	**274,169**	**21%**	**227,191**

Description of Income Statement Items for FY2016 and FY2015

"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 the 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 borrowings.

"Depreciation/Amortization and Depletion 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 FY2017 and FY2016

Total Revenue

Total Revenue for FY2017 increased by Rs. 146,879 million, or 5.7%, to Rs. 2,737,497 million from Rs. 2,590,618 million for FY2016, 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 FY2017 and FY2016, each as presented in accordance with Ind AS, together with the percentage change in those items:

	Year Ended March 31,		
	2017		2016
	(Ind AS)		
	(Rs. In millions)	% change (Audited)	(Rs. In millions)
Revenue from Operations	2,650,411	5.5%	2,512,409
Other Income	87,086	11.4%	78,209
Total Revenue	**2,737,497**	**5.7%**	**2,590,618**

Revenue from Operations for FY2017 increased by Rs. 138,002 million, or 5.5%, to Rs. 2,650,411 million from Rs. 2,512,409 million for FY2016, principally due to higher product prices.

The Company recorded Revenue from Operations growth in all of its principal Refining and Petrochemicals businesses. Revenue from Operations in the Company's Refining segment increased by 7.6%, or Rs. 153,581 million (to Rs. 2,178,621 million for FY2017 from Rs. 2,025,043 million for FY2016), principally as a result of higher prices in FY2017. Revenue from Operations in Oil and Gas decreased by 34.6%, or Rs. 14,720 million (to Rs. 27,870 million in FY2017 from Rs. 42,588 million in FY2016), principally due to lower production and sales of gas and/or condensate. Revenue from Operations in Petrochemicals increased by 13.8%, or Rs. 106,413 million (to Rs. 876,233 million for FY2017 from Rs. 769,818 million for FY2016), primarily due to an increase in price and volume. See "*—Results of Operations by Segment for FY2017 and FY2016*".

Cost of Materials Consumed

Cost of Materials Consumed for FY2017 increased by Rs. 114,803 million, or 7.5%, to Rs. 1,642,496 million from Rs. 1,527,693 million for FY2016, principally due to higher feedstock prices.

Purchases of Stock-in-Trade

Purchases of Stock-in-Trade for FY2017 increased by Rs. 9,200 million, or 21.7%, to Rs. 51,612 million from Rs. 42,412 million for FY2016, principally due to higher trading results.

Employee Benefits Expense

Employee Benefits Expense for FY2017 increased by Rs. 1,726 million, or 4.1%, to Rs. 44,342 million from Rs. 42,616 million for FY2016, principally due to higher payouts to employees as a result of higher base salaries.

Finance Costs

Finance Costs for FY2017 increased by Rs. 1,607 million, or 6.3%, to Rs. 27,226 million from Rs. 25,619 million for FY2016 due to higher average borrowings.

The following table sets forth the components of Finance Costs for FY2017 and FY2016, together with the percentage changes in those items:

	Year Ended March 31,		
	2017		2016
	(Ind AS)		
	(Rs. in millions)	% change (Audited)	(Rs. in millions)
Interest Expenses	20,318	37.9	14,729
Applicable loss on foreign currency transactions, translations and other borrowing cost	6,908	(36.6)	10,890
Total	**27,226**	**6.3**	**25,619**

Depreciation/Amortization and Depletion Expense

Depreciation/Amortization and Depletion Expense decreased by Rs. 1,257 million, or 1.5%, to Rs. 84,647 million for FY2017 from Rs. 85,904 million for FY2016, principally due to lower production of oil and gas in the upstream business.

Profit Before Tax

Profit Before Tax increased by Rs. 47,609 million, or 13.2%, to Rs. 407,768 million for FY2017 from Rs. 360,159 million for FY2016, principally due to higher operating profits as increases in Total Revenue outpaced increases in Total Expenses.

Taxation

Current Tax for FY2017 increased by Rs. 5,314 million, or 6.8%, to Rs. 83,328 million from Rs. 78,014 million for FY2016, Deferred Tax for FY2017 decreased by Rs. 1,886 million, or 22.7%, to Rs. 10,194 million from Rs. 8,308 million for FY2016.

Profit for the Year

Profit for the Year for FY2017 increased by Rs. 40,409 million, or 14.8%, to Rs. 314,246 million from Rs. 273,837 million for FY2016, principally due to the factors described above.

Results of Operations by Segment for FY2017 and FY2016

The following table sets forth selected segmental income statement data for FY2017 and FY2016 each as presented in accordance with Ind AS, 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,		
	2017		2016
	(Ind AS)		
	(Rs. in millions)	% change (Audited)	(Rs. in millions)
Segment Revenue[1]			
Oil and Gas	27,870	(34.6)	42,588
Refining	2,178,621	7.6	2,025,043
Petrochemicals	876,233	13.8	769,818
Others	11,736	8.1	10,859
Inter-Segment Transfers[2]	(444,049)	32.2	(335,899)
Total	**2,650,411**	**5.5**	**2,512,409**
Segment Result Before Interest and Tax[3]			
Oil and Gas	(1,314)	(135.2)	3,728
Refining	248,713	7.2	232,006
Petrochemicals	131,776	28.4	102,640
Others	4,224	43.1	2,952
Total	**383,399**	**12.3**	**341,325**

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

(2) Inter-Segment Transfers 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 decreased by Rs. 14,718 million, or 34.6%, to Rs. 27,870 million for FY2017 from Rs. 42,588 million for FY2016. This was largely due to a 23% decline in production and reduced gas price realization.

KG-D6 gas production declined by 27% for FY2016 to 101.1 Bcf, in FY2017. The decrease in production was mainly due to the natural decline in the fields coupled with sand and water ingress. During FY2017, considerable efforts were made to sustain well offtake points in certain fields (D1D3) to support production and maximize recovery until any further projects and recovery maximization. Additionally, the Company commissioned two additional offtake points in the D26 (MA) field after the successful completion of the side track activity. KG-D6 operations achieved field uptime of 100%, which the Company believes continues to be a global benchmark for deep-water facilities. The Panna-Mukta field produced 6.2 million barrels of crude in FY2017, a reduction of 10% compared to FY2016, and 62.5 Bcf of natural gas in FY2017, a reduction of 9% compared to FY2016. The decrease in production is due to a natural decline in the field, shut down of wells due to integrity issues and unplanned shutdowns on wellhead platforms for riser remedial work. Despite multiple asset integrity issues, gains in production were achieved due to increased and sustained production from certain wells (MA and MB), as well as improved production optimization and sustained production from work-over 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 FY2017 increased by Rs. 153,578 million, or 7.6%, to Rs. 2,178,621 million from Rs. 2,025,043 million for FY2016, reflecting higher average oil prices and sales volumes. During FY2017, the refineries processed 70.1 million tons (FY2016: 69.5 million tons) of crude oil.

Petrochemicals

Segment Revenue in Petrochemicals for FY2017 increased by Rs. 106,415 million, or 13.8%, to Rs. 876,233 million from Rs. 769,818 million for FY2016, principally due to an increase in prices across polymer and polyester chains.

Others

Segment Revenue in the Others segment increased by Rs. 877 million, or 8.1%, to Rs. 11,736 million for FY2017 from Rs. 10,859 million for FY2016.

Segment Result Before Interest and Tax

Oil and Gas

Segment Results Before Interest and Tax in Oil and Gas for FY2017 decreased by Rs. 5,042 million to Rs. (1,314) million from Rs. 3,728 million for FY2016, principally because of lower production from the KG-D6 block and Panna-Mukta and Tapti fields, as discussed above, and reduced oil and gas price realization.

Refining

Segment Results Before Interest and Tax in Refining increased by Rs. 16,707 million, or 7.2%, to Rs. 248,713 million for FY2017 from Rs. 232,006 million for FY2016. The Refining segment had a record year with its highest annual Segment Results Before Interest and Tax. Gross refining margin (“GRM”) was $11.0/bbl, compared to $10.8/bbl in FY2016. The Company processed five new crude grades during the year, increasing the total number of crudes processed to more than 150. The Company also performed significantly better than the benchmark Singapore GRM, which averaged $5.8/bbl during FY2017. The Company’s reported GRMs for FY2017 reflected a premium of US$5.2/bbl over the average Singapore complex GRMs, as calculated by Reuters. The premium of US$5.2/bbl in FY2017 as compared to a premium of US$3.3/bbl in FY2016. The Singapore margin was at US$5.8/bbl in FY2017 as compared to $7.5/bbl in FY2016 as light distillate cracks receded from significant high margins in FY2016.

Petrochemicals

Segment Results Before Interest and Tax in Petrochemicals for FY2017 increased by Rs. 29,137 million, or 28.4%, to Rs. 131,776 million from Rs. 102,640 million for FY2016, principally due to higher volumes, supported by strong PVC, fiber intermediate and downstream polyester margins.

Others

Segment Results Before Interest and Tax in the Others segment for FY2017 increased by Rs. 1,272 million, or 43.1%, to Rs. 4,224 million from Rs. 2,952 million for FY2016.

Results of Operations for FY2016 and FY2015

Total Revenue

Total Revenue for FY2016 decreased by Rs. 907,131 million, or 26.0%, to Rs. 2,588,226 million from Rs. 3,495,357 million for FY2015, principally as a result of a decrease in Revenue from Operations, as described below. Other Income was lower primarily due to a decrease in income from bank deposits, mutual funds and Government securities/bonds.

The following table sets forth the components of Total Revenue for FY2016 and FY2015, together with the percentage change in those items:

	Year Ended March 31,		
	2016		2015
	(Indian GAAP)		
	(Rs. in millions)	% change (Audited)	(Rs. in millions)
Revenue from Operations	2,512,409	(26.3)	3,408,143
Other Income	75,817	(13.1)	87,214
Total Revenue	**2,588,226**	**(26.0)**	3,495,357

Revenue from Operations for FY2016 decreased by Rs. 895,734 million, or 26.3%, to Rs. 2,512,409 million from Rs. 3,408,143 million for FY2015. The decline in Revenue from Operations reflects a sharp decline in feedstock and product prices during the year, partially offset by record crude throughput and higher petrochemicals sales volumes.

The Company recorded Revenue from Operations decreases in its principal Refining and Petrochemicals businesses. Revenue from Operations in the Company's Refining segment decreased by 33.5%, or Rs. 1,020,657 million (to Rs. 2,025,043 million for FY2016 from Rs. 3,045,701 million for FY2015), reflecting a sharp decline in average crude oil prices during the year. Revenue from Operations in Oil and Gas decreased by 22.7%, or Rs. 12,480 million (to Rs. 42,588 million in FY2016 from Rs. 55,068 million in FY2015), reflecting the low commodity price environment. Revenue from Operations in Petrochemicals decreased by 14.5%, or Rs. 130,273 million (to Rs. 769,818 million for FY2016 from Rs. 900,091 million for FY2015), reflecting lower product prices resulting from a sharp decline in crude and feedstock prices. This was partially offset by higher volumes principally due to the start-up of new PTA and PET capacities during the year (See "*—Results of Operations by Segment for FY2016 and FY2015*").

Cost of Materials Consumed

Cost of Materials Consumed for FY2016 decreased by Rs. 1,032,290 million, or 40.3%, to Rs.1,527,694 million from Rs. 2,559,984 million for FY2015, primarily due to a sharp decline in feedstock prices.

Purchases of Stock-in-Trade

Purchases of Stock-in-Trade for FY2016 decreased by Rs. 28,928 million, or 40.5%, to Rs. 42,412 million from Rs. 71,336 million for FY2015, principally due to lower trading in petroleum products.

Employee Benefits Expense

Employee Benefits Expense for FY2016 increased by Rs. 5,736 million, or 15.6%, to Rs. 42,598 million from Rs. 36,862 million for FY2015, principally due to higher payouts to employees as a result of higher base salaries.

Finance Costs

Finance Costs for FY2016 increased by Rs. 873 million, or 3.7%, to Rs. 24,541 million from Rs. 23,668 million for FY2015 mainly on account of the depreciation of the Indian Rupee.

The following table sets forth the components of Finance Costs for FY2016 and FY2015, together with the percentage changes in those items:

	Year Ended March 31,		
	2016		2015
	(Indian GAAP)		
	(Rs. in millions)	% change (Audited)	(Rs. in millions)
Interest Expenses	15,270	(0.9)	15,401
Other borrowing costs	100	(18.7)	123
Applicable loss on foreign currency transactions and translations	9,171	12.6	8,144
Total	**24,541**	**3.7**	**23,668**

Depreciation/Amortization and Depletion Expense

Depreciation/Amortization and Depletion Expense for FY2016 increased by Rs. 10,782 million, or 12.7%, to Rs. 95,657 million from Rs. 84,875 million for FY2015, primarily due to the capitalization of petrochemicals projects and higher depletion of reserves in the oil and gas business.

Profit Before Tax

Profit Before Tax for FY2016 increased by Rs. 62,321 million, or 21.1%, to Rs. 357,005 million from Rs. 294,684 million for FY2015, principally due to the sharp fall in feedstock and product prices during the year resulting in a reduction in costs of production, and record crude throughput and higher petrochemicals volumes, which led to a smaller decrease in the revenue from operations.

Taxation

Current Tax for FY2016 increased by Rs. 16,774 million, or 27.4%, to Rs. 78,016 million from Rs. 61,242 million for FY2015, due to higher profits. Deferred Tax for FY2016 decreased by Rs. 1,431 million, or 22.9%, to Rs. 4,820 million from Rs. 6,251 million for FY2015, mainly due to timing differences in the calculation of depreciation under applicable taxation laws and accounting standards.

Profit for the Year

Profit for the Year for FY2016 increased by Rs. 46,980 million, or 20.7%, to Rs. 274,169 million from Rs. 227,189 million for FY2015, principally due to the factors described above.

Results of Operations by Segment for FY2016 and FY2015

The following table sets forth selected segmental income statement data for FY2016 and FY2015 each as presented in accordance with Indian GAAP, which have been extracted without material adjustments 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,		
	2016		2015
	(Indian GAAP)		
	(Rs. in millions)	% change (Audited)	(Rs. in millions)
Segment Revenue[1]			
Oil and Gas	42,588	(22.7)	55,068
Refining	2,025,043	(33.5)	3,045,701
Petrochemicals	769,818	(14.5)	900,091
Others	10,859	(6.0)	11,550
Inter-Segment Transfers[2]	(335,899)	(44.4)	(604,267)
Total	**2,512,409**	**(26.3)**	**3,408,143**
Segment Result Before Interest and Tax[3]			
Oil and Gas	815	(93.5)	12,498
Refining	232,659	50.2	154,871
Petrochemicals	102,990	19.7	86,067
Others	2,952	(6.7)	3,165
Total	**339,416**	**32.3**	**256,601**

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

(2) Inter-Segment Transfers 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 FY2016 decreased by Rs. 12,480 million, or 22.7%, to Rs. 42,588 million from Rs. 55,068 million for FY2015. This was largely due to a decline in production and lower crude oil and gas price realization.

KG-D6 gas production declined by 12% for FY2015 to 139.1 Bcf for FY2016. The decrease in production was mainly due to the natural decline in the fields coupled with sand ingress in certain field wells (MA). This was partly offset by incremental production from side tracks in well A1 ST, substitute well B7 Sub and the field, and well management efforts in certain wells (D1-D3). In FY2016, the Panna-Mukta field produced 6.9 MMBBL of crude, a reduction of 4% compared to FY2015 and 68.7 Bcf of natural gas, a reduction of 3% compared to FY2015. The Company has been able to generally sustain FY2015 levels of production despite various unplanned shutdowns. Gains in production were achieved from Mukta A wells, new workovers and the completion of MB field development, as well as better gas compression system performance. The Tapti wells ceased to flow towards the end of FY2016.

Refining

Segment Revenue in Refining for FY2016 decreased by Rs. 1,020,657 million, or 33.5%, to Rs. 2,025,043 million from Rs. 3,045,701 million for FY2015, principally due to lower crude prices. During FY2016, the refineries processed 69.5 million tons (FY2015: 67.9 million tons) of crude oil.

Petrochemicals

Segment Revenue in Petrochemicals for FY2016 decreased by Rs. 130,273 million, or 14.5%, to Rs. 769,818 million from Rs. 900,091 million for FY2015, reflecting lower product prices resulting from sharp declines in crude and feedstock prices. This was partially offset by higher volumes mainly due to new PTA and PET capacities crudes during the year.

Others

Segment Revenue in the Others segment for FY2016 decreased by Rs. 691 million, or 6.0%, to Rs. 10,859 million from Rs. 11,550 million for FY2015.

Segment Result Before Interest and Tax

Oil and Gas

Segment Results Before Interest and Tax in Oil and Gas for FY2016 decreased by Rs. 11,683 million, or 93.5%, to Rs.815 million from Rs. 12,498 million for FY2015, principally due to a decline in production and lower crude oil and gas price realization.

Refining

Segment Results Before Interest and Tax in Refining for FY2016 increased by Rs. 77,788 million, or 50.2%, to Rs. 232,659 million from Rs. 154,871 million for FY2015, principally due to lower oil prices and higher product margins, thus improving the GRM.

Overall, the Company's refining business had a strong operating performance for FY2016 with GRM averaging $10.8/bbl, compared to $8.6/bbl in FY2015. GRMs were underpinned by strong light distillate cracks, lower energy costs and advantageous crude sourcing opportunities provided by over-supplied crude markets.

The Company's reported GRMs for the year reflected a premium of US$3.2/bbl over the average Singapore complex GRMs, as calculated by Reuters, in FY2016, as compared to a premium of US$2.3/bbl in FY2015.

Petrochemicals

Segment Results Before Interest and Tax in Petrochemicals for FY2016 increased by Rs. 16,923 million, or 19.7%, to Rs. 102,990 million from Rs. 86,067 million for FY2015, principally due to higher volumes, supported by strong polymer deltas and a rebound in MEG and PX deltas.

Others

Segment Results Before Interest and Tax in the Others segment for FY2016 decreased by Rs. 213 million, or 6.7%, to Rs. 2,952 million from Rs. 3,165 million for FY2015.

Liquidity and Capital Resources

The Company adheres to conservative financial policies and maintains significant cash balances that the Company believes enable it to complete projects on a timely basis, capitalize on opportunities, attract high-level project partners and carry out capital investment programs through all business cycles.

The Company has achieved a diversified capital structure using a mix of different instrument classes and financial products across maturities and currencies. As an active participant in debt markets and one of the largest offshore borrowers in India, the Company has access to global capital markets and enjoys strong relationships with more than 100 banks and financial institutions.

The Company endeavors to optimize the cost and tenor of its borrowing and diversify concentration risk across different instruments, types of investors, geographies and currencies.

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 FY2017, FY2016 and FY2015, 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 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's principal sources of external financing include both secured and unsecured current borrowings as well as long-term facilities (in both Indian 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, 2017, the Company had total indebtedness of Rs. 1,074,464 million, or US$17 billion (converted at the exchange rate of US$1.00 = Rs. 64.85) (March 31, 2016: Rs. 1,071,040 million). Approximately 96% of the Company's total indebtedness as at March 31, 2017 was denominated in foreign currency, principally in US Dollars, with the remainder denominated in Indian Rupees. The Company had total working capital facilities in India of approximately Rs. 390.5 billion, or US$6.02 billion, as at March 31, 2017 (converted at the exchange rate of US$1.00 = Rs. 64.85).

As at March 31, 2017, the Company had Cash and Cash Equivalents of Rs. 693,366 million, or US$10.7 billion (converted at the exchange rate of US$1.00 = Rs. 64.85) (March 31, 2016: Rs. 795,074 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 September 30, 2017, the Company, through certain subsidiaries and trusts, owned approximately 413 million of its own shares (approximately 6.51% 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 at the date of this Offering Memorandum, the Company's international debt is rated Baa2 (Stable) by Moody's and BBB+ (Stable) by S&P, which is two notches above India's sovereign rating. The Company's long-term debt is rated AAA by CRISIL, India's leading credit agency and a subsidiary of S&P, and 'Ind AAA' by India Ratings, the highest rating awarded by both these agencies. In respect of Indian domestic ratings, the Company's short-term debt is rated 'CRISIL A1+' 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 FY2017, FY2016 and FY2015, 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 below).

		Year Ended March 31,			
	2017	**2017**	**2016**	**2016**	**2015**
		(Ind AS)		**(Indian GAAP)**	
	(US$ in millions)(1) (Unaudited)	**(Rs. in millions) (Audited)**			
CASH FLOW FROM OPERATING ACTIVITIES:					
Net Profit Before Tax as per Statement of Profit and Loss	**6,288**	**407,768**	**360,159**	**357,005**	**294,684**
Adjusted for:					
Profit /Loss on Sale/Discard of Assets (Net)	(78)	(5,037)	200	200	309
Depreciation/Amortization and Depletion Expense	1,305	84,647	85,904	95,657	84,875
Effect of Exchange Rate Change	(318)	(20,618)	(29,109)	(29,109)	14,084
Net gain on Investments	(635)	(41,157)	(27,884)	(27,808)	(30,456)
Dividend Income	(42)	(2,707)	(6,914)	(6,914)	(2,503)
Interest Income	(545)	(35,354)	(41,689)	(39,357)	(54,141)
Finance Costs	420	27,226	25,619	24,541	23,668
Operating Profit before Working Capital Changes	**6,396**	**414,768**	**366,286**	**374,215**	**330,520**
Adjusted for:					
Trade and Other Receivables	(286)	(18,565)	2,196	1,459	54,620
Inventories	(923)	(59,840)	85,174	85,174	63,805
Trade and Other Payables	4,221	273,736	62,100	61,258	(35,275)
Cash Generated from Operations	**9,408**	**610,099**	**515,756**	**522,106**	**413,670**
Taxes Paid (Net)	(1,474)	(95,604)	(81,286)	(81,286)	(60,816)
Net Cash from Operating Activities	7,934	514,485	434,470	440,820	352,854
CASH FLOW FROM INVESTING ACTIVITIES:					
Purchase of tangible and intangible assets	(4,667)	(302,657)	(202,163)	(213,223)	(427,203)
Proceeds from disposal of tangible and intangible assets	224	14,515	2,929	2,929	864
Investments in Subsidiaries/Trusts	(10,254)	(664,976)	(252,549)	(252,549)	(115,058)
Disposal of Investments in Subsidiaries	4,080	264,608	4,439	4,439	1,688
Purchase of Other Investments	(93,967)	(6,093,767)	(6,689,898)	(6,689,898)	(6,555,909)
Proceeds from sale of financial assets	95,536	6,195,511	6,688,765	6,688,765	6,435,247
Net cash flow from other financial assets	201	13,044	(9,169)	(9,169)	(1,333)
Investment in fixed deposits	—	—	—	—	34,000
Interest Income	332	21,526	38,503	38,503	65,844
Dividend Income	42	2,707	6,914	6,914	1,877
Net Cash (Used in) Investing Activities	(8,473)	(549,489)	(412,229)	(423,289)	(559,983)

	2017	2017	2016	2016	2015
		Year Ended March 31,			
		(Ind AS)		(Indian GAAP)	
	(US$ in millions)[1] (Unaudited)	(Rs. in millions) (Audited)			
CASH FLOW FROM FINANCING ACTIVITIES:					
Proceeds From Issue of Equity Share Capital	107	6,920	2,834	2,834	2,261
Share Application Money	1	38	79	79	172
Proceeds From Non-current Borrowings	1,552	100,650	71,886	75,518	203,096
Repayment of Non-current Borrowings	(2,364)	(153,294)	(45,914)	(45,914)	(45,552)
Current Borrowings (net)	1,277	82,843	18,432	18,432	(103,024)
Dividends Paid (including dividend distribution tax)	—	—	(72,589)	(72,589)	(32,676)
Interest Paid	(826)	(53,545)	(43,756)	(42,678)	(33,681)
Net Cash Generated from/(used in) Financing Activities	**(253)**	**(16,388)**	**(69,028)**	**(64,318)**	**(9,404)**
Net Increase/(Decrease) in Cash and Cash Equivalents	(792)	(51,382)	(46,787)	(46,787)	(216,533)
Opening Balance of Cash and Cash Equivalents	1,063	68,924	115,711	115,711	332,244
Closing Balance of Cash and Cash Equivalents	**271**	**17,542**	**68,924**	**68,924**	**115,711**

(1) Rupee amounts from the Annual Financial Statements as at March 31, 2017 were converted to US Dollars at the exchange rate of US$1.00 = Rs. 64.85. The translation into US Dollars is for convenience only

Cash Flow Analysis for FY2017 and FY2016

The selected cash flow information for the Company for FY2017 and FY2016, each as presented in accordance with Ind AS, that is set forth below has been extracted from the Annual Financial Statements without material adjustment.

	2017	2016
	Year Ended March 31,	
	(Ind AS)	
	(Rs. in millions) (Audited)	
Net cash flow from operating activities	514,495	434,470
Net cash (used in) investing activities	(549,489)	(412,229)
Net cash from/(used in) financing activities	(16,388)	(69,028)
Net increase/(decrease) in Cash and Cash Equivalents	(51,382)	(46,787)

Operating Activities

The net cash inflow from operating activities was Rs. 514,495 million in FY2017 compared to Rs. 434,470 million in FY2016. The higher cash inflow was principally due to a higher inflow of Rs. 273,736 million related to Trade and other Payables compared to Rs. 62,100 million in FY2016, partly offset by an outflow related to Trade and other Receivables of Rs. 18,565 million, compared to an inflow of Rs. 2,196 million in FY2016 and an outflow of Rs. 59,840 million related to Inventories for FY2017 compared to an inflow of Rs. 85,174 million in FY2016.

Investing Activities

The net cash used in investing activities was Rs. 549,489 million in FY2017 compared to Rs. 412,229 million in FY2016. The net cash used in investing activities principally includes (a) proceeds related to sales of investments of Rs. 6,460,119 million in FY2017, compared to Rs. 6,693,204 million in FY2016, (b) expenditures related to purchases of fixed assets of Rs. 302,657 million in FY2017, compared to Rs. 202,163 million in FY2016 and purchases of investments Rs. 6,758,743 million in FY2017, compared to Rs. 6,942,447 million in FY2016, and (c) net cash flow from other financial assets of an inflow of Rs. 13,044 million in FY2017, compared to an outflow of Rs. 9,169 million in FY2016.

Financing Activities

The net cash used in financing activities in FY2017 was Rs. 16,388 million compared to net cash used of Rs. 69,028 million in FY2016. Repayment of non-current Borrowings amounted to Rs. 153,294 million in FY2017 as compared to repayment of Rs. 45,914 million in FY2016 while proceeds from current borrowings (net) increased to Rs. 82,843 million,in FY2017 from Rs. 18,432 million in FY 2016. In FY 2017, there were nil Dividends Paid compared to Rs. 72,589 million Dividends Paid in FY2016.

Cash Flow Analysis for FY2016 and FY2015

The selected cash flow information for the Company for FY2016 and FY2015, each as presented in accordance with Indian GAAP, that is set forth below has been extracted from the Annual Financial Statements without material adjustment.

	Year Ended March 31,	
	2016	**2015**
	(Indian GAAP)	
	(Rs. in millions) **(Audited)**	
Net cash flow from operating activities	440,820	352,854
Net cash (used in) investing activities	(423,289)	(559,983)
Net cash (used in) financing activities	(64,318)	(9,404)
Net increase/(decrease) in Cash and Cash Equivalents	(46,787)	(216,533)

Operating Activities

The net cash inflow from operating activities was Rs.440,820 million in FY2016 compared to Rs. 352,854 million in FY2015. The higher cash inflow was principally a result of an inflow of Rs. 61,258 million related to Trade and Other Payables compared to an outflow of Rs. 35,275 million in FY2016 and a higher inflow of Rs. 85,174 million related to Inventories compared to Rs. 63,805 million in FY2015, which was partly offset by a reduced cash inflow related to Trade and Other Receivables of Rs. 1,459 million for FY2017 (FY2016: Rs. 54,620 million).

Investing Activities

The net cash used in investing activities was Rs. 423,289 million in FY2017 compared to Rs. 559,983 million in FY2016. The net cash used in investing activities included proceeds related to (a) proceeds related to sales of investments (Rs. 6,693,204 million in FY2016 compared to Rs. 6,436,935 million in FY2015), and (b) expenditures related to purchases of fixed assets (Rs. 213,223 million in FY2016 compared to Rs. 427,203 million in FY2015) and purchases of investments (Rs. 6,942,447 million in FY2016 compared to Rs. 6,670,967 million in FY2015).

Financing Activities

The net cash used in financing activities in FY2016 was Rs. 64,318 million compared to Rs. 9,404 million in FY2015.

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. Significant capacity expansion in the Company's Petrochemicals business and construction of its refinery off-gas cracker and petcoke gasification complex 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 FY2017, FY2016 and FY2015:

	Year Ended March 31,		
	2017	**2016**	**2015**
	(Ind AS)		**(Indian GAAP)**
	(Rs. in millions) (Audited)		
Oil and Gas	30,327	47,977	65,962
Refining	135,651	100,713	313,989
Petrochemicals	169,142	301,086	73,135
Others	12,853	86,566	45,338
Total	**347,973**	**536,342**	**498,424**

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 as at March 31, 2017 amounted to Rs. 17,564 million (US$271 million).

In addition, the Company has incurred significant capital expenditure to build its digital services business and grow its retail businesses (both of which are held through subsidiaries), as described in "Business—New Business Initiatives".

As 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. 32,553 million during FY2017, Rs. 30,954 million during FY2016 and Rs. 29,437 million during FY2015.

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, 2017, 30.4% of the Company's total indebtedness carried a fixed interest rate. As at March 31, 2017, the proportion of the Company's current borrowings to total indebtedness was 21.0% (as at March 31, 2016: 13.5%).

As at March 31, 2017, the Company's total indebtedness (including non-current borrowings and current borrowings) to equity ratio was 0.37:1, the net debt to equity ratio was 0.13:1 and its net gearing was 0.13% (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 indebtedness as at the date of calculation, reduced for Cash and Cash Equivalents.

The Company's net borrowings as at March 31, 2017, 2016 and 2015 was Rs. 381,100 million, Rs. 275,971 million (in Ind AS) and Rs. 193,264 million, respectively. Net borrowings comprises the following:

	As at March 31,			
	2017	2016		2015
	(Ind AS)		(Indian GAAP)	
	(Rs. in millions)			
Cash and Cash Equivalents[1]	693,366	795,074	754,360	782,913
Current borrowings	225,804	144,895	144,895	129,144
Non-current borrowings[2]	848,662	926,150	926,405	847,033
Net borrowings	**381,100**	**275,971**	**316,940**	**193,264**

(1) Cash and Cash Equivalents includes cash on hand, balances with bank FMP, government securities and current investments, fixed deposits with banks and investments in debentures and bonds (quoted). See "*Presentation of Financial and Other Data — Non-GAAP Financial Measures*".

(2) Non-current borrowings includes current maturities thereof.

Net borrowing 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 borrowings.

Net borrowings to total capital (calculated as net borrowings divided by net fixed assets) as at March 31, 2017, 2016 and 2015 was 13%, 11% and 10%, respectively.

During the periods under review, the Company raised substantial long-term resources in the form of debt. During FY2016 and FY2017, the Company raised approximately US$5.0 billion by way of syndicated loans to refinance existing facilities, and re-priced US$2.2 billion of export credit agencies-backed financing arrangements. This resulted in substantial interest savings for the Company. The Company also issued approximately US$805 million of notes guaranteed by the Export-Import Bank of the United States ("Ex-Im Bank") and US$200 million in Formosa bonds.

Funding Sources

The Company has access to global capital markets and enjoys strong relationships with more than 100 banks and financial institutions, many of which 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 sources of the Company's debt obligations as at March 31, 2017 are set forth below:

	As at March 31, 2017
	(Ind AS)
	(Rs. in millions) (Audited)
Secured	
Working capital loan[1]	94,587
Non-convertible debentures	11,367
Total secured borrowings	**105,944**
Unsecured	
Bonds	245,145
Term Loans from Bank	592,151
Foreign Currency Loans	131,217
Total unsecured borrowings	**968,513**
Total indebtedness	**1,074,467**

(1) Of which Rs. 36,222 million was denominated in rupees and Rs. 58,365 million was denominated in other currencies.

The Company's secured loans are secured by charges over various fixed assets. Rs. 3.7 billion in aggregate principal amount is secured by way of a first mortgage and charge on the Company's immovable properties situated at Hazira Complex and at Jamnagar Complex (other than SEZ unit) of the Company. Rs. 2.66 billion in aggregate principal amount is secured by way of a first mortgage and charge on all the properties situated at Hazira Complex and at Patalganga Complex of the Company. Rs. 5 billion in aggregate principal amount is secured by way of a first mortgage and charge on the immovable properties situated at the Jamnagar Complex (SEZ unit) 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 those pertaining to Oil and Gas).

The Company had total working capital facilities in India of approximately Rs. 390.5 billion (US$6.02 billion) (converted at the exchange rate of US$1.00 = Rs. 64.85) as at March 31, 2017.

The following table sets forth information with regard to the Company's total non-current borrowings expected maturities, by currency, as at March 31, 2017:

	Expected non-current borrowings Maturity Profile as at March 31, 2017						
Currency	**FY2018**	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**Beyond FY2022**	**Total**
				(Rs. in millions)			
Euro	8,825	14,775	9,858	8,825	8,825	33,875	84,983
Rupee	1,460	5,076	—	5,000	—	—	11,536
Yen	492	4,022	2,627	6,873	492	2,218	16,724
US$	50,651	227,881	67,213	108,483	26,340	259,073	739,641
Total[1]	**61,428**	**251,754**	**79,698**	**129,181**	**35,657**	**295,166**	**852,884**

(1) The exchange rates used for the conversions required by this table are those published by FEDAI for March 31, 2017: US$1.00 = Rs. 64.85, Euro 1.00 = Rs. 69.2925, 100 = Yen JPY 58.0025.

(2) Foreign currency amount is converted to INR based on March 2017 FEDAI rate.

(3) Above amounts are prepared without considering any prepayment expense.

As at September 30, 2017, the average maturity of the Company's non-current borrowings (excluding the US$ 800 million Existing Perpetual Notes being refinanced with the proceeds of the Offering) was 4.84 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 at March 31, 2017, 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)		
Non-current borrowings obligations	852,884	61,428	260,772	235,518	295,166
Current borrowings obligations	225,800	225,800	—	—	—
Total cash obligations	**1,078,684**	**287,228**	**260,772**	**235,518**	**295,166**

As at the date of the Offering Memorandum, the Company had no off balance sheet arrangements, as determined for purposes of Ind AS except to the extent of contingent liabilities disclosed in the Financial Statements. For a discussion of certain differences between Ind AS and US GAAP, see "*Description of Certain Differences between Ind AS 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 a risk management policy 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 in close coordination with the Company's business segments.

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

Exchange Rate Risk

The reported earnings of the Company may be affected by fluctuations in the exchange rates between the Indian rupee and multiple foreign currencies, primarily the US Dollar. Foreign currency risk also arises from the mismatch between recognized assets and liabilities and highly probable and firm commitment transactions that are denominated in foreign currencies. These foreign currency exposures are managed through a hedging policy. Most of the Company's sales are in US Dollar, providing it a natural hedge against foreign currency import payments and repayments of liabilities. These natural hedges available in the business are identified at the level of individual businesses, and financial hedges are placed only for the net exposure. The Company uses derivative and non-derivative financial instruments to manage the exchange rate risk associated with the fluctuations of the rupee against foreign currencies, 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

Fluctuations in future cash flows of a financial instrument because of changes in market interest rates give rise to interest rate risk. The Company is exposed to uncertainty in cash flows primarily due to short-term and long-term floating interest rate debt obligations.

The Company is also exposed to the interest rate risk on the refinancing of fixed rate debt. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings. As at March 31, 2017, 69.6% of the Company's total indebtedness was in floating rate, i.e., Rs.747.63 billion (US$11.5 billion converted at the exchange rate of US$1.00 = Rs. 64.85) 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

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the Company. Credit risk arises from the Company's activities in investments, dealing in derivatives and outstanding receivables from customers.

The Company believes it has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Sales made to customers on credit are generally secured through letters of credit, bank guarantees, parent company guarantees, advance payments and factoring and forfeiting arrangements without recourse to the Company.

Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of crude oil, other feed stock and products. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

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. The company's commodity risk is managed centrally through well-established trading operations and control processes. In accordance with the Company's risk management policy, the Company enters into various transactions using derivatives and uses over the counter ("OTC") as well as exchange traded futures, options and swap contracts to hedge its commodity and freight exposure.

Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities (Rs. 693.37 billion as at March 31, 2017; Rs. 795.07 billion as at March 31, 2016) and maintaining availability of standby funding through an adequate line up of committed credit facilities (Rs. 218.31 billion as at March 31, 2017; Rs. 434.98 billion as at March 31, 2016). The Company accesses global financial markets to meet its liquidity requirements. It uses a range of products and a mix of currencies to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the Company's cash flow position and ensures that the Company is able to meet its financial obligations at all times including contingencies.

The Company's liquidity is managed centrally with operating units forecasting their cash and liquidity requirements. Treasury pools the cash surpluses from across the different operating units and then arranges to either fund the net deficit or invest the net surplus in the market.

Hedge Accounting

The Company's business objective includes safe-guarding its hydrocarbon earnings against adverse price movements of crude oil, other feedstock and refined products, freight costs and foreign exchange and interest rates. The Company has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for fair value and cash flow hedges. Hedging instruments include exchange traded futures and options, OTC swaps, forward and options as well as non-derivative instruments to achieve this objective. The table below shows the position of hedging instruments and hedged items as at March 31, 2017 and 2016.

For further information on the Company's use of hedging instruments, see Note 34 to the FY 2017 Annual Financial Statements.

UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2017

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 6M FY2018 and 6M FY2017 on a non-consolidated basis, as measured in accordance with Ind AS. This disclosure is intended to assist in understanding and interpreting the selected financial information of the Company as at and for 6M FY2018 and 6M FY2017, which is included in this Offering Memorandum under "Selected Non-Consolidated Financial and Operating Data" on a non-consolidated basis.

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

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 6M FY2018 and 6M FY2017

	Six Months Ended September 30,		
	2017	**2017**	**2016**
		(Ind AS)	
	(US$ in millions)	**(Rs. in millions)**	
		(unaudited)	
Revenue from Operations	21,781	1,421,945	1,238,374
Expenses			
Costs of Materials Consumed	13,379	873,441	753,066
Purchases of Stock-In-Trade	607	39,627	27,464
Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	57	3,694	-20,264
Excise Duty and Service Tax	1,447	94,456	107,638
Employee Benefits Expense	360	23,523	22,670
Depreciation/Amortization and Depletion Expense	678	44,256	39,792
Other Expenses	2,167	141,493	134,070
Total Expenses	**18,695**	**1,220,490**	**1,064,436**
Profit from Operations Before Other Income, Interest and Tax	**3,086**	**201,455**	**173,938**
Other Income	609	39,754	43,125
Profit from Ordinary Activities Before Finance Costs	**3,695**	**241,209**	**217,063**
Finance Costs	322	21,020	15,572
Profit from Ordinary Activities Before Tax	**3,373**	**220,189**	**201,491**
Tax Expense	851	55,579	48,974
Profit for the Period[(2)]	**2,521**	**164,610**	**152,518**

Total revenue from Operations

Total revenue from Operations for 6M FY2018 increased by Rs. 183,571 million, or 14.8%, to Rs. 1,421,945 million from Rs. 1,238,374 million for 6M FY2017. The increase in revenue is primarily due to increases in prices and sales volumes in the Company's Refining and Petrochemicals segments. Segment revenue increased in Refining, which recorded an increase of 17.3% to Rs. 1,182,259 million for 6M FY2018, and Petrochemicals, which recorded an increase in Segment Revenue of 25.1% to Rs. 509,086 million. Oil and Gas recorded a decrease in Segment Revenue of 9.6% to Rs. 13,416 million.

Total Expense

Total Expenses for 6M FY2018 amounted to Rs. 1,220,490 million, an increase of Rs. 156,054 million, or 14.7%, from Rs. 1,064,436 million for 6M FY2017. The increase was principally due to higher costs of materials consumed primarily due to an increase in volumes. Depreciation was higher primarily due to the capitalization of petrochemicals projects in prior periods. Cost of Materials consumed are the most significant component of the Company's expenditure and accounted for 71.6% of Total Expenses for 6M FY2018 (6M FY2017: 70.7%).

Costs of Materials Consumed

Costs of Materials Consumed increased by Rs. 120,375 million, or 16.0%, to Rs. 873,441 million in 6M FY2018 from Rs. 753,066 million for 6M FY2017, resulting from the increase in volumes.

Purchases of Stock-in-Trade

Purchases of Stock-in-Trade for 6M FY2018 increased by Rs. 12,163 million, or 44.3%, to Rs. 39,627 million from Rs. 27,464 million for 6M FY2017, 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 6M FY2018 increased by Rs. 23,958 million, to Rs. 3,694 million from Rs. (20,264) million for 6M FY2017, principally due to an increase in finished goods and stock-in-process.

Employee Benefits Expense

Employee Benefits Expense for 6M FY2018 increased by Rs. 853 million, or 4%, to Rs. 23,523 million from Rs. 22,670 million for 6M FY2017, principally due to higher payouts to employees as a result of higher base salaries.

Depreciation/Amortization and Depletion Expense

Depreciation/Amortization and Depletion Expense for 6M FY2018 increased by Rs. 4,464 million, or 11.2%, to Rs. 44,256 million from Rs. 39,792 million for 6M FY2017. Depreciation was higher in 6M FY2018 primarily due to the capitalization of petrochemicals projects in prior periods.

Finance Costs

Finance Costs for 6M FY2018 increased by Rs. 5,448 million, or 35%, to Rs. 21,020 million from Rs.15,572 million for 6M FY2017, primarily due to an increase in working capital loans and the issuance of non—convertible debentures in 6M FY18.

Other Income

Other Income for 6M FY2018 decreased by Rs. 3,371 million, or 8%, to Rs. 39,754 million from Rs. 43,125 million primarily due to a reduction in interest income on deposits.

Taxation

Tax Expense amounted to Rs. 55,579 million for 6M FY2018 compared to Rs. 48,974 million for 6M FY 2017. Current Tax for 6M FY2018 decreased by Rs. (238) million, or (0.5%), to Rs. 43,856 million from Rs. 44,094 million for 6M FY2017. Deferred Tax for 6M FY2018 increased by Rs. 6,843 million, or 140.23%, to Rs. 11,723 million from Rs. 4,880 million for 6M FY2017 mainly due to the timing difference in the calculation of depreciation under applicable taxation laws and accounting standards.

Profit for the period

Profit for 6M FY2018 increased by Rs. 12,092 million, or 8%, to Rs. 164,610 million from Rs. 152,518 million for 6M FY2017, principally due to the factors described above.

Results of Operations by Segment for 6M FY2018 and 6M FY2017

The following table sets forth selected segmental income statement data for 6M FY2018 and 6M FY2017 and the percentage change between the two periods presented:

	Six Months Ended September 30,		
	2017		2016
	(Ind AS)		(Ind AS)
	(Rs. in millions)	% change (Unaudited)	(Rs. in millions)
Segment Revenue[1]			
Oil and Gas	13,416	(9.6)	14,841
Refining	1,182,259	17.3	1,007,839
Petrochemicals	509,086	25.1	407,023
Others	6,404	18.8	5,391
Inter-Segment Transfers[2]	(255,178)	29.7	(196,720)
Total	**1,455,987**	**17.6**	**1,238,374**
Segment Result Before Interest and Tax[3]			
Oil and Gas	(3,267)	(556.3)	716
Refining	129,070	3.4	124,815
Petrochemicals	88,970	39.8	63,652
Others	2,551	34.7	1,894
Total	**217,324**	**13.7**	**191,077**

(1) Segment Revenue is revenue earned by the relevant segment prior to any Inter-Segment Transfers in respect of sales between segments. Total Segment Revenue, which is after Inter-Segment Transfers, is equal to Value of sales and services.

(2) Inter-Segment Transfers 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 Finance Costs) and stated before tax.

Segment Revenue

Oil and Gas

Segment Revenue in Oil and Gas for 6M FY2018 decreased by Rs. 1,425 million, or 9.6%, to Rs. 13,416 million from Rs. 14,841 million for 6M FY2017. The decrease can be attributed to lower Gas price realization, coupled with the reduction in the production of natural gas and crude oil from the KG-D6 and Panna Mukta fields.

The KG-D6 field produced 0.41 million barrels of crude oil, 0.04 million barrels of condensate and 38 Bcf of natural gas in 6M FY2018, a reduction of 25% and 47% for crude oil and condensate, respectively, and a reduction of 28% for natural gas as compared to 6M FY2017. The fall in production of natural gas was mainly due to the natural decline in reserves and shut-in of wells due to water and sand ingress.

For 6M FY2018, the Panna-Mukta fields produced 2.73 million barrels of crude oil, a reduction of 16% as compared to 6M FY2017, and 31.8 Bcf of natural gas, a reduction of 1% as compared to 6M FY2017. The decrease in production was mainly due to the natural decline in reserves and multiple shut downs due to asset integrity issues. There was no production from the Tapti field in 6M FY2018 as production ceased in March 2016.

Refining

Segment Revenue in Refining for 6M FY2018 increased by Rs. 174,420 million, or 17.3%, to Rs. 1,182,259 million from Rs. 1,007,839 million for 6M FY2017. The increase in Segment Revenue was principally driven by an increase in oil prices.

During 6M FY2018, the Company processed 35.4 million tons of crude oil compared to 34.8 million tons. During 6M FY2018, exports were higher at US$ 10.0 billion or 21.1 million tons compared to US$ 9 billion or 20.9 million tons in 6M FY2017, principally due to higher prices.

Petrochemicals

Segment Revenue in Petrochemicals increased by Rs. 102,063 million, or 25.1%, to Rs. 509,086 million for 6M FY2018 from Rs. 407,023 million for 6M FY2017. The increase in Segment Revenue was principally due to higher price realization and higher sales volumes. Overall production in Petrochemicals was higher at 14.0 million tons for 6M FY2018 as compared with 12.5 million tons for 6M FY2017.

Others

Segment Revenue in the Others segment for 6M FY2018 increased by Rs. 1,013 million, or 18.8%, to Rs. 6,404 million from Rs. 5,391 million for 6M FY2017.

Segment Result Before Interest and Tax

Oil and Gas

Segment Result Before Interest and Tax in Oil and Gas for 6M FY2018 decreased by Rs. 3,983 million to Rs. (3,267) million from Rs. 716 million for 6M FY2017, This was largely due to the decline in production.

Refining

Segment Result Before Interest and Tax in Refining increased by Rs. 4,255 million, or 3.4%, to Rs. 129,070 million for 6M FY2018 from Rs. 124,815 million for 6M FY2017, principally due to strength in product cracks and crude differentials, leading to higher refining margins.

The Company's gross refining margin for 6M FY2018 increased by 10.2% to US$11.9/bbl, from US$10.8/bbl in 6M FY2017.

Petrochemicals

Segment Result Before Interest and Tax in Petrochemicals increased by Rs. 25,318 million, or 39.8%, to Rs. 88,970 million for 6M FY2018 from Rs. 63,652 million for 6M FY2017, principally due to higher margin differentials in PTA, MEG, PP and PVC and higher PX and PTA volume during 6M FY2018.

Others

Segment Result Before Interest and Tax in the Others segment for 6M FY2018 increased by Rs. 657 million, or 34.7%, to Rs. 2,551 million from Rs. 1,894 million for 6M FY2017.

Net Debt and Capital Expenditure

As at 6M FY2018, the Company's outstanding borrowings was Rs. 1,235,156 million, or US$18.9 billion, compared to Rs. 1,074,466 million as at March 31, 2017. The increase of Rs.160,690 million, or 15.0%, was principally due to the issuance of non-convertible debentures and commercial paper. As at September 30, 2017, the Company had Cash and Cash equivalents of Rs. 681,000 million, or US$10.4 billion, principally held in fixed deposits, certificates of deposits with banks, mutual funds, government securities and bonds issued by highly rated corporates (September 30, 2016: Rs. 744,233 million). The Company had Rs. 554,156 million net borrowings (Total Indebtedness less Cash and Cash Equivalents) as at September 30, 2017 (September 30, 2016: Rs. 292,825 million).

Capital expenditure, for 6M FY2018 amounted to Rs. 101,521 million (6M FY2017: Rs. 154,990 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 petroleum refining, petrochemical manufacturing and oil and gas and operates principally in India. The Company was India's largest private sector enterprise based on Turnover and Profit After Tax for FY2017 with a turnover of Rs. 2,650.4 billion (US$40.9 billion), cash profit of Rs. 409.1 billion (US$6.3 billion) and net profit of Rs. 314.3 billion (US$4.8 billion) for FY2017. Its operations are divided into three principal business segments: (i) refining and marketing of petroleum products ("Refining"), (ii) petrochemicals, including the manufacturing and marketing of polymers, polyester, polyester intermediates and chemicals ("Petrochemicals") and (iii) exploration, development, and production of oil and natural gas ("Oil and Gas").

In addition to being a leading player in the Indian economy, the Company also enjoys global leadership in its principal businesses. According to IHS Markit, the Company is the world's second largest producer of paraxylene and among the world's top five producers of polypropylene and purified terephthalic acid. According to Petrochemical International ("PCI"), the Company, along with its subsidiaries, is the second 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, with a design capacity for processing 1.24 MMBPD of crude.

The Company's primary manufacturing operations are in India. It has significant domestic sales in India and exports to 108 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 Barabanki, Hoshiarpur and Silvassa (each in India). Outside of India, the Company through its subsidiary, Recron (Malaysia) Sdn Bhd, manufactures polyester products at facilities in two locations at Nilai and Malacca, Malaysia. In 2010, the Company, through its US subsidiaries, entered into three joint development agreements in the United States and acquired an interest in shale deposits in the Marcellus and Eagle Ford Shales in the United States. The Company has recently announced that its subsidiary has entered into a purchase and sale agreement for the divestment of its assets in the Marcellus Shale, for which it had entered into a joint development agreement with a subsidiary of Carrizo Oil & Gas.

The Company also had exploration and production interests, through its wholly-owned subsidiary Reliance Exploration & Production DMCC in Peru. However, during the year FY2017, the Company has withdrawn its entire 10% participating interest ("PI") from the joint venture in respect of Peru Block 39. The assignment of the Company's PI to other joint venture members is pending subject to Government approval. In FY2017, the Company was the largest exporter in India with exports of Rs. 1,478 billion, representing 8% of India's total merchandise exports and 56% 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 FY2017, FY2016 and FY2015 and unaudited Turnover and Profit Before Tax for 6M FY2018 and 6M FY2017, respectively. The figures for FY2017, 6M FY2018 and 6M FY2017, as well as the restated comparative figures for FY2016 have been prepared in accordance with Ind AS and reporting guidelines prescribed by Indian regulatory authorities. The FY2015 figures in the table below have been prepared with Indian GAAP.

	Oil and Gas	Refining	Petrochemicals	Others	Elimination[(1)]	Total
			Rs. in millions			
Segment Revenue[(2)] (Ind AS)(audited) for the Year Ended March 31, 2017	27,870	2,178,621	876,233	11,736	(444,049)	2,650,411
Segment Revenue[(2)] (Ind AS)(audited) for the Year Ended March 31, 2016	42,588	2,025,043	769,818	10,859	(335,899)	2,512,409
Segment Revenue[(2)] (Indian GAAP) (audited) for the Year Ended March 31, 2015	55,068	3,045,701	900,091	11,550	-604,267	3,408,143
Segment Result Before Interest and Tax[(3)] (Ind AS)(audited) for the Year Ended March 31, 2017	(1,314)	248,713	131,776	4,224		383,399
Segment Result Before Interest and Tax[(3)] (Ind AS) (audited) for the Year Ended March 31, 2016	3,728	232,006	102,640	2,952		341,326
Segment Result Before Interest and Tax[(3)] (Indian GAAP) (audited) for the Year Ended March 31, 2015	12,498	154,871	86,067	3,165		256,601
Segment Revenue[(2)] (Ind AS)(unaudited) for the Six Months Ended September 30, 2017	13,416	1,182,259	509,086	6,404	(255,178)	1,455,987
Segment Revenue[(2)] (Ind AS) (unaudited) for the Six Months Ended September 30, 2016	14,841	1,007,839	407,023	5,391	(196,720)	1,238,374
Segment Result Before Interest and Tax[(3)] (Ind AS) (unaudited) for the Six Months Ended September 30, 2017	(3,267)	129,070	88,970	2,551	0	217,324
Segment Result Before Interest and Tax[(3)] (Ind AS) (unaudited) for the Six Months Ended September 30, 2016	716	124,815	63,652	1,894	0	191,077

In the last ten years, the Company expanded its operations and diversified into new business and geographic areas. Its Turnover has grown from Rs. 1,184 billion in the fiscal year ended March 31, 2007 to Rs. 2,650 billion in FY2017. The Company has also seen Profit Before Tax rise during this period from Rs. 145 billion to Rs. 408 billion. The Company's core business segments of Refining and Petrochemicals accounted for 98.7% of Segment Revenue Before Inter-Segment Transfers for FY2017 (FY2016: 98.1%). Segment Result Before Interest and Tax for Petrochemicals, Refining and the Company's remaining segments (including the Oil and Gas and Other segments), was 34.4% (FY2016: 30.1%), 64.9% (FY2016: 68%) and 0.7% (FY2016: 1.9%), respectively, during these periods.

