

# Board's Report

## Dear Members,

The Board of Directors present the Company's Forty-fourth Annual Report (Post- IPO) and the Company's audited financial statements for the financial year ended March 31, 2021.

## Financial Results

The Company's financial performance (standalone and consolidated) for the year ended March 31, 2021 is summarised below:

	Standalone				Consolidated			
	2020-21		2019-20		2020-21		2019-20	
	₹ crore	US\$ million*	₹ crore	US\$ million*	₹ crore	US\$ million*	₹ crore	US\$ million*
<b>Profit Before Tax (Before Exceptional Item)</b>	22,908	3,133	44,561	5,889	49,819	6,814	58,050	7,672
Current Tax	-	-	(7,200)	(952)	(2,205)	(302)	(8,630)	(1,141)
Deferred Tax	4,732	647	(2,213)	(292)	483	66	(5,096)	(673)
<b>Profit For The Year (Before Exceptional Item)</b>	<b>27,640</b>	<b>3,780</b>	<b>35,148</b>	<b>4,645</b>	<b>48,097</b>	<b>6,578</b>	<b>44,324</b>	<b>5,858</b>
Exceptional Item (net of tax) ^	4,304	589	(4,245)	(561)	5,642	772	(4,444)	(587)
<b>Profit For The Year</b>	<b>31,944</b>	<b>4,369</b>	<b>30,903</b>	<b>4,084</b>	<b>53,739</b>	<b>7,350</b>	<b>39,880</b>	<b>5,271</b>
Net Profit attributable to Non-Controlling Interest	-	-	-	-	(4,611)	(631)	(526)	(70)
<b>Net Profit Attributable to Owners of the Company</b>	<b>31,944</b>	<b>4,369</b>	<b>30,903</b>	<b>4,084</b>	<b>49,128</b>	<b>6,719</b>	<b>39,354</b>	<b>5,201</b>
Balance in Retained Earnings	14,146	3,141	26,808	4,815	32,972	4,766	12,330	2,038
Pursuant to Scheme of Arrangement #	32,416	4,434	(33,481)	(4,425)	(728)	(99)	(8,496)	(1,123)
Fresh issue of equity by subsidiaries #	-	-	-	-	1,18,170	16,163	-	-
<b>Sub-Total</b>	<b>78,506</b>	<b>11,944</b>	<b>24,230</b>	<b>4,474</b>	<b>1,99,542</b>	<b>27,549</b>	<b>43,188</b>	<b>6,116</b>
<b>Appropriations</b>								
Transferred to Statutory Reserve	-	-	-	-	(128)	(18)	(77)	(10)
Transferred to Profit & Loss A/c ^	(33,217)	(4,543)	-	-	-	-	-	-
Transferred to Capital Redemption Reserve	-	-	-	-	-	-	(40)