As at September 30, 2017, the Company's foreign currency debt was rated Baa2 (Stable) by Moody's and BBB+ (Stable) by S&P, which is two notches above India's sovereign rating. The Company's long-term debt is rated AAA by CRISIL, India's leading credit agency and a subsidiary of S&P and "Ind AAA' by India Ratings, the highest rating awarded by both these agencies. In respect of Indian domestic ratings, the Company's short-term debt is rated 'CRISIL A1+' 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 January 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 Jio (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 at 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.

In October 2013, Jio, 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 an advanced, pan-India Unified License. The Unified License allows Jio to offer all telecom services (except GMPCS), including voice telephony under a single license.

In February 2014, Jio 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 DoT, Government of India. Jio 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. Jio plans to provide seamless 4G services using FDD-LTE on 1800 MHz and TDD-LTE on 2300 MHz through an integrated ecosystem.

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 Jio, by providing a unique amalgamation at the intersect of telecom, web and digital commerce via a suite of premier digital properties.

In March 2015, Jio successfully acquired the right to use spectrum in 13 key circles across India in the then concluded spectrum auction conducted by DoT, Government of India. Through this acquisition, Jio's total equivalent spectrum footprint increased from 597.6MHz to 751.1MHz (including uplink and downlink), further strengthening its position as the largest holder of liberalized spectrum.

In April 2015, the Company commissioned its PET facility at Dahej. At the time of commissioning, one of the largest bottle-grade PET resin capacity at a single location globally. This further consolidated the Company's position as a leading PET resin producer with a global capacity of 1.15 MMTPA. In April 2015, the Company commissioned its new PTA plant at Dahej. With the commissioning of this plant, the Company's total PTA capacity increased to 3.2 MMTPA.

In July 2015, RHUSA, a subsidiary of the Company, announced the closing of sale of its entire holding of 49.9% interest in EFS Midstream LLC ("EFS") to an affiliate of Enterprise Products Partners L.P. ("Enterprise") for a total consideration of approximately $1,073 million.

In January 2016, Jio and Reliance Communications Limited ("RCOM") announced the signing of agreements for change in spectrum allotment in 800 MHz band across 9 circles from RCOM to Jio and for sharing of spectrum in 800 MHz band across 17 circles.

In October 2016, Jio successfully acquired the right to use 269.2 MHz (UL+DL) spectrum across all 22 service areas in India in the then concluded spectrum auction conducted by the DoT. Through this acquisition, Jio's total spectrum footprint increased to 1,108 MHz (including uplink and downlink), further strengthening its leadership position in liberalized spectrum holding.

In February 2017, Jio reached 100 million subscribers within six months of commencement of services.

In April 2017, the Company announced the commencement of commercial production from CBM block SP(West)—CBM—2001/1 from March 24, 2017 and began supplying CBM through the Shahdol Phulpur Pipeline (SHPPL).

In April 2017, the Company announced successful completion of its Ethane Project, including commissioning of its ethane receipt and handling facilities and ethane cracking, at its Dahej Manufacturing Facility in Gujarat in less than three years, which the Company believes is significantly shorter than commissioning times of comparable projects worldwide.

The project involved integration of several elements across a complex infrastructure value chain. This includes securing ethane refrigeration capacity in the US Gulf coast; delivery of dedicated Very Large Ethane Carriers (VLECs) to carry ethane from the US Gulf Coast to the West Coast of India; construction of ethane receipt and handling facilities; laying pipelines and upgrading crackers (to receive ethane) at Dahej, Hazira and Nagothane Manufacturing Facilities.

In March 2017, Reliance Exploration & Production DMCC ("REPDMCC"), an indirect wholly-owned subsidiary of the Company and Total, successfully completed the sale of the entire 76% interest held by REPDMCC in the Mauritius-incorporated Gulf Africa Petroleum Corporation.

In June 2017, the Company announced the successful commissioning of the last crystallization train (Train 3) of the PX complex at Jamnagar. With the commissioning of this plant, the Company's PX capacity has more than doubled making it world's second largest producer of PX with about 11% of global production, according to IHS Markit.

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 through its subsidiaries has diversified into new growth areas such as organized retail and digital services. In the Company's principal businesses of Refining, Petrochemicals, and Oil and Gas, it has leading positions and a strong platform for future growth.

In the Refining business, based on Company estimates, the Company has the largest and most complex refining assets 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 second largest producer of polyester fiber and yarn. According to IHS Markit, the Company is the second largest producer of paraxylene and the fifth largest producer of polypropylene in the world.

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.

Outside India, the Company, through its subsidiaries, currently has shale gas operations in the United States.

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 has rolled out an advanced, pan-India digital services 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. Integration between refining and downstream petrochemical products is among the Company's key competitive advantages. 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 and manage the impact of external supply shocks. With both naphtha and gas-based crackers, the Company is able to process a diverse set of raw materials, which helps mitigate risks involved with raw material sourcing and margin volatility.

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 at September 30, 2017, the Company had total indebtedness of Rs. 1,235.2 billion, or US$18.9 billion, and Cash and Cash Equivalents of Rs. 681 billion or US$10.4 billion (converted at the exchange rate of US$1.00 = Rs. 65.285).

According to Fortune 500, a leading international publication, the Company was ranked 203rd among Fortune Global 500 companies in terms of revenues and 110th among Fortune Global 500 companies in terms of profits in 2017. The Company also ranked 106th among Forbes Global 2000 companies for 2017, which is the highest ranked among Indian companies.

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 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 deep-water 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 in the final stages of what it believes to be the largest ever capital expenditure program in India's corporate history. It has started operations of its refinery off-gas cracker ("ROGC"), monoethylene glycol ("MEG") and Linear Low Density Poly Ethylene ("LLDPE") plants at Jamnagar. Currently, these plants are under stabilization. Earlier this year the Company commissioned its paraxylene ("PX") facility and the Ethane import project. The installation and mechanical completion of the gasification project linked to the Domestic Tariff Area ("DTA") refinery has been completed and the pre-commissioning and start-up activities are underway. The installation and mechanical completion of the gasification linked to the Company's Special Economic Zone ("SEZ") refinery has also been substantially completed and the Company is planning to commence pre-commissioning activities.

- through its subsidiary, the Company has launched an advanced, pan-India digital services venture.

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 Refining, the Company is building one of the largest coke gasification facilities in the world, which the Company expects will, combined with the refinery off-gas cracker, increase the complexity and profitability of the refineries at Jamnagar. The installation and mechanical completion for the gasification project linked to the DTA refinery has been completed and the pre-commissioning and start-up activities are underway. The installation and mechanical completion for the gasification linked to the Company's SEZ refinery has also been substantially completed and pre-commissioning activities are expected to start soon.

In Petrochemicals, the Company is exploring opportunities for organic growth, expansion of capacities, acquisitions and improved efficiencies. In particular, the Company is in the final stages of its current expansion program of its petrochemical capacities. The Company has commissioned its PX facility and the Ethane import project. It has also started operations of its ROGC cracker, MEG and LLDPE plants at Jamnagar. Currently, these plants are under stabilization.

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

Pursue value accretive growth opportunities in core businesses through targeted acquisitions

The Company has traditionally focused on organic growth by pursuing green-field and brown-field expansion opportunities in India. For example, in September 2017, the Company successfully bid to acquire the assets of Kemrock Industries & Exports Limited as part of its efforts to expand its petrochemicals business into the composites business and establish a leadership position in this significant and growing market in India. 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 actions of the Government that have partially deregulated the market for natural gas and refining products. The Company has also commenced commercial production from the coal bed methane ("CBM") block in Sohagpur (West), Madhya Pradesh. With the commissioning of the CBM fields, the Company believes it will become one of India's largest producers of unconventional natural gas.

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 digital services 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

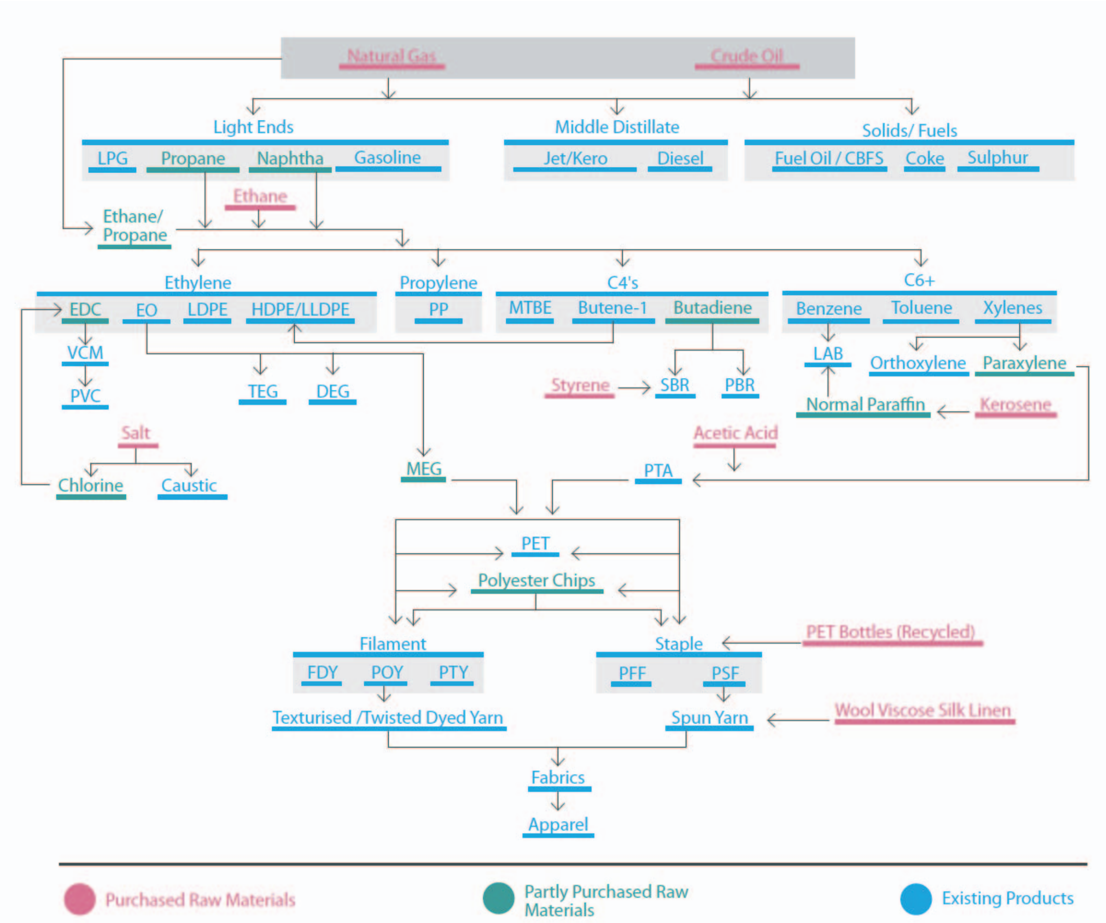
"Safety of person overrides all production targets" is the essence of the Company's Health, Safety and Environmental Policy. Well-equipped occupational health centers are available to cater for preventive and curative health care. The Company has an employee training program to improve safety conditions 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. To serve the innovation vision of the Reliance Innovation Council, the Company has set up the Reliance Innovation Leadership Centre which, along with the Company's leadership, implements Reliance's innovation agenda by seeking to deploy the best and next innovation practices.

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

Reliance's Oil and Gas business encompasses the complete chain of activities from acquisition to exploration, development and production of hydrocarbons, including shale gas operations in the United States. Reliance has an advantageous position in offshore (deep-water) capabilities, coupled with the knowledge of operations in unconventional areas such as CBM and shale gas.

FY2017 was a significant year for the Company's oil and gas business with the commencement of commercial production from the CBM block in Sohagpur (West), Madhya Pradesh. With the commissioning of the CBM fields, the Company believes it will become one of India's largest producers of unconventional natural gas. The new policy for marketing and pricing of CBM notified by the Government is expected to benefit the country's CBM sector.

"Keeping Wells Flowing" has been the maxim for Reliance KG-D6 fields. With the use of innovative production management techniques, the Company has been successful at extending the life of wells and ensuring field uptime is at par with global industry benchmarks.

In the prevailing weak commodity price environment, Reliance's focus has been to preserve value in the shale gas business through high grading of the portfolio and reducing operating costs.

In FY2017, the Company generated 0.9% of its Segment Revenue Before Inter-Segment Transfers and (0.3)% of Segment Result Before Interest and Tax from its oil and gas exploration and production operations, compared to 1.5% and 1.1%, respectively, in FY2016.

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 deep-water 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

With a portfolio consisting of onshore and offshore blocks in India (including CBM) as well as acreage in US shale plays, the Company is one of the largest exploration and production players in India. As at September 30, 2017, the Company had eight domestic oil and gas blocks, including one block each in Panna-Mukta and Tapti, two CBM blocks, one international block in Peru and two shale gas joint ventures in North America. The total acreage covered by the above operations is approximately 6,569,105 acres. During FY2017, the Company withdrew its entire 10% PI from the JOA of Peru Block 39, however the assignment of its PI to other joint venture members is pending subject to Government Approval. During the quarter ending September 30, 2017, the entire contract areas of two Myanmar Blocks (M-17 & M-18) have been relinquished at the end of the Study (Technical Evaluation & Assessment — TEA) period. In October 2017, the Company announced that its subsidiary has entered into a purchase and sale agreement for the divestment of its assets in the Marcellus Shale, for which it had entered into a joint development agreement with a subsidiary of Carrizo Oil & Gas. The Company is the operator in all of its domestic blocks. As at September 30, 2017, the Company had a:

- 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 three 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 CBM blocks in India covering an area of approximately 995 square kilometers;
- 1 block in Peru with 10% PI (assignment of the Company's entire PI to other joint venture members pending);
- through its US based subsidiaries, interests in two 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 FY2017, FY2016 and FY2015.

	Year Ended March 31,		
	2017	2016	2015
	(in KT, except percentages)		
Oil[(1)]			
Total production in India[(2)]	36,009	36,942	37,461
Company's share of production	325	396	448
Company's percentage share of production	0.9%	1.07%	1.2%

(1) Includes condensates.

(2) Source: Indian Petroleum & Natural Gas Statistics 2016-17.

	Year Ended March 31		
	2017	2016	2015
	(in MMSCM, except percentages)		
Natural Gas			
Total production in India[(1)]	31,897	32,249	33,657
Company's share of production[(2)]	2,249	2,975	3,399
Company's percentage share of production	7.05%	9.23%	10.1%

(1) Source: Indian Petroleum & Natural Gas Statistics 2016-17.

(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 March 31, Oil[(1)]	Year Ended 2017 Gas[(2)]
			(MMBBL)	(BCF)
Panna Mukta	30%	December 1994	6.2	62.5
KG-D6	60%	April 2009	1.3	101.1

(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. 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 deep-water block off the east coast of India.

Since production commenced in April 2009 until March 2017, the field has produced over 2.665 trillion cubic meters of gas, contributing significantly to the country's critical industrial sectors. For 6M FY2018, the KG-D6 produced 47,408 tons of oil, 4,153 tons of gas condensate and 1.08 billion cubic meters of natural gas as compared to 63,330 tons of oil, 7,853 tons of gas condensate and 1.506 billion cubic meters of natural gas during 6M FY2016. As at September 30, 2017, the average production rate of natural gas was 5.9 MMSCMD and the average production of oil/condensate was 2,430 BOPD. The Company has also undertaken multiple initiatives to sustain production and enhance recovery from certain existing fields (MA and D1-D3), including side-track activities in the existing shut-in wells and engineering and construction activities for booster compression.

During FY2017, the Company and BP announced jointly that they will develop already discovered fields, bringing new gas production for India. Among the three planned project for the development of multiple discoveries made in this block, the first one, "R-Series", is expected to be developed and bring the production on stream in 2020. The other projects, "MJ" and "satellites and other satellites" will be developed in an integrated manner with a goal of achieving overall production of 30-35 cubic meters of gas per the Company's estimates. The development plan for MJ, satellites and other satellites has already been submitted to MC for approval.

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 Shell Group and ONGC in the Panna-Mukta and Tapti oil and gas fields. Shell Group and ONGC have a 30% and 40% share in the joint venture, respectively.

In 6M FY2018, the Panna-Mukta fields produced 273 million barrels of crude oil, a reduction of 16% as compared to 6M FY2017, and 31.8 Bcf of natural gas, a reduction of 1% as compared to 6M FY2017. The decrease in production was due to a natural decline in reserves. Production from the Tapti field ceased in March 2016.

Coal Bed Methane "CBM" Blocks. The Company has interests in two CBM blocks covering an area of approximately 995 square kilometers as at September 30, 2017. During FY2017, the Company has commenced commercial production from the CBM block in Sohagpur (West), Madhya Pradesh after the completion of Phase 1 development. The Phase 1 of the project included drilling and completion of more than 200 wells (spread over 450 sq. km.) and required setting up of 2 gas gathering stations along with 8 water gathering stations for collection and processing of CBM gas and water, respectively. The Company believes it has laid India's largest High Density Poly Ethylene gas gathering network to connect these wells with the gathering stations. The CBM project is India's largest surface hydrocarbon project. With the commissioning of the CBM fields, the Company believes it will become one of India's largest producers of unconventional natural gas. The Company believes that the new policy for marketing and pricing of CBM notified by the Government of India will drive continued investment in the country's CBM sector.

Other NELP Blocks. The Company currently has another three 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 all three blocks. The evaluation of commercial viability of these discoveries is underway.

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") issued a 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 (the connection point with GAIL's HVJ pipeline) to transport gas from the Company's CBM blocks. Reliance Gas Pipeline Limited, has completed the pipeline laying work for the entire 302 km Shahdol-Phulpur Pipeline from Shahdol (MP) to Phulpur (UP). With this new pipeline network, the CBM gas fields are now connected to the Indian gas grid providing access to end consumers.

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 a 10% PI in one overseas exploration block in Peru from which the Company has withdrawn. The assignment of its PI to other joint venture members is pending subject to Government Approval.

Shale Gas. The Company has, through its US-based subsidiaries which are discussed below, built a significant position in the North American shale gas business. Shale gas has been one of the fast growing source of hydrocarbons, particularly in the North American energy sector in recent years. The successful shale revolution in North America has impacted the global energy landscape and the industry continues to mature various plays and discover new plays, and operators continue to find economic ways of exploiting the shale resource.

The Company, through its US-based subsidiaries, entered into joint development agreements with three established shale gas companies that are active in the Marcellus Shale Play in Pennsylvania and the Eagle Ford Shale in South Texas. As described below, the Company recently announced the entry of its subsidiary into a purchase and sale agreement to sell its entire interest in one such joint venture.

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. Carry obligations, which have been fulfilled, provided for 75% of Atlas's capital costs over the life of the 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.

Reliance Carrizo Joint Venture. In August 2010, the Company, through its subsidiary, Reliance Marcellus II, LLC, entered into a joint development agreement with a subsidiary of 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 paid 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, which have been fulfilled, provided for 75% of Carrizo's share of development costs.

On October 5, 2017, the Company, through its subsidiary Reliance Marcellus II, LLC, signed a Purchase and Sale Agreement with BKV Chelsea, LLC to sell all of its assets in the Marcellus Shale for a consideration of US$126 Million. The agreement provides for an effective date of April 1, 2017 and is targeted for closing within 2017, subject to customary closing conditions.

Reliance could receive contingent payments of up to US$11.25 million in the aggregate if natural gas prices exceed certain thresholds over the next three years.

Reliance Pioneer Joint Ventures. In June 2010, the Company, through its subsidiary, Reliance Eagleford Upstream Holding LP, entered into a joint development agreement with Pioneer Natural Resources USA, Inc. to develop certain Eagle Ford Shale acreage in south Texas.

Pioneer, Reliance Eagleford Upstream Holding LP and 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 paid a total consideration of US$1.32 billion, comprising US$264 million of upfront cash and US$1.05 billion of drilling carry obligations; which has now been fulfilled.

In addition, the Company, through another subsidiary, Reliance Eagleford Midstream LLC, and Pioneer had executed definitive agreements to form a midstream joint venture (EFS Midstream LLC, a Delaware LLC) to 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.

On July 8, 2015 and effective July 1, 2015, the Company sold its entire interest in EFS Midstream LLC to Enterprise for a consideration of US$1,073 million.

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 FY2017, the Company generated 70.4% of its Segment Revenue Before Inter-Segment Transfers and 64.9% of its Segment Result Before Interest and Tax from its Refining business, compared to 71.1% and 68.0%, respectively, in FY2016.

Overview

The petroleum refining industry in India primarily comprises public sector companies. As at September 30, 2017, India has 22 operating refineries with an aggregate capacity of 215 million tons a year, according to the Indian Ministry of Petroleum and Natural Gas data.

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 1.27% of the world's refining capacity, and produce a wide range of petroleum products for both domestic consumption and export, such as LPG, propylene, propane, naphtha, gasoline, alkylates, jet fuel, diesel, fuel oil, petroleum coke and sulfur. In FY2017, the capacity utilization rate of the refineries was 113%.

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 desulfurization capacity can achieve higher yields of higher value-added refined petroleum products by processing heavier crude oil qualities than refineries with lower conversion and desulfurization 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 FY2017, FY2016 and FY2015:

	FY2017		FY2016		FY2015	
	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	70.1	113%	69.5	112%	67.9	110%

(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.

The Refinery capability has been upgraded to produce BS IV quality diesel and gasoline to meet the change in domestic fuel specifications, including with catalyst upgrades and the addition of a scanfining unit and a benzene recovery unit.

Jamnagar Refinery II. The Company's refinery in the SEZ became fully operational in 2009. The Jamnagar Refinery II is amongst the largest refineries in the world and has a Nelson Complexity Index of 14.0, making it, together with the Jamnagar Refinery I, the largest and amongst the 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 secondary processing unit capability was enhanced to facilitate downstream petrochemical integration.

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 August 2016 to October 2016, one platformer unit and during November 2016 to January 2017, one fluidized catalytic cracking unit were shut down for catalyst replacement and other maintenance jobs. In 6M FY2018, one diesel hydro treating unit and another platformer unit were shut down for regular maintenance jobs.

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 the Arab Gulf region and the balance from Latin America, West Africa and the Red Sea on a regular basis. The Company also sources crude from the North Sea, the Mediterranean region, 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, some of 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 150 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 55 to 60% of requirements) and spot supply contracts (typically 40 to 45% 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 overall higher margin. In FY2017, the Company procured approximately 60% 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. 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 overall crude basket optimization.

Arising from a long-term crude procurement deal entered with the Venezuelan state oil company - PDVSA and Iraqi National Oil company—SOMO, the Company receives between 400,000 to 500,000 barrels per day of 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
Reformate..	Feedstock for petrochemicals, such as paraxylene, orthoxylene and benzene
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 FY2017, the Company sold nearly 22.6% (FY2016: 22.7%) of its total refinery sales in the domestic market and exported 61.4% of its total sales (FY2016: 60.7%). The remaining 16% of refinery production sales were used for captive purposes primarily as feedstock for the Company's other plants (FY2016: 16%).

For FY2017, the overall industry transportation fuel volumes increased to 23 MMT in Gasoline, up 10% over FY2016, and 75 MMT in Diesel, up 3% over FY2016. With muted growth from the direct segment, the bulk of the growth has been registered by retail outlets. The total number of retail outlets in India has increased to over 59,500 during FY 2017, as state owned oil marketing companies continue to expand their network. The Company believes that there will be continuing expansion of networks by existing players as well as new entrants.

The Company has continued recommissioning its network, with 1,263 fuel outlets as at September 30, 2017. Fleet customer count grew four fold to 160,000 during the course of FY2017. Supported by the network and the growing fleet customer count, the Company believes its outlets registered a pump throughput significantly greater than the industry average in March 2017. The Company attributes this high throughput achievement to its fuel quality and quantity, superior service and value-added offerings at its retail outlets.

The Company's real-time network at 100% of the outlets ensures online monitoring and centralized control system. Aligning to the vision of "Digital India", the payment eco-system at the Company's pumps has been overhauled to accept multiple modes of payment.

Based on the Company's market analysis, the overall 3% growth in industry high-speed diesel ("HSD") consumption has been dragged down by the direct segment. Most consuming sectors have either shrunk or have had tempered growth. Despite the market environment and margin pressure, the Company has registered 5% year over year volume growth. On account of what the Company believes is superior technology and better service standards, the Company has become one of the priority suppliers for the Indian Railways. Increased sectoral focus has allowed the Company to expand into the fisheries, infrastructure and steel and coal mines industries which the Company believes will drive the volume growth over the next few years.

At present, India is the ninth-largest civil aviation market in the world and is expected to continue to grow in relative size through 2020. With the high growth trajectory of the aviation industry, the demand for Jet fuel in India grew by a robust 12.1% in FY2017 over FY2016, driven by a 22% growth in domestic passenger traffic. The Company believes Reliance Aviation is one of the fastest growing aviation turbine fuel suppliers in India. The throughput handled has grown by 21% in FY2017 compared to FY2016. The Company has a leading market share at 30% of the airports in which it operates across India. Besides strengthening its presence at the existing 25 airports in which it operates, it is striving to maintain its growth momentum by expanding its network, augmenting its resources and strengthening its supply chain.

In the domestic market, retail volumes have continued to gain strength while higher downstream integration has led to higher captive sales. On the strength of our value proposition, fleet sales have been reinforced. With the centralized network, the Company believes it is the only OMC with end to end automation allowing execution of daily price revision.

Direct HSD has continued on its growth path achieving 67% year-over-year growth. The growth in the Company's non-railway business and entry into East India has allowed the Company to de-risk the total sales in direct HSD. Reliance Aviation has introduced the innovative import based hospitality model allowing airline players to lower their overall fuel costs. The Company expects to further expand and strengthen its country-wide network presence through agreements with a total of five airports in FY2018.

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 expects will 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, substitute imported LNG with coke/coal and minimize the impact of energy price volatility on the Jamnagar complex margins.

The project is based on the "E-gas technology" (owned by CB&I) and is currently in the advanced stage of commissioning. The installation and mechanical completion for the gasification project linked to the DTA refinery were completed in the quarter ended March 31, 2017 and the pre-commissioning and start-up activities are ongoing. The installation and mechanical completion for the gasification linked to the Company's SEZ refinery has also been substantially completed and the Company expects to start pre-commissioning activities.

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 the Company'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 crackers, gas-based crackers, and refinery off-gas cracker along with downstream capacities. The Company's petrochemical products portfolio includes polymers (PE, PP, PVC), fiber intermediates (PX, benzene, PTA, MEG), polyester products (PFY, PSF, PET) and elastomers (PBR, SBR). The Company is the second largest producer of paraxylene, polyester fiber and yarn in the world, fourth largest producer of PTA and fifth largest producer of Polypropylene in the world.

In FY2017, the Company generated 28.3% of its Segment Revenue Before Inter-Segment Transfers and 34.4% of its Segment Result Before Interest and Tax from its Petrochemicals business, compared to 27% and 30.1%, respectively, in FY2016.

The table below shows the Company's production of principal petrochemicals and chemicals products over the past three fiscal years.

	Year Ended March 31,		
	2017	**2016**	**2015**
		(in MMT)	
Polymers	4.46	4.58	4.30
Polyester	2.29	2.20	1.85
Polyester intermediates	6.90	6.43	4.88

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, elastomers, polyester fiber and yarn and fiber 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 fiber intermediates and polymers. These units were commissioned along with the refinery complexes in 2000 and 2009. In FY2018, the new PX, Refinery off-gas cracker along with downstream MEG and PE were commissioned.

- The Patalganga plant in the State of Maharashtra produces polyester fiber and yarn and intermediates. The first unit was commissioned in 1982.

- The Vadodara plant in the State of Gujarat produces polymers, fiber intermediates and elastomers. 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 polyesters. The first phase of the complex was commissioned in 1997 and the second phase in 2000 and the third phase in 2015.

The Company also owns polyester manufacturing units at Barabanki, Hoshiarpur 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.

In 2015, the Company acquired RP Chemicals (Malaysia) from its previous owners. RP Chemicals owns and operates a PTA manufacturing facility in Kuantan, Malaysia. Almost all of Recron's PTA requirements are sourced from RP Chemicals' plant.

In 2017, the Company became the first company in the world to source 1.5 MMTPA of Ethane from North America to feed its existing cracker in India using state of the art dedicated Very Large Ethane Carriers. The Company believes this will provide long-term feedstock security and competitiveness to the petrochemical business of the Company.

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 2015, 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 Inter-Segment Transfers for FY2017.

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 specific 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 and polyvinyl chloride, as well as organic chemicals.

The Company's crackers at Jamnagar, 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 gas crackers at its Dahej and Nagothane petrochemicals complexes, a liquid feed naphtha cracker at Vadodara, a mix feed cracker at Hazira and a refinery off-gas cracker at Jamnagar.

Naphtha, propane and refinery off-gases are principally supplied by the Company's refineries at Jamnagar, and gas feed is supplied by state-owned oil and gas companies and is also sourced from North America through the company's six custom built Very Large Ethane Carriers. The propylene and ethylene produced from the Company's crackers are used for the manufacture of polymers and fiber intermediates. The Company believes that, by operating its own crackers integrated with the refinery, it has reduced its exposure to volatility in the international market with respect to procurement of basic feedstock. This has contributed significantly to the stability and enhancement of its margins.

Polymers/Plastics

Polymers are chemical compounds made of small molecules arranged in a simple repeating structure to form a larger molecule. For example, Polypropylene ("PP"), Polyethylene ("PE") and Polyvinyl chloride ("PVC"). These products are used in applications such as plastic products, packaging materials and pipes. While India's current per capita 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 FY2017 was 2.65 million tons.

The Company currently manufactures polyethylene at five different sites and in various grades covering a wide range of end-use applications. The Company's total polyethylene production during FY2017 was one million tons.

The Company is the world's fifth largest producer of PP. During FY2017, the Company produced 2.7 MMT of PP and has a leading position in the domestic PP market with an estimated 49% share. The Company is the leading PE producer in India with an estimated 22% market share in the overall PE market. It produced total PE of 1.1 MMT during FY2017 and has an estimated market share of 16% in HDPE, 29% in Linear Low Density Poly Ethylene (LLDPE) and 29% in Low Density Poly Ethylene (LDPE). The Company's total PVC production was 0.7 MMT, and it has an estimated 23% market share in the domestic market.

Elastomers

Polybutadiene rubber and Styrene Butadiene Rubber are synthetic elastomers with wide applications 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 capacity of around 120,000 tons. The company also has a Styrene Butadiene Rubber capacity of 150,000 tons in Hazira.

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.

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, Dahej and Hazira plants and monoethylene glycol at its Hazira, Nagothane, Vadodara and Dahej and Jamnagar 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. During 2017, the Company commissioned a new PX project that it expects to develop in phases at Jamnagar, Gujarat. The plant is built with crystallization technology which is highly energy efficient and environment friendly. With the commissioning of the new PX capacity, the Company became the world's second largest PX producer. With commissioning of these new capacities across the polyester chain, the Company believes it has consolidated its position as world's largest manufacturer of integrated polyester.

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 FY2017, the Company produced 747 KT benzene. The Company recovers benzene as a by-product from various streams in the cracker and aromatics complexes.

Joint Venture with SIBUR

Reliance Sibur Elastomers Pvt. Ltd., a joint venture company with SIBUR is setting up a production facility for 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 is expected to have an initial capacity of 120,000 tons per annum of butyl rubber at Jamnagar, India and is expected to be commissioned starting 2018. 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, OPAL, HPCL Mittal Energy, Chemplast, 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 FY2017, the Company generated 0.4% of its Segment Revenue Before Inter-Segment Transfers and 1.1% of Segment Results Before Interest and Tax from other business activities, compared to 0.4% and 0.9%, respectively, in FY2016. 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 such as "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 digital services.

Reliance Retail

Reliance Retail Ventures Limited ("RRVL"), a subsidiary of Reliance Industries Limited, is the holding company of the Company ("Reliance Retail") which operates retail business.

The Company believes Reliance Retail is India's largest retailer in terms of reach, scale and revenues . Its operating model is based on customer centricity and seeks to leverage common centers of excellence in technology, business processes and supply chain.

Reliance Retail has adopted a multi-retail concept strategy and operates a wide array of store concepts which cater to planned shopping needs, as well as daily or occasional needs of customers across core consumption baskets of consumer electronics, fashion & lifestyle, grocery and petro retail.

Reliance Retail operates a chain of neighborhood stores, supermarkets, cash and carry, specialty, and online stores. Serving the grocery consumptions basket, Reliance Retail operates "Reliance Fresh", "Reliance Smart" and "Reliance Market" stores focused on fresh produce, bakery, dairy products, home and personal care products, and general merchandise. Serving the consumer electronics consumption basket, Reliance Retail operates "Reliance Digital" and "Jio stores" offering consumer electronics, home appliances, digital services and IT products as well as a wide range of accessories and new-age gadgets across all major product categories. In the fashion & lifestyle consumption basket, Reliance Retail operates "Reliance Trends", "Trends Women", "Project Eve", "Reliance Footprint", "Reliance Jewel" stores. As part of its omni channel strategy, Reliance Retail operates multiple online stores comprising of "AJIO.com", "Reliance Trends.com", "Footprint360.com"and "Reliancesmart.in"

Reliance Retail, through its subsidiary Reliance Petro Marketing Limited ("RPML"), operates company-owned transport fuel outlets. As at September 30, 2017, RPML operated 472 fuel outlets.

RRVL through its subsidiary Reliance Brands Limited ("RBL") and Reliance Retail has entered into partnerships with over 25 international revered brands that span across the entire spectrum of luxury, bridge-to-luxury, high—premium and high—street lifestyle.

RRVL's FY2017 revenues grew 60.2% year-over-year to Rs. 337.7 billion, while EBIT was at Rs. 7.8 billion. For 6M FY2018, RRVL recorded revenues of Rs. 262.2 billion, a growth of 77.8% in comparison to 6M FY2017 and EBIT of Rs. 6.3 billion. As of September 30, 2017, RRVL had a network of more than 3,679 operational stores across 750 cities in India with a retail area of over 14.2 million square feet.

Digital Services

Jio was incorporated on 15th February, 2007 under the name of "Infotel Broadband Services Private Limited" under the Companies Act, 1956. The Company was then converted to a public limited company and the name of the Company was changed from "Infotel Broadband Services Private Limited" to "Infotel Broadband Services Limited" on 19th July 2010. Subsequently, the name of the Company was changed from "Infotel Broadband Services Limited" to "Reliance Jio Infocomm Limited" and a new certificate of incorporation was issued on 22nd January, 2013.

The Company's holding in Jio as at September 30, 2017 was approximately 99.44%.

Jio is rolling out a pan-India digital services business. In addition to wireless and fixed broadband connectivity which offers superior data and voice services on an all-IP network, Jio has a vision to offer end-to-end solutions that address the value chain across various digital services in key domains such as education, healthcare, security, communication, financial services, government-citizen interfaces and entertainment. Jio aims to provide anytime, anywhere access to innovative digital content, applications and services, supporting India's development in the global economy.

Jio's customer offering is built on four key strategic dimensions: (i) widest coverage of LTE services, (ii) superior network quality, (iii) large data capacity and (iv) affordable services. The Company believes Jio's deployment of LTE, FTTH and Wi-Fi has made high speed broadband access widely available to customers across India.

Jio signed the Unified License Agreement with Government of India, Ministry of Communication & IT, Department of Telecommunication (Access Service Division) ("DoT") on 21st October 2013. This license approves the provision of any digital service (including voice, except Global Mobile Personal Communication by Satellite (GMPCS) Service) using any technology within the licensed areas. Jio is the first telecom operator to hold a pan-India Unified License.

Jio's total spectrum footprint stands at 1,108 MHz (uplink + downlink) across three spectrum bands namely 800 MHz, 1800 MHz and 2300 MHz band with an average life of over 15 years. All of this spectrum is liberalized and can be used for rolling out any technology.

In addition, Jio has entered into agreement with Reliance Communications Limited ("RCOM") for sharing of spectrum in the 800 MHz band across 20 circles.

Jio's network is engineered for seamless services delivery using LTE technology in 800 MHz, 1800 MHz and 2300 MHz bands through an integrated ecosystem. The combined spectrum footprint across frequency bands provides significant network capacity and deep in-building coverage.

Jio reported its first quarterly financial performance for the period ended September 30, 2017. Standalone revenue from operations of Rs. 61.5 billion (US$ 941.6 million) were driven by 3.78 billion GB data consumption during the quarter. Based on public market data, Jio has the highest per capita data consumption at 9.62 GB/user/month amongst telecom operators supporting strong ARPU of Rs.156.4/subscriber per month. Jio reported positive EBITDA and EBIT in its first quarter of commercial operations due to significant uptake by subscribers and cost advantages generated through use of efficient 4G technology. EBITDA stood at Rs.14.4 billion (US$221.1 million) and EBIT at Rs. 2.6 billion (US$39.8 million).

Jio's Subscriber base stood at 138.6 million as at September 30, 2017 with net additions during the quarter of FY2017 of 15.3 million, making it one of the fastest growing Indian digital services companies.

During the quarter ended September 30, 2017, it is estimated that around 27 million LTE smartphones were sold in India. On a gross subscriber addition basis, Jio achieved over two-third market share of the incremental smartphones sold in the country. The cumulative LTE smartphone base is estimated to have reached 160 million. Jio has over 85% market share in the LTE smartphone base in the country.

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 Barabanki, Hoshiarpur and Silvassa.

Jamnagar Complex

The Company owns approximately 17,721 acres of land in total in the Jamnagar district in the State of Gujarat. The land is spread over the twelve villages of Motikhavdi, Padana, Meghpar, Sikka, Gagva, Nanikhavdi, Navagam, Kanalus, Kanachikari, Pipli, Jogvad and Derachhikari. The Company uses this land for refinery, petrochemical plant, C2 complex (Plant), gasification plant and associated support infrastructure.

Other Properties

The Company owns 485 acres of land and leases 745 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 278 acres of land and leases 1,924 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, 2017, the Company's total number of employees was 24,167. The total number of employees as at March 31, 2016 and 2015 were 24,121 and 24,930, respectively.

The Company has recognized employee unions and associations at various sites, which encourage the employees to participate freely in constructive dialogue with the management. Almost 100% of its non-supervisory permanent employees at its manufacturing locations are covered under collective bargaining agreements with trade unions which also comply with the local and national laws. 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.

The Company's expansion into diversified segments requires employees with special skill sets. The Company's entrepreneurial culture is aimed at encouraging younger generations to play a vital role in the organization's growth.

The Company believes that its values and behaviors have supported a deeper sense of connection and engagement for its people. It seeks to foster a culture that is performance oriented, promotes rewards for results and helps its people grow. RIL's workforce is one of the most critical resources for the Company, and it works continually to foster a growth-driven culture.

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 far-reaching 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 Reliance Innovation Council ("RIC") provides vision to the efforts taken by the Company in the field of innovation. The council consists of global thought leaders, Nobel laureates and iconic personalities which makes the Company one of the most innovative companies in the world. Born out of RIC's vision, the state-of-the-art R&D center proves to be a strong pillar for technology development at the Company.

To serve the innovation vision of RIC, the Company has set up Reliance Innovation Leadership Centre ("RIL-C"). RIL-C leads various programs to integrate innovation within the Company, some of which are mentioned below:

	LEAP	7 INNOVATION HABITS	MISSION KURUKSHETRA	D4 **(Define Discover** Develop Demonstrate)
	LEAP was born with the aim of providing people at Reliance with access to global thought and innovation leaders through interactive sessions.	The 7 Innovation Habits programme aims at empowering entry-level and middle level employees at Reliance with specific innovation skills and problem-solving capabilities.	Mission Kurukshetra (MK) is a step towards democratising creativity and innovation within the organisation. Through the Mission Kurukshetra platform, RIL people can submit ideas and track their progress right up to implementation. More than 750 'Idea Champions' – who are domain experts from across Reliance – take decisions on ideas and work with ideators as well as implementers.	The D4 programme aims to create a drive for innovation within RIL's people, ultimately creating a vibrant culture of innovation. An action oriented programme enabling participants to identify innovative opportunities and solutions in day-to-day business and life situations.
OUTCOME	Since inception, 39 LEAP interactions have been organised.	More than 1,000 ideas have been generated and considered.	Since inception, 19,000 ideas have been submitted by employees and many are under implementation.	Helped to achieve bottom-up innovation and help accelerate the accomplishment of organisational goals.
IMPACT	**Inspire** a culture of thinking big- about Reliance, the communities it operates in and the whole country.	**Empower** Reliance employees to inculcate innovation skills.	**Enable** a culture of internal crowd sourcing.	**Demonstrate** and train employees to use cutting edge technologies.

RIL-C was set-up to serve the innovation vision of the council. This center implements the Company's innovation agenda by deploying the best and next transformational innovative practices. RIL-C leads various programs to integrate innovation within the Company. For example, the Leading Expert Access Program ("LEAP") was born with the aim of providing people at the Company access to global thought and innovation leaders through interactive sessions. From industry captains to nobel laureates, senior government officials to social justice supporters — and even a Mount Everest summiteer — all have interacted with and inspired the Company's employees through LEAP. Further, recognizing that every mind is creative, Mission Kurukshetra ("MK") is a step towards democratizing creativity and innovation within the organization. Through the MK platform, people can submit ideas and track their progress right up to implementation. In addition, businesses can put up specific challenges seeking novel ideas and solutions.

Research and Development Organization

R&D is governed and operated by a well-defined set of teams: strategic teams, leadership teams and functional excellence teams. The R&D function at Reliance has two distinct themes: (i) breakthrough R&D for potential new businesses and (ii) R&D to support near-term needs and step-out processes for existing businesses.

The entire R&D organization enthusiastically embraces Reliance's values, behaviors and Code of Conduct. Risk management is an integral component of the strategic framework. R&D has also implemented initiatives such as New Product Development and Introduction ("NPDI"), Stage-Gate and Electronic lab notebook to formally manage innovation.

Intellectual Property

The Company's general policy is to seek patent protection for those inventions and improvements likely to be incorporated into its products or to give it a competitive advantage and trademark registration for the brands under which companies products are sold. The Company's principal brand names are registered trademarks of India. The Company relies on a variety of patents, designs, trademarks, copyrights, trade secrets and proprietary information to maintain and enhance its competitive position.

Pursuant to the scheme of arrangement to demerge certain of the Company's digital services, 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 "R" logo could be used by each of 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 intellectual 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. In 2011, a Consent (Settlement) Application was filed by the Company before SEBI, which was rejected. 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. Meanwhile, hearings were held before the Whole Time Member ("WTM") of SEBI in respect of SCN. By an order dated March 24, 2017, the WTM of SEBI passed directions (i) prohibiting the Company from dealing in equity derivatives in the Futures & Options segment of stock exchanges, directly or indirectly, for a period of one year from the date of the order, and (ii) to disgorge an amount of Rs. 4,472 billion along with interest at the rate of 12% per annum from November 29, 2007 through the date of payment. In May 2017, the Company filed an appeal in the Securities Appellate Tribunal against this order, which appeal 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 Government has sent notices to the contractor (consisting of the Company, BP and Niko (NECO) Ltd.) under the KG—D6 PSC disallowing cost recovery to the contractor under the KG-D6 PSC for alleged under-utilization of capacity due to failure to comply with the approved development plan and has demanded an additional share of petroleum profit. The Company contends that there are no provisions in the PSC for block KG—D6 which entitle the Government to disallow cost recovery on this basis.

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 fiscal years 2007 and 2008. 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 cost recovery provisions of the PSC with respect to the KG-D6 block. Both the Company and the Government have appointed arbitrators and filed their pleadings. 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 and the hearing on merits by the Arbitration Tribunal is scheduled in the first half of 2019.

Arbitration relating to Panna-Mukta and Tapti Blocks

In December 2010, the Company and BG Exploration and Production India Limited (together, the "Claimants") referred a number of disputes, differences and claims arising under two PSCs entered into in 1994 among the Claimants, Oil & Natural Gas Corporation Limited ("ONGC") and the Government 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 Arbitration Tribunal has issued a Final Partial Award dated October 12, 2016 ("Partial Award").

The Government has notified the Company, as a party to the Panna Mukta and Tapti PSCs of the Government's computation of US$1.16 billion as the purported share of the Government's petroleum profit and royalties alleged to be payable by the contractor pursuant to the Government's interpretation of the Arbitration Tribunal's Partial Award.

The Company has contended that the Government's demand notice is premature. The Company believes that the quantification of liabilities (if any) of the parties arising out of the Partial Award is required to be determined by the Arbitration Tribunal after the parties have made their respective submissions on quantification. The Arbitration Tribunal is yet to schedule the timeline for the quantification phase. Before process of quantification can commence certain outstanding issues will have to be appropriately resolved.

The Company has challenged the Partial Award before the English commercial court. The outcome of the arbitration process and attendant legal proceedings may have an adverse effect on the Company's business, financial condition, cash flows and results of operations.

Public Interest Litigations

Three public interest litigations were filed before the Supreme Court of India in FY2013 and FY2014 against the Company in relation to the PSC for the KG-D6 Block seeking substantially similar reliefs in the nature of: (i) disallowance of cost recovery; (ii) quashing the Government's decision to approve the certain gas price formula; and (iii) termination of the PSC for the KG-D6 Block on the basis that the Company had 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 were already the subject matter of the ongoing arbitrations and as per the PSC such disputes are required to be resolved by the Arbitration Tribunal.

One of the Petitioners also filed an Application in January 2017 to amend the petition and urge additional grounds, mainly challenging the new policies of the Government including the New Domestic Natural Gas Pricing Guidelines 2014; Marketing including Pricing Freedom for the Gas to be produced from Discoveries in Deepwater, Ultra Deepwater and High Pressure — High Temperature areas 2016 et al., which is yet to be taken up by the Honorable Supreme Court. All the three public interest litigations are pending before the Honorable Supreme Court.

Arbitration Relating to Alleged Migration of Gas

The Government sent a notice to the KG-D6 contractor on November 3, 2016 asking the KG-D6 Contractor to deposit approximately US$1.55 billion on account of gas produced from Block KG-D6 which is alleged to have migrated from ONGC's adjoining blocks. The Government contends that the KG-D6 Contractor is entitled to produce only gas situated within the KG-D6 contract area as at the date of the signing of the KG-D6 PSC.

The Company has disputed this contention and, for and on behalf of the KG-D6 contractor parties, has initiated arbitration under the terms of the relevant PSC. The Company contends that all petroleum operations have been conducted in accordance with the relevant PSC and the applicable laws and the KG-D6 contactor is entitled to retain all benefits from and recover costs for its petroleum operations. This matter is currently pending before the Arbitration Tribunal.

Writ Petition filed by the Company for quashing of the first information report ("FIR") lodged by the Anti-Corruption Bureau, Delhi ("ACB")

In 2014, four individuals filed a complaint to the then Chief Minister of the Government of National Capital Territory of Delhi alleging collusion between the then Ministers of the 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 ACB to register the FIR and investigate the matter.

The Company has filed a Writ Petition before the Honorable Delhi High Court questioning the jurisdiction of the ACB in registering the FIR against the Company. The Company has contended that ACB lacks jurisdiction to file the FIR. The matter is currently pending before the Honorable Delhi High Court.

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 draft 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 is currently pending before the Honorable Bombay High Court.

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's environmental management policy requires strict compliance with all local, state and central laws and regulations concerning environmental protection. The Company's comprehensive environmental management system is designed to meet not only applicable regulatory requirements, but also to move forward environmental sustainability, by focusing on water conservation, ecology, air emissions and waste management. The emphasis on environment management starts by carrying out environmental impact assessments which seek to cover social as well as ecological aspects adequately.

The Company seeks to ensure that the quality of discharged water is within permissible limits before it is discharged into the natural environment. As at September 30, 2017, about 45% of our freshwater was re-utilized through recycle and reuse at our manufacturing locations. The emission control management is an in-built system selected as a part of the technology selection stage with right control equipment and pollution monitoring facilities. As a part of the Company's strategy to control emissions, the Company observes use of sulfur free gas and other low sulfur fuels, wherever available. The Company believes energy efficiency is the cornerstone of sustainable growth, and also seeks to manage climate change related to greenhouse gas emissions by promoting a broad range of energy saving initiatives. Strategic development of green belts across manufacturing and other installations are undertaken with the aim of seeking ecological balance. Keeping in view the 3 "R" policy, the Company continually monitors and reviews the waste generated across operations with a focus on reducing waste generation at the source. Continual efforts are also made to develop a culture of environment conservation in day-to-day operations by imparting refresh training programs and mass scale awareness activities.

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 associated with the operation of its respective businesses. The insurance is held through three insurers, one of which is 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 46.21% of the Company's total issued equity share capital as at September 30, 2017 (47.50% of the voting rights).

As at 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
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
Raminder Singh Gujral	Independent Director	June 12, 2015
Shumeet Banerji	Independent Director	July 21, 2017

(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 at September 30, 2017

Shri Mukesh D. Ambani (DIN 00001695) joined the Company in 1981 and is currently the Chairman of the Board of Directors and Finance Committee, as well as Managing Director. He is also the Chairman of Jio and RRVL, and a Director of Reliance Foundation and Reliance Europe Limited. He is also a Member of the Board in Breakthrough Energy Ventures, LLC-USA.

Shri Mukesh D. Ambani initiated the Company'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 that have raised the Company's petrochemicals manufacturing capacities from less than a million tons to approximately fourteen million tons per year during FY 2017. Moreover, he led the creation of the world's largest grassroots petroleum refinery at Jamnagar, India, with a capacity of 660,000 barrels per day (33 million tons per year) integrated with petrochemicals, power generation, port and related infrastructure. Further, he steered the setting up of another 5,80,000 barrels per day refinery next to the existing one in Jamnagar. With an aggregate refining capacity of 1.24 million barrels of oil per day at any single location in the world has transformed "Jamnagar" as the 'Refining Hub of the World'.

Shri Mukesh D. Ambani is currently steering the Company's development of infrastructure facilities and implementation of a pan-India organized retail network spanning multiple formats and supply chain infrastructure. Shri Mukesh D. Ambani is also setting up one of the most complex 4G broadband wireless services in the world 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.

Shri Mukesh D. Ambani's achievements have been acknowledged at several national and international levels. Over the years, some of the awards and recognitions bestowed on him are:

- Awarded "Othmer Gold Medal for Entrepreneurial Leadership" by The Chemical Heritage Foundation (CHF), Philadelphia, USA, in May 2016 ;
- Conferred an honorary "Doctor of Science" by Institute of Chemical Technology (ICT), Mumbai in February 2015 ;
- Honored as one of the "25 Greatest Global Living Legends" by NDTV in 2013;
- Awarded as "Global Challenger" by Boston Consulting Group in 2013;
- Conferred "Entrepreneur of the Decade' by All India Management Association in 2013;
- Ranked the "5th best performing CEO in the world" by the Harvard Business Review in its ranking of the top 50 global CEOs in 2011;
- Awarded the "Dean's Medal" for his leadership in the application of Engineering and Technology by University of Pennsylvania Dean of the School of Engineering and Applied Science in 2010;
- listed as one of the "Most Powerful People in the World" by Forbes magazine in 2014; and
- listed in the "TIME 100 Most Influential People in the World" in 2011.

Shri Mukesh D. Ambani has been elected as a Foreign Member of the prestigious United States National Academy of Engineering. Currently, Shri Mukesh D. Ambani is a member of the Prime Minister's Council on Trade and Industry, Government of India, Board of Governors of the National Council of Applied Economic Research. He is the Chairman of Board of Governors, Pandit Deendayal Petroleum University, Gandhinagar. He is also a Board member of the Interpol Foundation and a Member of The Foundation Board of World Economic Forum. Additionally, he is 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 International Advisory Council, Global Advisory Council of Bank of America, Member of The Business Council and London School of Economics' India Advisory Group.

He holds a degree in Chemical Engineering at the Institute of Chemical Technology, Mumbai (earlier University Department of Chemical Technology, University of Mumbai). He has pursued an MBA from Stanford University, USA.

Shri Nikhil R. Meswani (DIN 00001620) joined the Company in 1986 and since July 1, 1988 he is a whole-time Director designated as an Executive Director on the Board of the Company.

He is currently also a Director of Reliance Commercial Dealers Limited ("RCDL"), Chairman of its Audit Committee and member of its Nomination and Remuneration Committee. Moreover, he is a member of the Corporate Social Responsibility and Governance Committee, the Finance Committee and the Stakeholders' Relationship Committee of the Company.

He is primarily responsible for petrochemicals division. Between 1997 and 2005 he handled the refinery business. He was also responsible for integration of IPCL within the Company's businesses. In addition, he continues to carry several other corporate responsibilities such as Corporate Affairs and Group's taxation policies. He also takes keen interest in IPL cricket franchise "Mumbai Indians", ISL and other sports initiatives of the group.

Previously, he was the President of Association of Synthetic Fibre Industry and was also the youngest Chairman of Asian Chemical Fibre Industries Federation. He is also a member of managing committee of Federation of Indian Export Organizations set up by Ministry of Commerce. He is a Member of the Board of Trade, Ministry of Commerce, Government of India, as well as a member of the Global Advisory Board of Harvard University.

Over the years, he received the following recognitions:

- Ranked fourth among "Top 40 Global Power Players" in chemical industry as per ICIS — leading chemical industry magazine;

- Named "Young Global Leader" by the World Economic Forum in 2005; and

- Honored by the Institute of Economic Studies, Ministry of Commerce & Industry, the Textile Association (India), Ministry of Textiles.

He holds a degree in Chemical Engineering at the University Institute of Chemical Technology (UICT), Mumbai.

Shri Hital R. Meswani (DIN 00001623) joined the Company in 1990. He is a whole-time Director of the Company, and Executive Director since August 4, 1995 with overall responsibility for the Petroleum Refining and Marketing Business and several functions of the company (including Human Resources Management, Group Manufacturing, Research & Technology and Capital Projects Execution). He is also a Director of Reliance Industrial Investments and Holdings Limited and RCDL.

Additionally, he is a member of the Finance Committee, Stakeholders' Relationship Committee, Risk Management Committee and Chairman of the Health, Safety and Environment Committee of the Company.

He is currently driving implementation of gasification, off-gas cracker, paraxylene and other downstream petroleum and petrochemical projects at Jamnagar and other locations. He also led a company-wide business transformation initiative that led to the development of the constitution of the Company, the Reliance Management System. In the past, 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. He earned the following awards:

- Awarded the "Honorary Fellowship"' in recognition of his contribution to the process industries by IChemE (Institution of Chemical Engineers — the International Professional body for Chemical, Biochemical and Process Engineers);

- Received "The 2011 D. Robert Yarnall Award" from The Engineering Alumni Society of the University of Pennsylvania;

- Conferred the "Honorary CEPM-PMA Fellowship Award for Project Management Excellence".

He holds a Bachelor of Science Degree in Chemical Engineering from the School of Engineering and Applied Sciences, University of Pennsylvania, U.S.A. and a Bachelor of Science Degree in Economics from the Wharton Business School.

Shri P.M.S. Prasad (DIN 00012144) is a whole-time Director, and Executive Director of the Company since August 21, 2009. He is also a Director and Chairman of the Nomination and Remuneration Committee of RCDL and Director and member of Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of Network 18 Media and Investments Limited.

Additionally, Shri Prasad is a member of the Health, Safety and Environment Committee and Risk Management Committee of the Company.

Over the years, he has held various senior positions in the Fibres, Petrochemicals, Refining & Marketing and Exploration & Production Businesses of the Company.

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 has been conferred the "Energy Executive of the Year 2008" award by Petroleum Economist in recognition of his leadership.

Shri Prasad holds Bachelor's degrees in Science and Engineering.

Shri Pawan Kumar Kapil (DIN 02460200) is a whole-time Director, designated as Executive Director of the Company since May 16, 2010. He is also a member of the Health, Safety and Environment Committee of the Company.

He joined the Company in 1996 and led the commissioning and start-up of the Jamnagar complex. He was associated with this project since conception right through Design, Engineering, Construction and Commissioning. He also led the commissioning of the manufacturing operations in the Special Economic Zone (SEZ) at Jamnagar by Reliance.

Shri Pawan Kumar Kapil has a rich experience of more than four decades in the Petroleum Refining Industry. He started his career in 1966 with the Indian Oil Corporation. In the initial years he worked in various capacities in Operations, Technical Services and startup/ commissioning of various Refinery Process Units/ facilities in Barauni and Gujarat Refineries. He headed the Central Technical Services Department at the Corporate Office of Indian Oil Corporation, where he did extensive work in 'expansion of the existing refineries', 'energy optimization', 'debottlenecking studies' and 'long range planning'.

He moved to Mathura Refinery as the head of Refinery Operations and later become the Director (Technical) of Oil Co-ordination Committee (OCC) —the 'Think Tank' of the Ministry of Petroleum, the Government of India. He has travelled extensively and has been to USA, Russia, the Middle East, Europe and the Far East in connection with refinery design, technology selection, crude sourcing, and so on. Having served for 28 years in Indian Oil Corporation and OCC in various capacities, he rose to the position of Executive Director and spearheaded the setting up of Panipat Refinery for the Indian Oil Corporation.

He has been the Site President of the Jamnagar complex of the Company from 2001 to 2010. He is currently heading Group Manufacturing Services (GMS) since 2011 and working towards achieving excellence in the areas of HSE, Technology, Reliability and Operations of all Manufacturing Sites covering Refineries, Petrochemicals and Polyester Plants of the Company. Under his able leadership, in 2005, the Jamnagar Refinery became the first Asian Refinery declared as the "Best Refinery in the world", at the "World Refining & Fuel Conference" at San Francisco, USA. Both Refineries have bagged many national and international awards for Excellence in Safety performance, Energy conservation & Environment management, including the 'Golden Peacock Global Award for Sustainability for the year 2010'.

In recognition of his excellent achievements, the CHEMTECH Foundation had conferred on him the "Outstanding Achievement Award for Oil Refining" in 2008. He is also a Member of the Research Council of the Indian Institute of Petroleum, Dehradun.

He holds a Bachelor's degree in Chemical Engineering.

Shri Mansingh L. Bhakta (DIN 00001963) is the Lead Independent Director of the Company.

He is senior partner of Messers Kanga & Company, a leading firm of Advocates and Solicitors in Mumbai. He has been in practice for over 60 years and has vast experience in legal field and particularly on matters relating to corporate laws, banking and taxation. He is a legal advisor to leading foreign and Indian companies and banks. He has also been associated with a large number of Euro issues made by Indian companies. He was the Chairman of the Taxation Law Standing Committee of LAWASIA, an Association of Lawyers of Asia and Pacific, which has its headquarters in Australia.

He is a Director of the Indian Merchant's Chamber, Mumbai. During his long legal career, he has served as an Independent Director of a large number of leading corporates including Larsen & Toubro Limited, SKF (India) Limited, Kirloskar Oil Engines Limited, Arvind Limited and Bennett Coleman & Company Limited.

He is a recipient of Rotary Centennial Service Award for Professional Excellence from Rotary International.

The Asia Law Journal, Hong Kong, a leading International law journal, nominated him as one of 'the Leading Lawyers of Asia 2011' for six consecutive years. Recently, Trans Asian Chamber of Commerce & Industry conferred him the prestigious award of 'The Pillar of Hindustaanee Society' for the year 2014-15 in the field of 'Ethical Law Practice'.

The International Council of Jurists, New Delhi which has Hon'ble Dr. K.G. Balakrishnan, Retired Chief Justice of India as its Chairman, has recently honored Mr. M.L. Bhakta with its prestigious "National Law Day Award 2017" for his lifelong unique contribution in the field of Taxation. The award was handed by Smt. Pratibha Patil, Former President of India.

Shri Yogendra P. Trivedi (DIN 00001879) is an Independent Director of the Company since 1992. Mr. Trivedi is also the Chairman of the Audit Committee, the Corporate Social Responsibility and Governance Committee and the Stakeholders' Relationship Committee of the Company. Additionally, he is a member of the Human Resources, Nomination and Remuneration Committee of the Company.

Shri Yogendra P. Trivedi is practicing as senior advocate in the Supreme Court of India. He was a member of the Rajya Sabha till April 2, 2014. He holds important positions in various fields' viz. economics, profession, politics, commercial, education, medical field, sports and social service. He has received various awards and medals for his contribution in various fields. He was a Director in Central Bank of India and Dena Bank. He was the President of the Indian Merchant's Chamber and presently is a Member of its Managing Committee. He was on the Managing Committee of ASSOCHAM and the International Chamber of Commerce. He was the Hon'ble Counsel of Republic of Ethiopia.

He is also a member of the Audit Committee of Zodiac Clothing Company Limited. He is also the Chairman of Nomination and Remuneration Committee and a member of the Audit Committee of The Supreme Industries 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 Member of the Indian Merchant's Chamber, All India Association of Industries, W.I.A.A. Club, Yachting Association of India, B.C.A Club, Orient Club and Yacht Club.

He has been conferred Honorary Doctorate (HonorisCausa) by Fakir Mohan University, Balasore, Odisha.

Prof. Ashok Misra (DIN 00006051) is an Independent Director of the Company since 2005.

He is currently a NASI Honorary Professor at the Indian Institute of Science, Bangalore. He has an important role in the IIT system and higher education in India as Chairman of the Standing Committee of the IIT Council and Chairman of the Board of Governors of IIT Roorkee. From 2000 to 2008, he was the Director at the Indian Institute of Technology, Bombay, where he made significant contributions to the Institute, so that the Institute was transformed into a leading Research & Development Institute during his tenure. Previously, he was at IIT Delhi from 1977-2000 and at Monsanto Chemical Co. from 1974-1977. He was the Chairman-India, Intellectual Ventures from 2008-16. He is a Fellow of the National Academy of Sciences, India (President from 2006-08); the Indian National Academy of Engineering; the Indian Institute of Chemical Engineers; the Indian Plastics Institute and the Maharashtra Academy of Sciences. He is the Founder President of the Polymer Processing Academy and Founder President of IIT Alumni Centre, Bengaluru. He was former President of the Society of Polymer Science, India and the Federation of Asia Polymer Societies.

Furthermore, he is an Independent Director on the Board of Jubilant Life Sciences Limited and Kirloskar Electric Company Limited. He is a member of Audit Committee, Sustainability and CSR Committee and Stakeholders Relationship Committee of Jubilant Life Sciences Limited.

He is a member of the Stakeholders' Relationship Committee of the Company and a Member of the Investment Committee for Aditya Birla Private Equity — Sunrise Fund. He was on the Board of National Thermal Power Corporation Limited for 6 years. He is/has been on the Boards or Councils of several national and international institutions. He has received several awards including the Distinguished

Alumnus Awards from all his alma maters — IIT Kanpur, Tufts University and University of Massachusetts. The IIT Delhi awarded him the 'Distinguished Service Award' during its Golden Jubilee in 2011. He has co-authored a book on Polymers, was awarded 6 patents and has over 175 international publications. He is on the editorial board of several scientific journals.

Prof. Ashok Misra holds a B.Tech. in Chemical Engineering from IIT Kanpur, a M.S. in Chemical Engineering from the Tufts University and a Ph.D. 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. Dipak C. Jain (DIN 00228513) is an Independent Director of the Company since 2005. He is also a Director of RRVL, Jio and HT Global Education. He is a member of the Audit Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee of RRVL and also a member of Nomination and Remuneration Committee and Audit Committee of Jio.

Prof. Jain is a distinguished teacher and scholar. He has more than 30 years of experience in management education. From 2001 to 2009, he was the Dean of the Kellogg School of Management, Northwestern University, Evanston, Illinois, United States of America, and an associate Dean from 1996 to 2001. He has also served as the Dean of INSEAD, a leading business school with three campuses at Fontainebleau (Paris), France, Singapore and Abu Dhabi from 2011-13. Currently he is the Director of Sasin Graduate Institute of Business Administration of Chulalongkorn University, Bangkok (Thailand). He has published several articles in international journals on marketing and allied subjects. Furthermore, he is a Director of John Deere & Company, United States of America and Global Logistic Properties, Singapore.

His academic honors include:

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

He holds a M.S. in Mathematical Statistics from Guwahati University, India and a Ph.D. in Marketing from the University of Texas at Dellas, United States of America.

Dr. Raghunath A. Mashelkar, (DIN 00074119) is an Independent Director of the Company since 2007. Moreover, he is a member of the Audit Committee, the Human Resources, Nomination and Remuneration Committee and the Corporate Social Responsibility and Governance Committee of the Company.

He is currently a National Research Professor and 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 Council of Scientific and Industrial Research (CSIR), with thirty-eight laboratories and about 20,000 employees for over eleven years. He was also the President of Indian National Science Academy and President of Institution of Chemical Engineers (UK).

Dr. Mashelkar is on the Board of Directors of several other reputed companies such as Tata Motors Limited, Thermax Limited, Piramal Enterprises Limited, KPIT Technologies Limited, TAL Manufacturing Solutions Limited and several other private limited companies.

Additionally, he is Chairman of the Safety, Health and Environment Committee as well as Corporate Social Responsibility Committee of Tata Motors Limited. He is a member of the Audit Committee, Nomination & Remuneration Committee and Risk Management Committee of Tata Motors Limited and member of Nomination & Remuneration Committee of TAL Manufacturing Solutions Limited. He is also member of Audit Committee and Risk Committee of Piramal Enterprises Limited, Stakeholders Relationship Committee of KPIT Technologies Limited and Corporate Social Responsibility Committee of Thermax Limited.

Dr. Mashelkar is only the third Indian engineer to have been elected (in 1998) as Fellow of Royal Society (FRS), London. He was elected Foreign Associate of National Academy of Science (USA) in 2005, Associate Foreign Member, American Academy of Arts & Sciences (2011); Foreign Fellow of US National Academy of Engineering (2003); Fellow of Royal Academy of Engineering, U.K. (1996), Foreign Fellow of Australian Technological Science and Engineering Academy (2008) and Fellow of World Academy of Art & Science, USA (2000).

In August 1997, Business India named Dr. Mashelkar as being among the 50 path-breakers in the post-Independent India. In 1998, Dr. Mashelkar won the 'JRD Tata Corporate Leadership Award', the first scientist to win it. In June, 1999, Business India did a cover story on Dr. Mashelkar as "CEO OF CSIR Inc.", a dream that he himself had articulated, when he took over as DG, CSIR in July 1995. On November 16, 2005, he received the Business Week (USA) award of "Stars of Asia" at the hands of George Bush (Sr.), the former President of USA. He was the first Asian Scientist to receive it.

Deeply connected with the innovation movement in India, Dr. Mashelkar is currently the Chairman of India's National Innovation Foundation, Reliance Innovation Council, Thermax Innovation Council, KPIT Technology Innovation Council and Marico Innovation Foundation.

In post-liberalized India, Dr. Mashelkar has played a critical role in shaping India's S&T policies. He was a member of the Scientific Advisory Council to the Prime Minister and also of the Scientific Advisory Committee to the Cabinet set up by successive governments. He has chaired twelve high powered committees set up to look into diverse issues such as higher education, national auto fuel policy, overhauling the Indian drug regulatory system, dealing with the menace of spurious drugs and reforming Indian agriculture research system.

The President of India honored Dr. Mashelkar with Padmashri (1991), with Padmabhushan (2000) and with Padma Vibhushan (2014), which are three of the highest civilian honors in recognition of his contribution to nation building.

Thirty seven universities have honored him with honorary doctorates, which include Universities of London, Salford, Swinburne, Pretoria, Wisconsin and Delhi.

Shri Adil Zainulbhai (DIN 06646490) is an Independent Director of the Company since 2013.

He is currently the Chairman of Quality Council of India. He worked 34 years at McKinsey, of which the last 10 years were in India, where he also served as Chairman of McKinsey, India.

Shri Adil has co-edited the book, "Reimagining India" which featured 60 authors including prominent businessmen, academicians, economists, authors and journalists. The book has been #1 in non-fiction in India on its release and #2 on Amazon's International Business List in the US.

Shri Adil is very active in community, social causes and education. He is a Board member of Saifee Hospital, Board of Trustees at Saifee Burhani Upliftment Trust (redeveloping Bhendi Bazaar in Mumbai), Wockhardt Foundation and Piramal Swasthya. He was President of Harvard Business School Alumni Association of India and is on the Global Advisory Board of the Booth School of Business at University of Chicago.

Shri Adil is Chairman of Network18 Media and Investments Limited and TV18 Broadcast Limited. He is also a Director of Jio, Cipla Limited, Reliance Retail Ventures Limited, TV18 Home Shopping Network Limited and Larsen and Toubro Limited. Shri Adil is a Board Member of McKinsey Investment Office, Washington.

Shri Adil is Chairman of the Human Resources, Nomination and Remuneration Committee and Risk Management Committee and member of the Audit Committee of the Company. He is Chairman of the Audit Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee and member of Nomination and Remuneration Committee of Network18 Media and Investments Limited. He is also the Chairman of Audit Committee, Corporate Social Responsibility Committee and member of Nomination and Remuneration Committee of Jio. He is also the Chairman of Audit Committee, Corporate Social Responsibility Committee and member of Nomination and Remuneration Committee of Reliance Retail Ventures Limited.

Shri Adil is Chairman of Nomination and Remuneration Committee and member of Corporate Social Responsibility Committee of Cipla Limited. He is a member of Nomination and Remuneration Committee and Chairman of Audit Committee and Corporate Social Responsibility Committee of TV18 Broadcast Limited.

Shri Adil is member of Audit Committee and Nomination and Remuneration Committee of TV18 Home Shopping Network Limited. He is also a member of Nomination and Remuneration Committee of Larsen and Toubro Limited.

Shri Adil graduated in Mechanical Engineering from the Indian Institute of Technology. He also has an MBA from Harvard Business School.

Smt. Nita M. Ambani (DIN 03115198) is a Non-Independent, Non-Executive Director of the Company since 2014.

Smt. Nita M. Ambani is the Founder & Chairperson of Reliance Foundation, which has impacted the lives of over 12 million people through initiatives in Rural Transformation, Health, Education, Sports for Development, Disaster Response, Arts, Culture and, Heritage and Urban Renewal.

Smt. Nita M. Ambani is committed to building India as a multi-sports nation and leads the Reliance Foundation Youth Sports (RFYS) program, which was launched by the Hon'ble Prime Minister of India Shri. Narendra Modi in July 2016. RFYS is a multi-city, multi-sports, school and college competition and has already reached out to 2 million children across 1800 schools and colleges across 8 cities in India in its first year. This Program plans to reach out to 4 million children across 16 cities in its second year and 10 million children across 32 cities in its third year.

The Reliance Foundation Young Champs program has awarded residential scholarships to 41 talented children to receive world-class football training and quality education at Reliance Foundation School in Mumbai. The grassroots program to identify football talent has reached out to over 1.3 million children across India. The Reliance Foundation Jr. NBA program has reached out to 3.3 million children, 45% of whom are girls, and covers 18 cities. These grassroots programs across multiple sports have cumulatively reached out to 7 million children.

In recognition of her outstanding contribution to the world of sports, Smt Nita M. Ambani was elected as a Member of the International Olympic Committee in August 2016.

Under her leadership, the Reliance Foundation BIJ (Bharat-India Jodo) initiative aims to bridge the gap between rural and urban India by catalyzing sustainable growth in the rural areas. She steered operation "Mission Rahat" to provide relief and rehabilitation to the affected in the natural calamities in Uttarakhand in 2013, Jammu and Kashmir in 2014, and Chennai in 2015. She led the planting of 3.4 million trees over 2,500 acres at Reliance Jamnagar refinery site and developed a world-class township where over 5,500 families reside. The mango orchard situated there houses 138,000 trees and is today Asia's largest mango plantation at a single location.

Smt. Nita M. Ambani provides leadership to 14 schools that educate 16,000 students every year. She is the Founder and Chairperson of Dhirubhai Ambani International School (DAIS), which has consistently been ranked as India's No. 1 International School for the 4th consecutive year by Education World. DAIS has been ranked the No. 1 School in Mumbai for the 4th time in the last five years by Hindustan Times.

The Times School Survey 2016 ranked DAIS the No. 1 School in Mumbai in the "National + International School" category. DAIS has also been recognized as the No. 1 School in Academics in the country, with the conferment of the "Excellence in Academics' award in the NDTV Education Awards. In 2016, DAIS received International Accreditation from the Council of International Schools (CIS) and the New England Association of Schools and Colleges (NEASC). DAIS has received the "Green Building Certificate" from the Indian Green Building Council with the highest level, "Platinum" rating.

The Dhirubhai Ambani Scholarship Program has supported over 11,300 scholars, 20% of whom are specially-abled and almost 50% are girls. The "Education For All" initiative, which combines the power of sport and education, has impacted the lives of over 1,00,000 underprivileged children. Reliance Foundation plans to establish a world-class multi-disciplinary university.

Smt. Nita M. Ambani leads the Sir H. N. Reliance Foundation Hospital and Research Centre, which provides international quality, affordable healthcare and it is the largest gold certified green hospital in Mumbai. Reliance Foundation's 'Health for All' initiative has provided primary medical care to about 2.5 million underprivileged people. She is on the Board of Visitors of MD Anderson Cancer Centre and the Advisory Board of Massachusetts General Hospital. The Reliance Foundation Drishti has gifted vision to nearly 15,000 people through corneal transplants and its international Braille newspaper in Hindi is circulated in India and 14 other countries. She is the Brand Ambassador of the Swachh Bharat Abhiyaan and leads the Foundation's cleanliness drive across 12 states.

Smt. Nita M. Ambani is the architect and co-owner of Mumbai Indians, which won the IPL trophy in 2013 and 2015 and the Champions League T20 trophy in 2011 and 2013. She is the Founder and Chairperson of Football Sports Development Limited that launched the Indian Super League (ISL) in 2014, which has revolutionized footballing in India.

Smt Nita M. Ambani is committed to preserving and promoting India's art, culture and heritage. Reliance Foundation sponsored the 'Gates of the Lord — The tradition of Krishna Paintings' exhibition at the Art Institute of Chicago and partnered with The Metropolitan Museum of Art, New York, to showcase the works of Nasreen Mohamedi, the renowned Indian abstract artist.

Smt. Nita M. Ambani has received many awards and honors. In 2015, the All India Management Association (AIMA) presented her with the Entrepreneur of the Year award. In 2016, Business Today conferred on her India's Most Powerful Women Award for the second consecutive year. In 2016, Forbes Asia magazine listed her amongst Asia's 50 Most Powerful Business Women. In 2017, Smt Nita M. Ambani was honored by The Metropolitan Museum of Art in New York for her philanthropic work, whereby she became the first South Asian to receive this honor.

Smt. Nita M. Ambani is a Director of EIH Limited.

She is a Commerce Graduate from Mumbai University and a holds a degree in Early Childhood Education.

Shri Raminder Singh Gujral (DIN 07175393) is an Independent Director of the Company since 2015. Currently, he is also an Arbitrator in a couple of disputes of NHAI with Concessionaires of Road projects. He retired from the position of Finance Secretary (Government of India) in 2013. He held various positions in the Central Government and has sufficient experience on functioning of CBEC and CBDT. He was also Secretary (Revenue), Secretary (Expenditure) and Secretary (Ministry of Road, Transport and Highways) and served as Chairman of National Highways Authority of India (NHAI). He was also the Director General of Foreign Trade and Chairman of Board of Governors of National Institute of Financial Management. He holds a B.A. (Economic Honours), LLB, MBA (IIM Ahmedabad) and M.A. (International Finance/ Business - Fletcher School).

Dr. Shumeet Banerji (DIN 02787784) is an Independent Director of the Company since 2017. He also serves as director of Jio.

Additionally, Dr. Banerji currently serves on the Board of Directors of HP Inc. (USA), Innocoll (Ireland), Felix Pharmaceuticals (Ireland) and is a senior advisor to Proteus Digital Health (USA), Berg Health (USA), Tala Energy (UK) and Absolutdata (USA). He is member of the Panel of Senior Advisers of Chatham House (The Royal Institute of International Affairs, UK), the Advisory Board of One Mind (USA), and the Advisory Board of the Global Economic Symposium (Germany).

Dr. Banerji founded Condorcet, LP, an advisory and investment firm specializing in developing early stage companies. Dr. Banerji retired from Booz & Company in 2013 after a 20 year career at the firm and its predecessor Booz, Allen, Hamilton. He was the founding CEO of Booz & Company. In 2007-2008, he co-led the conception, design, and execution of the historic deal separating Booz, Allen, Hamilton, selling the government business to the Carlyle Group and spinning off the global strategy consulting division as Booz & Company. He was a member of the faculty at the University of Chicago's Graduate School of Business before joining Booz, Allen, Hamilton.

He holds a BA and MBA from University of Delhi and PhD from Kellogg School of Management, Northwestern University, Illinois, Chicago, U.S.A.

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;
- formulating 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;
- declaring dividends; 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), Dr. Raghunath A. Mashelkar, Adil Zainulbhai and Raminder Singh Gujral. 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 Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The role of the Audit Committee includes, inter alia, 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;
- Review, with the management, of 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; and
- Qualifications in the draft audit report.

• Review, with the management, of the quarterly financial statements before submission to the Board for approval;

• Monitor and review with the management, of 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;

• Review, with the management, of performance of statutory and internal auditors, adequacy of the internal control systems;

• Formulation of the scope, functioning, periodicity and methodology for conducting the internal audit;

• Review of 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;

• Review of 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;

• Review of 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;

- Carry out any other function as is mentioned in the terms of reference of the Audit Committee;

- Review of financial statements, in particular the investments made by the Company's unlisted subsidiaries;

- Reviewing the following information:

  - o Management discussion and analysis of financial condition and results of operations;

  - o Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

  - o Management letters / letters of internal control weaknesses issued by the statutory auditors;

  - o Internal audit reports relating to internal control weaknesses; and

  - o The appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor(s) shall be subject to review by the Audit Committee; and

- Carrying out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification or amendment as may be applicable.

Seven meetings of the Audit Committee were held during the period from April 1, 2016 to March 31, 2017.

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. Raghunath A. Mashelkar and Dr. Shumeet Banerji.

The role of the Committee includes, inter alia, the following:

- Formulation and recommendation to the Board of 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;

- Recommendation on the amount of expenditure to be incurred on the activities referred to above;

- Monitor the implementation of the Corporate Social Responsibility Policy of the Company from time to time;

- Approve the Corporate Sustainability Reports and oversee the implementation of sustainability activities;

- 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;

- Observe the practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary;

- Ensure compliance with the corporate governance norms prescribed under the Listing Agreements with Stock Exchanges, the Indian Companies Act and other statutes or any modification or re-enactment thereof;

- 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;

- 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;

- 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;

- Formulate / approve codes and / or policies for better governance;

- Provide correct inputs to the media so as to preserve and protect the Company's image and standing;

- Disseminate factually correct information to investors, institutions and the public at large;

- Establish oversight on important corporate communication on behalf of the Company with the assistance of consultants / advisors, if necessary;

- Ensure institution of standardized channels of internal communications across the Company to facilitate a high level of disciplined participation; and

- 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.

Four meetings of the Corporate Social Responsibility and Governance Committee were held during the period from April 1, 2016 to March 31, 2017.

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 includes, inter alia, 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;

- 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;

- Approve the provision of a corporate guarantee or performance guarantee by the Company within the limits approved by the Board;

- Approve the opening and operation of Investment Management Accounts with foreign banks and appoint them as agents, and the establishment of representative/sales offices in or outside India;

- Approve other transactions or financial issues that the Board may desire to have reviewed by the Finance Committee;

- Delegate authorities from time to time to the executives/authorized persons to implement the Committee's decisions;

- Review regularly and make recommendations about changes to the charter of the Committee; and

- Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification or amendment as may be applicable.

Five meetings of the Finance Committee were held during the period from April 1, 2016 to March 31, 2017.

Health, Safety and Environment Committee

The Health, Safety and Environment Committee of the Board consists of four directors: Hital R. Meswani (Chairman), P.M.S. Prasad, Pawan Kumar Kapil, Dr. R A Mashelkar and Prof. Ashok Misra.

The role of the Committee includes, inter alia, the following:

- Monitor and ensure the highest standards of environmental, health and safety norms;

- Ensure 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;

- Review, as the Committee deems appropriate, the Company's health, safety and environment related policy and making recommendations as necessary;

- Review the Company's performance on health, safety and environment related matters and suggesting improvements as the Committee may deem necessary;

- Review procedures and controls being followed at the Company's various manufacturing facilities and plants for compliance with relevant statutory provisions;

- Review regularly and making recommendations about changes to the charter of the Committee;

- Obtain or perform an annual evaluation of the Committee's performance and making appropriate recommendations; and

- Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification or amendment as may be applicable.

Four meetings of the Health, Safety and Environment Committee were held during the period from April 1, 2016 to March 31, 2017.

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 includes, inter alia, the following:

- Oversee and review all matters connected with transfer of the Company's securities;

- Approve issue of duplicate of shares / debentures certificates;

- 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.;

- Oversee the performance of the Company's Registrars and Transfer Agents;

- Recommend methods to upgrade the standard of services to investors;

- 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, 2015;

- 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;

- Perform such other functions as may be necessary or appropriate for the performance of its duties; and

- Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification or amendment as may be applicable.

Four meetings of the Stakeholders' Relationship Committee were held during the period from April 1, 2016 to March 31, 2017.

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. Raghunath. A. Mashelkar and Raminder Singh Gujral.

The role of the Committee includes, inter alia, the following:

- 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;

- Formulate the criteria for evaluation of independent directors and the Board;

- Devise a policy on Board diversity;

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the Company's criteria and to recommend to the Board their appointment and/ or removal;

- Carry out evaluation of every director's performance;

- Consider extension or continuation of term of appointment of independent directors on the basis of the report of performance evaluation of independent directors;

- Recommend/review remuneration of the Managing Directors and Whole-time Directors based on their performance and defined assessment criteria;

- Administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme;

- Review human resources policies and overall human resources of the Company;

- Perform such other functions as may be necessary or appropriate for the performance of its duties; and

- Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification or amendment as may be applicable.

Six meetings of the Human Resources, Nomination and Remuneration Committee were held during the period from April 1, 2016 to March 31, 2017.

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:

- Frame the Risk Management Plan and Policy;
- Oversee the implementation of the Risk Management Plan and Policy;
- Monitor the Risk Management Plan and Policy;
- Validate the process of risk management;
- Validate the procedure for risk minimization;
- Periodically review and evaluate the Risk Management Policy and practices with respect to risk assessment and risk management processes;
- Obtain reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed;
- Perform such other functions as may be necessary or appropriate for the performance of its oversight function; and
- Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification or amendment as may be applicable.

Four meetings of the Risk Management Committee were held during the period from April 1, 2016 to March 31, 2017.

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 24 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. He is also a member of the Executive Committee.

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. 100,000. 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, 2017:

Name of the Director	Salary	Perquisites and Allowances	Retirement Benefits	Commission Payable	Performance Linked Incentive	Total	Stock Options Granted (Nos.)
				(Rs. in crore)			
Mukesh D. Ambani	4.16	0.60	0.71	9.53	—	15.00	Nil
Nikhil R. Meswani	1.50	2.83	0.25	12.00	—	16.58	64.18
Hital R. Meswani	1.50	2.83	0.25	12.0	—	16.58	64.18
P.M.S. Prasad	1.40	2.56	0.25	—	3.66	7.87	45.85
Pawan Kumar Kapil	0.60	0.80	0.11	—	1.03	2.54	1.00

The following table sets forth the sitting fees and commission paid to the Non-Executive Directors in the fiscal year ended March 31, 2017:

Name of the Non-Executive Director	Sitting Fee	Commission	Total
		(Rs. in crore)	
Mansingh L. Bhakta	0.09	1.35	1.44
Yogendra P. Trivedi	0.31	1.35	1.66
Dr. Dharam Vir Kapur *...	0.24	1.35	1.59
Prof. Ashok Misra	0.14	1.35	1.49
Prof. Dipak C. Jain	0.09	1.35	1.44
Dr. Raghunath A. Mashelkar	0.22	1.35	1.57
Adil Zainulbhai..	0.27	1.35	1.61
Nita M Ambani..	0.04	1.35	1.39
Raminder Singh Gujral..	0.17	1.35	1.52
Total	**1.567**	**12.15**	**13.71**

* Ceased to be a Director with effect from July 21, 2017

Loans to Employees

As at March 31, 2017, the aggregate amount of outstanding loans extended by the Company to its employees was Rs. 428.8 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, 2017, the Company paid Rs. 8.865 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, 2017, 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 at September 30, 2017, the Company's promoters and persons acting in concert with them (the "Promoter Group") held approximately 46.21% 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 2.71% of the Company's issued equity shares as at September 30, 2017. 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 47.50% of equity capital that carries such voting rights and may be exercised.

In addition to the foregoing, as at September 30, 2017, the Life Insurance Corporation of India held 8.31% of the issued equity share capital and Europacific Growth Fund held 3.31% of the issued equity share capital. As at 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 0.18% of the Company's issued equity shares as at September 30, 2017.

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 FY2017, 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. 585.7 million (FY2016: Rs. 544.0 million) and donations to the, Jamnaben Hirachand Ambani Foundation of Rs. 193.9 million, Hirachand Govardhandas Ambani Public Charitable Trust of Rs. 17.0 million, Reliance Foundations of Rs. 5,613.2 million and Reliance Foundation Youth Sports of Rs. 222.8 Million (FY2016: Rs.146.2 million, Rs. 40.0 million, Rs. 5,843.6 million and Rs. NIL, respectively). The Chairman and Managing Director of the Company are considered to be able to exercise significant influence over each such foundation.

See Note 30 to the FY2017 Annual Financial Statements for further information on related party transactions determined in accordance with Ind AS.

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 regulations. Natural gas prices in India are regulated by the Government. 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 that address exploration, 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 with respect to discovered fields include (i) ensuring optimum exploitation, (ii) reviewing and approving development plans, work programs, budgets and reservoir evaluations, and (iii) advising on mid-course corrections. With respect to exploration blocks, their functions include the appraisal of work programs and monitoring exploration activities. The Indian Ministry of Petroleum and Natural Gas also controls the Oil Industry Safety Directorate and the Oil Industry Development Board. The Oil Industry Safety Directorate develops standards for safety for oil companies and conducts periodic safety audits of all petroleum-handling facilities, and the Oil Industry Development Board provides financial and other assistance for the development of the oil industry. Companies must also comply with safety regulations prescribed by the Director General of Mines and Safety in respect of onshore petroleum mining installations. The Oil and Gas sector is also subject to environmental laws.

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. Certain laws and regulations particularly relevant to the Company's business are described below.

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 in 1997-1998 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 areas by the 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 gas 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 in the first instance is valid for a period of four years which may be extended for two further periods of one year each till the expiry of the exploration period(s) provided under the agreement if any, or unless otherwise specified by the Central Government in this regard. The term of a petroleum mining lease is generally 20 years, and the area covered by it is ordinarily 250 square kilometers. While the rental is payable based on the area of the land leased, the royalty is the amount that is paid on production of mineral oils. Upon grant of the petroleum mining lease, the lessee has to pay either the prescribed rental (called dead rent) or the royalty, whichever is higher, in relation to the concerned generally payable as a percentage of the value at well head of the oil and natural gas obtained by the lessee. The Government has the right to order a royalty to be paid in kind, instead of money. Under the Oilfields Act, the levy of a royalty is permitted up to 20% of the sale price of the mineral oil, which includes natural gas. The royalty is levied under the schedule of the Oilfields Act.

In the event of a national emergency in respect of petroleum, the Government has the right of preemption 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.

Hydrocarbon Exploration and Licensing Policy

The Government of India implemented the Hydrocarbon Exploration and Licensing Policy on March 10, 2016 with an aim to enhance domestic oil and gas production, bring substantial investment in the sector and generate sizable employment. The objectives of the policy are (i) uniform license for exploration and production of all forms of hydrocarbon, (ii) an open acreage policy, (iii) easy to administer revenue sharing model, and (iv) marketing and pricing freedom for the crude oil and natural gas produced.

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) city gas distribution projects for the supply of piped natural gas to households and compressed natural gas to the transport sector, (ii)existing gas-based urea plants; (iii) existing gas-based LPG plants; and (iv) 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; 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, if any, and linkages with traded liquid fuels. In 2007, the Government approved a price formula for determining the price of natural gas which was 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, in April 2012, constituted the Rangarajan Committee to review profit sharing mechanisms and PSCs in hydrocarbon exploration. In June 2013, Cabinet Committee on Economic Affairs ("CCEA") approved a new gas pricing formula for a period of five years based on the recommendation of the Rangarajan Committee Report on "the Production Sharing Contract Mechanism in Petroleum Industry". The Domestic Natural Gas Pricing Guidelines, 2014 were notified by the Government on January 10, 2014. The price under the new formula was to be applicable from April 1, 2014. The gas price under these guidelines was to be notified by the Government before April 1, 2014.

There was a continued delay on the part of the Government in notifying the price in accordance with the approved formula.

On October 18, 2014, in supersession of its earlier notification of January 10, 2014, the Government notified the New Domestic Natural Gas Guidelines 2014 ("New Guidelines").

Under the New Guidelines, the Government has notified a price of $5.05/ mmbtu (GCV basis) and $4.66/ mmbtu (GCV basis) for the periods November 1, 2014 — March 31, 2015 and April 1 — September 30, 2015, respectively. The salient features of the New Guidelines 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 came into effect from November 1, 2014 and was valid until March 31, 2015. It has since been revised from time to time. The Oil Ministry has recently revised the price for the six months starting from October 2017 to March 2018, in line with the global price to which the local price of gas is benchmarked. The prices are announced 15 days in advance of the half year, for which they are applicable.

The prices so notified have been applied prospectively with effect from November 1, 2014 and are on GCV basis because input prices in the formula are also on GCV basis. The revised gas prices determined on this basis are applicable to all gas produced from nomination fields given to ONGC and OIL India, NELP blocks and 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 where, given their peculiar conditions, guidelines for pricing of gas that 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.

Marketing and pricing freedom to natural gas from deep-water, ultra-deep-water, high temperature high pressure fields

On March 21, 2016 the MoPNG notified "Marketing including pricing freedom for the gas to be produced from Discoveries in Deepwater, Ultra Deepwater and High Pressure-High Temperature areas". The guidelines allowed marketing freedom including pricing freedom to discoveries which were yet to commence commercial production as on January 1, 2016, subject to a ceiling price on the basis of landed price of alternative fuels.

CBM Marketing and pricing freedom

On April 11, 2017 MoPNG issued "Policy Framework for Early Monetization of CBM". It provides marketing and pricing freedom to the Contractor of CBM Blocks to sell the CBM at Arm's Length Price in the domestic market. The market price has to be determined based on fully transparent and competitive process for sale of CBM.

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.

Oil Mines Regulations, 2017

The Central Government through notification dated August 14, 2017 has issued the Oil Mines Regulations, 2017 ("Mines Regulations") which are applicable to every oil mine. Under the Mines Regulations, the owner, agent or manager of a mine is required to give notice of commencement of any mining operation under to the Chief Inspector of Mines, the Regional Inspector and the District Magistrate in the Form and method specified by the Chief Inspector of Mines for the purpose, accompanied by a plan showing the geographical boundaries of the mine including locations of the installations and other prominent and permanent surface features and a copy of the safety management plan prepared. Additionally, the Mines Regulations stipulate that if a mine is abandoned or closed or working thereof is discontinued over a period exceeding four months or if a change occurs in the ownership of a mine, the owner, agent or manager of the mine shall submit returns to the chief inspector of mines, the regional inspector and the district magistrate within 30 days of abandonment, or closure, or change, of ownership, or within five months of discontinuance, as the case may be.

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 approvals based on a detailed environmental impact assessment study to evaluate the impacts such operations would have on environment and natural resources 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 and protection of environment, the Forest Conservation Act, 1980 and wildlife protection act, 1972 provide the primary framework for ecological protection.

While the Ministry of Environment & Forests, Govt. of India is the nodal ministry for all environment and forest related regulations, the State Pollution Control Boards have been established in all states in India to implement and enforce the provisions of the regulations 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 need be obtained after observing a due procedure 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 (Prevention and control of pollution) acts and the authorization 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 as applicable.

The use of any 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 utilizing 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 requiring approvals from wildlife authorities as per provisions of Wildlife (Protection) Act, 1972 and as required under Environment (protection) Act 1986 need to be obtained.

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 various central provisions such as Legal Metrology Act, 2009, Food Safety and Standards Act, 2006, Drugs and Cosmetics Act, 1940, Essential Commodities Act, 1955, Insecticides Act, 1968 etc., together with the rules/regulations issued thereunder and are also subject to the various shops and establishments legislations, labour laws, agricultural produce marketing legislations, local municipal/Panchayat laws prevailing in the States in which they operate.

These laws/legislations regulate the product labelling requirements, food safety standards, restriction on storage of essential commodities, conditions of work and employment including health and safety standards and other obligations to be followed by the establishments.

Digital 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 National Telecom Policy — 2012 issued by the DoT provides a framework for the promotion of telecommunication services and making available affordable and effective communications for citizens.

The Unified 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 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 digital services 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 turnover of 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 GST is applicable to goods brought from India's domestic tariff area to a SEZ subject to fulfilment of certain conditions.

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

Direct Taxes

The company is subject to direct taxes including corporate tax (at the rate of 30% plus a surcharge of 12% together with education cess of 2% and secondary higher education cess of 1%, as applicable). The Company paid corporate tax of Rs. 83.33 billion on its profits for FY2017 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 fifteen 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 12% plus an education cess of 2% and a secondary higher education cess at the rate of 1%, giving an effective rate of approximately 21.3416%.

Indirect Taxes

Due to the Goods & Services Tax, effective as at July 1, 2017, a tax on consumption collected incrementally i.e. based on the value addition at each stage of production or distribution, various indirect taxes levied by Central & State governments on goods / services have been subsumed into Goods & Services Tax, except in the case of certain specified goods.

In respect of those specified goods, which includes Petroleum Crude, Natural Gas, Motor Spirit, High Speed Diesel & Aviation Turbine Fuel, duties as were applicable under the earlier tax regime e.g. excise duty, sales tax/value added tax (VAT), continue to apply. The above petroleum products could be subject to GST from a date to be later notified by GST Council.

Import duties under Customs Act continues to apply on import of goods.

Goods and Services Tax

Goods and Services Tax is a destination based tax on consumption of goods and services. The amended Constitution of India provides for both the Central and State governments to levy and administer their respective portion of tax viz. Central GST and State GST. Further, States have been given the powers to decide their GST rate within a band and also provide some exemptions at their own level, for goods of local importance.

The GST seeks to create a single common market (One Nation One Market) with goods and services moving seamlessly across the entire country. For this purpose, Integrated GST is levied on inter-state transfers and imports into India, which tax is available as tax credits.

Since GST is a value added tax, credit of GST paid on inputs and capital goods (save for a few exceptions) can be claimed thus avoiding cascading of taxes.

Excise Duty

Excise duty is an indirect tax levied on the manufacture of excisable goods. The excise duty is primarily levied by the Central Government, although state governments also levy excise duty on certain goods. Post introduction of GST, excise duty is now applicable only to a few specified goods, including Motor Spirit, High Speed Diesel and Aviation Turbine Fuel manufactured by the Company. Currently no excise duty is levied on crude and natural gas.

SALES TAX/VAT/CST

Sales tax/VAT/ CST is a tax levied on sale of goods. Post introduction of GST, sales tax/VAT/CST is now applicable only to a few specified goods, including Petroleum Crude, Natural Gas, Motor Spirit, High Speed Diesel and Aviation Turbine Fuel.

The Central Government levies Central Sales Tax (CST) on an inter-state sale of the above goods, while sales tax / VAT is levied by respective State Governments on intra-state sale of the above goods.

Customs Duty

Customs duties are imposed on the import of certain goods into India. In addition to basic duties of custom, a countervailing duty at a rate equal to the rate of integrated GST (in case of goods subjected to GST) or excise duty (in case of goods subjected to excise duty) is imposed on imports to ensure that no competitive advantage is obtained by imported goods over domestically produced goods. The duty is collected when the goods are cleared for home consumption.

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.

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/vary 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 under the Schedule of the Oilfields Act 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.

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 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, and in May 2014, the EPA issued an advance notice of proposed rulemaking under TSCA to obtain data on chemical substances and mixtures used in hydraulic fracturing. 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 released the final report "Hydraulic Fracturing for Oil and Gas: Impacts from the Hydraulic Fracturing Water Cycle on Drinking Water Resources" on December 12, 2016. The report concluded that activities involved in hydraulic fracturing can have impacts on drinking water under certain circumstances — including surface spills, injection of fluids into wells with inadequate integrity, discharge of untreated or inadequately treated wastewater, and disposal or storage in unlined pits. In addition, 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 DOI, through the BLM, also finalized a rule in 2015 requiring the disclosure of chemicals used, mandating well integrity measures, and imposing other requirements relating to hydraulic fracturing on federal lands. The eventual timing of effectiveness of this rule is uncertain; the rule had been stayed and not effective pending ongoing litigation, but on September 21, 2017, the U.S. Court of Appeals for the 10th Circuit dismissed the pending litigation. Separately, however, in July 2017 the BLM began the formal process to rescind the rule.

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 United States reached an agreement during the December 2015 United Nations climate change conference in Paris (the "Paris Agreement") pursuant to which the United States initially pledged to make a 26-28 percent reduction in its GHG emissions by 2025 against a 2005 baseline and committed to periodically update this pledge every five years starting in 2020. However, in June 2017, the Trump administration announced the United States' intention to withdraw from the Paris Agreement. 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.

Federal New Source Performance Standards regarding oil and gas operations ("NSPS OOOO") took effect in 2012 and required, among other things, the use of reduced emissions completions, or green completions, to achieve a 95% reduction in volatile organic compounds ("VOCs") emitted during the completion of new and modified hydraulically fractured wells. In June 2016, the EPA finalized amendments to NSPS OOOO rules as well as new requirements focused on achieving additional methane and VOC reductions from the oil and natural gas industry. Known as NSPS OOOOa, the new rules impose, among other things, new requirements for leak detection and repair, control requirements at oil well completions, replacement of certain pneumatic pumps and controllers, and additional control requirements for gathering, boosting, and compressor stations. Concurrent with NSPS OOOOa, the EPA also finalized a new rule regarding source determinations and permitting requirements for the onshore oil and gas industry under the CAA. In December 2016, the EPA began a process to regulate existing oil and natural gas facilities through a nationwide Information Collection Request (ICR). During the fall of 2016, the EPA also issued final Control Techniques Guidelines (CTGs) for reducing volatile organic compound emissions from existing oil and natural gas equipment and processes in ozone non-attainment areas.

In June 2016, the EPA finalized pretreatment standards for indirect discharges of wastewater from the oil and gas extraction industry. The regulation prohibits sending wastewater pollutants from onshore unconventional oil and gas extraction facilities to publicly-owned treatment works.

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 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. In addition, on March 26, 2016, OSHA issued a final rule, with effective dates of 2018 and 2021 for the hydraulic fracturing industry, which imposes stricter standards for worker exposure to silica, including worker exposure to sand in hydraulic fracturing. OSHA is also increasingly focusing on and investigating potential worker exposure to hydrocarbon vapors from certain production and flowback tanks.

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 non-current borrowings. 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 September 30, 2017, the Company had total indebtedness of Rs. 1,235,156 million, or US$18.92 billion (converted at the exchange rate of US$1.00 = Rs. 65.285), compared to Rs. 1,074,466 million as at March 31, 2017. Approximately 82% of the Company's total indebtedness as at September 30, 2017 was denominated in foreign currency, principally in US Dollars, with the remainder denominated in rupees.

The Company's long-term funding strategy is to 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 September 10, 2013 and October 12, 2017. The total amount outstanding under such facilities was US$5.23 billion (Rs. 341.44 billion) as at September 30, 2017 (converted at the exchange rate of US$1.00 = Rs. 65.285). Of the total amount outstanding as at September 30, 2017, US$0.21 billion (Rs. 13.71 billion) was drawn in Yen and/or Euros, and the balance was drawn in US Dollars (converted at the exchange rate of US$1.00 = Rs. 65.285).

Outstanding borrowings under the Company's facility agreements as on September 30, 2017 bear interest at a rate equal to the sum of applicable LIBOR or an equivalent benchmark, plus the applicable margin (which is between 0.52% and 1.05% per annum). The facilities mature between August 18, 2018 and January 17, 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 non-current borrowings 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 secured non-current borrowings to non-current borrowings ratio, maximum total external liabilities to tangible net worth ratio, minimum earnings before interest and tax to interest expenses ratio and a maximum secured non-current borrowings 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 May 31, 2007 and May 7, 2014. The total amount outstanding under such agreements was US$4.31 billion as at September 30, 2017. Borrowings under the ECA supported floating rate 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 1.20% per annum. Borrowings under the ECA supported fixed rate loans bear interest at a rate between 2.42% and 3.91% per annum. Borrowings under certain ECA supported loans were refinanced through issuance of ECA supported fixed rate notes which bear interest at a rate between 1.87% and 2.512% 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 non-current borrowings 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 Fixed Rate Loan

On August 7, 2008, the Company obtained a loan of ¥11 billion (US$97.78 million equivalent as at September 30, 2017) 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, 2026 and January 15, 2097. The notes contain certain customary negative and affirmative covenants and events of default.

In 2015, the Company issued US Dollar-denominated notes in an aggregate principal amount of US$1,950 million. The notes bear interest at rates between 4.125% and 5% per annum and mature between January 28, 2025 and February 10, 2045. 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 6.34% and 6.61% per annum and mature between September 18, 2018 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 9.45% 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 September 30, 2017 was Rs. 84.5 million (US$1.29 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.

Privately Placed Debentures

The Company has issued rupee-denominated privately placed debentures in an aggregate principal amount of Rs. 100 billion (US$1.5 billion as at September 30, 2017). These unsecured redeemable non-convertible debentures bear interest between 6.78% and 7% per annum and mature between 2020 and 2022.

Secured Indebtedness

The following is a summary of the Company's principal secured long-term indebtedness.

Privately Placed Debentures

The Company has issued rupee-denominated privately placed debentures with an aggregate outstanding principal amount of Rs. 11.37 billion (US$174.11 million as at September 30, 2017). These secured redeemable non-convertible debentures bear interest between 6.25% and 10.75% per annum, mature between 2018 and 2020 and are secured by way of a mortgage and charge on certain properties of the Company.

Contingent Liabilities

The Company has guaranteed certain debt obligations of its subsidiaries, including Jio, RSEPL and Recron in connection with certain credit facilities and RHUSA in connection with certain bonds. For more information, see Note 32 of the Annual Financial Statements for FY2017.

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 November 30, 2027. The Notes will bear interest at the rate per annum shown on the front cover of this Offering Memorandum from and including November 30, 2017 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 May 30 and November 30 of each year, commencing on and including May 30, 2018, 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 May 15 and November 15, 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 November 30, 2027 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 to payments to non-Indian companies 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 20 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, and Merrill Lynch International (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 Service 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 Global Ratings, a division of S&P Global 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 owner 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 beneficial owners 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 Citibank, N.A. Ground Floor, 1 North Wall Quay Dublin 1, Ireland. 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; as amended from time to time, read with the Master Direction on External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorized Dealers and Persons other than Authorized Dealers issued by the RBI on January 1, 2016, as amended, updated or reissued 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 letter dated November 10, 2017 granted its approval to the Company for the sale of the Notes pursuant to this Offering Memorandum.

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 long-term bonds that qualify for the benefit of the provisions of section 194LC of the Income Tax Act, such as the Notes, will be subject to Indian withholding tax at the rate of 5% (plus applicable surcharge and cess). The current rates are as under:

Particulars	Companies other than domestic companies		Non-residents other than companies	
	For income over US$1.5 million	For income over US$149,300 and less than US$1.5 million	For income over US$149,300	For income over US$74,650 and less than US$149,300
Tax rate	5%	5%	5%	5%
Surcharge	5%	2%	15%	10%
Education cess and secondary and higher education cess	3%	3%	3%	3%
Effective tax rate	**5.41%**	**5.25%**	**5.92%**	**5.67%**

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.

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 be regarded as being situated is not free from doubt.

The determination 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.

The above information is set forth in summary form only and is not intended to constitute a complete analysis of all tax consequences relating to the ownership of the Notes. The Company disclaims any responsibility to update this summary after the date of this Offering Memorandum. 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 are 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 "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;
- US expatriates;
- 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, 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 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 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 certain entities closely-held by individuals) 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
Barclays Bank PLC	U.S.$96,296,297
Citigroup Global Markets Inc.	U.S.$96,296,297
The Hongkong and Shanghai Banking Corporation Limited	U.S.$96,296,297
J.P. Morgan Securities plc	U.S.$96,296,296
Merrill Lynch International	U.S.$96,296,297
Standard Chartered Bank	U.S.$96,296,296
Australia and New Zealand Banking Group Limited	U.S.$22,222,222
BNP Paribas	U.S.$22,222,222
Crédit Agricole Corporate and Investment Bank	U.S.$22,222,222
DBS Bank Ltd.	U.S.$22,222,222
Deutsche Bank AG, Singapore Branch	U.S.$22,222,222
Mizuho Securities USA LLC	U.S.$22,222,222
Morgan Stanley & Co. International plc	U.S.$22,222,222
Scotia Capital (USA) Inc.	U.S.$22,222,222
SMBC Nikko Securities America, Inc.	U.S.$22,222,222
Société Générale	U.S.$22,222,222
Total	U.S.$800,000,000

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 5 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 seven 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+7"). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two 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 four business days 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 Preliminary Offering Memorandum has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area (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 Preliminary 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, 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, 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 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 Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.

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 (the "MAS"), and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, this Offering Memorandum or 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 subscription or purchase, whether directly or indirectly, to any persons in Singapore other than (i) to an institutional investor pursuant to Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, 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 of an exemption under Section 274 or 275 of the SFA, the Notes shall not be sold within the period of 6 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 (the "SFR").

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) 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

(b) 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 transferable within six (6) 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 or to a relevant person (as defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

    (ii) where no consideration is or will be given for the transfer;

    (iii) where the transfer is by operation of law;

    (iv) pursuant to Section 276(7) of the SFA; or

    (v) pursuant to Regulation 32 of the SFR.

Notice to Prospective Investors in Canada

The securities may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

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 NOVEMBER 20, 2017."

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 IND AS AND US GAAP

The Annual Financial Statements and the unaudited financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS), which differs in certain material respects from US GAAP.

The following table summarizes certain of the areas in which differences between Ind AS 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. Furthermore, differences in the table below cover only current mandatory GAAP and do not cover changes in GAAP which have been notified but only effective as from a future date.

The Companies Act, 2013 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 Ind AS. 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 Ind AS and US GAAP as a result of prescribed changes in accounting standards. The respective regulatory bodies that promulgate Ind AS 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 Ind AS 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 Ind AS and US GAAP, and how these differences might affect the financial statements appearing in this Offering Memorandum.

Description	Ind AS	US GAAP
Presentation of Financial Statements	Schedule III to the Companies Act, 2013, sets out the minimum requirements for disclosure in the financial statements i.e. balance sheet, statement of changes in equity, statement of profit and loss and notes. Ind AS allows classification of expenses by nature only.	SEC regulations prescribe the format and certain minimum line item disclosures for SEC registrants. For non-SEC registrants, there is limited guidance on the presentation of financial statements. There is no specific requirement for expenses to be classified according to their nature or function.
Accounting Convention-Going Concern	In carrying out its assessment of going concern, management considers all available information about the future for at least, but not limited to, 12 months from the reporting date.	The assessment of going concern is for a period of time of one year from the financial statements being issued (available for issue).
Property, Plant and Equipment	Ind AS requires that separate significant components of Property, Plant and Equipment (PPE) with different useful lives be recorded and depreciated separately.	Component accounting is permitted but not required.

Description	Ind AS	US GAAP
	Subsequent measurement of PPE may be based on the cost or revaluation model for a class of assets. Revaluation is required to be carried out at sufficient regularity such that the carrying amount is not materially different from the fair value at the end of the reporting period.	The revaluation of property, plant and equipment is not permitted.
Intangible assets	Intangible assets may be revalued to fair value only if there is an active market.	The revaluation of intangible assets is not permitted.
	Internal research expenditure is expensed as it is incurred. Internal development expenditure is capitalized if specific criteria are met. These capitalization criteria are applied to all internally developed intangible assets.	In general, both internal research and development (R&D) expenditure is expensed as it is incurred, making the recognition of internally generated intangible assets rare.
Accounting Treatment for Changes in Accounting Policies, errors and estimate	A statement of financial position as at the beginning of the preceding period is presented when an entity restates comparative information following a change in accounting policy, the correction of an error, or the reclassification of items in the statement of financial position.	A statement of financial position as at the beginning of the earliest comparative period is not required in any circumstances.
Consolidation	Consolidation is based on what can be referred to as a 'power-to direct' model. An investor 'controls' an investee if it is exposed to (has rights to) variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee. Although there is a practical distinction between structured and non-structured entities, the same control model applies to both.	Consolidation is based on a controlling financial interest model - For non-variable interest entities, 'control' is the continuing power to govern the financial and operating policies of an entity. - For variable interest entities (VIEs), control is the power to direct the activities that most significantly impact the VIE's economic performance and either the obligation to absorb losses of the VIE, or rights to receive benefits from the VIE, that could potentially be significant to the VIE.
	Uniform accounting policies are used throughout the group.	Uniform accounting policies within the group are not required.

Description	Ind AS	US GAAP
	The acquirer in a business combination can elect, on a transaction by transaction basis, to measure NCI at fair value, or at their proportionate interest in the net assets of the acquiree, at the date of acquisition.	NCI are generally measured initially at fair value.
Equity method Investee	In applying the equity method, an investee's accounting policies should be consistent with those of the investor.	In applying the equity method, an investee's accounting policies need not be consistent with those of the investor.
	The carrying amount of an equity-accounted investee is written down if it is impaired.	The carrying amount of an equity-method investee is written down only if there is an impairment of the carrying amount that is considered to be 'other than temporary'.
	On the loss of significant influence, the fair value of any retained investment is taken into account to calculate the gain or loss on the transaction, as if the investment were fully disposed of; this gain or loss is recognized in profit or loss. Amounts recognized in OCI are reclassified or transferred as required by other standards.	If an equity-method investee becomes an investment, then any retained investment is measured based on the investor's carrying amount of the investment at the date of the change in status of the investment, adjusted for the reclassification of items recognized previously in accumulated OCI.
Interests in Joint arrangement (Joint Ventures/Joint operation) in Consolidated Financial Statements	An investor in a joint venture must account for its interest using the equity method. An investor in a joint operation accounts for its share of assets, liabilities, income and expenses based on its direct rights and obligations in the financial statements.	US GAAP, predominantly uses the equity method, while the practice of proportional consolidation is found in the oil and gas industry in limited circumstances.
Business Combinations	'Push-down' accounting, whereby fair value adjustments are recognized in the financial statements of the acquiree, is not permitted under Ind AS.	Companies have the option to 'Push-down' accounting, whereby fair value adjustments are recognized in the financial statements of the acquiree.

Description	Ind AS	US GAAP
Impairment of non-financial Assets	Ind AS uses a one-step impairment test. The carrying amount of an asset is compared to the recoverable amount. The recoverable amount is higher of (1) asset fair value less cost of disposal; or (2) the asset value in use.	US GAAP uses a two-steps impairment test and measurement model. Step 1: The carrying amount is first compared to the undiscounted cash flow. If the carrying amount is lower than the undiscounted cash flows, no impairment loss is recognized. Step 2: the carrying amount is higher than the undiscounted cash flow, an impairment loss is measured as the difference between carrying amount and fair value.
	Assets are tested for impairment as an individual asset, as part of a cash generating unit (CGU) or as part of a group of CGUs.	Assets are tested for impairment as an individual asset, as part of an asset group or at the reporting unit (RU) level.
	Estimates of future cash flows used in the value in use calculation are specific to the entity, and need not be the same as those of market participants.	Estimates of future cash flows used to assess the recoverability of depreciable or amortizable assets (asset groups) are always consistent with those of a market participant.
	An impairment loss for a CGU is allocated first to any goodwill and then pro rata to other assets in the CGU that are in the scope of the impairment standard. An impairment loss is generally recognized in profit or loss. An exception relates to assets revalued through OCI.	An impairment loss for an asset group is allocated pro rata to assets in the asset group, excluding working capital, goodwill, corporate assets and indefinite-lived intangible assets. Goodwill and indefinite-lived intangible assets are tested after the asset group has been tested for impairment and separately as a reporting unit. Impairment losses are always recognized directly in profit or loss and the revaluation of property, plant and equipment and intangible assets is not permitted.
	Reversals of impairment are recognized, other than for impairments of goodwill.	Reversals of impairments are prohibited.
Capitalization of Borrowing Costs and Exchange difference	Borrowing cost directly attributable to the acquisition, construction or production of a qualifying asset are required to be capitalized as part of the cost of that asset.	Capitalization of interest cost is required while a qualifying asset is being prepared for its intended use.

Description	Ind AS	US GAAP
	Eligible borrowing costs include applicable exchange rate differences from foreign currency borrowings.	
	Eligible borrowing costs include applicable exchange rate differences from foreign currency borrowings.	Eligible borrowing cost do not include exchange rate differences from foreign currency borrowings.
	Borrowing costs shall be reduced by income on temporary investments of the borrowings.	Generally, interest earned on invested borrowed funds cannot offset interest costs incurred during the period.
Leases	A lease of land with a building is treated as two separate leases: a lease of the land and a lease of the building; the two leases may be classified differently.	A lease of land with a building is treated as two separate leases only if the fair value of the land is at least 25 percent of the fair value of the leased property as a whole.
	In determining whether the lease of land is a finance lease or an operating lease, an important consideration is that land normally has an indefinite economic life.	A lease of land is generally classified as an operating lease unless title transfers to the lessee.
Extractive activities	Each type of E&E cost may be expensed as it is incurred or capitalized, in accordance with the entity's selected accounting policy.	All costs related to oil- and gas-producing activities are accounted for under either the successful efforts method or the full cost method, and the type of E&E costs capitalized under each method differs.
Revenue Recognition	Revenue recognition criteria for each of these categories include probability that the economic benefits associated with the transaction will flow to the entity and that the revenue and cost can be measured reliably.	Revenue guidance focusses on revenue being either realized or realizable and earned. Revenue recognition is considered to involve an exchange transaction; that is, revenue should not be recognized until an exchange transaction has occurred.
Presentation of taxes	Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are excluded from revenue.	Taxes may be reported on either a gross basis (included in revenues and costs) or on a net basis (excluded from revenues) as an accounting policy election.
Non-monetary transactions	Ind AS generally requires companies to use the fair value of goods or services received as the starting point for measuring a barter transaction.	US GAAP generally requires companies to use the fair value of goods or services surrendered as the starting point for measuring a barter transaction.

Description	Ind AS	US GAAP
Inventories	The cost of inventory is generally determined using the first-in, first out (FIFO) or weighted-average cost method. Inventories are generally measured at the lower of cost and net realizable value.	The cost of inventory may be determined using the last-in, first-out (LIFO) method in addition to the first-in, first-out (FIFO) or weighted-average cost method. Inventories that is measured using LIFO or retail inventory is measured at the lower of cost or market. For other methods it is measured at lower of cost or net realizable value.
Income taxes	A deferred tax asset is recognized to the extent that it is probable that it will be realized — i.e. a net approach.	All deferred tax assets are recognized and a valuation allowance is recognized to the extent that it is more likely than not that the deferred tax assets will not be realized — i.e. a gross approach.
	Current and deferred tax are measured based on rates and tax laws that are enacted or substantively enacted at the reporting date.	Current and deferred tax are only measured based on rates and tax laws that are enacted at the reporting date.
	Accounting for uncertain tax positions are not specifically addressed in Ind AS.	Uncertain tax position are recognized and measured using two-steps process: Step 1: Determine whether a benefit may be recognized and Step 2: Measure the amount of the benefit. Uncertain tax positions are evaluated at the individual tax position level.
Share-based payments	Equity-settled transactions with non-employees are generally measured based on the fair value of the goods or services obtained.	Equity-classified share-based payment transactions with non-employees are measured based on the fair value of the goods or services received or the fair value of the equity-based instruments issued, whichever is more reliably measurable.
	Grants in which the employee has the choice of equity or cash settlement are accounted for as compound instruments. Therefore, the entity accounts for a liability component and an equity component separately.	An award for which the employee has the choice of equity or cash settlement is generally liability-classified in its entirety unless the award is a 'combination' award, which might be treated like a compound instrument.
	There is specific guidance on group share-based payment arrangements, which are accounted for in each group entity's financial statements based on their own perspectives.	US GAAP does not contain specific guidance on group share-based payment arrangements.

Description	Ind AS	US GAAP
Cash flow	An entity chooses its own policy for classifying each of interest and dividends paid as operating or financing activities, and interest and dividends received as operating or investing activities.	Interest received and paid (net of interest capitalized) and dividends received are required to be classified as operating activities. Dividends paid are required to be classified as financing activities.
Measurement and classification of financial assets	Ind AS 109 has two measurement categories: amortized cost and fair value. Movement in fair values are presented either in profit or loss or in Other comprehensive income. Investment in equity instruments will always be measured at fair value either at fair value through OCI or fair value through P&L.	An entity shall classify debt and marketable equity securities into: a) trading securities b) available for sale securities, and c) held to maturity securities. The unlisted equity investments are generally carried at cost, unless either impaired or the fair value option is elected.

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, 2017, 2016 and 2015 included in this Offering Memorandum have been audited by Deloitte Haskins & Sells LLP, Chaturvedi & Shah and Rajendra & Co., Chartered Accountants (together referred to as "Previous or Former Auditors"), as stated in their reports included herein.

The unaudited financial results of the Company for 6M FY2018 included in this Offering Memorandum has been jointly reviewed by S R B C & CO LLP, Chartered Accountants and D T S & Associates, Chartered Accountants (together referred to as "Current Auditors/ Current Statutory Auditors").

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.

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30TH SEPTEMBER 2017

(₹ in crore, except per share data)

Particulars	Quarter Ended			Half Year Ended		Year Ended (Audited)
	30 Sep'17	30 June'17	30 Sep'16	30 Sep'17	30 Sep'16	31 Mar'17
Income						
Value of Sales & Services (Revenue)	75,165	70,434	64,344	145,599	123,837	265,041
Less: GST Recovered	3,404	-	-	3,404	-	-
Revenue from Operations	**71,761**	**70,434**	**64,344**	**142,195**	**123,837**	**265,041**
Other Income	2,057	1,918	2,280	3,975	4,313	8,709
Total Income	**73,818**	**72,352**	**66,624**	**146,170**	**128,150**	**273,750**
Expenses						
Cost of Materials Consumed	45,307	42,037	39,506	87,344	75,307	164,250
Purchases of Stock-in-Trade	2,166	1,797	1,944	3,963	2,746	5,161
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	924	(555)	(292)	369	(2,026)	(4,839)
Excise Duty and Service Tax	3,229	6,217	4,767	9,446	10,764	23,016
Employee Benefits Expense	1,182	1,170	1,016	2,352	2,267	4,434
Finance Costs	1,314	788	633	2,102	1,557	2,723
Depreciation / Amortisation and Depletion Expense	2,268	2,158	2,029	4,426	3,979	8,465
Other Expenses	5,970	8,179	6,848	14,149	13,407	29,763
Total Expenses	**62,360**	**61,791**	**56,451**	**124,151**	**108,001**	**232,973**
Profit Before Tax	**11,458**	**10,561**	**10,173**	**22,019**	**20,149**	**40,777**
Tax Expense						
Current Tax	2,294	2,092	2,217	4,386	4,409	8,333
Deferred Tax	899	273	252	1,172	488	1,019
Profit for the Period	**8,265**	**8,196**	**7,704**	**16,461**	**15,252**	**31,425**
Other Comprehensive Income (OCI)						
i Items that will not be reclassified to profit and loss	49	(71)	-	(22)	-	35
ii Income tax relating to Items that will not be reclassified to profit or loss	(11)	15	-	4	-	(7)
iii Items that will be reclassified to profit or loss	(1,147)	(168)	878	(1,315)	1,161	2,752
iv Income tax relating to items that will be reclassified to profit or loss	245	36	(224)	281	(249)	(588)
Total Other Comprehensive Income (Net of Tax)	**(864)**	**(188)**	**654**	**(1,052)**	**912**	**2,192**
Total Comprehensive Income for the period	**7,401**	**8,008**	**8,358**	**15,409**	**16,164**	**33,617**
Earnings per equity share (Face Value of ₹ 10/-) (Not Annualised)						
(a) Basic	13.03	12.92*	12.20*	25.95	24.16*	49.77*
(b) Diluted	13.02	12.91*	12.18*	25.93	24.12*	49.68*
Paid up Equity Share Capital, Equity Shares of ₹ 10/- each.	6,333	3,252	3,243	6,333	3,243	3,251
Other Equity excluding Revaluation Reserve						285,062
Capital Redemption Reserve/ Debenture Redemption Reserve	1,117	1,165	1,165	1,117	1,165	1,165
Net Worth (Including retained earnings)	295,894	291,502	266,588	295,894	266,588	283,288
(a) Debt Service Coverage Ratio	4.78	3.39	1.11	4.01	1.63	2.41
(b) Interest Service Coverage Ratio	9.72	14.40	17.07	11.48	13.94	15.98
(c) Debt-Equity Ratio	0.41	0.38	0.38	0.41	0.38	0.37

** After considering allotment of Bonus Equity Shares (Refer Note No.5)*

Notes

1. The figures for the corresponding previous period have been restated/regrouped wherever necessary, to make them comparable.

2. During the quarter, the Company issued listed unsecured non-convertible redeemable Debentures amounting to ₹ 10,000 crore in three tranches (Series A, B and C).

   The listed secured non-convertible debentures of the Company aggregating ₹ 1,136 crore as on 30th September, 2017 are secured by way of first mortgage/charge on the Company's certain properties. The asset cover in respect of the non-convertible debentures of the Company as on 30th September, 2017 exceeds hundred percent of the principal amount of the said listed non-convertible debentures.

3. Details of secured non-convertible debentures are as follows -

Sr. No.	Particulars	Whether Secured / Unsecured	Previous Due Date (1st April 2017 till 30th September 2017)		Next Due Date (1st October 2017 till 31st March 2018)	
			Principal	Interest	Principal	Interest
	Reliance Industries Limited					
1.	PPD 177	Secured	-	-	24th Nov 2017	24th Nov 2017
2.	PPD 179 Tranche 3	Secured	-	-	-	8th Dec 2017
3.	PPD 180 Tranche 1	Secured	-	7th May 2017	-	-
4.	PPD Series A	Unsecured	-	-	-	-
5.	PPD Series B	Unsecured	-	-	-	-
6.	PPD Series C	Unsecured	-	-	-	-

Interest and Principal have been paid on the due dates.

4. Formulae for computation of ratios are as follows -

$$\text{Debt Service Coverage Ratio} = \frac{\text{Earnings before interest and tax}}{\text{Interest Expense + Principal Repayments made during the period for long term loans}}$$

$$\text{Interest Service Coverage Ratio} = \frac{\text{Earnings before interest and tax}}{\text{Interest Expense}}$$

$$\text{Debt / Equity Ratio} = \frac{\text{Total Debt}}{\text{Equity}}$$

5. The Company has issued and allotted 308,03,34,238 equity shares to the eligible holders of equity shares on the book closure date (i.e., 9th September, 2017) as bonus equity shares by capitalizing reserves on 13th September, 2017. The Earning Per Share figures for the quarter ended 30th June'17, year ended 31st March 2017 and quarter/half year ended 30th September 2016 have been restated to give effect to the allotment of the bonus shares, as required by IND AS-33.

6. The Company retained its domestic credit ratings of "CRISIL AAA" from CRISIL and "Ind AAA" from India Ratings and an investment grade rating for its international debt from Moody's as Baa2 and BBB+ from S&P.

7. The Audit Committee has reviewed the above results and the Board of Directors has approved the above results and its release at their respective meetings held on 13th October 2017. The Statutory Auditors of the Company have carried out a Limited Review of the aforesaid results.

UNAUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(₹ in crore)

Particulars	As at 30th September 2017	As at 31st March 2017 (Audited)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	141,613	136,882
Capital Work-in-Progress	129,716	128,283
Intangible Assets	16,439	16,248
Intangible Assets Under Development	5,458	5,906
Financial Assets		
Investments	158,018	140,544
Loans	15,108	10,418
Other Non-Current Assets	1,862	2,184
Total Non-Current Assets	**468,214**	**440,465**
Current Assets		
Inventories	33,453	34,018
Financial Assets		
Investments	56,278	51,906
Trade Receivables	5,716	5,472
Cash & Cash Equivalents	1,364	1,754
Loans	3,209	4,900
Others Financial Assets	5,954	3,372
Other Current Assets	4,856	4,859
Total Current Assets	**110,830**	**106,281**
Total Assets	**579,044**	**546,746**
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	6,333	3,251
Other Equity	293,539	285,062
Total Equity	**299,872**	**288,313**
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
Borrowings	80,378	78,723
Provisions	2,171	2,118
Deferred Tax Liabilities (Net)	25,938	24,766
Other Non-Current Liabilities	503	-
Total Non-Current Liabilities	**108,990**	**105,607**
Current Liabilities		
Financial Liabilities		
Borrowings	29,948	22,580
Trade Payables	69,968	68,161
Other Financial Liabilities	47,355	43,920
Other Current Liabilities	21,811	16,897
Provisions	1,100	1,268
Total Current Liabilities	**170,182**	**152,826**
Total Liabilities	**279,172**	**258,433**
Total Equity and Liabilities	**579,044**	**546,746**

UNAUDITED STANDALONE SEGMENT INFORMATION FOR THE QUARTER/HALF YEAR ENDED 30TH SEPTEMBER 2017

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended (Audited)
		30 Sep'17	30 June'17	30 Sep'16	30 Sep'17	30 Sep'16	31 Mar'17
1.	**Segment Value of Sales and Services (Revenue)**						
	- Petrochemicals	26,826	24,083	21,293	50,909	40,702	87,623
	- Refining	59,324	58,902	51,838	118,226	100,784	217,862
	- Oil and Gas	760	582	701	1,342	1,484	2,787
	- Others	311	329	305	640	539	1,174
	Gross Value of Sales & Services	**87,221**	**83,896**	**74,137**	**171,117**	**143,509**	**309,446**
	Less: Inter Segment Transfers	12,056	13,462	9,793	25,518	19,672	44,405
	Value of Sales & Services	**75,165**	**70,434**	**64,344**	**145,599**	**123,837**	**265,041**
	Less: GST Recovered	3,404	-	-	3,404	-	-
	Revenue from Operations	**71,761**	**70,434**	**64,344**	**142,195**	**123,837**	**265,041**
2.	**Segment Results**						
	- Petrochemicals	4,913	3,984	3,464	8,897	6,365	13,178
	- Refining	6,532	6,375	5,901	12,907	12,482	24,871
	- Oil and Gas	(96)	(231)	24	(327)	72	(131)
	- Others	123	132	90	255	189	422
	Total Segment Profit before Interest and Tax	**11,472**	**10,260**	**9,479**	**21,732**	**19,108**	**38,340**
	(i) Finance Costs	(1,314)	(788)	(633)	(2,102)	(1,557)	(2,723)
	(ii) Interest Income	942	844	1,072	1,786	2,200	3,535
	(iii) Other Un-allocable Income (Net of Expenditure)	358	245	255	603	398	1,625
	Profit before Tax	**11,458**	**10,561**	**10,173**	**22,019**	**20,149**	**40,777**
	(i) Current Tax	(2,294)	(2,092)	(2,217)	(4,386)	(4,409)	(8,333)
	(ii) Deferred Tax	(899)	(273)	(252)	(1,172)	(488)	(1,019)
	Profit after Tax	**8,265**	**8,196**	**7,704**	**16,461**	**15,252**	**31,425**
3.	**Segment Assets**						
	- Petrochemicals	109,159	110,637	94,861	109,159	94,861	103,029
	- Refining	186,875	182,615	171,116	186,875	171,116	177,758
	- Oil and Gas	33,600	33,688	24,886	33,600	24,886	33,979
	- Others	115,354	104,319	62,778	115,354	62,778	92,943
	- Unallocated	134,056	128,359	146,009	134,056	146,009	139,037
	Total Segment Assets	**579,044**	**559,618**	**499,650**	**579,044**	**499,650**	**546,746**
4.	**Segment Liabilities**						
	- Petrochemicals	51,010	46,811	47,713	51,010	47,713	47,844
	- Refining	136,091	129,311	104,921	136,091	104,921	126,432
	- Oil and Gas	24,187	24,484	29,470	24,187	29,470	27,534
	- Others	460	551	657	460	657	643
	- Unallocated	367,296	358,461	316,889	367,296	316,889	344,293
	Total Segment Liabilities	**579,044**	**559,618**	**499,650**	**579,044**	**499,650**	**546,746**

Notes to Segment Information (Standalone) for the Quarter/Half Year Ended 30th September 2017

1. As per Indian Accounting Standard 108 ‘Operating Segment’, 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, Styrene 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) Other investments / assets and income from the same are considered under **unallocable**.

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
RELIANCE INDUSTRIES LIMITED**

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying Standalone financial statements of RELIANCE INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements")

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, of the state of affairs of the Company as at March 31, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

OTHER MATTERS

The standalone Ind AS financial statements and other financial information include the Company's proportionate share in jointly controlled operations in respect of assets of Rs. 767 crore, liabilities of Rs.73 crore, expenditure of Rs. 591 crore and the elements making up the Cash Flow Statement and related disclosures in respect of an unincorporated joint ventures which is based on statements from the operator and certified by the management.

Our opinion is not modified in respect of above said matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

INDEPENDENT AUDITORS' REPORT

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer note 32 to the standalone Ind AS financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for a sum of Rs.19.85 crore, which are held in abeyance due to pending legal cases; and

   iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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)
Rajesh D. Chaturvedi **Partner** Membership No. 45882	**A. B. Jani** **Partner** Membership No. 46488	**A. R. Shah** **Partner** Membership No. 47166

Mumbai
Date: April 24, 2017

ANNEXURE "A"

TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF RELIANCE INDUSTRIES LIMITED

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of RELIANCE INDUSTRIES LIMITED ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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)
Rajesh D. Chaturvedi **Partner** Membership No. 45882	**A. B. Jani** **Partner** Membership No. 46488	**A. R. Shah** **Partner** Membership No. 47166

Mumbai
Date: April 24, 2017

ANNEXURE "B"

TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF RELIANCE INDUSTRIES LIMITED

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

i. 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) As per the information and explanations provided to us, title deeds of immovable properties are generally in the name of the Company except in case of properties acquired by entities that have since been amalgamated with the Company and except in cases of leasehold land, aggregating Rs. 778 crore (refer note 1.1 to the standalone Ind AS financial statements) in respect of which lease deeds are pending execution. We verified the title deeds for immovable properties acquired from April 1, 2015 and in respect of other properties, the same is under compilation.

ii. In our opinion the inventories have been physically verified during the year by the Management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.

iii. In respect of the loans, secured or unsecured, granted by the Company to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:

a) In our opinion and according to the information given to us, the terms and conditions of the loans given by the Company are prima facie, not prejudicial to the interest of the Company.

b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and /or receipts of interest have been regular as per stipulations.

c) There are no overdue amounts as at the year-end in respect of both principal and interest.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.

v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order is not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and 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.

vii. In respect of statutory dues:

a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, 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, 2017 for a period of more than six months from the date of becoming payable.

b) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

1	Income Tax Act,1961	Income Tax	2,257	2011-12 and 2012-13	Commissioner of Income-Tax (Appeals)
2	Central Excise Act, 1944	Excise Duty and Service Tax	0 #	Various Years from 1990-91 to 2006-07	Commissioner of Central Excise (Appeals)
			136	Various Years from 1991-92 to 2012-13	Central Excise and Service Tax Appellate Tribunal
			4	Various Years from 2006-07 to 2009-10	High Court

ANNEXURE "B"

TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF RELIANCE INDUSTRIES LIMITED

Sr. No	Name of the Statute	Nature of Dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
3	Central Sales Tax Act, 1956 and Sales Tax Act of various States	Sales Tax/ VAT and Entry Tax	1,337	Various Years from 1999-00 to 2009-10	Joint/ Deputy Commissioner/ Commissioner (Appeals)
			366	Various Years from 1983-88 to 2012-13	Sales Tax Apellate Tribunal
			238	Various Years from 2000-01 to 2007-08	High Court
			0@	2004-05 and 2011-12	Supreme Court
4	Customs Act, 1962	Customs Duty	20	2007-08	Central Excise and Service Tax Appellate Tribunal
	Total		**4,359**		

Rs.35 lakh.

@ Rs.39 lakh.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and Government and dues to debenture holders.

ix. In our opinion and according to the information and explanations given to us, monies raised by way of debt instruments and the term loans during the year have been applied by the Company for the purposes for which they were raised.

x. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the standalone Ind AS financial statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company

xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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)
Rajesh D. Chaturvedi **Partner** Membership No. 45882	**A. B. Jani** **Partner** Membership No. 46488	**A. R. Shah** **Partner** Membership No. 47166

Mumbai
Date: April 24, 2017

FINANCIAL STATEMENTS

BALANCE SHEET

AS AT 31ST MARCH, 2017

(₹ in crore)

	Notes	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	1	1,36,882	1,32,662	1,21,084
Capital Work-in-Progress	1	1,28,283	96,994	65,178
Intangible assets	1	16,248	14,881	13,924
Intangible assets under development	1	5,906	13,911	10,419
Financial Assets				
Investments	2	1,40,544	1,15,134	63,405
Loans	3	10,418	11,812	21,655
Other Non-current assets	4	2,184	3,742	7,179
Total Non-Current assets		**4,40,465**	**3,89,136**	**3,02,844**
Current assets				
Inventories	5	34,018	28,034	36,551
Financial Assets				
Investments	6	51,906	42,116	52,044
Trade receivables	7	5,472	3,495	4,661
Cash and cash equivalents	8	1,754	6,892	11,571
Loans	9	4,900	4,973	6,763
Other Financial Assets	10	3,372	2,723	2,539
Other Current Assets	12	4,859	4,305	3,555
Total Current assets		**1,06,281**	**92,538**	**1,17,684**
Total Assets		**5,46,746**	**4,81,674**	**4,20,528**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	13	3,251	3,240	3,236
Other Equity	14	2,85,062	2,50,758	2,29,508
Total Equity		**2,88,313**	**2,53,998**	**2,32,744**
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	15	78,723	77,830	76,049
Provisions	16	2,118	1,066	898
Deferred tax liabilities (Net)	17	24,766	23,747	22,916
Total non-current liabilities		**1,05,607**	**1,02,643**	**99,863**
Current liabilities				
Financial Liabilities				
Borrowings	18	22,580	14,490	12,916
Trade payables	19	68,161	54,521	54,469
Other Financial Liabilities	20	43,920	46,504	16,990
Other Current liabilities	21	16,897	8,348	2,251
Provisions	22	1,268	1,170	1,295
Total current liabilities		**1,52,826**	**1,25,033**	**87,921**
Total Liabilities		**2,58,433**	**2,27,676**	**1,87,784**
Total Equity and Liabilities		**5,46,746**	**4,81,674**	**4,20,528**
Significant Accounting Policies				
See accompanying Notes to the Financial Statements	1 to 41			

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Rajesh D. Chaturvedi
Partner

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

A. B. Jani
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Alok Agarwal
Chief Financial Officer

Srikanth Venkatachari
Joint Chief Financial Officer

K. Sethuraman
Company Secretary

Mumbai
Date : April 24, 2017

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
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
Adil Zainulbhai
Nita M. Ambani
Raminder Singh Gujral
} Directors

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

		Notes	2016-17	2015-16
INCOME				
Revenue from operations				
Sale of Products		23	2,64,909	2,51,100
Income from Services			132	141
			2,65,041	**2,51,241**
Other Income		24	8,709	7,821
Total Income			**2,73,750**	**2,59,062**
EXPENSES				
Cost of Material Consumed			1,64,250	1,52,769
Purchase of Stock-in-Trade			5,161	4,241
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		25	(4,839)	4,171
Excise duty and service tax			23,016	18,083
Employee Benefits Expense		26	4,434	4,262
Finance Costs		27	2,723	2,562
Depreciation / Amortisation and Depletion Expense			8,465	8,590
Other Expenses		28	29,763	28,368
Total Expenses			**2,32,973**	**2,23,046**
Profit Before Tax			40,777	36,016
Tax Expenses				
Current Tax		11	8,333	7,801
Deferred Tax		17	1,019	831
Profit for the Year			**31,425**	**27,384**
Other comprehensive income:				
i.	Items that will not be reclassified to Statement of Profit and Loss	26.1(iv)	35	(1)
ii.	Income tax relating to items that will not be reclassified to Statement of Profit and Loss (Previous Year ₹ 23,63,459)		(7)	-
iii.	Items that will be reclassified to Statement of Profit and Loss	24.1	2,752	1,067
iv.	Income tax relating to items that will be reclassified to Statement of Profit and Loss		(588)	(228)
Total comprehensive income for the year			**33,617**	**28,222**
Earnings per equity share of face value of ₹ 10 each				
Basic (in ₹)		29	96.90	84.56
Diluted (in ₹)		29	96.73	84.39
Significant Accounting Policies				
See accompanying Notes to the Financial Statements		1 to 41		

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Rajesh D. Chaturvedi
Partner

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

A. B. Jani
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Alok Agarwal
Chief Financial Officer

Srikanth Venkatachari
Joint Chief Financial Officer

K. Sethuraman
Company Secretary

Mumbai
Date : April 24, 2017

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
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
Adil Zainulbhai
Nita M. Ambani
Raminder Singh Gujral
} Directors

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2017

A. EQUITY SHARE CAPITAL

(₹ in crore)

Balance at the beginning of the reporting period i.e. 1st April, 2015	Changes in equity share capital during the year 2015-16	Balance at the end of the reporting period i.e. 31st March, 2016	Changes in equity share capital during the year 2016-17	Balance at the end of the reporting period i.e. 31st March, 2017
3,236	4	3,240	11	3,251

B. OTHER EQUITY

(₹ in crore)

	Share app. money pending allotment	Reserves and Surplus							Other Comprehensive Income	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Debentures Redemption Reserve	Share Based Payments Reserve Account	General Reserve	Retained Earnings		
AS ON 31 MARCH 2016										
Balance at the beginning of the reporting period i.e. 1st April, 2015	17	291	48	48,089	1,117	20	1,53,210	24,725	1,991	2,29,508
Total Comprehensive Income for the year	-	-	-	-	-	-	-	27,384	838	28,222
Dividends	-	-	-	-	-	-	-	(6,039)	-	(6,039)
Tax on dividend	-	-	-	-	-	-	-	(1,220)	-	(1,220)
Transfer to / (from) retained earnings	-	-	-	-	-	-	22,000	(22,000)	-	-
On Employee Stock Options	(9)	-	-	298	-	(2)	-	-	-	287
Balance at the end of the reporting period i.e. 31st March, 2016	**8**	**291**	**48**	**48,387**	**1,117**	**18**	**1,75,210**	**22,850**	**2,829**	**2,50,758**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

	Share app. money pending allotment	Reserves and Surplus							Other Comprehensive Income	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Debentures Redemption Reserve	Share Based Payments Reserve Account	General Reserve	Retained Earnings		
AS ON 31 MARCH 2017										
Balance at the beginning of the reporting period i.e. 1st April, 2016	8	291	48	48,387	1,117	18	1,75,210	22,850	2,829	2,50,758
Total Comprehensive Income for the year	-	-	-	-	-	-	-	31,425	2,192	33,617
Transfer to / (from) retained earnings	-	-	-	-	-	-	24,790	(24,790)	-	-
On Employee Stock Options	(4)	-	-	693	-	(2)	-	-	-	687
Balance at the end of the reporting period i.e. 31st March, 2017	**4**	**291**	**48**	**49,080**	**1,117**	**16**	**2,00,000**	**29,485**	**5,021**	**2,85,062**

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Rajesh D. Chaturvedi
Partner

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

A. B. Jani
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Alok Agarwal
Chief Financial Officer

Srikanth Venkatachari
Joint Chief Financial Officer

K. Sethuraman
Company Secretary

Mumbai
Date : April 24, 2017

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
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
Adil Zainulbhai
Nita M. Ambani
Raminder Singh Gujral
Directors

FINANCIAL STATEMENTS

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

	2016-17	2015-16
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Statement of Profit and Loss	40,777	36,016
Adjusted for:		
(Profit) / Loss on Sale / Discard of Assets (Net)	(504)	20
Depreciation / Amortisation and Depletion Expense	8,465	8,590
Effect of Exchange Rate Change	(2,062)	(2,911)
Net Gain on Investments	(4,116)	(2,788)
Dividend Income	(271)	(691)
Interest Income	(3,535)	(4,169)
Finance costs	2,723	2,562
Operating Profit before Working Capital Changes	**41,477**	**36,629**
Adjusted for:		
Trade and Other Receivables	(1,857)	220
Inventories	(5,984)	8,517
Trade and Other Payables	27,374	6,210
Cash Generated from Operations	**61,010**	**51,576**
Taxes Paid (Net)	(9,560)	(8,129)
Net Cash flow from Operating Activities	**51,450**	**43,447**
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible and intangible assets	(30,266)	(20,216)
Proceeds from disposal of tangible and intangible assets	1,452	293
Investments in Subsidiaries / Trusts	(66,498)	(25,255)
Disposal of investments in Subsidiaries	26,461	444
Purchase of Other Investments	(6,09,377)	(6,68,990)
Proceeds from sale of financial assets	6,19,551	6,68,877
Net cash flow for other financial assets	1,304	(917)
Interest Income	2,153	3,850
Dividend Income from Subsidiary and Associates	10	47
Dividend Income from Others	261	644
Net Cash flow (Used in) Investing Activities	**(54,949)**	**(41,223)**

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

	2016-17	2015-16
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Share Capital	692	283
Share Application Money	4	8
Proceeds from Long Term Borrowings	10,065	7,189
Repayment of Long Term Borrowings	(15,329)	(4,591)
Short Term Borrowings (Net)	8,284	1,843
Dividends Paid (including Dividend Distribution Tax)	-	(7,259)
Interest Paid	(5,355)	(4,376)
Net Cash flow from/(Used in) Financing Activities	**(1,639)**	**(6,903)**
Net (Decrease) in Cash and Cash Equivalents	**(5,138)**	**(4,679)**
Opening Balance of Cash and Cash Equivalents	**6,892**	**11,571**
Closing Balance of Cash and Cash Equivalents* (Refer Note 8)	**1,754**	**6,892**

* Include towards Unclaimed Dividend of ₹ 241 crore (Previous Year ₹ 223 crore)

Note:

Other Receivables from Subsidiary aggregating to ₹ Nil (Previous Year ₹ 3,263) have been converted into investments in Zero Coupon Unsecured Optionally Fully Convertible Debentures.

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Rajesh D. Chaturvedi
Partner

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

A. B. Jani
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Alok Agarwal
Chief Financial Officer

Srikanth Venkatachari
Joint Chief Financial Officer

K. Sethuraman
Company Secretary

Mumbai
Date : April 24, 2017

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
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
Adil Zainulbhai
Nita M. Ambani
Raminder Singh Gujral
Directors

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

A. CORPORATE INFORMATION

Reliance Industries Limited ("the Company") is a listed entity incorporated in India.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

B. SIGNIFICANT ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i) Certain financial assets and liabilities (including derivative instruments),
ii) Defined benefit plans - plan assets and
iii) Equity settled share based payments

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company`s first Ind AS standalone financial statements.

Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets 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 costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

Depreciation on property, plant and equipment is provided using written down value method except in case of certain assets from Refining segment and Petrochemical segment & SEZ units / developer which are depreciated using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II;

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
Premium on Leasehold Land	Over the period of lease term

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(b) Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leased assets: Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

(c) Intangible assets

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

A summary of amortisation policies applied to the Company's intangible assets to the extent of depreciable amount is, as follows:

Particular	Depreciation
Technical know – how	Over the useful life of the underlying assets
Computer Software	Over a period of 5 years
Development Rights	Depleted using the unit of production method. The cost of producing wells along with its related facilities including decommissioning costs are depleted in proportion of oil and gas production achieved vis-à-vis Proved Developed Reserves. The cost for common facilities including its decommissioning costs are depleted using Proved Reserves.
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

(d) Research and Development Expenditure

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 and commercial feasibility has been established, in which case such expenditure is capitalised

(e) Finance Cost

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 directly 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.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(f) 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 net of recoverable taxes incurred in bringing them to their respective present location and condition.

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

(g) Impairment of non-financial assets - property, plant and equipment and intangible assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(h) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

The Company records a provision for decommissioning costs towards site restoration activity. Decommissioning costs are provided at the present value of future expenditure using a current pre-tax rate expected to be incurred to fulfill decommissioning obligations and are recognized as part of the cost of the underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Statement of Profit and Loss.

(i) Employee Benefits Expense

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.

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 Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity 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.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

Employee Separation Costs

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognises the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

(j) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

- **Current tax**

  Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- **Deferred tax**

  Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(k) Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 26.3.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company`s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(l) Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

(m) Revenue recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from operations includes sale of goods, services, service tax, excise duty and adjusted for discounts (net), and gain/loss on corresponding hedge contracts.

Interest income

Interest income from a financial asset is recognised using effective interest rate method.

Dividends

Revenue is recognised when the Company's right to receive the payment has been established.

(n) Financial instruments

i) Financial Assets

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Investment in subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost.

D. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

E. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii) Financial liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derivative financial instruments and Hedge Accounting

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps, forwards & options and commodity contracts to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

a) Cash flow hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

b) **Fair Value Hedge**

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

iv) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(o) Accounting For Oil and Gas Activity

The Company has adopted Successful Efforts Method (SEM) of accounting for its Oil and Gas activities. The policy of recognition of exploration and evaluation expenditure is considered in line with the principle of SEM. Seismic costs, geological and geophysical studies, petroleum exploration license fees and general and administration costs directly attributable to exploration and evaluation activities are expensed off. The costs incurred on acquisition of interest in oil and gas blocks and on exploration and evaluation other than those which are expensed off are accounted for as Intangible Assets under Development. All development costs incurred in respect of Proved reserves are also capitalized under Intangible Assets under Development. Untill a well is ready to commence commercial production, the costs accumulated in Intangible Assets under Development are classified as Intangible Assets corresponding to proved developed oil and gas reserves. The exploration and evaluation expenditure which does not result in discovery of proved oil and gas reserves and all cost pertaining to production are charged to the Statement of Profit and Loss.

The Company used technical estimation of reserves as per the Petroleum Resources Management System guidelines 2011 and standard geological and reservoir engineering methods. The reserve review and evaluation is carried out annually.

Oil and Gas Joint Ventures are in the nature of joint operations. 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.

C. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Estimation of oil and gas reserves

The determination of the Company's estimated oil and natural gas reserves requires significant judgements and estimates to be applied and these are regularly reviewed and updated. Factors such as the availability of geological and engineering data, reservoir performance data, acquisition and divestment activity, drilling of new wells, and commodity prices all impact on the determination of the Company's estimates of its oil and natural gas reserves. The Company bases its proved reserves estimates on the requirement of reasonable certainty with rigorous technical and commercial assessments based on conventional industry practice and regulatory requirements.

Estimates of oil and natural gas reserves are used to calculate depletion charges for the Company's oil and gas properties. The impact of changes in estimated proved reserves is dealt with prospectively by amortizing the remaining carrying value of the asset over the expected future production. Oil and natural gas reserves also have a direct impact on the assessment of the recoverability of asset carrying values reported in the financial statements.

Details on proved reserves and production both on product and geographical basis are provided in Note 31.2.

b) Decommissioning Liabilities

The liability for decommissioning costs are recognized when the Company has obligation to perform site restoration activity. The recognition and measurement of decommissioning provisions involves the use of estimates and assumptions. These include; the timing of abandonment of well and related facilities which would depend upon the ultimate life of the field, expected utilization of assets by other fields, the scope of abandonment activity and pre-tax rate applied for discounting.

c) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

d) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

e) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

f) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

g) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

D. FIRST TIME ADOPTION OF IND AS

The Company has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2015. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

a) Exemptions from retrospective application

(i) Business combination exemption

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2015 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries / associates / joint ventures consummated prior to the Transition Date.

(ii) Share-based payment transactions

Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to April 1, 2015.

(iii) Fair value as deemed cost exemption

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets which are measured at fair value as deemed cost.

(iv) Cumulative translation differences

The Company has elected to apply Ind AS 21 - The Effects of changes in Foreign Exchange Rate prospectively. Accordingly all cumulative gains and losses recognised are reset to zero by transferring it to retained earnings.

(v) Long Term Foreign Currency Monetary Items

The Company continues the policy of capitalising exchange differences arising on translation of long term foreign currency monetary items.

(vi) Investments in subsidiaries, joint ventures and associates

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

(vii) Decommissioning liabilities

The Company has elected to apply the transitional provision with respect to recognition of Decommissioning, Restoration and Similar Liabilities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

Description	GROSS BLOCK							DEPRECIATION / AMORTISATION / DEPLETION							NET BLOCK		
	As at 01-04-2015	Impact on IND AS Transition	Adjustments / Additions / (deductions)	As at 01-04-2016	Adjustments / Additions	Adjustments / Deductions	As at 31-03-2017	As at 01-04 2015	Impact on IND AS Transition	Adjustments / Additions / (deductions)	As at 01-04-2016	For the Year #	Adjustments / Deductions	As at 31-03-2017	As at 31-03-2017	As at 31-03 2016	As at 01-04 2015
1. PROPERTY, PLANT & EQUIPMENT																	
Tangible Assets :																	
Own Assets :																	
Leasehold Land (Refer Note 41)	1,689	6,453	2,486	10,628	21	1	10,648	387	-	125	512	192	-	704	9,944	10,116	7,755
Freehold Land (Refer Note 41)	1,599	34,839	244	36,682	98	-	36,780	-	-	-	-	-	-	-	36,780	36,682	36,438
Buildings	9,618	-	1,044	10,662	1,671	6	12,327	4,039	-	435	4,474	391	1	4,864	7,463	6,188	5,579
Plant & Machinery	1,49,025	-	14,077	1,63,102	9,107	493	1,71,716	81,844	-	5,211	87,055	5,531	421	92,165	79,551	76,047	67,181
Electrical Installations	4,149	-	170	4,319	460	5	4,774	1,809	-	391	2,200	870	4	3,066	1,708	2,119	2,340
Equipments $	3,013	-	254	3,267	248	5	3,510	1,740	-	479	2,219	313	4	2,528	982	1,048	1,273
Furniture & Fixtures	546	-	38	584	27	2	609	433	-	39	472	27	2	497	112	112	113
Vehicles	516	-	56	572	85	37	620	307	-	60	367	81	35	413	207	205	209
Ships	387	-	35	422	1	-	423	294	-	7	301	9	-	310	113	121	93
Aircrafts & Helicopters	46	-	-	46	-	-	46	32	-	2	34	2	-	36	10	12	14
Sub-Total	1,70,588	41,292	18,404	2,30,284	11,718	549	2,41,453	90,885	-	6,749	97,634	7,416	467	1,04,583	1,36,870	1,32,650	1,20,995
Leased Assets :																	
Plant & Machinery	318	-	-	318	-	-	318	229	-	77	306	-	-	306	12	12	89
Ships	10	-	-	10	-	-	10	10	-	-	10	-	-	10	-	-	-
Sub-Total	328	-	-	328	-	-	328	239	-	77	316	-	-	316	12	12	89
Total (A)	**1,70,916**	**41,292**	**18,404**	**2,30,612**	**11,718**	**549**	**2,41,781**	**91,124**	**-**	**6,826**	**97,950**	**7,416**	**467**	**1,04,899**	**1,36,882**	**1,32,662**	**1,21,084**
Intangible Assets : *																	
Technical Knowhow Fees	3,348	-	247	3,595	6	-	3,601	2,243	-	153	2,396	165	-	2,561	1,040	1,199	1,105
Software	958	-	19	977	26	-	1,003	782	-	61	843	72	-	915	88	134	176
Development Rights (Refer Note 41)	51,660	(16,025)	2,214	37,849	3,455	-	41,304	26,286	4,822	1,272	32,380	983	-	33,363	7,941	5,469	4,527
Others	9,179	-	-	9,179	-	964	8,215	1,063	-	37	1,100	34	98	1,036	7,179	8,079	8,116
Total (B)	**65,145**	**(16,025)**	**2,480**	**51,600**	**3,487**	**964**	**54,123**	**30,374**	**4,822**	**1,523**	**36,719**	**1,254**	**98**	**37,875**	**16,248**	**14,881**	**13,924**
Total (A + B)	**2,36,061**	**25,267**	**20,884**	**2,82,212**	**15,205**	**1,513**	**2,95,904**	**1,21,498**	**4,822**	**8,349**	**1,34,669**	**8,670**	**565**	**1,42,774**	**1,53,130**	**1,47,543**	**1,35,008**
Capital Work-in-Progress															1,28,283	96,994	65,178
Intangible Assets under Development															5,906	13,911	10,419

$ Includes office equipments

* Other than internally generated

\# Depreciation for the year includes depreciation of ₹ 205 crore (Previous year ₹ 251 crore) capitalised during the year

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

1.1 Leasehold Land includes ₹ 778 crore (Previous Year ₹ 777 crore) in respect of which lease-deeds are pending execution.

1.2 Buildings includes :

i) Cost of shares in Co-operative Societies ₹ 2,00,200 (Previous Year ₹ 1,99,950).

ii) ₹ 135 crore (Previous Year ₹ 135 crore) in shares of Companies / Societies with right to hold and use certain area of Buildings.

1.3 Intangible Assets - Others includes :

i) Jetties amounting to ₹ 812 crore (Previous Year ₹ 812 crore), the Ownership of which vests with Gujarat Maritime Board.

ii) ₹ 7,403 crore (Previous Year ₹ 8,367 crore) in preference shares of subsidiaries and lease premium paid with right to hold and use Land and Buildings.

1.4 Capital Work-in-Progress and Intangible Assets under Development includes :

i) ₹ 15,544 crore (Previous Year ₹ 11,022 crore) on account of project development expenditure.

ii) ₹ 11,526 crore (Previous Year ₹ 18,646 crore) on account of cost of construction materials at site.

1.5 Project Development Expenditure

(in respect of Projects upto 31st March, 2017, included under Capital Work-in-Progress and Intangible Assets under Development)

(₹ in crore)

	2016-17		2015-16	
Opening Balance		11,022		6,770
Add: Transferred from Statement of Profit and Loss (Refer Note 28 - Other Expenses)	1,961		2,507	
Interest Expenses (Refer Note 27)	2,852		2,302	
		4,813		4,809
		15,835		**11,579**
Less: Project Development Expenses Capitalised during the year		291		557
Closing Balance		**15,544**		**11,022**

1.6 Additions in plant and machinery, Capital work-in-progress, Intangible Assets - Development Rights and Intangible assets under Development includes ₹ 2,166 crore (net loss) [Previous Year ₹ 8,605 crore (net loss)] on account of exchange difference during the year.

1.7 For Properties pledged as security - refer note 15.1.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Units	Amount	Units	Amount	Units	Amount
2. NON-CURRENT INVESTMENTS						
Investments measured at Amortised Cost						
In Preference Shares of Associate Company						
Unquoted, fully paid up						
9% Non Cumulative Redeemable Preference Shares of Reliance Gas Transportation Infrastructure Limited of ₹ 10 each	50,00,00,000	3,324	50,00,00,000	3,120	50,00,00,000	2,928
		3,324		**3,120**		**2,928**
In Government Securities						
Unquoted						
6 Years National Savings Certificates (Deposited with Sales Tax Department and Other Government Authorities) [₹ 33,077 (Previous Year ₹ 89,497 and ₹ 87,420)]		-		-		-
		-		-		-
Total of Investments measured at Amortised Cost		**3,324**		**3,120**		**2,928**
Investments measured at Cost						
In Equity Shares of Associate Companies						
Quoted, fully paid up						
Reliance Industrial Infrastructure Limited of ₹ 10 each	68,60,064	16	68,60,064	16	68,60,064	16
		16		**16**		**16**
In Equity Shares of Associate Companies						
Unquoted, fully paid up						
Gujarat Chemicals Port Terminal Company Limited of ₹ 1 each	64,29,20,000	64	64,29,20,000	64	64,29,20,000	64
Indian Vaccines Corporation Limited of ₹ 10 each	62,63,125	1	62,63,125	1	62,63,125	1
Reliance Europe Limited of Sterling Pound 1 each	11,08,500	4	11,08,500	4	11,08,500	4
Reliance Utilities and Power Private Limited Class 'A' shares of ₹ 1 each [₹ 40,40,000; (Previous Years ₹ 40,40,000)]	52,00,000	-	52,00,000	-	52,00,000	-
Reliance LNG Limited of ₹ 10 each [₹ Nil; (Previous Years ₹ 2,25,000)]	-	-	22,500	-	22,500	-
		69		**69**		**69**
In Equity Shares of Joint Venture Company						
Unquoted, fully paid up						
Jio Payments Bank Limited of ₹ 10 each	9,24,00,000	92	-	-	-	-
		92		-		-
In Equity Shares of Subsidiary Companies						
Unquoted, fully paid up						
Reliance Energy Generation & Distribution Private Limited of ₹ 10 each	12,50,000	1	12,50,000	1	12,50,000	1
Reliance Ethane Holding Pte Ltd of $ 1 each	15,85,00,000	1,010	18,20,60,000	1,151	12,11,60,000	752
Reliance Gas Pipelines Limited of ₹ 10 each	37,30,00,000	373	15,00,00,000	150	15,00,00,000	150
Reliance Global Energy Services (Singapore) Pte.Ltd of SGD 1 each	15,00,000	65	-	-	-	-
Reliance Global Business B.V. of Euro 0.01 each (01.04.2015 ₹ 1,25,400)	-	-	-	-	2,00,000	-
Reliance Global Energy Services Limited (UK) of GBP 1 each	5,00,000	32	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Units	Amount	Units	Amount	Units	Amount
Reliance Industrial Investments and Holdings Limited of ₹10 each	14,75,04,400	148	14,75,04,400	148	14,75,04,400	148
Reliance Industries (Middle East) DMCC of AED 1000 each	42,450	46	42,450	46	42,450	46
Reliance Jio Infocomm Limited of ₹10 each	44,74,74,90,000	44,747	44,74,74,90,000	44,747	29,74,74,90,000	29,747
Reliance Jio Messaging Services Private Limited of ₹10 each	9,73,28,000	97	7,45,14,000	75	5,50,000	1
Reliance LNG Limited of ₹ 10 each [₹ 2,25,000; (Previous Year ₹ Nil)]	22,500	-	-	-	-	-
Reliance Retail Ventures Limited of ₹ 10 each	5,66,70,00,000	5,667	5,66,70,00,000	5,667	5,66,70,00,000	5,667
Reliance Sibur Elastomers Private Limited of ₹10 each	46,40,28,117	464	33,14,48,655	331	-	-
Reliance Strategic Investments Limited of ₹ 10 each	20,20,200	2	20,20,200	2	20,20,200	2
Reliance Textiles Limited of ₹10 each [₹ 5,00,000; (Previous Year ₹ 5,00,000)]	50,000	-	50,000	-	-	-
Reliance Ventures Limited of ₹ 10 each	26,91,150	2,351	26,91,150	2,351	26,91,150	2,351
RIL (Australia) PTY Limited of AUD 1 each [₹ Nil; (Previous Year ₹ 14,07,840)]	-	-	30,000	-	-	-
		55,003		**54,669**		**38,865**
In Preference Shares of Subsidiary Companies						
Unquoted, fully paid up						
5% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Industries (Middle East) DMCC of AED 1000 each	6,12,026	1,103	12,77,836	2,302	63,436	85
9% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Strategic Investments Limited of ₹ 1 each	4,02,800	113	4,02,800	113	4,02,800	113
9% Non-Cumulative Optionally Convertible Preference Shares of Reliance Jio Infocomm Limited of ₹ 10 each	3,00,00,00,000	15,000	-	-	-	-
Reliance Global Business B.V. 'A' Class Shares of Euro 0.01 each	-	-	-	-	5,93,90,00,000	422
6% Non-Cumulative Optionally Convertible Preference Shares of Reliance Energy Generation & Distribution Limited of ₹ 10 each	3,62,02,475	10,499	-	-	-	-
6% Non-Cumulative Optionally Convertible Preference Shares of Reliance Gas Pipeplines Limited of ₹ 10 each	36,76,50,000	368	-	-	-	-
6% Non-Cumulative Optionally Convertible Preference Shares of Reliance Industrial Investment & Holding Limited of ₹ 10 each	2,62,44,17,000	15,747	-	-	-	-
6% Non-Cumulative Optionally Convertible Preference Shares of Reliance Universal Traders Private Limited of ₹ 10 each	1,71,64,000	103	-	-	-	-
		42,933		**2,415**		**620**
In Preference Shares of Subsidiary Company						
Unquoted, partly paid up						
9% Non-Cumulative Optionally Convertible Preference Shares of Reliance Jio Infocomm Limited of ₹ 10 each (₹ 6.22 each paid up)	**6,00,00,00,000**	**18,660**		-		-
		18,660		-		-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Units	Amount	Units	Amount	Units	Amount
In Debentures of Subsidiary Companies						
Unquoted, fully paid up						
0% Unsecured Convertible Debentures of Reliance Industrial Investments and Holdings Limited of ₹ 100 each	-	-	2,79,90,000	280	2,79,90,000	280
0% Unsecured Convertible Redeemable Debentures of Reliance Industrial Investments and Holdings Limited of ₹ 5000 each	8,83,143	442	8,83,143	442	8,83,143	442
Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Industrial Investments and Holdings Limited of ₹ 10 each	86,20,00,000	862	15,10,30,00,000	15,103	110 00 00 000	1,100
Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Ambit Trade Private Limited of ₹ 10 each	3,11,10,000	31	2,71,80,000	27	1,97,90,000	20
Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Gas Pipelines Limited of ₹ 10 each	-	-	36,76,50,000	368	6,51,50,000	65
Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Prolific Commercial Private Limited of ₹ 10 each	3,75,70,000	38	3,50,10,000	35	2,97,40,000	30
Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Prolific Traders Private Limited of ₹ 10 each	-	-	1,35,78,80,000	1,358	1,23,60,00,000	1,236
Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Universal Traders Private Limited of ₹ 10 each	-	-	3,49,00,000	35	1,11,60,000	11
Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Progressive Traders Private Limited of ₹ 10 each	-	-	6,00,00,000	60	-	-
Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Comtrade Private Limited of ₹ 10 each (₹ 20,00,000)	2,00,000	-	-	-	-	-
Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Eminent Trading & Commercial Private Limited of ₹ 10 each	2,12,00,000	21	-	-	-	-
Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Energy Generation & Distribution Private Limited of ₹ 10 each	-	-	3,26,33,70,000	3,263	-	-
		1,394		**20,971**		**3,184**
In Corpus of Trust						
Unquoted						
Investment in Corpus of Independent Media Trust		3,366		3,366		1,089
		3,366		**3,366**		**1,089**
Total of Investments measured at Cost		**1,21,533**		**81,506**		**43,843**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Units	Amount	Units	Amount	Units	Amount
Investments measured at Fair Value through Other Comprehensive Income						
In Government Securities-Quoted		-		**4,647**		**3,541**
In Equity Shares						
Unquoted, fully paid up						
Petronet India Limited of ₹ 10 each	1,00,00,000	10	1,00,00,000	10	1,00,00,000	10
Petronet VK Limited of ₹ 10 each [₹ 20,000; (Previous Year Nil)]	19,99,990	-	-	-	-	-
Ahmedabad Mega Clean Association of ₹ 10 each [₹ 1,00,000; (Previous Year Nil)]	10,000	-	-	-	-	-
		10		**10**		**10**
In Debentures or Bonds - Unquoted						
Tata Sons Limited	-	-	820	83	820	83
		-		**83**		**83**
In Debentures or Bonds - Quoted						
AXIS Bank Limited	2,500	246	-	-	-	-
Export Import Bank of India	-	-	100	10	100	10
Housing Development Finance Corporation Limited	9,500	2,697	43,850	3,209	55,350	4,618
IDFC Bank Limited	6,300	560	900	90	-	-
Indian Railway Finance Corporation Limited	57,70,976	619	57,70,976	597	42,62,612	441
Infrastructure Development Finance Company Limited	-	-	5,850	468	8,050	836
LIC Housing Finance Limited	5,750	748	9,750	1,081	11,250	1,186
National Bank for Agriculture and Rural Development	15,09,485	851	16,24,821	4,237	-	-
National Highways Authority of India	39,44,752	425	39,44,752	417	39,44,752	417
National Thermal Power Company Limited	9,29,946	104	9,29,946	101	9,49,946	104
Oriental Bank of Commerce	4,000	413	-	-	-	-
Power Finance Corporation Limited	42,71,793	461	43,05,143	3,828	42,79,543	1,242
Power Grid Corporation of India Limited	-	-	980	102	950	99
Punjab National Bank	2,500	246	-	-	-	-
Rural Electrification Corporation Limited	25,05,720	285	25,14,520	1,171	12,100	1,230
Small Industries Development Bank of India Limited	-	-	2,500	251	-	-
State Bank of India	-	-	-	-	950	96
Yes Bank Limited	1,000	100	-	-	-	-
		7,755		**15,562**		**10,279**
Total of Investments measured at Fair Value Through Other Comprehensive Income		**7,765**		**20,302**		**13,913**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Units	Amount	Units	Amount	Units	Amount
Investments measured at Fair Value Through Profit & Loss						
In Fixed Maturity Plan - Quoted fully paid up						
AXIS Mutual Fund	-	-	3,00,00,000	36	-	-
Baroda Pioneer Mutual Fund	-	-	1,17,72,377	14	1,50,75,101	15
Birla Sunlife Mutual Fund	79,55,94,237	947	99,16,10,709	1,093	27,98,82,768	280
DHFL Pramerica Mutual Fund	23,02,53,577	281	40,07,31,150	452	19,01,55,380	190
DSP Blackrock Mutual Fund	-	-	-	-	20,93,53,761	209
HDFC Mutual Fund	1,14,50,00,000	1,274	1,14,50,00,000	1,161	3,50,00,000	35
ICICI Prudential Mutual Fund	98,73,00,000	1,152	1,82,08,56,950	2,022	77,12,14,635	771
IDFC Mutual Fund	-	-	2,50,00,000	30	3,79,28,740	38
Invesco Mutual Fund (Formerly known as Religare Mutual Fund)	32,00,00,000	379	39,00,00,000	425	22,78,25,006	228
Kotak Mahindra Mutual Fund	50,30,56,080	597	63,67,31,022	707	5,45,14,579	55
L & T Mutual Fund	1,82,72,349	24	4,32,72,349	52	-	-
LIC Nomura MF	-	-	5,50,00,000	63	3,00,00,000	30
Reliance Mutual Fund	1,10,57,47,746	1,263	1,49,60,99,239	1,603	32,99,25,439	330
SBI Mutual Fund	71,80,00,000	822	1,16,19,16,665	1,277	23,93,60,369	239
Sundaram Mutual Fund	27,00,00,000	308	27,00,00,000	282	-	-
Tata Mutual Fund	8,50,15,846	111	8,50,15,846	102	2,74,08,274	27
UTI Mutual Fund	66,50,00,000	764	83,09,64,579	887	27,37,96,672	274
Total of Investments measured at Fair Value Through Profit & Loss		**7,922**		**10,206**		**2,721**
Total Non Current Investments		**1,40,544**		**1,15,134**		**63,405**
Aggregate amount of quoted investments		15,693		30,431		16,558
Market Value of quoted investments		15,991		30,647		16,813
Aggregate amount of unquoted investments		1,24,851		84,703		46,847
Aggregate provision for diminution in value of Investments		42		42		42

(₹ in crore)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
2.1	**Category-wise Non current investment**			
	Financial assets carried at amortised cost	3,324	3,120	2,928
	Financial assets measured at cost	1,21,533	81,506	43,843
	Financial assets measured at fair value through other comprehensive income	7,765	20,302	13,913
	Financial assets measured at Fair value through Profit & Loss	7,922	10,206	2,721
	Total Non current investment	**1,40,544**	**1,15,134**	**63,405**

2.2 The list of subsidiaries, joint ventures and associates along with proportion of ownership interest held and country of incorporation are disclosed in note 37 of Consolidated Financial Statement.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
3.	**LOANS (UNSECURED AND CONSIDERED GOOD)**			
	Deposits with Related Parties (Refer Note 30(iv))	793	784	736
	Loans and advances to Related parties (Refer Note 30(iv))	8,756	10,129	19,989
	Other Loans and Advances*	869	899	930
	Total	**10,418**	**11,812**	**21,655**

* Other Loan and advance includes primarily fair valuation of interest free deposits.

A. Loans and Advances in the nature of Loans given to Subsidiaries:

(₹ in crore)

Sr. No.	Name of the Company	As at 31st March, 2017	Maximum Balance during the year	As at 31st March, 2016	Maximum Balance during the year
	LOANS - Non-Current				
1	Reliance Industrial Investments and Holdings Limited	7,949	8,853	6,586	18,268
2	Reliance Corporate IT Park Limited	807	3,795	3,505	3,800
3	Reliance Industries (Middle East) DMCC	-	38	38	38
		8,756		**10,129**	
	LOANS - Current				
1	Reliance Ventures Limited	100	714	105	2,465
2	Reliance Strategic Investments Limited	1,560	3,025	3,025	3,271
3	Reliance Gas Pipelines Limited	-		-	131
4	Reliance Jio Infocomm Limited	-	2,000	-	3,260
5	Reliance Jio Messaging Services Pvt Limited	34	34	-	-
6	Reliance Ethane Holding Pte. Limited	3	7	-	-
7	Reliance Sibur Elastromers Private Limited	-	-	-	89
		1,697		**3,130**	
Total		**10,453**		**13,259**	

All the above loans and advances have been given for business purposes

Loans and Advances shown above, fall under the category of 'Non-Current Loans' are re-payable within 3 to 5 years.

B) (i) Investment by Reliance Industrial Investments and Holdings Limited in the shares of the Company

(₹ 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

\# 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 TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(ii) Investment by Reliance Industrial Investments and Holdings Limited in Subsidiaries

In Equity Shares :

Sr. No.	Name of the Company	No. of Shares
1	Indiawin Sports Private Limited	26,50,000
2	Kanhatech Solutions Private Limited	6,80,00,000
3	Reliance Aerospace Technologies Limited	14,00,000
4	Reliance Aromatics and Petrochemicals Limited	10,09,300
5	Reliance Chemicals Limited	10,10,600
6	Reliance Commercial Land & Infrastructure Limited	5,30,10,000
7	Reliance Energy and Project Development Limited	10,09,280
8	Reliance Exploration & Production DMCC	1,76,200
9	Reliance Global Commercial Limited	50,000
10	Reliance Innovative Building Solutions Private Limited	6,46,93,950
11	Reliance Jio Digital Services Private Limited	1,00,00,000
12	Reliance Jio Infratel Private Limited	10,00,000
13	Reliance Jio Media Private Limited	8,60,10,000
14	Reliance Payment Solutions Limited	11,50,00,000
15	Reliance Petroinvestments Limited	88,77,554
16	Reliance Polyolefins Limited	10,10,000
17	Reliance Retail Finance Limited	20,20,000
18	Reliance Retail Insurance Broking Limited	40,00,000
19	Reliance Supply Solutions Private Limited - Class A	13,69,22,912
20	Reliance Supply Solutions Private Limited - Class B	1,000
21	Reliance Supply Solutions Private Limited - Class C	3,702
22	Reliance Trading Private Limited	10,50,000
23	Reliance Universal Commercial Limited	50,000
24	Reliance Universal Enterprises Limited	64,25,000
25	Reliance World Trade Private Limited	1,000
26	RIL Exploration & Production Mayanmar Company Limited	74,999

In Preference Shares :

Sr. No.	Name of the Company	No. of Shares
1	Reliance Energy & Project Development Limited	3,22,600
2	Reliance Exploration & Production DMCC	14,81,219
3	Reliance Jio Infocomm Limited	12,50,00,000

(iii) Investment by Reliance Ventures Limited in subsidiary:

In Equity Shares:

Sr. No.	Name of the Company	No. of Shares
1	Model Economic Township Limited	9,70,00,000

(iv) Investment by Reliance Corporate IT Park Limited in subsidiaries:

In Equity Shares:

Sr. No.	Name of the Company	No. of Shares
1	Reliance Commercial Trading Private Limited	10,000
2	Reliance Jio AsiaInfo Innovation Centre Limited	10,00,000
3	Reliance SMSL Limited (formerly known as Strategic Manpower Solutions Limited)	50,000

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(v) Investment by Reliance Ethane Holding Pte. Limited in Subsidiaries:

In Equity Shares:

Sr. No.	Name of the Company	No. of Shares
1	Ethane Crystal LLC	2,74,60,300
2	Ethane Emerald LLC	2,58,80,300
3	Ethane Opal LLC	2,58,37,500
4	Ethane Pearl LLC	2,75,72,500
5	Ethane Sapphire LLC	2,58,37,500
6	Ethane Topaz LLC	3,58,37,500

(₹ in crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
4. OTHER NON-CURRENT ASSETS			
(Unsecured and Considered Good)			
Capital Advances	876	3,055	6,717
Advances Income Tax (Net of Provision)	992	360	260
Others*	316	327	202
Total	**2,184**	**3,742**	**7,179**

* Includes ₹ 295 crore (Previous Year ₹ 295 crore) deposited in gas pool account - Refer Note 31.4(b).

(₹ in crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance Income Tax (Net of Provision)			
At start of year	360	260	
Charge for the year	(8,333)	(7,801)	
Others#	(595)	(228)	
Tax paid during the year	9,560	8,129	
At end of year	**992**	**360**	**260**

\# Mainly pertains to Provision for tax on Other Comprehensive Income

(₹ in crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
5. INVENTORIES			
Raw Materials (Including Material In Transit)	16,225	14,285	18,974
Work-in-Progress	4,837	2,871	5,209
Finished Goods	9,208	7,595	9,409
Stock-in-Trade	55	68	87
Stores and spares	3,693	3,215	2,872
Total	**34,018**	**28,034**	**36,551**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Units	Amount	Units	Amount	Units	Amount
6. CURRENT INVESTMENTS						
Investments measured at Amortised Cost						
Collateral Borrowing & Lending Obligation Unquoted		-		-		100
Total of Investments measured at Amortised Cost		-		-		**100**
Investments measured at Fair Value through Other Comprehensive Income						
In Debentures or Bonds						
Quoted, fully paid up						
Housing Development Finance Corporation Limited	-	-	3,517	800	4,850	495
Infrastructure Development Finance Company Limited	-	-	1,000	95	-	-
Power Grid Corporation of India Limited	-	-	-	-	20	3
Rural Electrification Corporation Limited	-	-	50	5	-	-
		-		**900**		**498**
In Debentures or Bonds						
Unquoted, fully paid up						
Tata Sons Limited	-	-		-	2,150	216
		-		-		**216**
In Mutual Fund						
Quoted						
Canara Robeco Mutual Fund (CY : ₹ 30,77,925, PY : ₹ 28,06,950 1st April, 2015 : ₹ 26,68,225)	2,50,000	-	2,50,000	-	2,50,000	-
Franklin Templeton Mutual Fund	-	-	-	-	66,34,34,177	1,417
HDFC Mutual Fund	48,46,69,171	605	48,46,69,171	550	3,21,11,51,755	3,822
IDFC Mutual Fund	-	-	-	-	96,41,00,960	1,205
Sundaram Mutual Fund	-	-	-	-	6,85,74,208	75
		605		**550**		**6,519**
In Mutual Fund						
Unquoted						
AXIS Mutual Fund	47,11,06,416	636	43,07,32,136	512	20,05,73,403	241
Birla Sunlife Mutual Fund	79,16,98,011	2,227	1,46,19,24,195	3,594	3,56,86,60,992	6,675
DHFL Pramerica Mutual Fund	42,04,44,404	828	46,29,44,484	1,091	13,86,83,158	627
DSP Blackrock Mutual Fund	10,19,08,846	141	13,27,46,938	168	28,23,96,274	843
Franklin Templeton Mutual Fund	-	-	2,15,42,067	26	-	-
HDFC Mutual Fund	1,99,70,78,642	2,696	1,74,66,09,455	2,224	57,02,90,339	969
ICICI Prudential Mutual Fund	3,24,46,75,382	4,108	3,14,03,88,295	3,593	3,37,79,73,042	3,745
IDBI Mutual Fund	-	-	-	-	13,37,083	200
IDFC Mutual Fund	1,79,15,74,045	2,179	2,55,89,69,249	3,305	95,16,34,428	1,262
Indiabulls Mutual Fund	-	-	6,74,35,163	87	-	-
Invesco Mutual Fund (Formerly know as Religare Mutual Fund)	31,44,283	598	41,81,745	699	23,56,532	415
JM Financial Mutual Fund	-	-	24,22,28,910	309	24,22,28,910	285
JP Morgan Mutual fund	-	-	-	-	13,99,57,033	202
Kotak Mahindra Mutual Fund	39,03,49,468	876	35,75,78,239	766	48,42,43,154	952
LIC Nomura Mutual fund	-	-	-	-	4,83,83,953	399
L&T Mutual Fund	35,48,12,327	442	41,31,50,203	566	35,83,46,129	466
Reliance Mutual Fund	3,25,06,60,654	4,005	2,93,95,30,183	3,326	3,23,10,83,691	3,700
SBI Mutual Fund	45,15,37,935	853	47,97,91,326	831	62,44,11,092	1,103
Sundaram Mutual fund	12,50,80,733	154	57,48,55,030	684	57,48,55,030	632
Tata Mutual fund	57,52,39,255	949	57,52,39,255	869	34,20,77,650	479
UTI Mutual Fund	94,34,73,340	1,621	95,15,58,881	1,488	1,26,11,83,027	2,351
		22,313		**24,138**		**25,546**
Total of Investments measured at Fair Value Through Other Comprehensive Income		**22,918**		**25,588**		**32,779**

FINANCIAL STATEMENTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Units	Amount	Units	Amount	Units	Amount
Investments measured at Fair Value Through Profit & Loss						
In Government Securities - Quoted *		1,293		3,666		4,372
In Debentures or Bonds						
Quoted, fully paid up						
Andhra Bank	297	31	-	-	-	-
Bank of India	1,000	99	-	-	-	-
Housing Development Finance Corporation Limited	1,310	1,442	6,500	1,294	-	-
ICICI Bank	1,000	100	-	-	-	-
IDFC Bank Limited (Formerly known as Infrastructure Development Finance Company Limited)	250	25	75	8	-	-
Indian Railway Finance Corporation Limited	400	42	7,50,000	76	-	-
LIC Housing Finance Limited	1,750	178	2,000	201	-	-
National Bank for Agriculture and Rural Development	-	-	2,750	278	-	-
National Highways Authority of India	3,00,650	104	33,12,714	343	-	-
National Thermal Power Company Limited	23	2	-	-	-	-
Oriental Bank of Commerce	1,000	103	-	-	-	-
Power Finance Corporation Limited	2,150	215	7,300	739	6,950	699
Power Grid Corporation of India Limited		-	2,100	219	-	-
Punjab National Bank	1,500	148	-	-	-	-
Rural Electrification Corporation Limited	-	-	1,900	192	150	15
State Bank Of India	-	-	-	-	23,957	147
Yes Bank Limited	1,050	105	-	-	-	-
		2,594		**3,350**		**861**
In Treasury Bills - Quoted		2,272		-		3
In Commercial Paper - Unquoted						
Small Industries Development Bank of India Limited		-		-		231
		-		**-**		**231**
In Certificate of Deposits - Unquoted						
Andhra Bank	-	-	-	-	645	646
AXIS Bank	-	-	208	208	-	-
Canara Bank	-	-	197	197	2,624	2,632
Corporation Bank	-	-	463	463	-	-
IDBI Bank	-	-	1,387	1,397	461	462
Indian Bank	-	-	-	-	969	971
Oriental Bank of Commerce	-	-	-	-	736	739
		-		**2,265**		**5,450**
In Fixed Maturity Plan - Quoted, fully paid up						
AXIS Mutual Fund	3,00,00,000	39	-	-	25,90,00,000	259
Baroda Pioneer Mutual Fund	1,17,72,377	15	1,50,75,101	18	6,00,00,000	60
Birla Sunlife Mutual Fund	21,87,87,837	276	14,98,82,768	182	64,10,00,000	641
DHFL Pramerica Mutual Fund	17,04,77,572	212	-	-	36,80,00,000	368
DSP Blackrock Mutual Fund	20,93,53,761	272	20,93,53,761	252	15,50,00,000	155
HDFC Mutual Fund	-	-	4,56,47,510	55	84,56,47,510	846
HSBC Mutual Fund	-	-	-	-	6,00,00,000	60
ICICI Prudential Mutual Fund	92,87,16,328	1,172	12,92,24,635	156	89,48,46,064	897
IDFC Mutual Fund	-	-	14,75,38,307	189	40,09,22,280	401

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Units	Amount	Units	Amount	Units	Amount
Invesco Mutual Fund (Formerly know as Religare Mutual Fund)	7,00,00,000	86	2,28,25,006	28	7,00,00,000	70
JP Morgan Mutual fund	-	-	-	-	10,50,00,000	105
Kotak Mahindra Mutual Fund	24,81,89,521	322	11,45,14,578	138	40,00,00,000	400
L & T Mutual Fund	2,50,00,000	32	-	-	19,50,00,000	195
LIC Nomura Mutual fund	5,62,49,204	71	3,21,69,789	41	18,28,13,373	184
Principal PNB Mutual Fund	-	-	-	-	2,50,00,000	25
Reliance Mutual Fund	39,03,51,492	488	-	-	30,00,00,000	300
SBI Mutual Fund	44,39,16,666	568	15,03,60,369	183	64,50,00,000	645
Sundaram Mutual Fund	-	-	-	-	8,80,00,000	88
Tata Mutual fund	-	-	2,74,08,274	34	17,00,00,000	170
UTI Mutual Fund	16,59,64,579	206	2,28,32,093	28	13,50,00,000	135
		3,759		**1,304**		**6,004**
In Mutual Fund- Quoted						
ICICI Prudential Mutual Fund	1,66,50,000	156	1,66,50,000	133	1,66,50,000	144
Kotak Mahindra Mutual Fund	5,70,000	52	5,70,000	45	5,70,000	49
Sundaram Mutual Fund	-	-	-	-	4,43,27,649	51
		208		**178**		**244**
In Mutual Fund- Unquoted						
AXIS Mutual Fund	54,91,20,567	948	6,59,60,044	70	-	-
Baroda Pioneer Mutual Fund	-	-	7,83,14,262	128	-	-
Birla Sunlife Mutual Fund	78,68,34,038	3,057	19,98,33,489	220	8,36,75,211	126
DHFL Pramerica Mutual Fund	9,40,86,642	100	10,09,60,780	106	2,43,52,942	25
DSP Blackrock Mutual Fund	37,40,91,486	860	-	-	-	-
Edelweiss Mutual Fund	23,91,85,878	251	9,65,71,057	100	-	-
HDFC Mutual Fund	1,34,13,46,064	1,840	49,84,18,726	520	-	-
ICICI Prudential Mutual Fund	1,18,22,39,894	1,967	66,86,76,540	890	26,24,59,687	371
IDFC Mutual Fund	1,30,48,92,684	1,854	55,34,30,728	716	50,03,92,546	629
Indiabulls Mutual Fund	7,53,48,014	80	13,12,04,305	150	-	-
Invesco Mutual Fund (Formerly know as Religare Mutual Fund)	5,81,30,023	405	11,45,61,254	149	9,92,35,165	123
JM Financial Mutual Fund	-	-	20,94,33,717	235	20,94,33,717	220
Kotak Mahindra Mutual Fund	84,73,13,658	2,402	70,96,87,310	1,265	20,50,03,232	316
L & T Mutual Fund	20,05,53,753	294	4,92,02,764	51	2,00,00,000	20
Reliance Mutual Fund	1,30,83,95,051	2,423	65,73,20,449	698	9,52,48,074	100
SBI Mutual Fund	53,51,91,009	1,007	24,64,62,740	341	5,08,30,350	70
Sundaram Mutual Fund	11,70,01,509	341	-	-	-	-
UTI Mutual Fund	55,37,82,528	1,033	8,00,26,087	126	-	-
		18,862		**5,765**		**2,000**
Total of Investments measured at Fair Value Through Profit and Loss		**28,988**		**16,528**		**19,165**
Total Current Investments		**51,906**		**42,116**		**52,044**
Aggregate amount of quoted investments		10,731		9,949		18,501
Market Value of quoted investments		10,731		9,949		18,501
Aggregate amount of unquoted investments		41,175		32,167		33,543

* Includes ₹ 595 crore (Previous Year ₹ 2,285 crore) given as collateral security.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
6.1	**Category-wise current investment**			
	Financial assets carried at amortised cost	-	-	100
	Financial assets measured at Fair value through other comprehensive income	22,918	25,588	32,779
	Financial assets measured at Fair value through Profit & Loss	28,988	16,528	19,165
	Total Current investment	**51,906**	**42,116**	**52,044**

(₹ in crore)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
7.	**TRADE RECEIVABLES** (Unsecured and Considered Good)			
	Trade receivables	5,472	3,495	4,661
	Total	**5,472**	**3,495**	**4,661**

7.1 Trade receivables are netted with Bill discounting of ₹ 7,524 crore (previous year ₹ 6,732 crore)

(₹ in crore)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
8.	**CASH AND CASH EQUIVALENTS**			
	Cash on Hand	5	16	15
	Balance with bank*	1,749	6,876	11,556
	Cash and cash equivalents as per balance sheet	**1,754**	**6,892**	**11,571**
	Cash and cash equivalent as per standalone statement of cash flows	1,754	6,892	11,571

* i. Includes towards Unclaimed Dividend of ₹ 241 crore (Previous Year ₹ 223 crore)

ii. Deposits of ₹ 10,87,926 (Previous Year ₹ 500 crore) with maturity of more than 12 months.

iii. Also Includes fixed deposit of ₹ 1,335 crore (Previous Year ₹ 302 crore) Pledged as collateral securities.

8.1 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.

8.2 Please refer note 39 for details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016.

(₹ in crore)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
9.	**LOANS** (Unsecured and Considered Good)			
	Loans and Advances to related parties (Refer Note 30(iv))#	4,250	4,973	6,763
	Loans Others	650	-	-
	Total	**4,900**	**4,973**	**6,763**

\# Refer Note 3A for details of Loans.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
10. OTHER FINANCIAL ASSETS			
Interest Accrued on Investment	176	776	547
Deposits	1,194	1,190	988
Others*	2,002	757	1,004
Total	**3,372**	**2,723**	**2,539**

* Other includes fair valuation of derivatives.

(₹ in crore)

	Year Ended 31st March, 2017	Year Ended 31st March, 2016
11. TAXATION		
Income tax recognised in Statement of Profit and Loss		
Current tax	8,333	7,801
Deferred tax	1,019	831
Total income tax expenses recognised in the current year	**9,352**	**8,632**

The income tax expenses for the year can be reconciled to the accounting profit as follows:

	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Profit before tax	40,777	36,016
Applicable Tax Rate	34.608%	34.608%
Computed Tax Expense	14,112	12,464
Tax effect of :		
Exempted income	(2,707)	(5,306)
Expenses disallowed	3,044	3,378
Additional allowances net of MAT Credit	(6,116)	(2,735)
Current Tax Provision (A)	**8,333**	**7,801**
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	1,229	824
Incremental Deferred Tax Asset on account of Financial Assets and Other Items	(210)	7
Deferred tax Provision (B)	**1,019**	**831**
Tax Expenses recognised in Statement of Profit and Loss (A+B)	**9,352**	**8,632**
Effective Tax Rate	22.93%	23.97%

(₹ in crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
12. OTHER CURRENT ASSETS (Unsecured and Considered Good)			
Balance with customs, central Excise Authorities	3,436	3,400	2,490
Others#	1,423	905	1,065
Total	**4,859**	**4,305**	**3,555**

\# includes primarily prepaid expenses and claim receivables

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

	As at 31st March, 2017 Units	Amount	As at 31st March, 2016 Units	Amount	As at 1st April, 2015 Units	Amount
13. SHARE CAPITAL						
Authorised Share Capital						
Equity Shares of ₹ 10 each	500,00,00,000	5,000	500,00,00,000	5,000	500,00,00,000	5,000
Preference Shares of ₹ 10 each	100,00,00,000	1,000	100,00,00,000	1,000	100,00,00,000	1,000
		6,000		**6,000**		**6,000**
Issued, Subscribed and Paid up:						
Equity Shares of ₹ 10 each fully paid up	3,25,12,78,100	3,251	3,24,03,76,321	3,240	3,23,56,88,765	3,236
Less: Calls in arrears - by others [₹ 2303 (Previous Year March 31, 2016 ₹ 2,303 and April 01, 2015 ₹ 3,113)]		-		-		-
Total		**3,251**		**3,240**		**3,236**

		As at 31st March, 2017 Nos.	As at 31st March, 2016 Nos.	As at 1st April, 2015 Nos.
13.1	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.	45,04,27,345	45,04,27,345	45,04,27,345
13.2	Shares held by subsidiaries, which were allotted pursuant to the Schemes of Amalgamation sanctioned by the Hon'ble High Courts in the previous years, do not have voting rights and are not eligible for Bonus Shares.	17,18,82,820	17,18,83,624	17,18,83,624
13.3	Shares held by associates	1,72,000	1,72,000	1,72,000
13.4	Shares were bought back and extinguished in the last five years.	4,25,82,849	4,62,46,280	4,62,46,280

13.5 The details of shareholders holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2017 No. of Shares	% held	As at 31st March, 2016 No. of Shares	% held	As at 1st April, 2015 No. of Shares	% held
Devarshi Commercials LLP	35,54,00,205	10.93				
Srichakra Commercials LLP	34,44,47,637	10.59				
Life Insurance Corporation of India	26,26,13,009	8.08	29,26,02,727	9.03	29,69,44,782	9.18
Karuna Commercials LLP	25,40,83,498	7.81				
Tattvam Enterprises LLP	21,57,15,804	6.63				

13.6 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2017 No. of Shares	As at 31st March, 2016 No. of Shares	As at 1st April, 2015 No. of Shares
Equity Shares at the beginning of the year	3,24,03,76,321	3,23,56,88,765	
Add: Shares issued on exercise of employee stock options	1,09,01,779	46,87,556	
Equity Shares at the end of the year	**3,25,12,78,100**	**3,24,03,76,321**	**3,23,56,88,765**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

13.7 Share options granted under the Company's employee share option plan:
The Company has reserved issuance of 11,11,28,872(Previous year 12,20,30,651) 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 74,454 options at a price of ₹ 1,096 per option, plus all applicable taxes, as may be levied in this regard on the Company (Previous year 14,967 options at a price of ₹ 887 per option, plus all applicable taxes, as may be levied in this regard on the Company) to the Eligible Employees. 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. Please refer note 26.3 for detail disclosure on Share based payments.

(₹ in crore)

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015
14. OTHER EQUITY					
Capital Reserve					
As per last Balance Sheet		291		291	291
Capital Redemption Reserve					
As per last Balance Sheet		48		48	48
Share application money pending allotment					
As per last Balance Sheet	8		17		
Issue of Shares / Application money received	(4)		(9)		
		4		**8**	**17**
Share Based Payments Reserve Account					
As per last Balance Sheet	18		20		
On Employee Stock Options	(2)		(2)		
		16		**18**	**20**
Securities Premium Reserve					
As per last Balance Sheet	48,387		48,089		
Add : On issue of shares	693		298		
	49,080		**48,387**		
Less: Calls in arrears - by others [₹ 1,03,189 (Previous Year ₹ 1,03,189)]	-		-		
		49,080		**48,387**	**48,089**
Debentures Redemption Reserve					
As per last Balance Sheet		1,117		1,117	1,117
General Reserve					
As per last Balance Sheet	1,75,210		1,53,210		
Add: Transferred from Retained Earnings	24,790		22,000		
		2,00,000		**1,75,210**	**1,53,210**
Retained Earnings					
As per last Balance Sheet	22,850		24,725		
Add: Profit for the year	31,425		27,384		
	54,275		**52,109**		
Less: Appropriations					
Transferred to General Reserve	24,790		22,000		
Dividend on Equity Shares [Dividend per Share ₹ Nil (Previous year ₹ 10.00)]	-		2,944		
Interim Dividend on Equity Shares [Dividend per Share ₹ Nil (Previous year ₹ 10.50)]	-		3,095		
Tax on Dividend	-		1,220		
		29,485		**22,850**	**24,725**
Other Comprehensive Income (OCI)					
As per last Balance Sheet	2,829		1,991		
Add: Movement in OCI (Net) during the year	2,192		838		
		5,021		**2,829**	**1,991**
Total		**2,85,062**		**2,50,758**	**2,29,508**

14.1 Share Application Money Pending Allotment represents application money received on account of Employees Stock Option Scheme.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
15. BORROWINGS						
Secured - At amortised cost						
Non Convertible Debentures	1,003	133	1,137	133	1,270	164
Long Term Maturities of Finance Lease Obligations (Refer Note 30(ii))	-	-	66	28	94	27
	1,003	**133**	**1,203**	**161**	**1,364**	**191**
Unsecured - At amortised cost						
Bonds	23,979	536	22,607	2,974	20,303	827
Term Loans- from Banks	53,741	5,474	54,020	11,649	54,382	7,426
	77,720	**6,010**	**76,627**	**14,623**	**74,685**	**8,253**
Total	**78,723**	**6,143**	**77,830**	**14,784**	**76,049**	**8,444**

15.1 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 unit) of the Company.

b) ₹ 266 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) ₹ 500 crore are secured by way of first mortgage / charge on the immovable properties situated at Jamnagar Complex (SEZ unit) of the Company.

15.2 Maturity Profile and Rate of Interest of Non Convertible Debentures are as set out below :

(₹ in crore)

Rate of Interest	Non Current			Current
	2020-21	2018-19	Total	2017-18
6.25%	-	133	133	133
8.75%	500	-	500	-
10.75%	-	370	370	-
Total	**500**	**503**	**1,003**	**133**

15.3 Finance Lease Obligations are secured against Leased Assets.

15.4 Maturity Profile and Rate of Interest of Bonds are as set out below :

(₹ in crore)

Rate of Interest	Perpetual Bonds	Non Current*															Current
		2096-97	2046-47	2044-45	2035-36	2027-28	2026-27	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	Total	2017-18
1.87%	-	-	-	-	-	-	-	126	126	126	126	126	126	126	126	1,008	126
2.06%	-	-	-	-	-	-	-	123	123	123	123	124	124	124	124	988	124
2.44%	-	-	-	-	-	-	-	140	140	140	140	140	140	140	140	1,120	140
2.51%	-	-	-	-	-	-	-	146	146	146	146	146	146	146	146	1,168	146
4.13%	-	-	-	-	-	-	-	-	6,485	-	-	-	-	-	-	6,485	-
4.88%	-	-	-	4,864	-	-	-	-	-	-	-	-	-	-	-	4,864	-
5.00%	-	-	-	-	1,297	-	-	-	-	-	-	-	-	-	-	1,297	-
5.875%#	5,188	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,188	-
6.34%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	246	246	-
6.61%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,102	1,102	-
7.63%	-	-	-	-	-	32	-	-	-	-	-	-	-	-	-	32	-
8.25%	-	-	-	-	-	-	220	-	-	-	-	-	-	-	-	220	-
9.38%	-	-	-	-	-	-	143	-	-	-	-	-	-	-	-	143	-
10.25%	-	81	-	-	-	-	-	-	-	-	-	-	-	-	-	81	-
10.50%	-	-	62	-	-	-	-	-	-	-	-	-	-	-	-	62	-
Total	**5,188**	**81**	**62**	**4,864**	**1,297**	**32**	**363**	**535**	**7,020**	**535**	**535**	**536**	**536**	**536**	**1,884**	**24,004**	**536**

* Including ₹ 25 crore as prepaid finance charges.

\# Senior Perpetual Notes have no fixed maturity date and the Company will have an option, to redeem the Notes, in whole or in part, on any semi-annual interest payment date on or after February 5, 2018

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

15.6 Maturity Profile of Unsecured Term Loans are as set out below :

(₹ in crore)

	Maturity Profile		Non Current	Current
	6-10 years	2-5 years	Total	1 year
Term Loans- from Banks*	9,004	45,136	54,140	5,474

* Including ₹ 399 crore as prepaid finance charges.

(₹ in crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
16. PROVISIONS - NON CURRENT			
Provision for decommissioning of Assets#	2,118	1,066	898
Total	**2,118**	**1,066**	**898**

The movement is towards (i) creation of abandonment provision for Panna Mukta, CBM and utilisation for Tapti facilities, (ii) changes in the exchange rates and (iii) Unwinding of discount.

Provision for Decommissioning of Assets is for Panna Mukta, Tapti, KGD6 and CBM Block. There exist uncertainty (i) in the amount particularly with respect to KGD6 & CBM block as the abandonment policy is still to be notified by the Government and (ii) the timing of abandonment of well and related facilities would depend upon the ultimate life of the field and expected utilization of assets by other fields.

17. DEFERRED TAX LIABILITIES (NET)

The movement on the deferred tax account is as follows:

(₹ in crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
At the start of the year	23,747	22,916	
Charge/(credit) to Statement of Profit and Loss (Refer Note 11)	1,019	831	
At the end of year	**24,766**	**23,747**	**22,916**

Component of Deferred tax liabilities / (asset)

(₹ in crore)

	As at 31st March, 2016	Charge/(credit) to profit or loss	As at 31st March, 2017
Deferred tax liabilities / (asset) in relation to:			
Property, plant and equipment	23,859	1,229	25,088
Financial assets	326	158	484
Loan and advances	(10)	(11)	(21)
Provisions	(428)	(357)	(785)
Total	**23,747**	**1,019**	**24,766**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
18. BORROWINGS – CURRENT			
Secured - At Amortised Cost			
Working Capital Loans			
From Banks			
Foreign Currency Loans	5,837	-	655
Rupee Loans	3,621	1,672	17
	9,458	**1,672**	**672**
From Others			
Rupee Loans	-	1,649	-
Unsecured - At Amortised Cost			
Other Loans and Advances			
From Banks			
Foreign Currency Loans	13,122	11,169	12,244
	13,122	**12,818**	**12,244**
Total	**22,580**	**14,490**	**12,916**

18.1 Working Capital Loans from Banks of ₹ 9,458 crore (Previous Year ₹ 1,672 crore) are secured by hypothecation of present and future stock of raw materials, work-in-progress, 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 Segment.

18.2 Working Capital Loans from Others of ₹ Nil (Previous Year ₹ 1,649 crore) are secured by way of lien on Government Securities.

19. TRADE PAYABLES

(₹ in crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Micro, Small and Medium Enterprises	242	223	131
Others	67,919	54,298	54,338
Total	**68,161**	**54,521**	**54,469**

19.1 There are no amounts outstanding to Micro, Small and Medium Enterprises as at March 31, 2017 and no amount were over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
20.	**OTHER FINANCIAL LIABILITIES**			
	Current maturities of Long Term Debt	6,143	14,756	8,417
	Current maturities of Finance Lease Obligations (Refer Note 15)	-	28	27
		6,143	**14,784**	**8,444**
	Current maturities of Deferred Payment Liabilities	-	-	3
	Interest accrued but not due on borrowings	370	300	254
	Unclaimed Dividends #	241	223	199
	Application money received and due for refund #	1	1	1
	Unclaimed/ Unpaid matured Debentures and Interest accrued thereon #	1	1	1
	Other payables *	37,164	31,195	8,088
	Total	**43,920**	**46,504**	**16,990**

These figures do not include any amounts due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 20 crore (Previous Year ₹ 17 crore) which is held in abeyance due to legal cases pending.

* Includes Security Deposit, Creditors for Capital Expenditure and financial liability at fair value.

(₹ in crore)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
21.	**OTHER CURRENT LIABILITIES**			
	Other Payables^	16,897	8,348	2,251
	Total	**16,897**	**8,348**	**2,251**

^ Includes statutory dues and advances from customers.

(₹ in crore)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
22.	**PROVISIONS - CURRENT**			
	Provisions for Employee Benefits (Refer Note 26.1)**	177	252	237
	Other Provisions ##	1,091	918	1,058
	Total	**1,268**	**1,170**	**1,295**

** The provision for employee benefit includes annual leave and vested long service leave entitlement accrued and compensation claims made by employees.

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, 2016 of ₹ 527 crore as per the estimated pattern of dispatches. During the year, ₹ 527 crore was utilised for clearance of goods. Provision recognised under this class for the year is ₹ 596 crore which is outstanding as on 31st March, 2017. Actual outflow is expected in the next financial year. The Company had recognised customs duty liability on goods imported under various export incentive schemes of ₹ 314 crore as at 31st March, 2016. During the year, further provision of ₹ 608 crore was made and sum of ₹ 503 crore were reversed on fulfilment of export obligation. Closing balance on this account as at 31st March, 2017 is ₹ 419 crore.

(₹ in crore)

		2016-17	2015-16
23.	**SALE OF PRODUCTS**		
	Particulars of Sale of Products		
	Petroleum Products	1,79,438	1,69,305
	Petrochemical Products	82,095	76,903
	Oil & Gas	2,787	4,259
	Others	589	633
	Total	**2,64,909**	**2,51,100**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

	2016-17		2015-16	
24. OTHER INCOME				
Interest				
Bank deposits	356		706	
Debt instruments	2,933		3,230	
Other financial assets carried at amortised cost	246		232	
Others (₹ 14,19,866)	-		1	
		3,535		4,169
Dividend Income		271		691
Other Non Operating Income		787		173
Gain on Financial Assets				
Realised Gain	2,948		1,733	
Unrealised Gain	1,168		1,055	
		4,116		2,788
Total		**8,709**		**7,821**

Above income includes assets measured at amortised cost ₹ 604 crore (Previous Year ₹ 1,008 crore), Fair Value through Profit and Loss ₹ 4,991 crore (Previous Year ₹ 3,964 crore) and Fair Value through Other Comprehensive Income ₹ 3,114 crore (Previous Year ₹ 2,849 crore).

(₹ in crore)

	2016-17	2015-16
24.1 Other Comprehensive Income		
Government Securities	(30)	41
Debentures or Bonds	220	167
Debt Income Fund	826	859
Cash Flow Hedge	1,736	-
	2,752	**1,067**

(₹ in crore)

	2016-17	2015-16
25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories (at close)		
Finished Goods / Stock-in-Trade	9,263	7,663
Work-in-Progress	4,837	2,871
	14,100	**10,534**
Inventories (at commencement)		
Finished Goods / Stock-in-Trade	7,663	9,496
Work-in-Progress	2,871	5,209
	10,534	**14,705**
Less: Capitalised during the year	1,273	-
	9,261	**14,705**
Total	**(4,839)**	**4,171**

(₹ in crore)

	2016-17	2015-16
26. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	3,889	3,736
Contribution to Provident Fund and Other Funds	229	222
Staff Welfare Expenses	316	304
Total	**4,434**	**4,262**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

26.1 As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below :

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

(₹ in crore)

Particulars	2016-17	2015-16
Employer's Contribution to Provident Fund	105	95
Employer's Contribution to Superannuation Fund	12	12
Employer's Contribution to Pension Scheme	40	38

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

I) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in crore)

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Defined Benefit Obligation at beginning of the year	657	615
Current Service Cost	34	33
Interest Cost	53	49
Actuarial (Gain) / Loss	(34)	10
Benefits Paid	(46)	(50)
Defined Benefit Obligation at year end	664	657

II) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in crore)

	Gratuity (Funded)	
	2016-17	2015-16
Fair value of Plan Assets at beginning of year	657	615
Expected Return on Plan Assets	54	58
Actuarial Gain / (Loss)	-	-
Employer Contribution	-	34
Benefits Paid	(46)	(50)
Fair value of Plan Assets at year end	665	657
Actual return on Plan Assets	54	58

III) Reconciliation of fair value of Assets and Obligations

(₹ in crore)

	Gratuity (Funded)	
	As at 31st March 2017	As at 31st March 2016
Fair value of Plan Assets	665	657
Present value of Obligation	664	657
Amount recognised in Balance Sheet (Surplus/(Deficit)	1	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

IV) **Expenses recognised during the year**

(₹ in crore)

	Gratuity (Funded)	
	2016-17	2015-16
In Income Statement		
Current Service Cost	34	33
Interest Cost	53	49
Return on Plan Assets	(53)	(49)
Net Cost	**34**	**33**
In Other Comprehensive Income		
Actuarial (Gain) / Loss	(34)	10
Return On Plan Assets	(1)	(9)
Net (Income)/ Expense For the period Recognised in OCI	**(35)**	**1**

V) **Investment Details :**

	As at 31st March, 2017		As at 31st March, 2016	
	₹ in crore	% Invested	₹ in crore	% Invested
GOI Securities	16	2.41	20	3.04
Public Securities	4	0.60	10	1.52
State Government Securities	-	-	1	0.15
Insurance Policies	641	96.39	590	89.81
Others (including bank balances)	4	0.60	36	5.48
Total	**665**	**100.00**	**657**	**100**

VI) **Actuarial assumptions**

Mortality Table (IALM)	Gratuity (Funded)	
	2016-17	2015-16
	2006-08	2006-08
	(Ultimate)	(Ultimate)
Discount Rate (per annum)	8%	8%
Expected rate of return on Plan Assets (per annum)	8%	8%
Rate of escalation in Salary (per annum)	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) The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2016-17.

VIII) **Sensitivity Analysis**

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(₹ in crore)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 0.5%)	19	21	19	20
Change in rate of salary increase (delta effect of +/- 0.5%)	20	21	19	20
Change in rate of employee turnover (delta effect of +/- 0.5%)	2	2	3	3

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

26.2 The Company had announced Voluntary Separation Scheme (VSS) for the employees of Allahabad & Nagpur Manufacturing Divisions in the previous year. A sum of ₹ 156 crore had been paid during the previous year and debited to the Statement of Profit and Loss under the head "Employee Benefits Expense".

26.3 Share based payments

a) Scheme details

Company has an Employee Stock Option Scheme under which the maximum quantum of options was granted at ₹ 642 (face value ₹ 10 each) with options to be vested from time to time on the basis of performance and other eligibility criteria.

Details of Employee Stock Option granted upto 31st March, 2015 but not vested as on 1st April, 2015 :

Financial Year (Year of Grant)	Number	Financial Year of Vesting	Range of Exercise Price (₹)	Range of Fair value at Grant Date (₹)
2006-07	5,51,760	2015-16	642	309.7
2008-09	13,200	2015-16 & 2016-17	644.5	312.4 - 329.9
2010-11	5,760	2015-16	929	454.3
2011-12	16,855	2015-16	765 - 972	388.4 - 482
2013-14	60,107	2015-16 to 2018-19	860 - 880	281.3 - 452.9
2014-15	45,419	2015-16 to 2019-20	843.2 - 960.7	253.8 - 473
Total	**6,93,101**			

Details of Employee Stock Option granted from 1st April, 2015 to 31st March, 2017 but not vested as on 31st March, 2017:

Financial Year (Year of Grant)	Number	Financial Year of Vesting	Range of Exercise Price (₹)	Range of Fair value at Grant Date (₹)
2015-16	14,967	2016-17 to 2019-20	887.4	254.5 - 346.4
2016-17	74,454	2017-18 to 2020-21	1096	299.5 - 408.9
Total	**89,421**			

Exercise period will expire not later than five years from the date of vesting of options or such other period as may be decided by the Human Resources, Nomination and Remuneration Committee.

b) Compensation expenses arising on account of the share based payments

(₹ in crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Expenses arising from equity – settled share-based payment transactions	1.00	2.26

c) Fair Value on the grant date

The fair value at grant date is determined using Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended March 31, 2017 included;

a. Weighted average exercise price ₹ 1,096 (March 31, 2016 ₹ 887)
b. Grant date: 05.10.2016 & 10.10.2016 (March 31, 2016: 10.10.2015)
c. Vesting year: 2017-18 to 2020-21 (March 31, 2016: 2016-17 to 2019-20)
d. Share price at grant date: ₹ 1,089 at 05.10.2016 & 1,096 at 10.10.2016)
e. Expected price volatility of Company's share: 25.1 % to 26.5%
f. Expected dividend yield: 1.07 %
g. Risk free interest rate: 7 %

The expected price volatility is based on the historic volatility (based on remaining life of the options).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

d) **Movement in share option during the year:**

Particulars	As of 31st March, 2017		As of 31st March, 2016	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Balance at the beginning of the year	5,66,253	697.61	6,93,101	686.74
Granted during the year	74,454	1,096.00	14,967	887.00
Forfeited during the year	-	-	-	-
Exercised during the year	(81,815)	642.03	(48,945)	642.03
Expired / Lapsed during the year	(14,210)	758.55	(92,870)	676.36
Balance at the end of the year	5,44,682	758.82	5,66,253	697.61

Weighted average remaining contractual life of the share option outstanding at the end of year is 247 days (Previous year 580 days).

(₹ in crore)

	2016-17	2015-16
27. FINANCE COSTS		
Interest Expenses*	2,032	1,473
Other Borrowing Costs	-	10
Applicable loss on foreign currency transactions and translation	691	1,079
Total	**2,723**	**2,562**

* Interest Expenses are net of Interest Capitalised of ₹ 2,852 crore (Previous Year ₹ 2,302 crore) (Refer Note 1.5)

(₹ in crore)

	2016-17	2015-16
28. OTHER EXPENSES		
Manufacturing Expenses		
Stores, Chemicals and Packing Materials	5,035	4,765
Electric Power, Fuel and Water	10,150	9,809
Labour Processing, Production Royalty and Machinery Hire Charges	1,638	1,224
Repairs to Building	84	58
Repairs to Machinery	1,064	1,084
Exchange Difference (Net)	40	1
Excise Duty #	234	448
Lease Rent	10	10
	18,255	**17,399**
Selling and Distribution Expenses		
Warehousing and Distribution Expenses	5,552	5,871
Sales Tax / VAT	1,428	1,415
Other Selling and Distribution Expenses	1,456	975
	8,436	**8,261**
Establishment Expenses		
Professional Fees	1,720	1,307
General Expenses	925	1,618
Rent	100	107
Insurance	862	894
Rates & Taxes	206	144
Other Repairs	310	245
Travelling Expenses	164	162
Payment to Auditors	23	25
Loss on Sale /Discard of Property, Plant & Equipments	69	37
Charity and Donations	654	676
	5,033	**5,215**
Less: Transferred to Project Development Expenditure	1,961	2,507
Total	**29,763**	**28,368**

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

28.1 Payment to Auditors as :

(₹ in crore)

Particulars		2016-17	2015-16
(a)	Auditor:		
	Statutory Audit Fees	10	10
	Tax Audit Fees	1	1
(b)	Certification and Consultation Fees	11	13
(c)	Cost Audit Fees	1	1
Total		**23**	**25**

Certification and consultation fees primarily includes certification fees paid to auditors. Statutes and regulation require auditors to certify export documentation, quarterly filings, XBRL filings, transfer pricing and bond issuances among others.

28.2 Corporate Social Responsibility (CSR)

(a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 620 crore (Previous Year ₹ 558 crore).

(b) Expenditure related to Corporate Social Responsibility is ₹ 659 crore (Previous Year ₹ 652 crore).

Details of Amount spent towards CSR given below:

(₹ in crore)

Particulars	2016-17	2015-16
Rural Transformation	132	99
Healthcare	267	315
Education	221	219
Sports For Development	24	9
Disaster Relief	11	10
Urban Renewal	3	0
Arts and Culture	1	0
Total	**659**	**652**

(c) Out of note (b) above, ₹ 557 crore (Previous Year ₹ 578 crore) is spent through Reliance Foundation and ₹ 22 crore (Previous Year Nil) is spent through Reliance Foundation Youth Sports, which are related parties.

(d) Out of note (b) above, ₹ 5 crore (Previous Year ₹ 7 crore) is towards construction / acquisition of an asset that will be owned by the Company.

		2016-17	2015-16
29.	**EARNINGS PER SHARE (EPS)**		
i)	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in crore)	31,425	27,384
ii)	Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	3,24,31,68,538	3,23,83,16,609
iii)	Weighted Average Potential Equity Shares	55,93,076	65,22,434
iv)	Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	3,24,87,61,614	3,24,48,39,043
v)	Basic Earnings per Share (₹)	96.90	84.56
vi)	Diluted Earnings per Share (₹)	96.73	84.39
vii)	Face Value per Equity Share (₹)	10	10

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

30. RELATED PARTIES DISCLOSURES

(i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Adventure Marketing Private Limited #	Subsidiary
2	AETN18 Media Private Limited #	
3	Affinity Names Inc.	
4	Aurora Algae Pty Ltd	
5	Aurora Algae RGV LLC	
6	Aurora Algea Inc.	
7	Capital18 Fincap Private Limited #	
8	Central Park Enterprises DMCC	
9	Colorful Media Private Limited #	
10	Colosceum Media Private Limited #	
11	Cluster Commercials Private Limited ^	
12	Devashree Commercials Private Limited ^	
13	Dignity Mercantile Private Limited ^	
14	Delta Corp East Africa Limited	
15	Digital18 Media Limited #	
16	E-18 Limited #	
17	e-Eighteen.com Limited #	
18	Equator Trading Enterprises Private Limited #	
19	Ethane Crystal LLC	
20	Ethane Emerald LLC	
21	Ethane Opal LLC	
22	Ethane Pearl LLC	
23	Ethane Sapphire LLC	
24	Ethane Topaz LLC	
25	Gapco Kenya Limited	
26	Gapco Tanzania Limited	
27	Gapco Uganda Limited	
28	Gapoil (Zanzibar) Limited	
29	GenNext Holding Investments LLC ** ^	
30	Girisha Commercials Private Limited ^	
31	Greycells18 Media Limited #	
32	Gulf Africa Petroleum Corporation	
33	Ibn18 Mauritius Limited #	
34	Indiawin Sports Private Limited	
35	Infomedia Press Limited #	
36	Kanhatech Solutions Limited	
37	Model Economic Township Limited	
38	Moneycontrol Dot Com India Limited #	
39	Network18 Holdings Limited #	
40	NW18 HSN Holdings Plc # (Formerly known as Network18 HSN Plc.)	
41	Network18 Media & Investments Limited #	

\# Control by Independent Media Trust of which RIL is the sole beneficiary

** Formerly known as Reliance Marcellus Holding LLC

^ The above entities includes related parties where the relationship existed for the part of the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

Sr. No.	Name of the Related Party	Relationship
42	Panorama Television Private Limited #	Subsidiary
43	RB Holdings Private Limited #	
44	RB Media Holdings Private Limited #	
45	RB Mediasoft Private Limited #	
46	Recron (Malaysia) Sdn Bhd	
47	Reed Infomedia India Private Limited #	
48	Reliance Aerospace Techonologies Limited	
49	Reliance Ambit Trade Private Limited	
50	Reliance Aromatics and Petrochemicals Limited	
51	Reliance Brands Limited	
52	Reliance Chemicals Limited	
53	Reliance Clothing India Private Limited	
54	Reliance Commercial Dealers Limited ^	
55	Reliance Commercial Land & Infrastructure Limited	
56	Reliance Commercial Trading Private Limited ^	
57	Reliance Comtrade Private Limited	
58	Reliance Corporate IT Park Limited	
59	Reliance do Brasil Indústria e Comércio de Produtos Têxteis, Químicos, Petroquímicos e Derivados Limiteda ^	
60	Reliance Eagleford Midstream LLC	
61	Reliance Eagleford Upstream GP LLC	
62	Reliance Eagleford Upstream Holding LP	
63	Reliance Eagleford Upstream LLC	
64	Reliance Eminent Trading & Commercial Private Limited	
65	Reliance Energy and Project Development Limited	
66	Reliance Energy Generation and Distribution Limited	
67	Reliance Ethane Holding Pte. Limited	
68	Reliance Exploration & Production DMCC	
69	Reliance Gas Pipelines Limited	
70	Reliance Global Business B.V.	
71	Reliance Global Commercial Limited	
72	Reliance Global Energy Services (Singapore) Pte. Limited	
73	Reliance Global Energy Services Limited	
74	Reliance Holding Acquisition Corp ^	
75	Reliance Holding USA, Inc.	
76	Reliance Industrial Investments and Holdings Limited	
77	Reliance Industries (Middle East) DMCC	
78	Reliance Innovative Building Solutions Private Limited	
79	Reliance Jio AsiaInfo Innovation Centre Limited	
80	Reliance Jio Digital Services Private Limited	
81	Reliance Jio Global Resources LLC	
82	Reliance Jio Infocomm Limited	
83	Reliance Jio Infocomm Pte. Limited	

\# Control by Independent Media Trust of which RIL is the sole beneficiary

** Formerly known as Reliance Marcellus Holding LLC

^ The above entities includes related parties where the relationship existed for the part of the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

Sr. No.	Name of the Related Party	Relationship
84	Reliance Jio Infocomm UK Limited	
85	Reliance Jio Infocomm USA Inc.	
86	Reliance Jio Infratel Private Limited	
87	Reliance Jio Media Private Limited	
88	Reliance Jio Messaging Services Private Limited	
89	Reliance Lifestyle Holdings Limited	
90	Reliance LNG Limited ^	
91	Reliance Marcellus II LLC	
92	Reliance Marcellus LLC	
93	Reliance Payment Solutions Limited	
94	Reliance Petro Marketing Limited	
95	Reliance Petroinvestments Limited	
96	Reliance Polyolefins Limited	
97	Reliance Progressive Traders Private Limited	
98	Reliance Prolific Commercial Private Limited	
99	Reliance Prolific Traders Private Limited	
100	Reliance Retail Finance Limited	
101	Reliance Retail Insurance Broking Limited	
102	Reliance Retail Limited	
103	Reliance Retail Ventures Limited	
104	Reliance Sibur Elastomers Private Limited	Subsidiary
105	Reliance Strategic Investments Limited	
106	Reliance SMSL Limited (formerly known as Strategic Manpower Solutions Limited)	
107	Reliance Textiles Limited	
108	Reliance Trading Limited	
109	Reliance Universal Commercial Limited	
110	Reliance Universal Enterprises Limited	
111	Reliance Universal Traders Private Limited	
112	Reliance USA Gas Marketing LLC ^	
113	Reliance Vantage Retail Limited	
114	Reliance Ventures Limited	
115	Reliance World Trade Private Limited @	
116	Reliance Supply Solutions Private Limited **	
117	Reliance-GrandOptical Private Limited	
118	RIL (Australia) Pty Limited	
119	RIL Exploration and Production (Myanmar) Company Limited	
120	RIL USA, Inc.	
121	RP Chemicals (Malaysia) Sdn Bhd	
122	RRB Investments Private Limited #	
123	RRB Mediasoft Private Limited #	
124	RRK Finhold Private Limited #	
125	RVT Finhold Private Limited #	

@ Control by Petroleum Trust of which RIL is the sole beneficiary
** Formerly known as Office Depot Reliance Supply Solution Private Limited
# Control by Independent Media Trust of which RIL is the sole beneficiary
^ The above entities includes related parties where the relationship existed for the part of the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

Sr. No.	Name of the Related Party	Relationship
126	RVT Media Private Limited #	Subsidiary
127	Setpro18 Distribution Limited #	Subsidiary
128	Surela Investment and Trading Private Limited	Subsidiary
129	Television Eighteen Mauritius Limited #	Subsidiary
130	Television Eighteen Media and Investments Limited #	Subsidiary
131	TV18 Broadcast Limited #	Subsidiary
132	TV18 Home shopping Network Limited #	Subsidiary
133	Watermark Infratech Private Limited #	Subsidiary
134	Wave Land Developers Limited	Subsidiary
135	Web18 Holdings Limited #	Subsidiary
136	Web18 Software Services Limited #	Subsidiary
137	Independent Media Trust	Company / Subsidiary is a beneficiary
138	Network18 Media Trust ^	Company / Subsidiary is a beneficiary
139	Petroleum Trust	Company / Subsidiary is a beneficiary
140	Gujarat Chemical Port Terminal Company Limited	Associates/Joint Ventures
141	Indian Vaccines Corporation Limited	Associates/Joint Ventures
142	Jio Payments Bank Limited ^	Associates/Joint Ventures
143	Reliance Europe Limited	Associates/Joint Ventures
144	Reliance Gas Transportation Infrastructure Limited	Associates/Joint Ventures
145	Reliance Industrial Infrastructure Limited	Associates/Joint Ventures
146	Reliance Ports and Terminals Limited	Associates/Joint Ventures
147	Reliance Utilities and Power Private Limited	Associates/Joint Ventures
148	Shri Mukesh D. Ambani	Key Managerial Personnel (KMP)
149	Shri Nikhil R. Meswani	Key Managerial Personnel (KMP)
150	Shri Hital R. Meswani	Key Managerial Personnel (KMP)
151	Shri P. M. S. Prasad	Key Managerial Personnel (KMP)
152	Shri P. K. Kapil	Key Managerial Personnel (KMP)
153	Shri Alok Agarwal	Key Managerial Personnel (KMP)
154	Shri Srikanth Venkatachari	Key Managerial Personnel (KMP)
155	Shri K. Sethuraman	Key Managerial Personnel (KMP)
156	Smt. Nita M. Ambani	Relative of KMP
157	Dhirubhai Ambani Foundation	Enterprises over which Key Managerial Personnel are able to exercise significant influence
158	Hirachand Govardhandas Ambani Public Charitable Trust	Enterprises over which Key Managerial Personnel are able to exercise significant influence
159	HNH Trust and HNH Research Society	Enterprises over which Key Managerial Personnel are able to exercise significant influence
160	Jamnaben Hirachand Ambani Foundation	Enterprises over which Key Managerial Personnel are able to exercise significant influence
161	Reliance Foundation	Enterprises over which Key Managerial Personnel are able to exercise significant influence
162	Reliance Foundations Youth Sports ^	Enterprises over which Key Managerial Personnel are able to exercise significant influence
163	I P C L Employees Provident Fund Trust	Post Employment Benefits Plans
164	Reliance Industries Limited Vadodara Unit Employees Superannuation Fund	Post Employment Benefits Plans
165	RIL Vadodara Unit Employees Gratuity Fund	Post Employment Benefits Plans
166	Reliance Employees Provident Fund Bombay	Post Employment Benefits Plans
167	Reliance Industries Ltd Staff Superannuation Scheme	Post Employment Benefits Plans
168	Reliance Industries Ltd Employees Gratuity Fund	Post Employment Benefits Plans
169	I P C L Employees Gratuity Fund - Baulpur Unit	Post Employment Benefits Plans

Control by Independent Media Trust of which RIL is the sole beneficiary

^ The above entities includes related parties where the relationship existed for the part of the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(ii) Transactions during the year with related parties :

(₹ in crore)

Sr. No.	Nature of Transactions (Excluding Reimbursements)	Subsidiaries/ Beneficiary	Associates/ Joint Venture	Key Managerial Personnel/ Relative	Others	Total
1	Purchase of Tangible and Intangible Assets	1,940	231	-	-	2,171
		2,302	*237*	-	-	*2,539*
2	Purchase / Subscription of Investments	67,092	92	-	-	67,184
		38,085	-	-	-	*38,085*
3	Sale / Redemption of Investments	26,462	-	-	-	26,462
		422	-	-	-	*422*
4	Net Loans and Advances, Deposits given/ (Returned)	(1,955)	6	-	-	(1,949)
		(11,913)	*43*	-	-	*(11,870)*
5	Revenue from Operations	14,954	347	-	-	15,301
		24,925	*301*	-	-	*25,226*
6	Other Income	1,586	231	-	-	1,817
		1,721	*17*	-	-	*1,738*
7	Purchases / Material Consumed	3,044	730	-	-	3,774
		2,201	*631*	-	-	*2,832*
8	Electric Power, Fuel and Water	-	2,484	-	-	2,484
		-	*1,719*	-	-	*1,719*
9	Hire Charges	-	637	-	-	637
		-	*585*	-	-	*585*
10	Employee Benefit Expense	272	-	-	337	609
		210	-	-	*351*	*561*
11	Payment to Key Managerial Personnel/Relative	-	-	85	-	85
		-	-	*79*	-	*79*
12	Sales and Distribution Expenses	27	2,619	-	-	2,646
		178	*2,609*	-	-	*2,787*
13	Rent	-	14	-	-	14
		-	*8*	-	-	*8*
14	Professional Fees	1,391	35	-	-	1,426
		1,244	*39*	-	-	*1,283*
15	General Expenses	528	7	-	-	535
		25	*430*	-	-	*455*
16	Donations	-	-	-	604	604
		-	-	-	*603*	*603*
17	Finance Costs	-	-	-	-	-
		10	-	-	-	*10*
Balances as at 31st March 2017						
1	Investments	1,21,355	3,502	-	-	1,24,857
		81,421	*2,085*	-	-	*83,506*
2	Trade Receivables*	1,277	49	-	-	1,326
		2,210	*35*	-	-	*2,245*
3	Loans and Advances	13,006	-	-	-	13,006
		15,099	*3*	-	-	*15,102*
4	Deposits	175	618	-	-	793
		-	*784*	-	-	*784*
5	Trade and Other Payables*	659	489	-	-	1,148
		456	*315*	-	-	*771*
6	Finance Lease Obligations	-	-	-	-	-
		94	-	-	-	*94*
7	Financial Guarantees	41,715	1,532	-	-	43,247
		35,897	*1,837*	-	-	*37,734*
8	Performance Guarantees	1,163	137	-	-	1,300
		192	*135*	-	-	*327*

Figures in italic represents Previous Year's amounts.

* Includes reimbursements

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(iii) Disclosure in Respect of Major Related Party Transactions during the year :

(₹ in crore)

	Particulars	Relationship	2016-17	2015-16
1	**Purchase of Tangible and Intangible Assets**			
	Recron (Malaysia) Sdn. Bhd.	Subsidiary	52	106
	Reliance Corporate IT Park Limited	Subsidiary	1,753	2,044
	Reliance Eminent Trading & Commercial Private Limited	Subsidiary	96	75
	Reliance Petro Marketing Limited	Subsidiary	6	6
	Reliance Retail Limited	Subsidiary	33	27
	Reliance Sibur Elastomers Private Limited	Subsidiary	-	43
	Gujarat Chemical Port Terminal Company Limited	Associate	4	-
	Reliance Industrial Infrastructure Limited	Associate	-	3
	Reliance Ports and Terminals Limited	Associate	36	166
	Reliance Utilities and Power Private Limited	Associate	191	68
2	**Purchase / Subscription of Investments**			
	Reliance Ambit Traders Private Limited	Subsidiary	4	7
	Reliance Eminent Trading & Commercial Private Limited	Subsidiary	21	-
	Reliance Energy Generation and Distribution Limited	Subsidiary	10,499	3,263
	Reliance Ethane Holding Pte. Limited	Subsidiary	239	399
	Reliance Gas Pipelines Limited	Subsidiary	591	303
	Reliance Industrial Investments and Holdings Limited	Subsidiary	20,497	14,091
	Reliance Industries (Middle East) DMCC	Subsidiary	498	2,217
	Reliance Jio Infocomm Limited	Subsidiary	33,660	15,000
	Reliance Jio Messaging Services Private Limited	Subsidiary	23	74
	Reliance Progressive Traders Private Limited	Subsidiary	11	60
	Reliance Prolific Commercial Private Limited	Subsidiary	3	5
	Reliance Prolific Traders Private Limited	Subsidiary	58	122
	Reliance Sibur Elastomers Private Limited	Subsidiary	133	243
	Reliance Strategic Investments Limited	Subsidiary	160	-
	Reliance Universal Traders Private Limited	Subsidiary	171	24
	Reliance Ventures Limited	Subsidiary	524	-
	Independent Media Trust	Company/ Subsidiary is a beneficiary	-	2,277
	Jio Payments Bank Limited	Joint Venture	92	-
3	**Sale / Redemption of Investments**			
	Reliance Energy Generation and Distribution Limited	Subsidiary	3,263	-
	Reliance Ethane Holding Pte. Limited	Subsidiary	404	-
	Reliance Gas Pipelines Limited	Subsidiary	368	-
	Reliance Global Business B.V.	Subsidiary	-	422
	Reliance Industrial Investments and Holdings Limited	Subsidiary	19,271	-
	Reliance Industries (Middle East) DMCC	Subsidiary	1,566	-
	Reliance Progressive Traders Private Limited	Subsidiary	71	-
	Reliance Prolific Traders Private Limited	Subsidiary	1,416	-
	Reliance Universal Traders Private Limited	Subsidiary	103	-
4	**Net Loans and Advances, Deposits Given / (Returned)**			
	Reliance Commercial Dealers Limited	Subsidiary	-	20
	Reliance Corporate IT Park Limited	Subsidiary	(2,698)	713
	Reliance Energy Generation and Distribution Limited	Subsidiary	-	(3,263)
	Reliance Ethane Holding Pte. Limited	Subsidiary	3	-
	Reliance Gas Pipelines Limited	Subsidiary	-	(33)
	Reliance Industrial Investments and Holdings Limited	Subsidiary	1,362	(10,573)
	Reliance Industries (Middle East) DMCC	Subsidiary	(482)	482
	Reliance Jio Messaging Services Private Limited	Subsidiary	34	-
	Reliance Prolific Traders Private Limited	Subsidiary	1,296	-
	Reliance Strategic Investments Limited	Subsidiary	(1,465)	903
	Reliance Ventures Limited	Subsidiary	(5)	(142)
	Gujarat Chemical Port Terminal Company Limited	Associate	9	22
	Reliance Europe Limited	Associate	(3)	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

Particulars		Relationship	2016-17	2015-16
5	**Revenue from Operations**			
	Gapco Kenya Limited	Subsidiary	1,522	9,373
	Recron (Malaysia) Sdn. Bhd.	Subsidiary	404	468
	Reliance Commercial Dealers Limited ^	Subsidiary	13	13
	Reliance Corporate IT Park Limited	Subsidiary	2	1
	Reliance Gas Pipelines Limited	Subsidiary	5	3
	Reliance Global Energy Services (Singapore) Pte. Ltd.	Subsidiary	2,748	3,915
	Reliance Industrial Investments and Holdings Limited	Subsidiary	828	924
	Reliance Jio Infocomm Limited	Subsidiary	528	522
	Reliance Petro Marketing Limited	Subsidiary	6,399	2,232
	Reliance Retail Limited	Subsidiary	13	188
	Reliance Sibur Elastomers Private Limited	Subsidiary	229	2
	RIL USA, Inc.	Subsidiary	2,276	7,297
	Gujarat Chemical Port Terminal Company Limited	Associate	1	-
	Reliance Gas Transportation Infrastructure Limited	Associate	31	47
	Reliance Industrial Infrastructure Limited	Associate	2	-
	Reliance Ports and Terminals Limited	Associate	15	5
	Reliance Utilities and Power Private Limited	Associate	285	236
6	**Other Income**			
	Gapco Kenya Limited	Subsidiary	2	2
	Gapco Tanzania Limited	Subsidiary	3	3
	Gapco Uganda Limited	Subsidiary	1	1
	Recron (Malaysia) Sdn. Bhd.	Subsidiary	7	7
	Reliance Corporate IT Park Limited	Subsidiary	327	353
	Reliance Gas Pipelines Limited	Subsidiary	-	2
	Reliance Global Energy Services (Singapore) Pte. Ltd.	Subsidiary	13	11
	Reliance Holding USA, Inc.	Subsidiary	213	138
	Reliance Industrial Investments and Holdings Limited	Subsidiary	663	816
	Reliance Industries (Middle East) DMCC	Subsidiary	1	-
	Reliance Jio Infocomm Limited	Subsidiary	47	37
	Reliance Jio Messaging Services Private Limited	Subsidiary	1	-
	Reliance Sibur Elastomers Private Limited	Subsidiary	19	6
	Reliance Strategic Investments Limited	Subsidiary	267	287
	Reliance Ventures Limited	Subsidiary	16	54
	RIL USA, Inc.	Subsidiary	6	4
	Gujarat Chemical Port Terminal Company Limited	Associate	6	-
	Reliance Europe Limited	Associate	17	13
	Reliance Gas Transportation Infrastructure Limited	Associate	204	-
	Reliance Ports and Terminals Limited	Associate	1	1
	Reliance Utilities and Power Private Limited	Associate	3	3
7	**Purchases / Material Consumed**			
	Recron (Malaysia) Sdn Bdh	Subsidiary	1	-
	Reliance Commercial Land & Infrastructure Limited	Subsidiary	20	-
	Reliance Industries (Middle East) DMCC	Subsidiary	3,023	2,200
	Reliance Petro Marketing Limited	Subsidiary	-	1
	Gujarat Chemical Port Terminal Company Limited	Associate	90	-
	Reliance Industrial Infrastructure Limited	Associate	13	19
	Reliance Ports and Terminals Limited	Associate	623	611
	Reliance Utilities and Power Private Limited	Associate	4	-
8	**Electric Power, Fuel and Water**			
	Reliance Utilities and Power Private Limited	Associate	2,484	1,719

^ The above entities includes related parties where the relationship existed for the part of the year and the amounts reported is for the period during which the related party relationship existed during the period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

	Particulars	Relationship	2016-17	2015-16
9	**Hire Charges**			
	Gujarat Chemical Port Terminal Company Limited	Associate	2	117
	Reliance Gas Transportation Infrastructure Limited	Associate	203	214
	Reliance Industrial Infrastructure Limited	Associate	45	34
	Reliance Ports and Terminals Limited	Associate	387	220
10	**Employee Benefits Expense**			
	Reliance Retail Limited	Subsidiary	19	8
	Reliance Corporate IT Park Limited	Subsidiary	253	202
	I P C L Employees Provident Fund Trust	Other*	103	98
	Reliance Industries Limited Vadodara Unit Employees Superannuation Fund	Other*	2	2
	RIL Vadodara Unit Employees Gratuity Fund	Other*	-	3
	Reliance Employees Provident Fund Bombay	Other*	222	207
	Reliance Industries Ltd Staff Superannuation Scheme	Other*	10	10
	Reliance Industries Ltd Employees Gratuity Fund	Other*	-	31
11	**Payment To Key Managerial Personnel / Relative**			
	Shri Mukesh D. Ambani	KMP	15	15
	Shri Nikhil R. Meswani	KMP	17	14
	Shri Hital R. Meswani	KMP	17	14
	Shri PMS Prasad	KMP	7	7
	Shri P. K. Kapil	KMP	3	3
	Shri Alok Agarwal	KMP	12	12
	Shri Srikanth Venkatachari	KMP	11	11
	Shri K. Sethuraman	KMP	2	2
	Smt Nita M. Ambani	Relative of KMP	1	1
12	**Sales and Distribution Expenses**			
	Recron (Malaysia) Sdn. Bhd.	Subsidiary	26	178
	Reliance Retail Limited	Subsidiary	1	-
	Gujarat Chemical Port Terminal Company Limited	Associate	52	33
	Reliance Ports and Terminals Limited	Associate	2,567	2,576
13	**Rent**			
	Reliance Industrial Infrastructure Limited	Associate	14	8
14	**Professional Fees**			
	Indiawin Sports Private Limited	Subsidiary	26	-
	Reliance Corporate IT Park Limited	Subsidiary	1,364	1,244
	Reliance Industries (Middle East) DMCC	Subsidiary	1	-
	Reliance Europe Limited	Associate	30	33
	Reliance Industrial Infrastructure Limited	Associate	5	6
15	**General Expenses**			
	Big Tree Entertainment Private Limited	Subsidiary	-	2
	Indiawin Sports Private Limited	Subsidiary	7	-
	Reliance Commercial Dealers Limited ^	Subsidiary	485	418
	Reliance Retail Limited	Subsidiary	36	23
	Reliance Ports and Terminals Limited	Associate	5	12
16	**Donations**			
	Hirachand Govardhandas Ambani Public Charitable Trust	Others	2	4
	Jamnaben Hirachand Ambani Foundation	Others	19	15
	Reliance Foundation	Others	561	584
	Reliance Foundations Youth Sports	Others	22	-
17	**Finance Costs**			
	Reliance Corporate IT Park Limited	Subsidiary	-	10

^ The above entities includes related parties where the relationship existed for the part of the year and the amounts reported is for the period during which the related party relationship existed during the period.

* Also includes Employee Contribution

(iv) Balances as at 31st March, 2017

(₹ in crore)

Particulars		Relationship	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	**Loans and Advances**				
	Gapco Kenya Limited	Subsidiary	-	2	2
	Gapco Tanzania Limited	Subsidiary	-	-	3
	Gapco Uganda Limited	Subsidiary	-	-	1
	Recron (Malaysia) Sdn. Bhd.	Subsidiary	-	-	8
	Reliance Brands Limited	Subsidiary	-	-	1
	Reliance Corporate IT Park Limited	Subsidiary	1,135	3,823	2,976
	Reliance Energy Generation and Distribution Limited	Subsidiary	-	-	3,263
	Reliance Ethane Holding Pte. Limited	Subsidiary	3	-	-
	Reliance Gas Pipelines Limited	Subsidiary	-	-	33
	Reliance Holding USA, Inc.	Subsidiary	-	35	-
	Reliance Industrial Investments and Holdings Limited	Subsidiary	8,611	7,321	17,890
	Reliance Industries (Middle East) DMCC	Subsidiary	-	482	-
	Reliance Jio Messaging Services Private Limited	Subsidiary	35	-	-
	Reliance Prolific Traders Private Limited	Subsidiary	1,296	-	-
	Reliance Strategic Investments Limited	Subsidiary	1,826	3,283	2,263
	Reliance Ventures Limited	Subsidiary	100	153	302
	Gujarat Chemical Port Terminal Company Limited	Associate	-	-	6
	Reliance Europe Limited	Associate	-	3	3
2	**Deposits**				
	Reliance Commercial Dealers Limited ^	Subsidiary	175	175	155
	Gujarat Chemical Port Terminal Company Limited	Associate	147	138	110
	Reliance Ports and Terminals Limited	Associate	353	353	353
	Reliance Utilities and Power Private Limited	Associate	118	118	118
3	**Financial Gurantees**				
	Reliance Global Energy Services (Singapore) Pte. Ltd.	Subsidiary	195	-	-
	Reliance Global Energy Services Limited	Subsidiary	5	6	6
	Reliance Holding USA, Inc.	Subsidiary	19,455	19877	18,750
	Reliance Industries (Middle East) DMCC	Subsidiary	1,583	895	1,951
	Reliance Jio Infocomm Limited	Subsidiary	19,719	15070	12,770
	Reliance Sibur Elastomers Private Limited	Subsidiary	422	-	-
	RIL USA, Inc.	Subsidiary	336	49	208
	Reliance Europe Limited	Associate	1,532	1837	1,733

All related party contracts / arrangements have been entered on arms' length basis.

^ The above entities includes related parties where the relationship existed for the part of the year and the amounts reported is for the period during which the related party relationship existed during the period.

30.1 Compensation of Key management personnel

The remuneration of director and other member of key management personnel during the year was as follows:

(₹ in crore)

		2016-17	2015-16
i	Short-term benefits	82	76
ii	Post employment benefits	2	2
iii	Other long term benefits	-	-
iv	Share based payments	-	-
v	Termination benefits	-	-
Total		**84**	**78**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

31.1 Disclosure of the Company's Interest in Oil and Gas Joint Arrangments (Joint Operation):

Sr. No.	Name of the Fields in the Joint Arrangments	Company's % Interest		Partners and their Participating Interest (PI)	Country
		2016-17	2015-16		
1	Panna Mukta	30%	30%	BG Exploration & Production India Limited - 30% ;	India
				Oil and Natural Gas Corporation Limited - 40%	
2	Mid and South Tapti	30%	30%	BG Exploration & Production India Limited - 30% ;	India
				Oil and Natural Gas Corporation Limited - 40%	
3	NEC - OSN - 97/2 *	60%	60%	Niko (NELPIO) Limited - 10% * ;	India
				BP Exploration (Alpha) Limited - 30%	
4	KG - DWN - 98/3	60%	60%	Niko (NECO) Limited - 10% ;	India
				BP Exploration (Alpha) Limited - 30%	
5	GS - OSN - 2000/1	90%	90%	Hardy Exploration and Production (India) Inc. - 10%	India
6	CB-ONN-2003/1	70%	70%	BP Exploration (Alpha) Limited - 30%	India
7	CY-DWN-2001/2	-	70%	BP Exploration (Alpha) Limited - 30%	India
8	Block M-17	96%	96%	United National Resources Development Services Company Limited (UNRD) - 4%	Myanmar
9	Block M-18	96%	96%	United National Resources Development Services Company Limited (UNRD) - 4%	Myanmar

* Niko (NELPIO) Limited has withdrawn its entire 10% PI from the Joint Operating Agreement (JOA), however the assignment to RIL & BPEAL is pending subject to Government approval.

31.2 Quantities of Company's Interest (on gross basis) in Proved Reserves and Proved Developed Reserves:

Particulars	Proved Reserves in India (Million MT)		Proved Developed Reserves in India (Million MT)	
	2016-17	2015-16	2016-17	2015-16
Oil:				
Beginning of the year	4.32	1.96	1.05	1.47
Revision of estimates	(0.26)	2.78	(0.12)	-
Production	(0.35)	(0.42)	(0.35)	(0.42)
Closing balance of the year	**3.71**	**4.32**	**0.58**	**1.05**

Particulars	Proved Reserves in India (Million M3#)		Proved Developed Reserves in India (Million M3#)	
	2016-17	2015-16	2016-17	2015-16
Gas:				
Beginning of the year	71,731	65,741	14,582	18,812
Revision of estimates	(8,500)	9,008	1,995	(1,212)
Production	(2,280)	(3,018)	(2,280)	(3,018)
Closing balance of the year	**60,951**	**71,731**	**14,297**	**14,582**

\# cubic meter (M3) = 35.315 cubic feet, 1 cubic feet = 1000 BTU and 1 MT = 7.5 bbl

The reserve estimates for producing fields are revised based on the performance of producing fields and with respect to discovered fields, the revision are based on the revised geological and reservoir simulation studies.

31.3 Government of India (GOI), by its letters dated 2nd May, 2012, 14th November, 2013, 10th July, 2014 and 3rd June 2016 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. Pending decision of the arbitration, the demand from the GOI of $ 148 million (for ₹ 961 crore) being the Company's Share (total demand $ 247 million) towards additional Profit Petroleum has been considered as contingent liability.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2017

31.4 (a) The Government has made a claim of about $ 1.55 billion against the KGD6 Contractor parties in respect of gas said to have migrated from neighbouring blocks. In carrying out petroleum operations, the Contractor has worked within the boundaries of the block awarded to it and has complied with all applicable regulations and provisions of the Production Sharing Contract ("PSC"). The Company has already invoked the dispute resolution mechanism in the PSC and issued a Notice of Arbitration to the Government on 11th November, 2016. The Company remains convinced of being able to fully justify and vindicate its position that the Government's claim is not sustainable.

(b) In supersession of the Ministry's Gazette notification no. 22011/3/2012-ONG.D.V. dated 10th January, 2014, the GoI notified the New Domestic Natural Gas Pricing Guidelines, 2014, on 26th October 2014. Consequent to the aforesaid dispute referred to under 31.3 above which has been referred to arbitration, the GoI has directed the Company to instruct customers to deposit differential revenue on gas sales from D1D3 field on account of the prices determined under the above guidelines converted to NCV basis and the prevailing price prior to 1st November 2014 ($ 4.205 per MMBTU) to be credited to the gas pool account maintained by GAIL (India) Limited. The amount so deposited by customers to Gas Pool Account is ₹ 295 crore (net) as at 31st March 2017 and is disclosed under Other Non-Current Assets. Revenue has been recognized at the GoI notified prices in respect of gas quantities sold.

(c) In December 2010, the Company and BG Exploration and Production India Limited (together, the 'Claimants') referred a number of disputes, differences and claims arising under two Production Sharing Contracts entered into in 1994 among the Claimants, Oil and Natural Gas Corporation Limited (ONGC) 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 Tribunal by majority issued a final partial award ("FPA"), and separately, two dissenting opinions in the matter on 12 October 2016. Claimants have challenged certain parts of the FPA before the English Court and the English court has initiated steps to effect service of the Challenge proceedings upon the Government.

(d) NTPC had filed a suit for specific performance of a contract for supply of natural gas by RIL before the Hon'ble Bombay High Court. The main issue in dispute is whether a valid, concluded and binding contract exists between the parties for supply of Natural Gas of 132 Trillion BTU annually for a period of 17 years. The matter is presently sub judice and RIL is of the view that NTPC's claim lacks merit and no binding contract for supply of gas was executed between NTPC and RIL."

(e) Considering the complexity of above issues, the Company is of the view that any attempt for quantification of possible exposure to the Company will have an effect of prejudicing Company's legal position in the ongoing arbitration/litigations.

31.5 Exploration for and Evaluation of Oil and Gas Resources

The following financial information represents the amounts included in Intangible Assets under Development relating to activity associated with the exploration for and evaluation of oil and gas resources.

(₹ in crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Exploration & evaluation cost			
Exploration Expenditure written off	46	-	-
Other Exploration Cost	23	379	-
Exploration Cost for the Year	69	379	-
Impairment loss			
Intangible Assets -Exploration & Appraisal Expenditure	46	-	-
Intangible Assets-Other than E&E	41	59	45
CWIP-Inventory & Advance	8	2	2
Current Liabilities	(24)	(1)	(2)
Net Assets	71	60	45
Capital expenditure on accrual basis	81	14	-
Net Cash Used in Operating activity	23	379	-
Net Cash Used in investing activity	58	15	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

	2016-17	2015-16
32. CONTINGENT LIABILITIES AND COMMITMENTS		
(I) Contingent Liabilities		
(A) Claims against the Company / disputed liabilities not acknowledged as debts*		
(a) In respect of Joint Ventures	1,142	847
(b) In respect of Others	2,460	2,639
(B) Guarantees		
(i) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties and other Guarantees		
(a) In respect of Joint Ventures	-	-
(b) In respect of Others	43,247	37,734
(ii) Performance Guarantees		
(a) In respect of Joint Ventures	-	-
(b) In respect of Others	1,300	327
(iii) Outstanding Guarantees furnished to Banks and Financial Institutions including in respect of Letters of Credits		
(a) In respect of Joint Ventures	20	20
(b) In respect of Others	10,826	30,231
(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	383	734
(II) Commitments		
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
(a) In respect of Joint Ventures	901	1,284
(b) In respect of Others	2,150	6,089
(B) Uncalled liability on shares and other investments partly paid	11,340	-
(C) Other Commitments		
(a) Sales Tax deferral liability assigned (₹ Nil [Previous year ₹ 29,847])	-	-

* The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

(III) The Income -Tax Assessments of the Company have been completed up to Assessment Year 2013-14. The total outstanding demand upto Assessment Year 2013-14 is ₹ 2,257 crore as on date (i.e 31st March 2017). Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

(IV) The Securities and Exchange Board of India has passed an Order under section 11B of the Securities and Exchange Board of India Act, 1992 on 24th March 2017 in the matter concerning trading in RPL shares by the Company in the year 2007, directing (i) disgorgement of ₹ 447 crores along with interest calculated at 12% per annum from 29th November 2007 till date of payment and (ii) prohibiting RIL from dealing in equity derivatives in the Futures and Options segment of the stock exchanges, directly or indirectly for a period of one year from 24th March 2017.The Company has been legally advised that the Order is based on surmises, conjectures and untenable reasoning. The Company is in the process of filing an appeal against the said Order before the Securities Appellate Tribunal.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

33. CAPITAL MANAGEMENT

The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles;

a) Maintain financial strength to ensure AAA ratings domestically and investment grade ratings internationally.

b) Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.

c) Proactively manage group exposure in forex, interest and commodities to mitigate risk to earnings.

d) Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

The gearing ratio at end of the reporting period was as follows.

(₹ in crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Gross Debt	1,07,446	107104	97,409
Cash and Marketable Securities	69,337	79,507	81,167
Net Debt (A)	38,109	27,597	16,242
Total Equity (As per Balance Sheet) (B)	288,313	253,998	232,744
Net Gearing (A/B)	0.13	0.11	0.07

34. FINANCIAL INSTRUMENTS

Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

a) The fair value of investment in quoted Equity Shares, Bonds, Government Securities, Treasury Bills and Mutual Funds is measured at quoted price or NAV.

b) The fair value of Interest Rate Swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

c) The fair value of Forward Foreign Exchange contracts and Currency Swaps is determined using forward exchange rates and yield curves at the balance sheet date.

d) The fair value of Foreign Currency Option contracts is determined using the Black Scholes valuation model.

e) Commodity derivative contracts are valued using readily available information in markets and quotations from exchange, brokers and price index developers

f) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

g) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

Fair value measurement hierarchy:

(₹ in crore)

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2		Level 1	Level 2
Financial Assets									
At Amortised Cost									
Investments*	3,324	-	-	3,120	-	-	3,028	-	-
Trade Receivables	5,472	-	-	3,495	-	-	4,661	-	-
Cash and Bank Balances	1,754	-	-	6,892	-	-	11,571	-	-
Loans	15,318	-	-	16,785	-	-	28,418	-	-
Other Financial Assets	2,792	-	-	2,024	-	-	2,539	-	-
At FVTPL									
Investments	36,910	33,866	3,044	26,734	21,119	5,615	21,886	15,208	6,678
Financial Derivatives	211	-	211	699	-	699	-	-	-
Commodity Derivatives	366	-	366	-	-	-	-	-	-
Other Financial Assets	3	-	3	-	-	-	-	-	-
At FVTOCI									
Investments	30,683	25,715	4,968	45,890	33,376	12,514	46,692	41,266	5,426
Financial Liabilities									
At Amortised Cost									
Borrowings	1,07,446	-	-	1,07,104	-	-	97,409	-	-
Trade Payables	68,161	-	-	54,521	-	-	54,469	-	-
Other Financial Liabilities	34,825	-	-	29,996	-	-	7,601	-	-
At FVTPL									
Financial Derivatives	2,575	-	2,575	1,724	-	1,724	945	-	945
Commodity Derivatives	11	-	11	-	-	-	-	-	-
Other Financial Liabilities	366	-	366	-	-	-	-	-	-

* Excludes financial assets measured at Cost (Refer note 2.1).

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and
Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Foreign Currency Risk

The following table shows foreign currency exposures in USD, EUR and JPY on financial instruments at the end of the reporting period. The exposure to foreign currency for all other currencies are not material.

(₹ in crore)

Particulars	Foreign Currency Exposure								
	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	USD	EUR	JPY	USD	EUR	JPY	USD	EUR	JPY
Loans	92,922	8,498	1,673	92,714	6,873	2,110	88,521	3,900	2,411
Trade and Other Payables	59,017	1,545	70	44,908	5,389	674	37,375	2,093	513
Trade and Other Receivables	(6,281)	(55)	565	(2,321)	(2,230)	(196)	(5,596)	(2,833)	(166)
Derivatives									
- Forwards & Futures	(47,854)	(9,136)	(1,702)	(23,684)	(10,140)	(2,591)	30,455	(3,352)	(2,370)
- Currency Swap	1,015	-	-	1,438	-	-	1,356	-	-
- Options	1,076	-	-	2,366	-	-	1,950	-	-
Net Exposure	99,895	852	606	1,15,421	(108)	(3)	1,54,061	(192)	388

The net exposures have natural hedges in the form of future foreign currency earnings and earnings linked to foreign currency for which the company may follow hedge accounting.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

Sensitivity analysis of 1% change in exchange rate at the end of reporting period net of hedges

(₹ in crore)

Foreign Currency Sensitivity						
Particulars	As at 31st March, 2017			As at 31st March, 2016		
	USD	EUR	JPY	USD	EUR	JPY
1% Depreciation in INR						
Impact on Equity	8	5	-	(830)	27	4
Impact on P&L	(309)	(14)	(6)	(302)	(26)	(4)
Total	**(301)**	**(9)**	(6)	**(1,132)**	**1**	-
1% Appreciation in INR						
Impact on Equity	(8)	(5)	-	830	(27)	(4)
Impact on P&L	309	14	6	302	26	4
Total	**301**	**9**	6	**1,132**	**(1)**	-

Interest Rate Risk

The exposure of the company's borrowing and derivatives to interest rate changes at the end of the reporting period are as follows

(₹ in crore)

Interest Rate Exposure			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loans			
Long term Floating Loan	55,806	56,672	55,615
Long term Fixed Loan	29,060	35,942	28,878
Short term Loan	22,580	14,490	12,916
Total	**1,07,446**	**1,07,104**	**97,409**
Derivatives			
Foreign Currency Interest rate swap	25,987	39,968	45,532
Rupees Interest rate swap	9,995	16,835	23,640
Currency swap	1,015	1,438	1,356
Total	**36,997**	**58,241**	**70,528**

Impact on Interest Expenses for the year on 1% change in Interest rate

(₹ in crore)

Interest rate Sensitivity				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Up Move	Down Move	Up Move	Down Move
Impact on Equity	(148)	148	515	(515)
Impact on P&L	(116)	116	(217)	217
Total Impact	**(264)**	**264**	**298**	**(298)**

Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of crude oil, other feed stock and products. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

The company's commodity risk is managed centrally through well-established trading operations and control processes. In accordance with the risk management policy, the Company enters into various transactions using derivatives and uses Over the Counter (OTC) as well as Exchange Traded Futures, Options and Swap contracts to hedge its commodity and freight exposure.

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in investments, dealing in derivatives and outstanding receivables from customers.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Sales made to customers on credit are generally secured through Letters of Credit, Bank Guarantees, Parent Company Guarantees, advance payments and factoring & forfaiting without recourse to RIL.

Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities (₹ 69,337 crores as on 31st March 2017; ₹ 79,507 crores as on 31st March 2016) and maintaining availability of standby funding through an adequate line up of committed credit facilities (₹ 21,831 crores as on 31st March 2017; ₹ 43,498 crores as on 31st March 2016). Company accesses global financial markets to meet its liquidity requirements. It uses a range of products and a mix of currencies to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the company's cash flow position and ensures that the company is able to meet its financial obligation at all times including contingencies.

The company's liquidity is managed centrally with operating units forecasting their cash and liquidity requirements. Treasury pools the cash surpluses from across the different operating units and then arranges to either fund the net deficit or invest the net surplus in the market.

(₹ in crore)

Maturity Profile of Loans and Derivative Financial Liabilities as on 31 March, 2017							
Particulars	Below 3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Total
Non Derivative Liabilities							
Long Term Loans*	2,582	1,350	2,211	33,145	16,484	29,518	85,290
Short Term Loans	20,379	2,201	-	-	-	-	22,580
Total Borrowings	**22,961**	**3,551**	**2,211**	**33,145**	**16,484**	**29,518**	**1,07,870**
Derivative Liabilities							
Forwards	1,115	380	372	-	-	-	1,867
Options	33	64	62	-	-	-	159
Currency Swap	-	-	42	42	200	-	284
Interest Rate Swap	-	1	175	51	49	-	276
Total Derivative Liabilities	**1,148**	**445**	**651**	**93**	**249**	**-**	**2,586**

* Including ₹ 424 Crore as prepaid finance charges

(₹ in crore)

Maturity Profile of Loans and Derivative Financial Liabilities as on 31 March, 2016							
Particulars	Below 3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Total
Non Derivative Liabilities							
Long Term Loans*	2,583	8,970	3,203	34,271	15,546	28,310	92,883
Short Term Loans	13,388	987	115	-	-	-	14,490
Total Borrowings	**15,971**	**9,957**	**3,318**	**34,271**	**15,546**	**28,310**	**1,07,373**
Derivative Liabilities							
Forwards	40	3	370	141	-	-	554
Options	-	-	-	-	-	-	-
Currency Swap	-	-	102	90	224	-	416
Interest Rate Swap	5	13	32	419	285	-	754
Total Derivative Liabilities	**45**	**16**	**504**	**650**	**509**	**-**	**1,724**

* Including ₹ 363 Crore as prepaid finance charges

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2017

Hedge Accounting

The company's business objective includes safe-guarding its hydrocarbon earnings against adverse price movements of crude oil and other feedstock, refined products, freight costs as well as foreign exchange and interest rates. Reliance has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for Fair Value and Cash Flow hedges. Hedging instruments include exchange traded futures and options, OTC swaps, forward and options as well as non-derivative instruments to achieve this objective. The table below shows the position of hedging instruments and hedged items as of the balance sheet date.

Disclosure of effects of hedge accounting

(₹ in crore)

A. Fair Value Hedge

Hedging Instrument

Type of Hedge and Risks	Nominal Value	Quantity (Kbbl)	Carrying amount		Changes in FV	Hedge Maturity Date	Line Item in Balance Sheet
			Assets	Liabilities			
Foreign currency risk							
Foreign currency risk component - Borrowings	34,101	-	-	32,511	1,590	Apr. 2017 to Mar. 2018	Non Current Liabilities-Borrowings
Commodity price risk							
Derivative Contracts	18,966	2,34,585	366	11	355	Apr. 2017 to Dec. 2020	Other Financial Assets / Liabilities

(₹ in crore)

Hedging Items

Type of Hedge and Risks	Carrying amount		Changes in FV	Line Item in Balance Sheet
	Assets	Liabilities		
Foreign currency risk				
Export Firm Commitments	-	1,590	1,590	Current Liabilities - Other Financial Liabilities
Commodity price risk				
Firm Commitments for purchase of feedstock and freight	3	250	247	Other Current Assets / Liabilities
Firm Commitments for sale of products	-	116	116	Other Current Liabilities
Inventories	4,149	-	(8)	Inventories

(₹ in crore)

B. Cash Flow Hedge

Hedging Instrument

Type of Hedge and Risks	Nominal Value	Carrying amount		Changes in FV	Hedge Maturity Date	Line Item in Balance Sheet
		Assets	Liabilities			
Foreign currency risk						
Foreign currency risk Component - Borrowings	37,221	-	35,485	1,736	Apr. 2017 to Mar. 2018	Non Current Liabilities-Borrowings

(₹ in crore)

Hedging Items

Type of Hedge and Risks	Nominal Value	Changes in FV	Hedge Reserve	Line Item in Balance Sheet
Foreign currency risk				
Highly Probable Exports	37,221	1,736	1,736	Other Equities

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

35. As per Ind AS 108- "Operating Segment", segment information has been provided under the Notes to Consolidated Financial Statements. Please refer note 23 for revenue from sale of products.

36. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013.

Loans given and Investments made are given under the respective heads.

Corporate Guarantees given by the Company in respect of loans as at 31st March, 2017

(₹ in crore)

Sr. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Reliance Global Business B.V.	-	1,432
2	Reliance Global Energy Services (Singapore)	259	-
3	Reliance Global Energy Services (UK)	6	7
4	Reliance Holding USA, Inc.	19,455	19,877
5	Reliance Industries (Middle East) DMCC	1,428	73
6	Reliance Jio Infocomm Limited	23,655	23,477
7	Reliance Sibur Elastomers Private Limited	2,140	-
8	RIL USA, Inc.	567	580

All the above Corporate Guarantees have been given for businesses purpose.

(₹ in crore)

37. DETAILS OF RESEARCH AND DEVELOPMENT EXPENDITURE

Sr. No.	Particulars	2016-17	2015-16
a)	Capital	593	631
b)	Revenue	855	628
Total		**1,448**	**1,259**

38. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have recommended dividend of ₹ 11.00 per fully paid up equity share of ₹ 10/- each, aggregating ₹ 3,916 crore, including ₹ 661 crore dividend distribution tax for the financial year 2016-17, which is based on relevant share capital as on March 31, 2017. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.

(in ₹)

39. DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD 08/11/2016 TO 30/12/2016 IS AS UNDER:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	14,73,71,000	1,48,33,582	16,22,04,582
(+) Permitted receipts	-	73,49,282	73,49,282
(-) Permitted payments	-	34,04,347	34,04,347
(-) Amount deposited in Banks	14,73,71,000	-	14,73,71,000
Closing cash in hand as on 30.12.2016	-	**1,87,78,517**	**1,87,78,517**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

40. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on April 24, 2017.

41. FIRST TIME IND AS ADOPTION RECONCILIATIONS

41.1 Effect of Ind AS adoption on the standalone balance sheet as at 31st March, 2016 and 1st April, 2015

(₹ in crore)

	As at 31st March, 2016			As at 1st April, 2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
ASSETS						
Non-current assets						
Property, plant and equipment	91,477	41,185	1,32,662	79,792	41,292	1,21,084
Capital Work-in-Progress	97,296	(302)	96,994	65,178	-	65,178
Intangible assets	39,933	(25,052)	14,881	34,771	(20,847)	13,924
Intangible assets under development	9,583	4,328	13,911	10,575	(156)	10,419
Financial Assets						
Investments	1,12,630	2,504	1,15,134	62,058	1,347	63,405
Loans	11,843	(31)	11,812	21,655	-	21,655
Other Non-current assets	4,394	(652)	3,742	7,604	(425)	7,179
Total Non Current Assets	**3,67,156**	**21,980**	**3,89,136**	**2,81,633**	**21,211**	**3,02,844**
Current assets						
Inventories	28,034	-	28,034	36,551	-	36,551
Financial Assets			-			-
Investments	39,429	2,687	42,116	50,515	1,529	52,044
Trade receivables	3,495	-	3,495	4,661	-	4,661
Cash and cash equivalents	6,892	-	6,892	11,571	-	11,571
Loans	4,973	-	4,973	6,763	-	6,763
Other Financial Assets	2,387	336	2,723	2,537	2	2,539
Other Current Assets	5,354	(1,049)	4,305	3,555	-	3,555
Total Current assets	**90,564**	**1,974**	**92,538**	**1,16,153**	**1,531**	**1,17,684**
Total Assets	**4,57,720**	**23,953**	**4,81,674**	**3,97,786**	**22,742**	**4,20,528**
EQUITY AND LIABILITIES						
Equity						
Equity Share capital	3,240	-	3,240	3,236	-	3,236
Other Equity	2,36,944	13,814	2,50,758	2,12,940	16,568	2,29,508
Total equity	**2,40,184**	**13,814**	**2,53,998**	**2,16,176**	**16,568**	**2,32,744**
Liabilities						
Non-current liabilities						
Financial Liabilities						
Borrowings	77,866	(36)	77,830	76,227	(178)	76,049
Provisions	1,489	(423)	1,066	1,404	(506)	898
Deferred tax liabilities (Net)	13,159	10,588	23,747	12,677	10,239	22,916
Total non-current liabilities	**92,514**	**10,129**	**1,02,643**	**90,308**	**9,555**	**99,863**
Current liabilities						
Financial Liabilities						
Borrowings	14,490	-	14,490	12,916	-	12,916
Trade payables	54,521	-	54,521	54,469	-	54,469
Other Financial Liabilities	46,493	11	46,504	16,812	178	16,990
Other Current liabilities	8,348	-	8,348	2,251	-	2,251
Provisions	1,170	-	1,170	4,854	(3,559)	1,295
Total current liabilities	**1,25,022**	**11**	**1,25,033**	**91,302**	**(3,381)**	**87,921**
Total Liabilities	**2,17,536**	**10,140**	**2,27,676**	**1,81,610**	**6,174**	**1,87,784**
Total equity and liabilities	**4,57,720**	**23,954**	**4,81,674**	**3,97,786**	**22,742**	**4,20,528**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

41.2 Reconciliation of Profit and Other Equity between Ind AS and Previous GAAP

(₹ in crore)

Sr No	Nature of adjustments	Notes	Net Profit	Other Equity	
			Year ended 31st March, 2016	As at 31st March, 2016	As at 1st April, 2015
	Net Profit / Other Equity* as per Previous Indian GAAP		**27,417**	**2,36,944**	**2,12,940**
1	Change in accounting policy for Oil & Gas Activity - From Full Cost Method (FCM) to Successful Efforts Method (SEM)	I	279	(20,217)	(20,496)
2	Fair valuation as deemed cost for Property, Plant and Equipment	II	-	41,292	41,292
3	Fair Valuation for Financial Assets	III	167	4,110	2,876
4	Deferred Tax	IV	(349)	(10,588)	(10,239)
5	Proposed dividend including tax		-	-	3,559
6	Others	V	(130)	(783)	(424)
Total			**(33)**	**13,814**	**16,568**
Net profit before OCI / Other Equity as per Ind AS			**27,384**	**2,50,758**	**2,29,508**

* Including Share Application Money pending for allotment.

Notes:

I Change in accounting policy for Oil & Gas Activity – From Full cost method (FCM) to Successful Efforts Method (SEM):
The impact on account of change in accounting policy from FCM to SEM is recognised in the Opening Reserves on the date of transition and consequential impact of depletion and write offs is recognized in the Statement of Profit and Loss.

Major differences impacting such change of accounting policy are in the areas of;

- Expenditure on surrendered blocks, unproved wells and abandoned wells, which has been expensed under SEM.

- Depletion on producing property in SEM is calculated using Proved Developed Reserve, as against Proved Reserve in FCM.

II Fair valuation as deemed cost for Property, Plant and Equipment:
The Company have considered fair value for property, viz land admeasuring over 30,000 acres, situated in India, with impact of ₹ 41,292 crore in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

III Fair valuation for Financial Assets:
The Company has valued financial assets (other than Investment in subsidiaries, associate and joint ventures which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss or Other Comprehensive Income, as the case may be.

IV Deferred Tax:
The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss for the subsequent periods.

V Others:
Other adjustments primarily comprise of :

a. Attributing time value of money to Assets Retirement Obligation: Under Ind AS, such obligation is recognised and measured at present value. Under previous Indian GAAP it was recorded at cost. The impact for the periods subsequent to the date of transition is reflected in the Statement of Profit and Loss.

b. Loan processing fees / transaction cost: Under Ind AS such expenditure are considered for calculating effective interest rate. The impact for the periods subsequent to the date of transition is reflected in the Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

41.3 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2016

(₹ in crore)

	Year ended 31st March, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
INCOME			
Revenue from operations			
Sale of Products	2,51,100	-	2,51,100
Income from Services	141	-	141
	2,51,241	-	**2,51,241**
Other Income	7,582	239	7,821
Total Income	**2,58,823**	**239**	**2,59,062**
EXPENDITURE			
Cost of Material Consumed	1,52,769	-	1,52,769
Purchase of Stock-in-Trade	4,241	-	4,241
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	4,171	-	4,171
Excise duty and service tax recovered	18,083	-	18,083
Employee Benefits Expense	4,260	2	4,262
Finance Costs	2,454	108	2,562
Depreciation / Amortisation and Depletion Expense	9,566	(976)	8,590
Other Expenses	27,578	790	28,368
Total Expenses	**2,23,122**	**(76)**	**2,23,046**
Profit Before Tax	35,701	315	36,016
Tax Expenses			
Current Tax	7,802	(1)	7,801
Deferred Tax	482	349	831
Profit for the Year	**27,417**	**(33)**	**27,384**

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Rajesh D. Chaturvedi
Partner

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

A. B. Jani
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Alok Agarwal
Chief Financial Officer

Srikanth Venkatachari
Joint Chief Financial Officer

K. Sethuraman
Company Secretary

Mumbai
Date : April 24, 2017

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
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
Adil Zainulbhai
Nita M. Ambani
Raminder Singh Gujral
Directors

Independent Auditors' Report

On The Standalone Financial Statements Of Reliance Industries Limited

TO THE MEMBERS OF
RELIANCE INDUSTRIES LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **RELIANCE INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Profit and Loss Statement and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

OTHER MATTERS

The standalone financial statements and other financial information include the Company's proportionate share in jointly controlled assets of ₹ 1,055 crore, liabilities of ₹ 95 crore, expenditure of ₹ 462 crore and the elements making up the Cash Flow Statement and related disclosures in respect of an unincorporated joint venture which is based on statements from the operator and certified by the management.

Our opinion is not qualified / modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143 (3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditors' Report (Continued)

On The Standalone Financial Statements Of Reliance Industries Limited

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 32.2 (d) (e) and Note 33 to the standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for a sum of ₹ 17 crore, which are held in abeyance due to pending legal cases.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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)
Rajesh D. Chaturvedi **Partner** Membership No.: 45882	**A. B. Jani** **Partner** Membership No.: 46488	**A. R. Shah** **Partner** Membership No.:47166

Mumbai
Date : April 22, 2016

Annexure "A"

to the Independent Auditors' Report on the Standalone Financial Statements of Reliance Industries Limited

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **RELIANCE INDUSTRIES LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and payments of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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)
Rajesh D. Chaturvedi **Partner** Membership No.: 45882	**A. B. Jani** **Partner** Membership No.: 46488	**A. R. Shah** **Partner** Membership No.:47166

Mumbai
Date : April 22, 2016

Annexure "B"

to the Independent Auditors' Report on the Standalone Financial Statements of Reliance Industries Limited

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

i. 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) As per the information and explanations provided to us, title deeds of immovable properties are generally in the name of the Company except in case of properties acquired by entities that have since been amalgamated with the Company and except in fourteen cases of leasehold land, aggregating Rs. 317 crore (refer note 10.1 to the financial statements) in respect of which lease deeds are pending execution. We verified the title deeds for immovable properties acquired during the course of the year and in respect of other properties, the same is under compilation.

ii. In our opinion, the inventories have been physically verified during the year by the Management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.

iii. In respect of the loans, secured or unsecured, granted by the Company to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:

a) In our opinion and according to the information given to us, the terms and conditions of the loans given by the Company are prima facie, not prejudicial to the interest of the Company.

b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and /or receipts of interest have been regular as per stipulations.

c) There are no overdue amounts as at the year-end in respect of both principal and interest.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.

v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order is not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and 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.

vii. In respect of statutory dues:

a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, 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, 2016 for a period of more than six months from the date of becoming payable.

b) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Sr. No	Name of the Statute	Nature of 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	15	Various Years from 1990-91 to 2006-07	Commissioner of Central Excise (Appeals)
			105	Various Years from 1991-92 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal
			4	Various Years from 2006-07 to 2009-10	High Court
2.	Central Sales Tax Act,1956 and Sales Tax Act of various States	Sales Tax/ VAT and Entry Tax	1,207	Various Years from 1992-93 to 2009-10	Joint/Deputy Commissioner/ Commissioner (Appeals)
			647	Various Years from 1983-84 to 2008-09	Sales Tax Appellate Tribunal
			92	Various Years from 1994-95 to 2008-09	High Court
			24	Various Years from 2000-01 to 2008-09	Supreme Court

Annexure "B" (Continued)
to the Independent Auditors' Report on the Standalone Financial Statements of Reliance Industries Limited

Sr. No	Name of the Statute	Nature of Dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
3.	Customs Act, 1962	Custom Duty	20	2007-08	Customs, Excise and Service Tax Appellate Tribunal
	Total		**2,114**		

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and Government and dues to debenture holders.

ix. In our opinion and according to the information and explanations given to us, monies raised by way of debt instruments and the term loans during the year have been applied by the Company for the purposes for which they were raised.

x. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company

xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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)
Rajesh D. Chaturvedi **Partner** Membership No.: 45882	**A. B. Jani** **Partner** Membership No.: 46488	**A. R. Shah** **Partner** Membership No.:47166

Mumbai
Date : April 22, 2016

Balance Sheet
as at 31st March, 2016

(₹ in crore)

	Note	As at 31st March, 2016		As at 31st March, 2015	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share Capital	1	3,240		3,236	
Reserves and Surplus	2	2,36,936		2,12,923	
			2,40,176		2,16,159
Share Application Money Pending Allotment	1		8		17
Non-Current Liabilities					
Long Term Borrowings	3	77,866		76,227	
Deferred Tax Liability (Net)	4	13,159		12,677	
Long Term Provisions	5	1,489		1,404	
			92,514		90,308
Current Liabilities					
Short Term Borrowings	6	14,490		12,914	
Trade Payables	7				
Micro, Small and Medium Enterprises		223		131	
Others		54,298		54,339	
Other Current Liabilities	8	54,841		19,063	
Short Term Provisions	9	1,170		4,854	
			1,25,022		91,301
Total			**4,57,720**		**3,97,785**
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	10	91,477		79,792	
Intangible Assets	10	39,933		34,771	
Capital Work-in-Progress	10	97,296		65,178	
Intangible Assets Under Development	10	9,583		10,575	
Non-Current Investments	11	1,12,630		62,058	
Long Term Loans and Advances	12	16,237		29,259	
			3,67,156		2,81,633
Current Assets					
Current Investments	13	39,429		50,515	
Inventories	14	28,034		36,551	
Trade Receivables	15	3,495		4,661	
Cash and Bank Balances	16	6,892		11,571	
Short Term Loans and Advances	17	11,938		12,307	
Other Current Assets	18	776		547	
			90,564		1,16,152
Total			**4,57,720**		**3,97,785**
Significant Accounting Policies					
See accompanying Notes to the Financial Statements	1 to 37				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Rajesh D. Chaturvedi
Partner

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

A. B. Jani
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Alok Agarwal
Chief Financial Officer

Srikanth Venkatachari
Joint Chief Financial Officer

K. Sethuraman
Company Secretary

Mumbai
Date : April 22, 2016

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
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
Adil Zainulbhai
Raminder Singh Gujral
Directors

Profit and Loss Statement
for the year ended 31st March, 2016

(₹ in crore)

	Note	2015-16	2015-16	2014-15	2014-15
INCOME					
Revenue from Operations					
Sale of Products	19	2,51,100		3,40,727	
Income from Services		141		87	
		2,51,241		**3,40,814**	
Less: Excise Duty / Service Tax Recovered		18,083		11,738	
Net Revenue from Operations			**2,33,158**		**3,29,076**
Other Income	20		7,582		8,721
Total Revenue			**2,40,740**		**3,37,797**
EXPENDITURE					
Cost of Materials Consumed	21		1,52,769		2,55,998
Purchases of Stock-in-Trade			4,241		7,134
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	22		4,171		1,943
Employee Benefits Expense	23		4,260		3,686
Finance Costs	24		2,454		2,367
Depreciation / Amortisation and Depletion Expense	10		9,566		8,488
Other Expenses	25		27,578		28,713
Total Expenses			**2,05,039**		**3,08,329**
Profit Before Tax			35,701		29,468
Tax Expenses					
Current Tax			7,802		6,124
Deferred Tax			482		625
Profit for the Year			**27,417**		**22,719**
Earnings per equity share of face value of ₹ 10 each					
Basic and Diluted (in ₹)	30		84.66		70.25
Significant Accounting Policies					
See accompanying Notes to the Financial Statements	1 to 37				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Rajesh D. Chaturvedi
Partner

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

A. B. Jani
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Alok Agarwal
Chief Financial Officer

Srikanth Venkatachari
Joint Chief Financial Officer

K. Sethuraman
Company Secretary

Mumbai
Date : April 22, 2016

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
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
Adil Zainulbhai
Raminder Singh Gujral
Directors

Cash Flow Statement
for the year 2015-16

(₹ in crore)

		2015-16		2014-15
A:	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit Before Tax as per Profit and Loss Statement		35,701	29,468
	Adjusted for:			
	Write off of Investment [₹ Nil (Previous Year ₹ 26,96,800)]	-		-
	Loss on Sale / Discard of Assets (Net)	20		31
	Depreciation / Amortisation and Depletion Expense	9,566		8,488
	Effect of Exchange Rate Change	(2,911)		1,408
	Net Gain on Sale of Investments	(2,781)		(3,046)
	Dividend Income	(691)		(250)
	Interest Income	(3,936)		(5,414)
	Finance costs	2,454		2,367
			1,721	**3,584**
	Operating Profit before Working Capital Changes		**37,422**	**33,052**
	Adjusted for:			
	Trade and Other Receivables	146		5,462
	Inventories	8,517		6,381
	Trade and Other Payables	6,126		(3,528)
			14,789	**8,315**
	Cash Generated from Operations		**52,211**	**41,367**
	Taxes Paid (Net)		(8,129)	(6,082)
	Net Cash from Operating Activities		**44,082**	**35,285**
B:	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of Fixed Assets		(21,322)	(42,720)
	Sale of Fixed Assets		293	86
	Purchase of Investments in Subsidiaries / Trusts		(25,255)	(11,506)
	Redemption of Investments in Subsidiaries		444	169
	Purchase of Other Investments		(6,68,990)	(6,55,591)
	Sale / Redemption of Other Investments		6,68,877	6,43,525
	Movement in Loans and Advances		(917)	(133)
	Maturity of Fixed Deposits		-	3,400
	Interest Income		3,850	6,584
	Dividend Income from Subsidiary and Associates		47	5
	Dividend Income from Others		644	183
	Net Cash (Used in) Investing Activities		**(42,329)**	**(55,998)**

Cash Flow Statement (Continued)
for the year 2015-16

(₹ in crore)

	2015-16	2014-15
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	283	226
Share Application Money	8	17
Proceeds from Long Term Borrowings	7,552	20,310
Repayment of Long Term Borrowings	(4,591)	(4,555)
Short Term Borrowings (Net)	1,843	(10,302)
Dividends Paid (including Dividend Distribution Tax)	(7,259)	(3,268)
Interest Paid	(4,268)	(3,368)
Net Cash (Used in) Financing Activities	**(6,432)**	**(940)**
Net (Decrease) in Cash and Cash Equivalents	(4,679)	(21,653)
Opening Balance of Cash and Cash Equivalents	11,571	33,224
Closing Balance of Cash and Cash Equivalents* (Refer Note No. 16)	**6,892**	**11,571**

* Include towards Unclaimed Dividend of ₹ 223 crore (Previous Year ₹ 199 crore)

Note:

Other Receivables from Subsidiary aggregating to ₹ 3,263 crore (Previous Year ₹ Nil) have been converted into investments in Zero Coupon Unsecured Optionally Fully Convertible Debentures.

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Rajesh D. Chaturvedi
Partner

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

A. B. Jani
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Alok Agarwal
Chief Financial Officer

Srikanth Venkatachari
Joint Chief Financial Officer

K. Sethuraman
Company Secretary

Mumbai
Date : April 22, 2016

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
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
Adil Zainulbhai
Raminder Singh Gujral
Directors

Significant Accounting Policies

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

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. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

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 disclosed under 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 the 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 disclosed 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 Statement.

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.

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, SEZ units / developer and Petrochemical Plants capitalised after April 1, 2015 where depreciation is provided on Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II are used;

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

Significant Accounting Policies

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.

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

The Company assesses at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An asset is treated as impaired, when the carrying cost of the asset exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is charged to 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.

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 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. 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 Statement, 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. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

Investments that are readily realisable and intended to be held for not more than 12 months from the date of acquisition are classified as current investment. All other investments are classified as non-current investments.

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 net of recoverable taxes incurred in bringing them to their respective present location and condition.

Significant Accounting Policies

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.

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 Profit and Loss Statement 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 Profit and Loss Statement.

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 Statement 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 Profit and Loss Statement in the period in which they are incurred.

M. RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure pertaining to research is charged to the Profit and Loss Statement. Development costs of products are charged to the Profit and Loss Statement 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 Profit and Loss Statement 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.

Significant Accounting Policies

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 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 Intangible Assets under Development. Upon a reserve being either 'proved' or deemed to be 'dry', the costs accumulated in Intangible Assets under Development 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 Profit and Loss Statement.

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, 2016

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

(₹ in crore)

		As at 31st March, 2016		As at 31st March, 2015	
1. SHARE CAPITAL					
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:					
324,03,76,321 (323,56,88,765)	Equity Shares of ₹ 10 each fully paid up	3,240		3,236	
	Less: Calls in arrears - by others [₹ 2,303 (Previous Year ₹ 3,113)]	-		-	
			3,240		**3,236**
Total			**3,240**		**3,236**

1.1 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.

1.2 17,18,83,624 (17,18,83,624) Shares held by subsidiaries, which were allotted pursuant to the Schemes of Amalgamation sanctioned by the Hon'ble High Courts in the previous years, do not have voting rights and are not eligible for Bonus Shares

1.3 4,62,46,280 (4,62,46,280) Shares were bought back and extinguished in the last five years.

1.4 The details of shareholders holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% held	No. of Shares	% held
Life Insurance Corporation of India	29,26,02,727	9.03	29,69,44,782	9.18

1.5 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2016	As at 31st March, 2015
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	323,56,88,765	323,19,01,858
Add : Shares issued on exercise of employee stock options	46,87,556	37,86,907
Equity Shares at the end of the year	**324,03,76,321**	**323,56,88,765**

1.6 The Company has reserved issuance of 12,20,30,651 (Previous year 12,67,18,207) 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 14,967 options at a price of ₹ 887 per option, plus all applicable taxes, as may be levied in this regard on the Company (Previous year 45,419 options which includes 21,367 options at a price of ₹ 936 per option, 13,052 options at a price of ₹ 961 per option and 11,000 options at a price of ₹ 843 per option, plus all applicable taxes, as may be levied in this regard on the Company) to the Eligible Employees. 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.

1.7 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, 2016

(₹ in crore)

	As at 31st March, 2016		As at 31st March, 2015	
2. RESERVES AND SURPLUS				
Capital Reserve				
As per last Balance Sheet		291		291
Capital Redemption Reserve				
As per last Balance Sheet		48		48
Securities Premium Reserve				
As per last Balance Sheet	48,089		47,850	
Add : On issue of shares	296		239	
	48,385		**48,089**	
Less: Calls in arrears - by others [₹ 1,03,189 (Previous Year ₹ 1,93,288)]	-		-	
		48,385		**48,089**
Debentures Redemption Reserve				
As per last Balance Sheet		1,117		1,117
General Reserve				
As per last Balance Sheet	1,53,210		1,35,210	
Add: Transferred from Profit and Loss Account	22,000		18,000	
		1,75,210		**1,53,210**
Profit and Loss Account				
As per last Balance Sheet	10,168		9,326	
Add: Profit for the year	27,417		22,719	
	37,585		**32,045**	
Less: Appropriations				
Adjustment relating to Fixed Assets (Refer Note No. 10.9)	-		318	
Transferred to General Reserve	22,000		18,000	
Proposed Dividend on Equity Shares [Dividend per Share ₹ Nil (Previous year ₹ 10 /-)]	-		2,944	
Interim Dividend on Equity Shares [Dividend per Share ₹ 10.50 /- (Previous year ₹ Nil)]	3,095		-	
Tax on Dividend*	605		615	
		11,885		**10,168**
Total		**2,36,936**		**2,12,923**

* Tax on Dividend is net of reversal of excess provision of ₹ 17 crore pertaining to Previous Year.

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

	As at 31st March, 2016		As at 31st March, 2015	
	Non Current	Current	Non Current	Current
3. LONG TERM BORROWINGS				
Secured				
Non Convertible Debentures	1,137	133	1,270	164
Long Term Maturities of Finance Lease Obligations (Refer Note No. 10.8 and 31)	66	28	94	27
	1,203	**161**	**1,364**	**191**
Unsecured				
Bonds	22,628	2,975	20,303	857
Term Loans- from Banks	54,035	11,638	54,560	7,428
	76,663	**14,613**	**74,863**	**8,285**
Total	**77,866**	**14,774**	**76,227**	**8,476**

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 unit) of the Company.

b) ₹ 400 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) ₹ 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	Total	2016-17
6.25%	-	134	133	**267**	133
8.75%	500	-	-	**500**	-
10.75%	-	370	-	**370**	-
Total	**500**	**504**	**133**	**1,137**	**133**

3.3 Finance Lease Obligations are secured against Leased Assets.

3.4 Maturity Profile and Rate of Interest of Bonds are as set out below :

(₹ in crore)

	Non Current																Current
Rate of Interest	2096-97	2046-47	2044-45	2035-36	2027-28	2026-27	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	Total	2016-17
2.06%	-	-	-	-	-	-	126	126	126	126	126	126	127	127	127	**1,137**	126
2.51%	-	-	-	-	-	-	149	149	149	149	149	149	149	149	150	**1,342**	149
4.13%	-	-	-	-	-	-	-	6,626	-	-	-	-	-	-	-	**6,626**	-
4.88%	-	-	4,969	-	-	-	-		-	-	-	-	-	-	-	**4,969**	-
5.00%	-	-	-	1,325	-	-	-	-	-	-	-	-	-	-	-	**1,325**	-
6.21%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	332
6.24%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	1,073
6.34%	-	-	-	-	-	-	-	-	-	-	-	-	-	252	-	**252**	-
6.51%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	861
6.61%	-	-	-	-	-	-	-	-	-	-	-	-	-	1,127	-	**1,127**	-
7.63%	-	-	-	-	33	-	-	-	-	-	-	-	-	-	-	**33**	-
8.25%	-	-	-	-	-	225	-	-	-	-	-	-	-	-	-	**225**	-
9.38%	-	-	-	-	-	146	-	-	-	-	-	-	-	-	-	**146**	-
10.25%	82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**82**	-
10.38%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	433
10.50%	-	64	-	-	-	-	-	-	-	-	-	-	-	-	-	**64**	-
Total	**82**	**64**	**4,969**	**1,325**	**33**	**371**	**275**	**6,901**	**275**	**275**	**275**	**275**	**276**	**1,655**	**277**	**17,328**	**2,975**

Notes on Financial Statements
for the year ended 31st March, 2016

3.5 Bonds include 5.875% Senior Perpetual Notes (the "Notes") of ₹ 5,300 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	8,065	45,970	**54,035**	11,638

(₹ in crore)

	As at 31st March, 2016	As at 31st March, 2015
4. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Related to Fixed Assets	13,491	12,956
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	332	279
Total	**13,159**	**12,677**

(₹ in crore)

	As at 31st March, 2016	As at 31st March, 2015
5. LONG TERM PROVISIONS		
Provision for decommissioning of Assets*	1,489	1,404
Total	**1,489**	**1,404**

* The movement in the provision is solely because of changes in exchange rates.

(₹ in crore)

	As at 31st March, 2016		As at 31st March, 2015	
6. SHORT TERM BORROWINGS				
Secured				
Working Capital Loans				
From Banks				
Foreign Currency Loans	-		655	
Rupee Loans	1,672		17	
		1,672		**672**
From Others				
Rupee Loans		**1,649**		-
Unsecured				
Other Loans and Advances				
From Banks				
Foreign Currency Loans - Buyers/Packing Credit		**11,169**		12,242
Total		**14,490**		**12,914**

6.1 Working Capital Loans from Banks of ₹ 1,672 crore (Previous Year ₹ 672 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.

6.2 Working Capital Loans from Others of ₹ 1,649 crore (Previous Year ₹ Nil) are secured by way of lien on Government Securities.

Notes on Financial Statements
for the year ended 31st March, 2016

7. TRADE PAYABLES

The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

(₹ in crore)

Particulars	As at 31st March, 2016	As at 31st March, 2015
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	-	-
Total	**-**	**-**

(₹ in crore)

	As at 31st March, 2016		As at 31st March, 2015	
8. OTHER CURRENT LIABILITIES				
Current maturities of Long Term Debt	14,746		8,449	
Current maturities of Finance Lease Obligations	28		27	
(Refer Note No. 3 and 10.8)		**14,774**		8,476
Current maturities of Deferred Payment Liabilities		-		3
Interest accrued but not due on borrowings		300		254
Unclaimed Dividends #		223		199
Application money received and due for refund #		1		1
Unclaimed/ Unpaid matured Debentures and Interest accrued thereon #		1		1
Other payables *		39,542		10,129
Total		**54,841**		**19,063**

These figures do not include any amounts due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 17 crore (Previous Year ₹ 15 crore) which is held in abeyance due to legal cases pending.

* Includes Statutory Dues, Security Deposit, Creditors for Capital Expenditure and Advance from Customers.

(₹ in crore)

	As at 31st March, 2016	As at 31st March, 2015
9. SHORT TERM PROVISIONS		
Provisions for Employee Benefits (Refer Note No. 23.1)	252	237
Proposed dividend	-	2,944
Tax on dividend	-	615
Provision for wealth tax	77	77
Other provisions #	841	981
Total	**1,170**	**4,854**

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, 2015 of ₹ 489 crore as per the estimated pattern of dispatches. During the year, ₹ 489 crore was utilised for clearance of goods. Provision recognised under this class for the year is ₹ 527 crore which is outstanding as on 31st March, 2016. Actual outflow is expected in the next financial year. The Company had recognised customs duty liability on goods imported under various export incentive schemes of ₹ 489 crore as at 31st March, 2015. During the year, further provision of ₹ 412 crore was made and sum of ₹ 587 crore were reversed on fulfillment of export obligation. Closing balance on this account as at 31st March, 2016 is ₹ 314 crore.

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

Description	GROSS BLOCK				DEPRECIATION / AMORTISATION / DEPLETION				NET BLOCK	
	As at 01-04 2015	Additions / Adjustment	Deductions/ Adjustments	As at 31-03-2016	As at 01-04 2015	For the Year#	Deductions/ Adjustments	As at 31-03-2016	As at 31-03-2016	As at 31-03 2015
10. FIXED ASSETS										
Tangible Assets :										
Own Assets :										
Leasehold Land	1,690	2,785	300	4,175	387	85	67	405	3,770	1,303
Freehold Land	1,598	247	3	1,842	-	-	-	-	1,842	1,598
Buildings	9,618	1,051	7	10,662	4,040	436	1	4,475	6,187	5,578
Plant & Machinery	149,043	14,502	425	163,120	81,863	5,570	359	87,074	76,046	67,180
Electrical Installations	2,910	171	2	3,079	1,334	391	1	1,724	1,355	1,576
Equipments $	4,235	290	37	4,488	2,194	514	36	2,672	1,816	2,041
Furniture & Fixtures	545	42	4	583	434	42	3	473	110	111
Vehicles	515	86	30	571	306	87	27	366	205	209
Ships	387	35	-	422	294	7	-	301	121	93
Aircrafts & Helicopters	46	-	-	46	32	2	-	34	12	14
Sub-Total	**1,70,587**	**19,209**	**808**	**1,88,988**	**90,884**	**7,134**	**494**	**97,524**	**91,464**	**79,703**
Leased Assets :										
Plant & Machinery	319	-	-	319	230	76	-	306	13	89
Ships	10	-	-	10	10	-	-	10	-	-
Sub-Total	**329**	**-**	**-**	**329**	**240**	**76**	**-**	**316**	**13**	**89**
Total (A)	**1,70,916**	**19,209**	**808**	**1,89,317**	**91,124**	**7,210**	**494**	**97,840**	**91,477**	**79,792**
Intangible Assets : *										
Technical Knowhow Fees	3,357	248	-	3,605	2,246	154	-	2,400	1,205	1,111
Software	950	19	-	969	780	61	-	841	128	170
Development Rights	51,660	7,502	-	59,162	26,286	2,355	-	28,641	30,521	25,374
Others	9,179	-	-	9,179	1,063	37	-	1,100	8,079	8,116
Total (B)	**65,146**	**7,769**	**-**	**72,915**	**30,375**	**2,607**	**-**	**32,982**	**39,933**	**34,771**
Total (A + B)	**2,36,062**	**26,978**	**808**	**2,62,232**	**1,21,499**	**9,817**	**494**	**1,30,822**	**1,31,410**	**1,14,563**
Previous Year	**2,22,565**	**14,427**	**930**	**2,36,062**	**1,13,159**	**9,152**	**812**	**1,21,499**	**1,14,563**	
Capital Work-in-Progress									97,296	65,178
Intangible Assets under Development									9,583	10,575

$ Includes Office Equipments

* Other than internally generated

Depreciation for the year includes depreciation of ₹ 251 crore (Previous Year ₹ 182 crore) capitalised during the year.

10.1 Leasehold Land includes ₹ 317 crore (Previous Year ₹ 203 crore) in respect of which lease-deeds are pending execution.

10.2 Buildings includes :

i) Cost of shares in Co-operative Societies ₹ 1,99,950 (Previous Year ₹ 1 crore).

ii) ₹ 135 crore (Previous Year ₹ 93 crore) in shares of Companies / Societies with right to hold and use certain area of Buildings.

10.3 Intangible Assets - Others includes :

i) Jetties amounting to ₹ 812 crore (Previous Year ₹ 812 crore), the Ownership of which vests with Gujarat Maritime Board.

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.

Notes on Financial Statements
for the year ended 31st March, 2016

10.4 Capital Work-in-Progress and Intangible Assets under Development includes :

i) ₹ 11,022 crore (Previous Year ₹ 6,770 crore) on account of Project Development Expenditure.

ii) ₹ 18,646 crore (Previous Year ₹ 16,346 crore) on account of cost of construction materials at site.

10.5 Project Development Expenditure

(in respect of Projects upto 31st March, 2016, included under capital work-in-progress and intangible Assets under Development)

(₹ in crore)

	2015-16		2014-15	
Opening Balance		6,770		4,204
Add: Transferred from Profit and Loss Account				
(Refer Note no. 25)	2,507		1,573	
Interest Capitalised (Refer Note no. 24)	2,302		1,062	
		4,809		2,635
		11,579		**6,839**
Less: Project Development Expenses Capitalised during the year		557		69
Closing Balance		**11,022**		**6,770**

10.6 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.

10.7 Additions in plant and machinery, Capital work-in-progress, Intangible Assets - Development Rights and Intangible assets under Development includes ₹ 8,605 crore (net loss) [Previous Year ₹ 4,709 crore (net loss)] on account of exchange difference during the year.

10.8 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, 2016 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	
	2016	2015	2016	2015	2016	2015
Within one year	36	37	8	10	28	27
Later than one year and not later than five years	73	108	7	14	66	94
Total	**109**	**145**	**15**	**24**	**94**	**121**

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, 2016 amount to ₹ 1 crore (Previous Year ₹ 1 crore).

(₹ in crore)

	2015-16	2014-15
Within one year ₹ 44,00,000 (Previous Year ₹ 44,00,000)	-	-
Later than one year and not later than five years	1	1
Total	**1**	**1**

10.9 Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation and Depletion. Accordingly the unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Account of the year ended 31st March, 2015, amounting to ₹ 318 crore.

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		As at 31st March, 2016		As at 31st March, 2015	
11.	**NON-CURRENT INVESTMENTS** *(Long Term Investments)* *(Valued at cost less other than temporary diminution in value, if any)*				
	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**	
	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				
12,50,000 (12,50,000)	Reliance Energy Generation and Distribution Limited of ₹ 10 each	1		1	
18,20,60,000 (12,11,60,000)	Reliance Ethane Holding Pte. Limited of $ 1 each	1,151		752	
15,00,00,000 (15,00,00,000)	Reliance Gas Pipelines Limited of ₹ 10 each	150		150	
- (2,00,000)	Reliance Global Business B.V. of Euro 0.01 each [₹ NIL (Previous Year ₹ 1,25,400)]	-		-	

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		As at 31st March, 2016		As at 31st March, 2015	
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	
44,74,74,90,000 (29,74,74,90,000)	Reliance Jio Infocomm Limited of ₹10 each	44,747		29,747	
7,45,14,000 (5,50,000)	Reliance Jio Messaging Services Private Limited of ₹ 10 each	75		1	
5,66,70,00,000 (5,66,70,00,000)	Reliance Retail Ventures Limited of ₹ 10 each	5,667		5,667	
33,14,48,655 (-)	Reliance Sibur Elastomers Private Limited of ₹ 10 each	331		-	
20,20,200 (20,20,200)	Reliance Strategic Investments Limited of ₹ 10 each	2		2	
50,000 (-)	Reliance Textiles Limited of Rs.10 each [₹ 5,00,000 (Previous Year ₹ Nil)]	-		-	
26,91,150 (26,91,150)	Reliance Ventures Limited of ₹ 10 each	2,351		2,351	
30,000 (-)	RIL (Australia) Pty Limited of AUD 1 each [₹ 14,07,840 (Previous Year ₹ NIL)]	-		-	
		54,669		**38,865**	
	In Corpus of Trust-Unquoted				
	Investment in Corpus of Independent Media Trust	3,366		1,089	
		3,366		**1,089**	
			58,051		**39,970**
	In Preference Shares of Subsidiary Companies - Unquoted, fully paid up				
12,77,836 (63,436)	5% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Industries (Middle East) DMCC of AED 1000 each	2,302		85	
4,02,800 (4,02,800)	9% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Strategic Investments Limited of ₹ 1 each	113		113	
- (5,93,90,00,000)	Reliance Global Business B.V. 'A' Class Shares of Euro 0.01 each	-		422	
			2,415		**620**
	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	
15,10,30,00,000 (1,10,00,00,000)	Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Industrial Investments and Holdings Limited of ₹ 10 each	15,103		1,100	
3,49,00,000 (1,11,60,000)	Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Universal Traders Private Limited of ₹ 10 each	35		11	

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		As at 31st March, 2016		As at 31st March, 2015	
1,35,78,80,000 (1,23,60,00,000)	Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Prolific Traders Private Limited of ₹ 10 each	1,358		1,236	
3,50,10,000 (2,97,40,000)	Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Prolific Commercial Private Limited of ₹ 10 each	35		30	
2,71,80,000 (1,97,90,000)	Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Ambit Trade Private Limited of ₹ 10 each	27		20	
36,76,50,000 (6,51,50,000)	Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Gas Pipelines Limited of ₹ 10 each	368		65	
6,00,00,000 (-)	Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Progressive Traders Private Limited of ₹10 each	60		-	
3,26,33,70,000 (-)	Zero Coupon Unsecured Optionally Fully Convertible Debentures of Reliance Energy Generation & Distribution Private Limited of ₹10 each	3,263		-	
			20,971		**3,184**
In Government Securities-Unquoted					
	6 Years National Savings Certificate (Deposited with Sales Tax Department and other Government Authorities) [₹ 89,497 (Previous Year ₹ 87,420)]	-			-
			-		-
In Government Securities-Quoted			**4,616**		**3,551**
In Fixed Maturity Plan - Quoted fully paid up					
3,00,00,000 (-)	Axis Fixed Maturity Plan - (Series 47) - Growth	30		-	
1,17,72,377 (1,50,75,101)	Baroda Pioneer Fixed Maturity Plan - (Series J & M) - Growth	12		15	
99,16,10,709 (27,98,82,768)	Birla Sun Life Fixed Term Plan - (Series JA/JI/JQ/JX/KA/KC/KE/KH/ KJ/KL/KP/KR/KT/MA/MD/MK/MP/MQ/MR/MU/MX/MY/NB/ND/ NE/NG/NH/NI/NK/NL) - Growth	992		280	
40,07,31,150 (19,01,55,380)	DHFL Pamerica Fixed Maturity Plan - (Series 45/49/54/57/62/82/85/ 87/91/95) - Growth	401		190	
- (20,93,53,761)	DSP Black Rock Fixed Maturity Plan - (Series 146/149/151) - Growth	-		209	
1,14,50,00,000 (3,50,00,000)	HDFC Fixed Maturity Plan - (Series 34/35/36 1105D/1111D/ 1112D/1114D/1132D/1155D/1157D/1176D) - Growth	1,145		35	
1,82,08,56,950 (77,12,14,635)	ICICI Fixed Maturity Plan - (Series 71/72/73/75/76/77/78) - Growth	1,821		771	
2,50,00,000 (3,79,28,740)	IDFC Fixed Maturity Plan - (Series 49/50/51) - Growth	25		38	
63,67,31,022 (5,45,14,579)	Kotak Fixed Maturity Plan - (Series 132/133/136/142/145/146/ 147/149/175/176/178/179/180/182/185/190/191) - Growth	637		55	

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		As at 31st March, 2016		As at 31st March, 2015	
4,32,72,349 (-)	L&T Fixed Maturity Plan - (Series 10) - (Plan H/T) - Growth	43		-	
5,50,00,000 (3,00,00,000)	LIC Nomura Mutual Fund Fixed Maturity Plan - (Series 86/89/90) - Growth	55		30	
1,49,60,99,239 (32,99,25,439)	Reliance Fixed Horizon Fund - (Series 1/2/4/5/6/7/8/9/10/11/12/13/14/16/17/19/20/27/33) - (Plan XXV/XXVI/XXVII/XXVIII/XXIX/XXX) - Growth	1,496		330	
39,00,00,000 (22,78,25,006)	Religare Fixed Maturity Plan - (Series 22/24/25/26/27) – (Plan A/C/D/E/F/H) - Growth	390		228	
1,16,19,16,665 (23,93,60,369)	SBI Debt Fund - (Series A/B/1/2/3/4/5/6/8/9/10/11/14/16/17/18/ 19/20/22/23/25/26/27/29/31/33/34/35/36/366) - Growth	1,161		239	
27,00,00,000 (-)	Sundaram Fixed Term Plan – (GW/GY/HA/HB/HC)	270		-	
8,50,15,846 (2,74,08,274)	Tata Fixed Maturity Plan - (Series 45/46) - (Scheme C/M/T)- Growth	85		27	
83,09,64,579 (27,37,96,672)	UTI Fixed Term Income Fund - (Series XXII - IX/XXIII-XV/XX-X/XI-XI/XXIII-III/XXIII-VII/XXII-X/XXII-XI/XXIV-VI/XVII-I/XXII-XIV/XXIII-XI/ XXIV-VIII/XXIV-IV/XVII-XIII/XXIV-IX/XX-VIII) - Growth	830		274	
			9,393		**2,721**
	In Debentures or Bonds - Unquoted				
820 (820)	Tata Sons Limited	83		83	
			83		**83**
	In Debentures or Bonds - Quoted				
100 (100)	Export Import Bank of India	10		10	
43,850 (55,350)	Housing Development Finance Corporation Limited	2,948		4,389	
900 (-)	IDFC Bank Limited	91		-	
57,70,976 (42,62,612)	Indian Railway Finance Corporation Limited	577		426	
5,850 (8 050)	Infrastructure Development Finance Company Limited	434		805	
9,750 (11,250)	LIC Housing Finance Limited	980		1,126	
16,24,821 (-)	National Bank for Agriculture and Rural Development	4,213		-	
39,44,752 (39,44,752)	National Highways Authority of India	395		395	
9,29,946 (9,49,946)	National Thermal Power Company Limited	93		95	
43,05,143 (42,79,543)	Power Finance Corporation Limited	3,769		1,203	
980 (950)	Power Grid Corporation of India Limited	100		95	
25,14,520 (12,100)	Rural Electrification Corporation Limited	1,162		1,212	

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		As at 31st March, 2016	As at 31st March, 2015
2,500 (-)	Small Industries Development Bank Of India Limited	250	-
- (950)	State Bank of India	-	94
		15,022	9,850
	Total Other Investments (B)	**110,551**	**59,979**
	Total Non Current Investments (A + B)	**112,630**	**62,058**
	Aggregate amount of quoted investments	29,047	16,138
	Market Value of quoted investments	30,647	16,950
	Aggregate amount of unquoted investments	83,583	45,920

(₹ in crore)

	As at 31st March, 2016	As at 31st March, 2015
12. LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
Capital Advances #	3,055	6,717
Deposits with Related Parties (Refer Note No. 31)	1,714	1,666
Loans and advances to Related parties (Refer Note No. 31)	10,129	19,989
Advance Income Tax (Net of Provision)	1,012	685
Other Loans and Advances (Refer Note No. 32.2 (e))	327	202
Total	**16,237**	**29,259**

Includes ₹ 28,16,626 (Previous Year ₹ 11,92,164) to Reliance Utilities and Power Private Limited and ₹ NIL (Previous Year ₹ 14,23,851) to Model Economic Township Limited which are related parties.

12.1 Loans and Advances in the nature of Loans given to Subsidiaries and Associates:

A) (i) Loans and Advances in the nature of Loans to Subsidiaries (Excluding Debentures):

(₹ in crore)

Sr. No.	Name of the Company	As at 31st March, 2016	Maximum Balance during the year	As at 31st March, 2015	Maximum Balance during the year
1.	Reliance Industrial Investments and Holdings Limited	6,586	18,268	17,159	19,787
2.	Reliance Ventures Limited	105	2,465	249	2,579
3.	Reliance Strategic Investments Limited	3,025	3,271	2,121	5,114
4.	Reliance Retail Limited	-	-	-	1,737
5.	Reliance Exploration & Production DMCC	-	-	-	78
6.	Reliance Corporate IT Park Limited	3,505	3,800	2,791	3,536
7.	Reliance Gas Pipelines Limited	-	131	33	135
8.	Reliance Jio Infocomm Limited	-	3,260	-	1,867
9.	Reliance Industries (Middle East) DMCC	38	38	-	565
10.	Reliance Sibur Elastromers Private Limited	-	89	-	-
	Total	**13,259**		**22,353**	

All the above loans and advances have been given for business purposes.

Notes on Financial Statements
for the year ended 31st March, 2016

(ii) **Loans and Advances in the nature of Loans to Associate :**

(₹ in crore)

Sr. No.	Name of the Company	As at 31st March, 2016	Maximum Balance during the year	As at 31st March, 2015	Maximum Balance during the year
1.	Gujarat Chemical Port Terminal Company Limited	-	6	6	6
	Total	**-**		**6**	

The above loan has been given for the purpose of capital expenditure.

(iii) 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 except Short Term Loans and Advances to Reliance Ventures Limited and Reliance Strategic Investments Limited.

(iv) Loans to employees as per the 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.

(₹ 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 Supply Solutions Private Limited - Class A	13,69,22,912
2	Reliance Payment Solutions Limited	11,50,00,000
3	Kanhatech Solutions Private Limited	6,80,00,000
4	Reliance Innovative Building Solutions Private	6,46,93,950
5	Reliance Commercial Land & Infrastructure Limited	4,30,10,000
6	Reliance Jio Media Private Limited	1,10,10,000
7	Reliance Jio Digital Services Private Limited	1,00,00,000
8	Reliance Universal Enterprises Limited	64,25,000
9	Reliance Retail Insurance Broking Limited	40,00,000
10	Indiawin Sports Private Limited	26,50,000
11	Reliance Retail Finance Limited	20,20,000
12	Reliance Chemicals Limited	10,10,600
13	Reliance Polyolefins Limited	10,10,000
14	Reliance Aromatics and Petrochemicals Limited	10,09,300
15	Reliance Energy and Project Development Limited	10,09,280
16	Reliance Jio Infratel Private Limited	10,00,000
17	Reliance Exploration & Production DMCC	1,76,200
18	RIL Exploration & Production Mayanmar Company Limited	74,999
19	Reliance Aerospace Technologies Limited	50,000

Notes on Financial Statements
for the year ended 31st March, 2016

20	Reliance Supply Solutions Private Limited - Class C	3,702
21	Reliance World Trade Private Limited	1,000
22	Reliance Supply Solutions Private Limited - Class B	1,000

In Preference Shares :

Sr. No.	Name of the Company	No. of Shares
1	Reliance Jio Infocomm Limited	12,50,00,000
2	Reliance Exploration & Production DMCC	14,70,955

(iii) 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

(iv) Investment by Reliance Ventures Limited in subsidiary:

In Equity Shares:

Sr. No.	Name of the Company	No. of Shares
1	Model Economic Township Limited	9,70,00,000

(v) Investment by Reliance Corporate IT Park Limited in subsidiaries:

In Equity Shares:

Sr. No.	Name of the Company	No. of Shares
1	Reliance Jio AsiaInfo Innovation Centre Limited	10,00,000
2	Strategic Manpower Solutions Limited	50,000

(vi) Investment by Reliance Industries (Middle East) DMCC in subsidiaries:

In Equity Shares:

Sr. No.	Name of the Company	No. of Shares
1	RP Chemical Malaysia Sdn Bhd	35,86,43,545
2	Recron Malaysia Sdn Bhd	11,31,87,500
3	Reliance Global Business BV	20,00,000
4	Reliance Global Energy Services (Singapore) Pte Ltd.	15,00,000
5	Reliance Global Energy Services Ltd. (London)	5,00,000

In Class A Shares:

Sr. No.	Name of the Company	No. of Shares
1	Reliance Global Business BV	5,93,90,00,000

In Class A Redeemable preference Shares:

Sr. No.	Name of the Company	No. of Shares
1	RP Chemical Malaysia Sdn Bhd	79,800

In Preference shares:

Sr. No.	Name of the Company	No. of Shares
1	Recron Malaysia Sdn Bhd	429,800,000

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		As at 31st March, 2016		As at 31st March, 2015	
13.	**CURRENT INVESTMENTS** *(Carried at lower of cost and quoted / fair value, including current portion of long term investment)*				
	In Government Securities - Quoted*		3,651		4,370
	Collateral Borrowing and Lending Obligation - Unquoted	-		100	
			-		100
	In Debentures or Bonds - Quoted, fully Paid up				
10,017 (4,850)	Housing Development Finance Corporation Limited	2,014		486	
7,50,000 (-)	Indian Railway Finance Corporation Limited	75		-	
1,075 (-)	Infrastructure Development Finance Company Limited	96		-	
2,000 (-)	LIC Housing Finance Limited	199		-	
2,750 (-)	National Bank for Agriculture and Rural Development	275		-	
33,12,714 (-)	National Highways Authority of India	332		-	
7,300 (6,950)	Power Finance Corporation Limited	733		695	
2,100 (20)	Power Grid Corporation of India Limited	216		3	
1,950 (150)	Rural Electrification Corporation Limited	196		15	
- (23,957)	State Bank of India	-		145	
			4,136		1,344
	In Debentures or Bonds - Unquoted, fully Paid up				
- (2,150)	Tata Sons Limited	-		215	
			-		215
	In Fixed Maturity Plan - Quoted, fully Paid up				
- (25,90,00,000)	Axis Fixed Term Plan - (Series 47/49/52/55/59/60) - Growth	-		259	
1,50,75,101 (6,00,00,000)	Baroda Pioneer Fixed Maturity Plan - (Series J/M/N) - Growth	15		60	
14,98,82,768 (64,10,00,000)	Birla Sun Life Fixed Term Plan - (Series JA/JI/JQ/JR/JX/KA/KC/KE/KH/KJ/KO/KP/KR/KT) - Growth	150		641	
- (36,80,00,000)	DHFL Pamerica Fixed Maturity Plan (Series 45/47/49/52/53/54/57/63) - Growth	-		368	
20,93,53,761 (15,50,00,000)	DSP BlackRock Fixed Maturity Plan- (Series 36/37/146/149/150/151/152) - Growth	209		155	
4,56,47,510 (84,56,47,510)	HDFC Fixed Maturity Plan - (Series 372D/377D/384D/390D/400D/ 434D/435D/441D/447D/453D/478D/491D/504D/531D/540D) - Growth	46		846	

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		As at 31st March, 2016	As at 31st March, 2015
- (6,00,00,000)	HSBC Fixed Term Plan - (Series 105)- Growth	-	60
3,40,65,257 (7,50,00,000)	ICICI Prudential Fixed Maturity Plan - (Series 71) - (Plan C/E/H/I) - Cumulative	34	75
9,51,59,378 (79,00,00,000)	ICICI Prudential Fixed Maturity Plan - (Series 72/73) - (Plan A/B/C/D/E/F/G/I/J/K/L/N/O/S) - Growth	95	790
- (2,98,46,064)	ICICI Prudential Fixed Maturity Annual Interval Plan - (Plan I) - Cumulative	-	32
6,79,28,740 (31,30,00,000)	IDFC Fixed Maturity Plan - (Series 21/49/50/51/57/60/64/66/70/72/74/75/79/84/86) - Growth	68	313
7,96,09,567 (8,79,22,280)	IDFC Yearly Series Interval Fund -(Series I/II) - Growth	80	88
- (10,50,00,000)	JP Morgan India Fixed Maturity Plan - (Series 30/33) - Growth	-	105
11,45,14,578 (40,00,00,000)	Kotak Fixed Maturity Plan - (Series 132/133/136/141/142/145/146/147/149) - Growth	115	400
- (19,50,00,000)	L&T Fixed Maturity Plan – (Series 9/X) – (Plan B/H/J/M/Q/S/T) - Growth	-	195
3,21,69,789 (18,28,13,373)	LIC Nomura Fixed Maturity Plan - (Series 1/64/72/76/77/79/81/86) - Growth	33	184
- (2,50,00,000)	Principal PNB Fixed Maturity Plan - (Series B10) - Growth	-	25
- (30,00,00,000)	Reliance Fixed Horizon Fund - (Series 2/5/27/33) - (Plan XXV/XXVI) - Growth	-	300
2,28,25,006 (7,00,00,000)	Religare Invesco Fixed Maturity Plan - (Series 22/XXI) – (Plan E/F/H) - Growth	23	70
15,03,60,369 (64,50,00,000)	SBI Debt Fund - (Series - 1/2/3/5/10/11/ 14/ 16/17/ 366) – Growth	150	645
- (8,80,00,000)	Sundaram Fixed Term Plan - (Series EU/EX/FD/FI) - Growth	-	88
2,74,08,274 (17,00,00,000)	Tata Fixed Maturity Plan - (Series 45/46) - (Scheme C/K/M/N/Q/T) - Growth	27	170
2,28,32,093 (13,50,00,000)	UTI Fixed Term Income Fund - (Series XVII - VII/XVII-XIV/XVIII-I/XVII-IV/XVII-I) - Growth	23	135
		1,068	**6,004**
In Mutual Fund - Quoted			
2,50,000 (2,50,000)	Canara Robeco Capital Protection - Growth [₹ 25,00,000 (Previous Year ₹ 25,00,000)]	-	-
- (14,23,59,900)	Franklin India Corp Bond Opportunities Fund - Growth	-	200
- (3,25,87,726)	Franklin India Income Builder Account - Growth	-	150
- (18,69,31,029)	Franklin India Income Opportunities Fund - Growth	-	300
- (26,80,90,641)	Franklin India Low Duration Fund - Growth	-	400
- (3,25,53,638)	Franklin India Savings Plus Fund - Growth	-	75

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		As at 31st March, 2016		As at 31st March, 2015	
- (9,11,243)	Franklin India Short Term Income Plan - Growth	-		250	
- (97,58,08,342)	HDFC Corporate Debt Opportunities Fund – Dividend	-		1,000	
- (3,21,07,882)	HDFC Dynamic Bond Fund - Growth	-		150	
- (30,00,00,000)	HDFC Floating Rate Income Fund - Long Term Plan - Dividend	-		300	
- (5,30,69,730)	HDFC Gilt Fund - Long Term - Growth	-		150	
- (61,07,51,216)	HDFC High Interest Fund Short Term Plan - Dividend	-		625	
- (12,80,60,101)	HDFC Income Fund - Growth	-		400	
48,46,69,171 (33,79,24,449)	HDFC Medium Term Opportunities Plan - Dividend	505		350	
- (29,42,59,007)	HDFC Short Term Opportunities Fund - Dividend	-		300	
- (47,91,71,028)	HDFC Short Term Plan - Dividend	-		485	
1,66,50,000 (1,66,50,000)	ICICI Prudential Nifty Exchange Traded Fund	149		149	
- (66,83,30,981)	IDFC Dynamic Bond Fund - Dividend	-		725	
- (21,42,10,231)	IDFC Money Manager Fund Investment Plan - Dividend	-		225	
- (8,15,59,748)	IDFC Super Saver Income Fund - Short Term Plan - Growth	-		200	
5,70,000 (5,70,000)	Kotak Nifty Exchange Traded Fund - Growth	50		50	
- (4,43,27,649)	Sundaram Growth Fund - Dividend	-		70	
- (6,85,74,208)	Sundaram Select Debt Fund - Dividend	-		75	
			704		6,629
In Mutual Fund - Unquoted					
6,59,60,044 (-)	Axis Enhanced Arbitrage Fund - Dividend	70		-	
7,59,94,772 (7,59,94,772)	Axis Short Term Fund - Growth	96		96	
35,47,37,364 (12,45,78,631)	Axis Short Term Fund - Dividend	365		125	
7,83,14,262 (-)	Baroda Balance Plan - Dividend	175		-	
49,29,88,112 (1,98,28,31,662)	Birla Sun Life Dynamic Bond Fund - Dividend	522		2,100	
- (9,73,33,060)	Birla Sun Life Income Plus Plan - Growth	-		600	
- (6,07,43,008)	Birla Sun Life Index Fund - Dividend	-		150	

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		As at 31st March, 2016	As at 31st March, 2015
66,33,08,422 (28,92,79,309)	Birla Sun Life Short Term Fund - Dividend	690	300
22,34,01,784 (22,34,01,784)	Birla Sun Life Short Term Fund - Growth	1,000	1,000
- (29,22,23,922)	Birla Sun Life Dynamic Bond Fund - Growth	-	549
19,98,33,489 (2,29,32,203)	Birla Sun Life Enhanced Arbitrage Fund - Dividend	220	25
- (60,94,85,042)	Birla Sun Life Short Term Opportunities Fund - Dividend	-	875
8,22,25,877 (7,41,06,213)	Birla Sun Life Treasury Optimizer Plan - Dividend	950	850
10,09,60,780 (2,43,52,942)	DHFL Pamerica Arbitrage Fund - Dividend	105	25
16,49,64,780 (-)	DHFL Pamerica Banking and PSU Debt Fund - Bonus	200	-
71,57,64,96 (71,57,64,96)	DHFL Pamerica Banking and PSU Debt Fund - Dividend	75	75
2,40,93,515 (2,40,93,515)	DHFL Pamerica Insta Cash Plus - Bonus	236	236
2,46,06,581 (2,46,06,581)	DHFL Pamerica Insta Cash Plus Fund Super Institutional Plan - Bonus	243	243
15,92,96,546 -	DHFL Pamerica Premier Bond Fund - Dividend	200	-
1,84,06,566 (1,84,06,566)	DHFL Pamerica Treasury Fund - Bonus	18	18
- (23,03,028)	DSP Black Rock Strategic Bond Institutional Fund - Dividend	-	250
13,27,46,938 (4,95,70,718)	DSP Black Rock Banking & PSU Debt Fund - Growth	150	50
- (7,22,79,657)	DSP Black Rock Short Term Fund - Growth	-	147
- (15,82,42,871)	DSP Black Rock Income Opportunities Fund - Growth	-	350
9,65,71,057 (-)	Edelweiss Arbitrage Fund - Dividend	100	-
2,15,42,067 (-)	Franklin India Banking and PSU Debt Fund - Growth	25	-
29,63,61,644 (29,63,61,644)	HDFC Short Term Opportunities Fund - Growth	400	400
49,84,18,726 (-)	HDFC Arbitrage Fund - Dividend	520	-
6,78,03,505 (-)	HDFC Banking and PSU Fund - Growth	80	-
50,00,000 (50,00,000)	HDFC Debt Fund for Cancer Cure - 50% Regular Option - Dividend	5	5
37,50,03,000 (-)	HDFC Floating Rate Income Fund Long Term - Dividend	375	-
2,03,35,619 (-)	HDFC Gilt Short Term Plan - Growth	50	-

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		As at 31st March, 2016	As at 31st March, 2015
- (8,34,43,987)	HDFC Liquid Fund - Growth	-	230
18,54,84 708 (18,54,84,708)	HDFC Medium Term Opportunities Fund - Growth	241	241
79,66,20,979 (-)	HDFC Short Term Opportunities Fund - Division	860	-
62,86,60,113 (47,31,50,819)	ICICI Prudential Banking & PSU Debt Fund - Dividend	635	475
3,61,78,141 (3,61,78,141)	ICICI Prudential Banking and PSU Debt Fund - Growth	50	50
- (66,48,88,122)	ICICI Prudential Corporate Bond Fund - Dividend	-	675
48,90,38,446 (18,12,46,791)	ICICI Prudential Equity Arbitrage Fund - Dividend	680	255
9,84,25,197 (-)	ICICI Prudential Equity Income Fund - Dividend	100	-
1,07,95,80,337 (1,01,65,79,969)	ICICI Prudential Short Term Plan - Dividend	1,090	1,025
1,27,18,23,490 (7,50,00,000)	ICICI Prudential Ultra Short Term Plan - Dividend	1,300	75
8,12,12,898 (8,12,12,898)	ICICI Prudential Blended Plan A - Dividend	110	110
11,08,46,926 (11,08,46,926)	ICICI Prudential Blended Plan B - Growth	200	200
- (47,47,16,615)	ICICI Prudential Income Plan - Dividend	-	475
- (2,66,12,448)	ICICI Prudential Long Term Gilt Fund - Growth	-	125
- (50,00,00,000)	ICICI Regular Saving Fund - Dividend	-	500
1,32,99,287 (-)	ICICI Short Term Gilt Fund - Growth	50	-
- (13,37,083)	IDBI Liquid Fund - Growth	-	200
55,34,30,728 (39,68,11,202)	IDFC Arbitrage Fund - Dividend	705	505
- (10 35,81,344)	IDFC Arbitrage Plus Fund - Dividend	-	125
3,11,09,279 (-)	IDFC Banking Debt Fund - Growth	40	-
22,42,65,435 (-)	IDFC Corp Bond Fund - Growth	225	-
87,35,45,547 (-)	IDFC Dynamic Bond Fund - Dividend	1,000	-
- (7,48,48,058)	IDFC Government Securities Fund - Growth	-	125
28,30,06,229 (-)	IDFC Money Manager Investment Fund - Dividend	300	-
67,95,72,510 (60,22,44,143)	IDFC Super Saver Income Fund - Medium Term Plan - Dividend	710	625

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		As at 31st March, 2016	As at 31st March, 2015
27,70,26,789 (16,56,58,516)	IDFC Super Saver Income Fund- Short Term Plan - Dividend	295	175
19,04,43,460 (10,88,83,711)	IDFC Super Saver Income Fund - Short Term - Growth	475	275
4,83,12,913 (-)	Indiabulls Arbitrage Fund - Dividend	50	-
8,28,91,392 (-)	Indiabulls Blue Chip Fund - Dividend	125	-
6,74,35,163 (-)	Indiabulls Income Fund - Growth	85	-
20,94,33,717 (20,94,33,717)	JM Arbitrage Advantage Fund - Bonus	208	208
4,50,68,027 (4,50,68,027)	JM Money Manager Fund - Super Plan - Bonus	44	44
19,71,60,883 (19,71,60,883)	JM Money Manager Fund - Super Plus Plan - Bonus	199	199
- (13,99,57,033)	JPMorgan India Active Bond Fund - Dividend	-	200
5,46,63,541 (-)	Kotak 50 Direct Fund - Dividend	250	-
2,25,38,225 (-)	Kotak Banking & PSU Debt Fund - Growth	75	-
17,01,02,554 (13,40,05,771)	Kotak Bond Short Term Plan - Growth	404	304
- (3,81,67,259)	Kotak Bond Fund - Plan A - Dividend	-	150
- (3,15,22,512)	Kotak Bond Scheme - Plan A - Growth	-	125
12,43,75,652 (-)	Kotak Bond Short Term - Dividend	126	-
51,23,10,625 (20,50,03,232)	Kotak Equity Arbitrage - Dividend	940	315
14,27,13,144 (-)	Kotak Equity Savings Scheme - Dividend	150	-
4,05,61,808 (-)	Kotak Flexi Debt Fund - Growth	75	-
- (16,88,74,261)	Kotak Income Opportunities Fund - Dividend	-	190
- (11,16,73,351)	Kotak Medium Term Fund - Dividend	-	125
4,92,02,764 (2,00,00,000)	L&T Arbitrage Opportunities Fund	50	20
5,79,076 (5,79,076)	L&T Cash Bonus Liquid Fund	59	59
- (15,01,53,208)	L&T Income Opportunity - Dividend	-	150
26,03,88,208 (10,00,92,744)	L&T Short Term Opportunities Fund- Dividend	265	100
4,46,61,818 (-)	L&T Short Term Opportunities Fund - Growth	64	-

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		As at 31st March, 2016	As at 31st March, 2015
10,75,21,101 (10,75,21,101)	L&T Triple Ace Bond Fund - Bonus	133	133
- (11,76 732)	LIC Nomura Liquid Fund - Growth	-	283
- (4,72,07,221)	LIC Nomura Savings Plus Fund - Growth	-	100
65,73,20,449 (9,52,48,074)	Reliance Arbitrage Advantage Fund - Dividend	695	100
50,36,49,969 (-)	Reliance Banking and PSU Debt Fund - Dividend	525	-
- (11,53,39,989)	Reliance Corporate Bond Fund - Growth	-	125
- (4,66,24,829)	Reliance Corporate Bond Fund - Dividend	-	50
77,03,25,139 (65,66,28,473)	Reliance Floating Rate Fund - Short Term Plan - Dividend	795	675
- (7,60,51,576)	Reliance Income Fund - Growth	-	350
- (97,40,32,447)	Reliance Regular Savings Fund - Debt Plan - Dividend	-	1,000
1,66,55,55,075 (1,36,24,06,377)	Reliance Short Term Fund - Dividend	1,755	1,425
5,42,06,239 (1,55,32,291)	Religare Invesco Arbitrage Fund - Dividend	70	20
6,03,55,015 (6,03,55,015)	Religare Invesco Arbitrage - Bonus	65	65
7,72,821 (-)	Reliance Invesco Bank Debt Fund - Growth	100	-
- (2,33,47,858)	Religare Invesco Growth Fund – Dividend	-	50
17,98,180 (17,98,180)	Religare Invesco Short Term Fund - Growth	295	295
16,10,744 (5,58,353)	Religare Invesco Short Term Fund - Dividend	225	75
24,64,62,740 (5,08,30,350)	SBI Arbitrage Opportunity Fund - Dividend	340	70
- (23,19,53,980)	SBI Dynamic Bond Fund - Growth	-	400
- (3,18,960)	SBI Premier Liquid Fund - Growth	-	70
47,97,91,326 (39,21,38,152)	SBI Short Term Debt Fund - Growth	687	537
17,81,54,863 (17,81,54,863)	Sundaram Flexible Fund Short Term Plan - Bonus	175	175
30,09,68,369 (30,09,68,369)	Sundaram Money Fund - Bonus	272	272
9,57,31,798 (9,57,31,798)	Sundaram Select Debt Short Term Asset Plan - Bonus	100	100
57,52,39,255 (34,20,77,650)	Tata Short Term Bond Fund - Dividend	805	475

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		As at 31st March, 2016		As at 31st March, 2015	
- (8,73,988)	UTI Liquid Fund - Cash Plan - Growth	-		200	
15,54,28,334 (-)	UTI Banking and PSU Debt Fund	184		-	
- (25,00,00,000)	UTI Bond Fund - Dividend	-		250	
- (25,58,386)	UTI Floating Rate Fund - Dividend	-		300	
- (12,03,386)	UTI Floating Rate Fund - Growth	-		239	
- (12,62,99,078)	UTI Income Opportunities Fund - Growth	-		160	
23,13,94,231 (52,77,23,010)	UTI Short Term Income Fund Institutional Plan - Dividend	246		550	
56,47,36,316 (35,25,25,179)	UTI Short Term Income Fund Institutional Plan - Growth	918		518	
8,00,26,087 (-)	UTI Spread Fund - Regular - Dividend	125		-	
			27,615		**26,186**
In Treasury Bills - Quoted		-		3	
			-		3
In Commercial Paper - Unquoted					
	Small Industries Development Bank Of India Limited	-		230	
			-		230
In Certificate of Deposits - Unquoted					
	Andhra Bank	-		644	
	Axis Bank	208		-	
	Canara Bank	197		2,624	
	Corporation Bank	463			
	IDBI Bank	1,387		461	
	Indian Bank	-		969	
	Oriental Bank of Commerce	-		736	
			2,255		**5,434**
	Total Current Investments		**39,429**		**50,515**
Aggregate amount of quoted investments			9,559		18,350
Market Value of quoted investments			9,949		19,158
Aggregate amount of unquoted investments			29,870		32,165

* Includes ₹ 2,285 crore (Previous Year ₹ 1,015 crore) given as collateral security.

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		As at 31st March, 2016	As at 31st March, 2015
14.	**INVENTORIES**		
	Raw Materials (Including Material In Transit)	14,285	18,974
	Stock-in-Process	2,871	5,209
	Finished Goods	7,595	9,409
	Stores, Chemicals and Packing Materials	3,215	2,872
	Stock-in-Trade	68	87
	Total	**28,034**	**36,551**

(₹ in crore)

		As at 31st March, 2016	As at 31st March, 2015
15.	**TRADE RECEIVABLES (Unsecured and Considered Good)**		
	Outstanding for a period exceeding six months	104	80
	Others	3,391	4,581
	Total	**3,495**	**4,661**

(₹ in crore)

		As at 31st March, 2016	As at 31st March, 2015
16.	**CASH AND BANK BALANCES**		
	Cash and Cash Equivalents:		
	Cash on Hand	16	15
	Bank Balances:		
	In Current Accounts*	438	1,002
	In Deposit **	6,438	10,554
	Total	**6,892**	**11,571**

* Include towards Unclaimed Dividend of ₹ 223 crore (Previous Year ₹ 199 crore).

** Includes Deposits of ₹ 500 crore (Previous Year ₹ 10,64,942) with maturity of more than 12 months.

16.1 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.

(₹ in crore)

		As at 31st March, 2016	As at 31st March, 2015
17.	**SHORT TERM LOANS AND ADVANCES** (Unsecured and Considered Good)		
	Loans and Advances to related parties (Refer Note No. 31)	4,973	6,763
	Balance with customs, central Excise Authorities	3,400	2,490
	Deposits	1,190	988
	Others#	2,375	2,066
	Total	**11,938**	**12,307**

\# Includes primarily Interest Receivable.

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		As at 31st March, 2016	As at 31st March, 2015
18.	**OTHER CURRENT ASSETS**		
	Interest Accrued on Investment	776	547
	Total	**776**	**547**

(₹ in crore)

		2015-16	2014-15
19.	**SALE OF PRODUCTS**		
	Particulars of Sale of Products		
	Petroleum Products	1,69,305	2,45,160
	Petrochemical Products	76,903	89,944
	Oil & Gas	4,259	4,907
	Others	633	716
	Total	**2,51,100**	**3,40,727**

(₹ in crore)

		2015-16		2014-15	
20.	**OTHER INCOME**				
	Interest				
	From Current Investments	563		301	
	From Long Term Investments	1,070		1,054	
	From Others	2,303		4,059	
			3,936		**5,414**
	Dividend				
	From Current Investments	645		243	
	From Long Term Investments	46		7	
			691		**250**
	Net Gain on Sale of Investments				
	From Current Investments	1,261		1,000	
	From Long Term Investments	70		282	
			1,331		**1,282**
	FMP Income		1,452		**1,764**
	Other Non Operating Income		172		11
	Total		**7,582**		**8,721**

		(₹ in crore)	2015-16 % of Consumption	(₹ in crore)	2014-15 % of Consumption
21.	**COST OF MATERIALS CONSUMED**				
	Imported	1,40,109	91.71	2,32,867	90.96
	Indigenous	12,660	8.29	23,131	9.04
	Total	**1,52,769**	**100.00**	**2,55,998**	**100.00**

21.1 Particulars of Materials Consumed

(₹ in crore)

Particulars	2015-16	2014-15
Crude Oil	1,38,914	2,37,505
Others	13,855	18,493
Total	**1,52,769**	**2,55,998**

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		2015-16		2014-15
22.	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE**			
	Inventories (at close)			
	Finished Goods / Stock-in-Trade	7,663		9,496	
	Stock-in-Process	2,871		5,209	
			10,534		14,705
	Inventories (at commencement)				
	Finished Goods / Stock-in-Trade	9,496		10,143	
	Stock-in-Process	5,209		6,546	
		14,705		16,689	
	Less: Capitalised during the year	-		41	
			14,705		16,648
	Total		**4,171**		**1,943**

(₹ in crore)

		2015-16	2014-15
23.	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and Wages	3,730	3,125
	Contribution to Provident and other Funds	226	297
	Staff Welfare Expenses	304	264
	Total	**4,260**	**3,686**

23.1 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 :

(₹ in crore)

Particulars	2015-16	2014-15
Employer's Contribution to Provident Fund	95	93
Employer's Contribution to Superannuation Fund	12	14
Employer's Contribution to Pension Scheme	38	30

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 funds scheme managed by a Trust (Life Insurance Corporation of India for SEZ unit of the Company) is a defined benefit plan.

I) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in crore)

	Gratuity (Funded)		Compensated Absences (Unfunded)	
Particulars	2015-16	2014-15	2015-16	2014-15
Defined Benefit Obligation at beginning of the year	615	521	236	189
Current Service Cost	33	30	10	9
Interest Cost	49	42	19	15
Actuarial (Gain) / Loss	10	61	13	47
Benefits Paid	(50)	(39)	(27)	(24)
Defined Benefit Obligation at year end	657	615	251	236

Notes on Financial Statements
for the year ended 31st March, 2016

II) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in crore)

	Gratuity (Funded)	
	2015-16	2014-15
Fair value of Plan Assets at beginning of year	615	521
Expected Return on Plan Assets	49	42
Actuarial Gain / (Loss)	9	9
Employer Contribution	34	82
Benefits Paid	(50)	(39)
Fair value of Plan Assets at year end	657	615
Actual return on Plan Assets	58	51

III) Reconciliation of fair value of Assets and Obligations

(₹ in crore)

	Gratuity (Funded) As at 31st March		Compensated Absences (Unfunded) As at 31st March	
	2016	2015	2016	2015
Fair value of Plan Assets	657	615	-	-
Present value of Obligation	657	615	251	236
Amount recognised in Balance Sheet	-	-	251	236

IV) Expenses recognised during the year

(₹ in crore)

	Gratuity (Funded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Current Service Cost	33	30	10	9
Interest Cost	49	42	19	15
Expected Return on Plan Assets	(49)	(42)	-	-
Actuarial (Gain) / Loss	1	52	13	47
Net Cost	**34**	**82**	**42**	**71**

V) Investment Details :

	As at 31st March, 2016		As at 31st March, 2015	
	₹ in crore	% Invested	₹ in crore	% Invested
GOI Securities	20	3.04	21	3.42
Public Securities	10	1.52	23	3.79
State Government Securities	1	0.15	5	0.78
Insurance Policies	590	89.81	560	91.04
Others (including bank balances)	36	5.48	6	0.97
	657	**100.00**	**615**	**100.00**

VI) Actuarial assumptions

	Gratuity (Funded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Mortality Table (IALM)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (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%

Notes on Financial Statements
for the year ended 31st March, 2016

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)

Gratuity	As at 31st March, 2016	2015	2014	2013	2012
Defined Benefit Obligation	657	615	521	500	436
Fair value of Plan Assets	657	615	521	503	394
(Surplus) / Deficit in the plan	-	-	-	(3)	42
Actuarial (Gain) / Loss on Plan Obligation	10	61	(16)	26	17
Actuarial Gain / (Loss) on Plan Assets	9	9	3	10	2

VIII) The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2015-16.

23.2 The Company had announced Voluntary Separation Scheme (VSS) for the employees of Allahabad & Nagpur Manufacturing Divisions (Previous Year Silvassa Manafacturing Division) during the year. A sum of ₹ 156 crore (Previous Year ₹ 32,00,000) has been paid during the year and debited to the Profit and Loss Statement under the head "Employee Benefits Expense".

(₹ in crore)

	2015-16	2014-15
24. FINANCE COSTS		
Interest Expenses*	1,527	1,540
Other Borrowing Costs	10	12
Applicable loss on foreign currency transactions and translation	917	815
Total	**2,454**	**2,367**

* Interest Expenses are net of Interest Capitalised of ₹ 2,302 crore (Previous Year ₹ 1,062 crore) (Refer Note No. 10.5)

(₹ in crore)

	2015-16		2014-15	
25. OTHER EXPENSES				
Manufacturing Expenses				
Stores, Chemicals and Packing Materials	4,765		4,702	
Electric Power, Fuel and Water	9,738		12,299	
Labour Processing, Production Royalty and Machinery Hire Charges	1,224		1,325	
Repairs to Building	58		35	
Repairs to Machinery	1,084		957	
Exchange Difference (Net)	1		69	
Excise Duty #	448		304	
Lease Rent	10		2	
		17,328		19,693
Selling and Distribution Expenses				
Warehousing and Distribution Expenses	5,871		5,521	
Sales Tax / VAT	1,415		1,063	
Other Selling and Distribution Expenses	975		822	
		8,261		7,406

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

	2015-16		2014-15	
Establishment Expenses				
Professional Fees	1,307		514	
General Expenses*	899		387	
Rent	107		107	
Insurance	894		721	
Rates & Taxes	144		171	
Other Repairs	245		267	
Travelling Expenses	162		159	
Payment to Auditors	25		22	
Loss on Sale /Discard of Fixed Assets	37		34	
Charity and Donations	676		805	
		4,496		3,187
Less: Transferred to Project Development Expenditure		2,507		1,573
Total		**27,578**		**28,713**

\# 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 ₹ Nil (Previous Year ₹ 26,96,800).

25.1 Value of Stores, Chemicals and Packing Materials Consumed :

	2015-16		2014-15	
	₹ in crore	% of Consumption	₹ in crore	% of Consumption
Imported	1,810	37.99	2,176	46.28
Indigenous	2,955	62.01	2,526	53.72
Total	**4,765**	**100.00**	**4,702**	**100.00**

25.2 Payment to Auditors as :

(₹ in crore)

Particulars	2015-16	2014-15
(a) Auditor:		
Statutory Audit Fees	10	9
Tax Audit Fees	1	1
(b) Certification and Consultation Fees	13	11
(c) Cost Audit Fees	1	1
Total	**25**	**22**

Certification and consultation fees primarily includes certification fees paid to auditors. Statutes and regulation require auditors to certify export documentation, quarterly filings, XBRL filings, transfer pricing and bond issuances among others

25.3 Corporate Social Responsibility (CSR)

(a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the company during the year is ₹ 558 crore (Previous Year ₹ 533 crore)

(b) Expenditure related to Corporate Social Responsibility is ₹ 652 crore (Previous Year ₹ 761crore).

Details of Amount spent towards CSR given below:

(₹ in crore)

Particulars	2015-16	2014-15
Rural Transformation	107	127
Health	314	608
Education	215	18
Sports for Development	9	4
Others	7	4
Total	**652**	**761**

(c) Out of note (b) above, ₹ 578 crore (Previous Year ₹ 729 crore) is spent through Reliance Foundation, a related party.

(d) Out of note (b) above, ₹ 7 crore (Previous Year ₹ Nil) is towards construction / acquisition of an asset that will be owned by the Company.

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		2015-16	2014-15
26.	**VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF**		
	Raw Materials and Stock-in-Trade	1,46,516	2,41,456
	Stores, Chemicals and Packing Materials	4,142	3,217
	Capital Goods	13,897	9,788

(₹ in crore)

		2015-16	2014-15
27.	**EXPENDITURE IN FOREIGN CURRENCY :**		
	Oil and Gas Activity	2,273	2,812
	Repairs to Machinery (Includes ₹ 16 crore for SEZ units)	87	30
	Repairs to Building (Includes ₹ 3 crore for SEZ units) (Previous Year ₹ 42,20,904)	3	-
	Employee benefits expense (Includes ₹ 12,44,230 for SEZ units)	15	19
	Sales Promotion Expenses (Includes ₹ 81,483 for SEZ units)	40	40
	Brokerage and Commission (Includes ₹ 12 crore for SEZ units)	274	224
	Ocean Freight (Includes ₹ 663 crore for SEZ units)	1,258	949
	Warehousing and Distribution Expenses (Includes ₹ 1,539 crore for SEZ units)	1,936	2,060
	Insurance (Includes ₹ 18,86,344 for SEZ units)	2	1
	Rent	1	2
	Rates & Taxes	1	1
	Other Repairs (Includes ₹ 3 crore for SEZ units)	12	37
	Travelling Expenses	22	26
	Professional Fees (Includes ₹ 8 crore for SEZ units)	314	225
	Charity and Donations	8	12
	Labour processing, production royalty and hire charges	17	12
	Bank Charges (Includes ₹ 7 crore for SEZ units)	23	23
	General Expenses (Includes ₹ 14 crore for SEZ units)	202	94
	Interest Expenses (Includes ₹ 309 crore for SEZ units)	1,525	1,218

(₹ in crore)

		2015-16	2014-15
28.	**EARNINGS IN FOREIGN EXCHANGE**		
	FOB Value of Exports [Excluding captive transfers to Special Economic Zone of ₹ 14,856 crore (Previous Year ₹ 17,343 crore)]	1,37,634	2,09,169
	Interest	13	24
	Others (includes Guarantee Commission)	185	205

Notes on Financial Statements
for the year ended 31st March, 2016

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:

			2015-16 (Interim Dividend)	2015-16 (Final Dividend)	2014-15 (Final Dividend)
a)	Number of Non Resident Shareholders		34,293	34,666	34,412
b)	Number of Equity Shares held by them		64,44,72,823	63,39,06,335	65,46,96,249
c)	(i)	Amount of Dividend Paid (Gross) (₹ in Crore)	677	634	622
	(ii)	Tax Deducted at Source	-	-	-
	(iii)	Year to which dividend relates	2015-16	2014-15	2013-14

30. EARNINGS PER SHARE (EPS)

		2015-16	2014-15
i)	Net Profit after Tax as per Profit and Loss Statement attributable to Equity Shareholders (₹ in crore)	27,417	22,719
ii)	Weighted Average number of Equity Shares used as denominator for calculating EPS	3,23,83,16,609	3,23,42,13,408
iii)	Basic and Diluted Earnings per Share (₹)	84.66	70.25
iv)	Face Value per Equity Share (₹)	10.00	10.00

30.1 Based on alternate interpretation for calculation of Diluted EPS as per Accounting Standard (AS) 20, the Diluted EPS for the year ended March' 16 and year ended March'15 are ₹ 84.49 and ₹ 70.09 respectively.

31. RELATED PARTIES 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	Adventure Marketing Private Limited #	Subsidiary
2	AETN18 Media Private Limited #	
3	Affinity Names Inc.	
4	Aurora Algae Pty Ltd (From 21.04.2015)	
5	Aurora Algae RGV LLC (From 21.04.2015)	
6	Aurora Algea Inc. (From 21.04.2015)	
7	Bhagyashri Mercantile Private Limited (Amalgamated with Model Economic Township Limited w.e.f. 04.05.2015)	
8	Big Tree Entertainment Private Limited #	
9	Big Tree Entertainment Singapore Pte. Ltd # (From 04.11.2015)	
10	Capital18 Fincap Private Limited #	
11	Central Park Enterprises DMCC	
12	Chitrani Mercantile Private Limited (Amalgamated with Model Economic Township Limited w.e.f. 04.05.2015)	
13	Colorful Media Private Limited #	
14	Colosceum Media Private Limited #	
15	Delta Corp East Africa Limited	

Control by Independent Media Trust of which RIL is the sole beneficiary

Notes on Financial Statements
for the year ended 31st March, 2016

Sr. No.	Name of the Related Party	Relationship
16	Digital18 Media Limited #	Subsidiary
17	E-18 Limited #	
18	e-Eighteen.com Limited #	
19	Equator Trading Enterprises Private Limited #	
20	Ethane Crystal LLC	
21	Ethane Emerald LLC	
22	Ethane Opal LLC	
23	Ethane Pearl LLC	
24	Ethane Sapphire LLC	
25	Ethane Topaz LLC	
26	Fantain Sports Private Limited # (From 17.02.2016)	
27	Gapco Kenya Limited	
28	Gapco Tanzania Limited	
29	Gapco Uganda Limited	
30	Gapoil (Zanzibar) Limited	
31	GenNext Holding Investments LLC **	
32	Gopesh Commercials Private Limited (Amalgamated with Model Economic Township Limited w.e.f. 04.05.2015)	
33	Greycells18 Media Limited #	
34	Gulf Africa Petroleum Corporation	
35	Ibn18 Mauritius Limited #	
36	Indiawin Sports Private Limited	
37	Infomedia Press Limited #	
38	Kanhatech Solutions Limited	
39	Model Economic Township Limited	
40	Moneycontrol Dot Com India Limited #	
41	Nemita Commercials Private Limited (Amalgamated with Model Economic Township Limited w.e.f. 04.05.2015)	
42	Network18 Holdings Limited #	
43	Network18 HSN Plc #	
44	Network18 Media & Investments Limited #	
45	Nisarga Commercials Private Limited (Amalgamated with Model Economic Township Limited w.e.f. 04.05.2015)	
46	Panorama Television Private Limited #	
47	Prakruti Commercials Private Limited (Amalgamated with Model Economic Township Limited w.e.f. 04.05.2015)	
48	Prism TV Private Limited # (Ceased to be subsidiary from 31.07.2015)	
49	RB Holdings Private Limited #	
50	RB Media Holdings Private Limited #	
51	RB Mediasoft Private Limited #	
52	Recron (Malaysia) Sdn Bhd	
53	Reed Infomedia India Private Limited #	
54	Reliance Aerospace Techonologies Limited	
55	Reliance Ambit Trade Private Limited	
56	Reliance Aromatics and Petrochemicals Limited	
57	Reliance Brands Limited	

Control by Independent Media Trust of which RIL is the sole beneficiary
** Formerly known as Reliance Marcellus Holding LLC

Notes on Financial Statements
for the year ended 31st March, 2016

Sr. No.	Name of the Related Party	Relationship
58	Reliance Chemicals Limited	
59	Reliance Clothing India Private Limited	
60	Reliance Commercial Land & Infrastructure Limited	
61	Reliance Comtrade Private Limited	
62	Reliance Corporate IT Park Limited	
63	Reliance do Brasil Indústria e Comércio de Produtos Têxteis, Químicos, Petroquímicos e Derivados Limiteda	
64	Reliance Eagleford Midstream LLC	
65	Reliance Eagleford Upstream GP LLC	
66	Reliance Eagleford Upstream Holding LP	
67	Reliance Eagleford Upstream LLC	
68	Reliance Eminent Trading & Commercial Private Limited	
69	Reliance Energy and Project Development Limited	
70	Reliance Energy Generation and Distribution Limited	
71	Reliance Ethane Holding Pte. Limited	
72	Reliance Exploration & Production DMCC	
73	Reliance Gas Pipelines Limited	
74	Reliance Global Business B.V.	
75	Reliance Global Commercial Limited	
76	Reliance Global Energy Services (Singapore) Pte. Limited	
77	Reliance Global Energy Services Limited	
78	Reliance Holding Acquisition Corp (From 29.01.2016)	
79	Reliance Holding USA, Inc.	
80	Reliance Industrial Investments and Holdings Limited	Subsidiary
81	Reliance Industries (Middle East) DMCC	
82	Reliance Innovative Building Solutions Private Limited	
83	Reliance Jio AsiaInfo Innovation Centre Limited (From 10.06.2015)	
84	Reliance Jio Digital Services Private Limited	
85	Reliance Jio Global Resources LLC	
86	Reliance Jio Infocomm Limited	
87	Reliance Jio Infocomm Pte. Limited	
88	Reliance Jio Infocomm UK Limited	
89	Reliance Jio Infocomm USA Inc.	
90	Reliance Jio Infratel Private Limited (From 17.02.2016)	
91	Reliance Jio Media Limited	
92	Reliance Jio Messaging Services Private Limited	
93	Reliance Lifestyle Holdings Limited	
94	Reliance Marcellus II LLC	
95	Reliance Marcellus LLC	
96	Reliance Payment Solutions Limited	
97	Reliance Petro Marketing Limited	
98	Reliance Petroinvestments Limited	
99	Reliance Polyolefins Limited	
100	Reliance Progressive Traders Private Limited	
101	Reliance Prolific Commercial Private Limited	
102	Reliance Prolific Traders Private Limited	

Control by Independent Media Trust of which RIL is the sole beneficiary

Notes on Financial Statements
for the year ended 31st March, 2016

Sr. No.	Name of the Related Party	Relationship
103	Reliance Retail Finance Limited	Subsidiary
104	Reliance Retail Insurance Broking Limited	
105	Reliance Retail Limited	
106	Reliance Retail Ventures Limited	
107	Reliance Sibur Elastomers Private Limited	
108	Reliance Strategic Investments Limited	
109	Reliance Textiles Limited	
110	Reliance Trading Limited	
111	Reliance Universal Commercial Limited	
112	Reliance Universal Enterprises Limited	
113	Reliance Universal Traders Private Limited	
114	Reliance USA Gas Marketing LLC	
115	Reliance Vantage Retail Limited	
116	Reliance Ventures Limited	
117	Reliance World Trade Private Limited ^	
118	Reliance Supply Solutions Private Limited **	
119	Reliance-GrandOptical Private Limited	
120	Resolute Land Consortium Projects Limited (Ceased to be subsidiary from 29.02.2016)	
121	RIL (Australia) Pty Limited	
122	RIL Exploration and Production (Myanmar) Company Limited (From 11.09.2015)	
123	RIL USA, Inc.	
124	RP Chemicals (Malaysia) Sdn Bhd (From 11.02.2016)	
125	RRB Investments Private Limited #	
126	RRB Mediasoft Private Limited #	
127	RRK Finhold Private Limited #	
128	RVT Finhold Private Limited #	
129	RVT Media Private Limited #	
130	Setpro18 Distribution Limited #	
131	SpaceBound Web labs Private Limited # (From 23.04.2015)	
132	Stargaze Entertainment Private Limited # (Upto 23.04.2015)	
133	Strategic Manpower Solutions Limited	
134	Surela Investment and Trading Private Limited	
135	Television Eighteen Mauritius Limited #	
136	Television Eighteen Media and Investments Limited #	
137	Transenergy (Kenya) Limited (Liquidated w.e.f. 31.12.2015)	
138	TV18 Broadcast Limited #	
139	TV18 Home shopping Network Limited #	
140	Vijayant Commercials Private Limited (Amalgamated with Model Economic Township Limited w.e.f. 04.05.2015)	
141	Watermark Infratech Private Limited #	
142	Wave Land Developers Limited	
143	Web18 Holdings Limited #	
144	Web18 Software Services Limited #	
145	Independent Media Trust	Company / Subsidiary is a beneficiary
146	Petroleum Trust	

Control by Independent Media Trust of which RIL is the sole beneficiary
^ Control by Petroleum Trust of which RIL is the sole beneficiary
** Formerly known as Office Depot Reliance Supply Solutions Private Limited

Notes on Financial Statements
for the year ended 31st March, 2016

Sr. No.	Name of the Related Party	Relationship
147	Gujarat Chemical Port Terminal Company Limited	Associates
148	Indian Vaccines Corporation Limited	
149	Reliance Commercial Dealers Limited	
150	Reliance Europe Limited	
151	Reliance Gas Transportation Infrastructure Limited	
152	Reliance Industrial Infrastructure Limited	
153	Reliance LNG Limited	
154	Reliance Ports and Terminals Limited	
155	Reliance Utilities and Power Private Limited	
156	Shri Mukesh D. Ambani	Key Managerial Personnel
157	Shri Nikhil R. Meswani	
158	Shri Hital R. Meswani	
159	Shri P. M. S. Prasad	
160	Shri P. K. Kapil	
161	Smt. Nita M. Ambani	Relative of Key Managerial Personnel
162	Dhirubhai Ambani Foundation	Enterprises over which Key Managerial Personnel are able to exercise significant influence
163	Hirachand Govardhandas Ambani Public Charitable Trust	
164	HNH Trust and HNH Research Society	
165	Jamnaben Hirachand Ambani Foundation	
166	Reliance Foundation	

(ii) Transactions during the year with related parties :

(₹ in crore)

Sr. No.	Nature of Transactions (Excluding Reimbursements)	Subsidiaries/ Beneficiary	Associates	Key Managerial Personnel/ Relative	Others	Total
1.	Purchase of Fixed Assets	2,302	237	-	-	2,539
		2,434	*264*	-	-	*2,698*
2.	Purchase / Subscription of Investments	38,085	-	-	-	38,085
		11,506	-	-	-	*11,506*
3.	Sale / Redemption of Investments	422	-	-	-	422
		150	-	-	-	*150*
4.	Capital Advance Given/ (Returned)	-	-	-	-	-
		-	*(8)*	-	-	*(8)*
5.	Net Loans and Advances, Deposits given/ (Returned)	(11,913)	43	-	-	(11,870)
		133	*166*	-	-	*299*
6.	Revenue from Operations	24,925	301	-	-	25,226
		24,395	*428*	-	-	*24,823*
7.	Other Income	1,721	17	-	-	1,738
		1,536	*27*	-	-	*1,563*
8.	Purchases / Material Consumed	2,201	631	-	-	2,832
		1,562	*267*	-	-	*1,829*
9.	Electric Power, Fuel and Water	-	1,719	-	-	1,719
		-	*1,579*	-	-	*1,579*
10.	Hire Charges	-	585	-	-	585
		-	*622*	-	-	*622*

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

Sr. No.	Nature of Transactions (Excluding Reimbursements)	Subsidiaries/ Beneficiary	Associates	Key Managerial Personnel/ Relative	Others	Total
11.	Employee Benefit Expense	210	-	-	-	210
		10	-	-	-	*10*
12.	Payment to Key Managerial Personnel/Relative	-	-	54	-	54
		-	-	*48*	-	*48*
13.	Sales and Distribution Expenses	178	2,609	-	-	2,787
		147	*2,767*	-	-	*2,914*
14.	Rent	-	8	-	-	8
		-	*7*	-	-	*7*
15.	Professional Fees	1,244	39	-	-	1,283
		990	*42*	-	-	*1,032*
16.	General Expenses	25	430	-	-	455
		45	*293*	-	-	*338*
17.	Donations	-	-	-	603	603
		-	-	-	*742*	*742*
18.	Finance Costs	10	-	-	-	10
		12	-	-	-	*12*
Balances as at 31st March 2016						
1.	Investments	81,421	2,085	-	-	83,506
		43,758	*2,085*	-	-	*45,843*
2.	Trade Receivables	2,210	35	-	-	2,245
		2,396	*21*	-	-	*2,417*
3.	Loans and Advances	15,099	3	-	-	15,102
		26,743	*9*	-	-	*26,752*
4.	Deposits	-	1,714	-	-	1,714
		-	*1,666*	-	-	*1,666*
5.	Trade and Other Payables*	456	315	-	-	771
		462	*253*	-	-	*715*
6.	Finance Lease Obligations	94	-	-	-	94
		121	-	-	-	*121*
7.	Financial Guarantees	35,897	1,837	-	-	37,734
		33,685	*1,733*	-	-	*35,418*
8.	Performance Guarantees	192	135	-	-	327
		159	*115*	-	-	*274*

Note :
Figures in italic represents Previous Year's amounts.
* Includes reimbursements

Disclosure in Respect of Major Related Party Transactions during the year :

(₹ in crore)

	Particulars	Relationship	2015-16	2014-15
1	**Purchase of Fixed Assets**			
	Recron (Malaysia) Sdn. Bhd.	Subsidiary	106	100
	Reliance Corporate IT Park Limited	Subsidiary	2,044	1,963
	Reliance Eminent Trading & Commercial Private Limited	Subsidiary	75	105
	Reliance Petro Marketing Limited	Subsidiary	6	1
	Reliance Progressive Traders Private Limited	Subsidiary	-	215
	Reliance Retail Limited	Subsidiary	27	31

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

	Particulars	Relationship	2015-16	2014-15
	Reliance Sibur Elastomers Private Limited	Subsidiary	43	-
	Reliance Universal Traders Private Limited	Subsidiary	-	18
	Gujarat Chemical Port Terminal Company Limited	Associate	-	2
	Reliance Gas Transportation Infrastructure Limited	Associate	-	46
	Reliance Industrial Infrastructure Limited	Associate	3	8
	Reliance Ports and Terminals Limited	Associate	166	198
	Reliance Utilities and Power Private Limited	Associate	68	10
2	**Purchase / Subscription of Investments**			
	Reliance Ambit Traders Private Limited	Subsidiary	7	20
	Reliance Energy Generation and Distribution Limited	Subsidiary	3,263	-
	Reliance Ethane Holding Pte. Limited	Subsidiary	399	752
	Reliance Gas Pipelines Limited	Subsidiary	303	215
	Reliance Industrial Investments and Holdings Limited	Subsidiary	14,091	1,100
	Reliance Industries (Middle East) DMCC	Subsidiary	2,217	-
	Reliance Jio Infocomm Limited	Subsidiary	15,000	7,052
	Reliance Jio Messaging Services Private Limited	Subsidiary	74	1
	Reliance Progressive Traders Private Limited	Subsidiary	60	-
	Reliance Prolific Commercial Private Limited	Subsidiary	5	30
	Reliance Prolific Traders Private Limited	Subsidiary	122	1,236
	Reliance Sibur Elastomers Private Limited	Subsidiary	243	-
	Reliance Universal Traders Private Limited	Subsidiary	24	11
	Independent Media Trust	Company / Subsidiary is a beneficiary	2,277	1,089
3	**Sale / Redemption of Investments**			
	Reliance Global Business B.V.	Subsidiary	-	150
	Reliance Industries (Middle East) DMCC	Subsidiary	422	-
4	**Capital Advances Given / (Returned)**			
	Reliance Industrial Infrastructure Limited	Associate	-	(3)
	Reliance Utilities and Power Private Limited	Associate	-	(5)
5	**Net Loans and Advances, Deposits Given / (Returned)**			
	Reliance Corporate IT Park Limited	Subsidiary	713	1,846
	Reliance Energy Generation and Distribution Limited	Subsidiary	(3,263)	-
	Reliance Exploration & Production DMCC	Subsidiary	-	(78)
	Reliance Gas Pipelines Limited	Subsidiary	(33)	-
	Reliance Industrial Investments and Holdings Limited	Subsidiary	(10,573)	(1,782)
	Reliance Industries (Middle East) DMCC	Subsidiary	482	-
	Reliance Retail Limited	Subsidiary	-	(1,737)
	Reliance Strategic Investments Limited	Subsidiary	903	1,650
	Reliance Ventures Limited	Subsidiary	(142)	234
	Gujarat Chemical Port Terminal Company Limited	Associate	23	11
	Reliance Commercial Dealers Limited	Associate	20	155

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

	Particulars	Relationship	2015-16	2014-15
6	**Revenue from Operations**			
	Gapco Kenya Limited	Subsidiary	9,373	9,089
	Recron (Malaysia) Sdn. Bhd.	Subsidiary	468	2,013
	Reliance Corporate IT Park Limited	Subsidiary	1	2
	Reliance Gas Pipelines Limited	Subsidiary	3	4
	Reliance Global Energy Services (Singapore) Pte. Ltd.	Subsidiary	3,915	1,969
	Reliance Industrial Investments and Holdings Limited	Subsidiary	924	1,064
	Reliance Jio Infocomm Limited	Subsidiary	522	415
	Reliance Petro Marketing Limited	Subsidiary	2,232	644
	Reliance Retail Limited	Subsidiary	188	210
	Reliance Sibur Elastomers Private Limited	Subsidiary	2	-
	RIL USA, Inc.	Subsidiary	7,297	8,985
	Reliance Commercial Dealers Limited	Associate	13	15
	Reliance Gas Transportation Infrastructure Limited	Associate	47	49
	Reliance Ports and Terminals Limited	Associate	5	-
	Reliance Utilities and Power Private Limited	Associate	236	363
7	**Other Income**			
	Gapco Kenya Limited	Subsidiary	2	2
	Gapco Tanzania Limited	Subsidiary	3	3
	Gapco Uganda Limited	Subsidiary	1	1
	Recron (Malaysia) Sdn. Bhd.	Subsidiary	7	8
	Reliance Corporate IT Park Limited	Subsidiary	353	205
	Reliance Exploration & Production DMCC	Subsidiary	-	1
	Reliance Gas Pipelines Limited	Subsidiary	2	1
	Reliance Global Energy Services (Singapore) Pte. Ltd.	Subsidiary	11	2
	Reliance Holding USA, Inc.	Subsidiary	138	149
	Reliance Industrial Investments and Holdings Limited	Subsidiary	816	812
	Reliance Industries (Middle East) DMCC	Subsidiary	-	23
	Reliance Jio Infocomm Limited	Subsidiary	37	42
	Reliance Retail Limited	Subsidiary	-	61
	Reliance Sibur Elastomers Private Limited	Subsidiary	6	-
	Reliance Strategic Investments Limited	Subsidiary	287	157
	Reliance Ventures Limited	Subsidiary	54	61
	RIL USA, Inc.	Subsidiary	4	8
	Gujarat Chemical Port Terminal Company Limited	Associate	-	10
	Reliance Europe Limited	Associate	13	13
	Reliance Ports and Terminals Limited	Associate	1	1
	Reliance Utilities and Power Private Limited	Associate	3	3
8	**Purchases / Material Consumed**			
	Reliance Industries (Middle East) DMCC	Subsidiary	2,200	1,561
	Reliance Petro Marketing Limited	Subsidiary	1	1
	Gujarat Chemical Port Terminal Company Limited	Associate	-	3
	Reliance Gas Transportation Infrastructure Limited	Associate	-	3

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

	Particulars	Relationship	2015-16	2014-15
	Reliance Industrial Infrastructure Limited	Associate	19	19
	Reliance Ports and Terminals Limited	Associate	611	241
9	**Electric Power, Fuel and Water**			
	Reliance Utilities and Power Private Limited	Associate	1,719	1,579
10	**Hire Charges**			
	Gujarat Chemical Port Terminal Company Limited	Associate	117	90
	Reliance Gas Transportation Infrastructure Limited	Associate	214	194
	Reliance Industrial Infrastructure Limited	Associate	34	37
	Reliance Ports and Terminals Limited	Associate	220	301
11	**Employee Benefits Expense**			
	Reliance Retail Limited	Subsidiary	8	10
	Reliance Corporate IT Park Limited	Subsidiary	202	-
12	**Payment To Key Managerial Personnel / Relative**			
	Shri Mukesh D. Ambani	Key Managerial Personnel	15	15
	Shri Nikhil R. Meswani	Key Managerial Personnel	14	12
	Shri Hital R. Meswani	Key Managerial Personnel	14	12
	Shri PMS Prasad	Key Managerial Personnel	7	6
	Shri P. K. Kapil	Key Managerial Personnel	3	2
	Smt Nita M. Ambani	Relative of Key Managerial Personnel	1	1
13	**Sales and Distribution Expenses**			
	Recron (Malaysia) Sdn. Bhd.	Subsidiary	178	146
	Reliance Retail Limited	Subsidiary	-	1
	Gujarat Chemical Port Terminal Company Limited	Associate	33	16
	Reliance Ports and Terminals Limited	Associate	2,576	2,751
14	**Rent**			
	Reliance Industrial Infrastructure Limited	Associate	8	7
15	**Professional Fees**			
	Reliance Corporate IT Park Limited	Subsidiary	1,244	990
	Reliance Europe Limited	Associate	33	25
	Reliance Industrial Infrastructure Limited	Associate	6	17

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

	Particulars	Relationship	2015-16	2014-15
16	**General Expenses**			
	Big Tree Entertainment Private Limited	Subsidiary	2	1
	Indiawin Sports Private Limited	Subsidiary	-	13
	Reliance Retail Limited	Subsidiary	23	31
	Reliance Commercial Dealers Limited	Associate	418	282
	Reliance Europe Limited	Associate	-	7
	Reliance Ports and Terminals Limited	Associate	12	3
17	**Donations**			
	Hirachand Govardhandas Ambani Public Charitable Trust	Others	4	2
	Jamnaben Hirachand Ambani Foundation	Others	15	4
	Reliance Foundation	Others	584	735
18	**Finance Costs**			
	Reliance Corporate IT Park Limited	Subsidiary	10	12
Balances as at 31st March, 2016				
1	**Loans and Advances**			
	Gapco Kenya Limited	Subsidiary	2	2
	Gapco Tanzania Limited	Subsidiary	-	3
	Gapco Uganda Limited	Subsidiary	-	1
	Recron (Malaysia) Sdn. Bhd.	Subsidiary	-	8
	Reliance Brands Limited	Subsidiary	-	1
	Reliance Corporate IT Park Limited	Subsidiary	3,823	2,976
	Reliance Energy Generation and Distribution Limited	Subsidiary	-	3,263
	Reliance Gas Pipelines Limited	Subsidiary		33
	Reliance Holding USA, Inc.	Subsidiary	35	-
	Reliance Industrial Investments and Holdings Limited	Subsidiary	7,321	17,890
	Reliance Industries (Middle East) DMCC	Subsidiary	482	-
	Reliance Strategic Investments Limited	Subsidiary	3,283	2,263
	Reliance Ventures Limited	Subsidiary	153	302
	Gujarat Chemical Port Terminal Company Limited	Associate	-	6
	Reliance Europe Limited	Associate	3	3
2	**Deposits**			
	Gujarat Chemical Port Terminal Company Limited	Associate	139	111
	Reliance Commercial Dealers Limited	Associate	175	155
	Reliance Ports and Terminals Limited	Associate	1,050	1,050
	Reliance Utilities and Power Private Limited	Associate	350	350

Notes on Financial Statements
for the year ended 31st March, 2016

32.1 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)	Country
1	Panna Mukta	30%	(30%)	BG Exploration & Production India Limited - 30% ; Oil and Natural Gas Corporation Limited - 40%	India
2	Tapti	30%	(30%)	BG Exploration & Production India Limited - 30% ; Oil and Natural Gas Corporation Limited - 40%	India
3	NEC - OSN - 97/2	60%	(60%)	Niko (NELPIO) Limited - 10% * ; BP Exploration (Alpha) Limited - 30%	India
4	KG - DWN - 98/3	60%	(60%)	Niko (NECO) Limited - 10% ; BP Exploration (Alpha) Limited - 30%	India
5	GS - OSN - 2000/1	90%	(90%)	Hardy Exploration and Production (India) Inc. - 10%	India
6	CY-DWN-2001/2	70%	(70%)	BP Exploration (Alpha) Limited - 30%	India
7	CB-ONN-2003/1	70%	(70%)	BP Exploration (Alpha) Limited - 30%	India
8	Block M-17	96%	(96%)	United National Resources Development Services Company Limited (UNRD) - 4%	Myanmar
9	Block M-18	96%	(96%)	United National Resources Development Services Company Limited (UNRD) - 4%	Myanmar

Figures in bracket represent Previous Year's (%) Interest.

* During the year, Niko (NELPIO) Limited withdrew from Joint Operating Agreement. RIL will assume the Participating Interest of Niko (NELPIO) Limited in proportion to RIL's Interest in Joint Operating Agreement. The assignment process is underway.

32.2 (a) Net Quantities of Company's Interest (on gross basis) in Proved Reserves and Proved Developed Reserves :

	Proved Reserves in India (Million MT)		Proved Developed Reserves in India (Million MT)	
	2015-16	2014-15	2015-16	2014-15
Oil:				
Beginning of the year	1.96	2.47	1.47	2.09
Revision of estimates	2.78	(0.06)	-	(0.17)
Production	(0.42)	(0.45)	(0.42)	(0.45)
Closing balance for the year	**4.32**	**1.96**	**1.05**	**1.47**

	Proved Reserves in India (Million M^{3*})		Proved Developed Reserves in India (Million M^{3*})	
	2015-16	2014-15	2015-16	2014-15
Gas:				
Beginning of the year	65,741	86,230	18,812	15,444
Revision of estimates	9,008	(17,047)	(1,212)	6,810
Production	(3,018)	(3,442)	(3,018)	(3,442)
Closing balance for the year	**71,731**	**65,741**	**14,582**	**18,812**

* 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 are 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 reserves estimates related to KGD6 and CBM have been revised. During the year, the Company recognized reserves towards MJ1 field of KGD6 block post review of Declaration of Commerciality (DoC) by Management Committee.

Notes on Financial Statements
for the year ended 31st March, 2016

(d) 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 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 GoI 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. Pending decision of the arbitration, the demand from the GoI of $ 117 million (₹ 777 crores) being the Company's share (total demand $ 195 million) towards additional Profit Petroleum has been considered as contingent liability.

(e) In supersession of the Ministry's Gazette notification no. 22011/3/2012-ONG.D.V. dated 10th January, 2014, the GoI notified the New Domestic Natural Gas Pricing Guidelines, 2014, on 26th October 2014. Consequent to the aforesaid dispute referred to under 32.2 (d) above which has been referred to arbitration, the GoI has directed the Company to instruct customers to deposit differential revenue on gas sales from D1D3 field on account of the prices determined under the above guidelines converted to NCV basis and the prevailing price prior to 1st November 2014 ($ 4.205 per MMBTU) to be credited to the gas pool account maintained by GAIL (India) Limited. The amount so deposited by customer to Gas Pool Account is ₹ 295 crore (net) as at 31st March 2016 is disclosed under Other Long Term Loans and Advances. Revenue has been recognized at the GoI notified prices in respect of gas quantities sold from D1D3 field from 1st November 2014.

(₹ in crore)

	2015-16	2014-15
33. CONTINGENT LIABILITIES AND COMMITMENTS		
(I) Contingent Liabilities		
(A) Claims against the Company / disputed liabilities not acknowledged as debts*		
(a) In respect of Joint Ventures	847	798
(b) In respect of Others	2,639	1,770
(B) Guarantees		
(i) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties and other Guarantees		
(a) In respect of Joint Ventures	-	-
(b) In respect of Others	37,734	35,418
(ii) Performance Guarantees		
(a) In respect of Joint Ventures	-	-
(b) In respect of Others	327	274
(iii) Outstanding Guarantees furnished to Banks and Financial Institutions including in respect of Letters of Credits		
(a) In respect of Joint Ventures	20	20
(b) In respect of Others	30,231	17,704
(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	734	1,121
(II) Commitments		
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
(a) In respect of Joint Ventures	176	865
(b) In respect of Others	6,089	20,569

Notes on Financial Statements
for the year ended 31st March, 2016

(₹ in crore)

		2015-16	2014-15
(B)	Other Commitments		
(a)	Sales Tax deferral liability assigned (₹ 29,847)	-	787
(b)	Guarantee against future cash calls **	109	1,315

* The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

** The Company has issued guarantees against future cash calls to be made by JV Partners of its wholly owned subsidiary Reliance Marcellus LLC amounting to ₹ 139 crore. During the year Obligation fulfilled through cash call paid was ₹ 30 crore.

(III) The Income -Tax Assessments of the Company have been completed up to Assessment Year 2011-12. There is no outstanding demand as on date. The assessed tax liability exceeds the provision made, by ₹ 1,119 core as at 31st March, 2016. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

34. FINANCIAL AND DERIVATIVE INSTRUMENTS

a) Derivative contracts entered into by the Company and outstanding as on 31st March, 2016

(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, 2016 amount to ₹ 1,26,039 crore (Previous Year ₹ 1,61,205 crore). Category wise break up is given below:

Sr. No.	Particulars	As at 31st March, 2016 Amount (₹ in Crore)	As at 31st March, 2015 Amount (₹ in Crore)
1	Forward Contract	64,448	84,137
2	Currency Swap	1,438	1,356
3	Interest Rate Swap	56,803	69,218
4	Option	3,350	6,494

(ii) For Hedging Commodity related risks :

Category wise break up is given below :

Sr. No.	Particulars	As at 31st March, 2016		As at 31st March, 2015	
		Petroleum Product	Feedstock	Petroleum Product	Feedstock
1	Forward swaps	24,077	89,877	40,389	49,460
2	Futures	13,838	6,619	11,844	23,980
3	Spreads	83,191	98,906	88,393	1,04,653
4	Option	4,470	68,565	12,150	1,30,618

In addition the Company has margin hedges outstanding for contracts relating to petroleum product sales of 1,41,145 kbbl (Previous Year 88,508 kbbl) and freight hedges of 4,246 kbbl (Previous Year Nil).

b) Foreign Currency Exposures that are not hedged by derivative instruments as on 31st March 2016 amount to ₹ 91,255 crore (Previous Year ₹ 82,812 crore). The unhedged exposures are naturally hedged by future foreign currency earnings and earnings linked to foreign currency.

35. As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

Notes on Financial Statements
for the year ended 31st March, 2016

36. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013

Loans given and Investments made are given under the respective heads.

Corporate Guarantees given by the Company in respect of loans as at 31st March, 2016

Sr. No.	Particulars	As at 31st March, 2016 Amount (₹ in Crore)	As at 31st March, 2015 Amount (₹ in Crore)
1	Reliance Global Business B.V.	1,432	1,539
2	Reliance Holding USA, Inc.	19,877	18,750
3	Reliance Jio Infocomm Limited	23,477	16,813
4	RIL USA, Inc.	580	547
5	Reliance Industries (Middle East) DMCC	73	69

37. DETAILS OF RESEARCH AND DEVELOPMENT EXPENDITURE

Sr. No.	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
a)	Capital	631	722	810	738	654
b)	Revenue	628	498	408	380	335
	Total	**1,259**	**1,220**	**1,218**	**1,118**	**989**

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Rajesh D. Chaturvedi
Partner

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

A. B. Jani
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Alok Agarwal
Chief Financial Officer

Srikanth Venkatachari
Joint Chief Financial Officer

K. Sethuraman
Company Secretary

Mumbai
Date : April 22, 2016

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
Prof. Ashok Misra
Prof. Dipak C. Jain
Dr. R.A. Mashelkar
Adil Zainulbhai
Raminder Singh Gujral
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
5 Aldermanbury Square
London EC2V 7HR
United Kingdom

As to Indian Law

AZB & Partners
AZB House
Peninsula Corporate Park
Ganpatrao Kadam Marg.
Lower Parel
Mumbai 400 013 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

CURRENT AUDITORS OF THE COMPANY

S R B C & CO LLP
Chartered Accountants
14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai 400 028 India

D T S & Associates
Chartered Accountants
Suite #1306-1307, Lodha Supremus,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013 India

FORMER 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
c/o Citibank, N.A. Ground Floor
1 North Wall Quay Dublin 1
Ireland

US$800,000,000

Reliance Industries Limited

US$800,000,000 3.667% Senior Notes Due 2027

OFFERING MEMORANDUM

November 20, 2017

Barclays

BofA Merrill Lynch

Citigroup

HSBC

J.P. Morgan

Standard Chartered Bank

ANZ

BNP PARIBAS

Crédit Agricole CIB

DBS Bank Ltd.

Deutsche Bank

Mizuho Securities

Morgan Stanley

Scotiabank

SMBC Nikko

Société Générale Corporate & Investment Banking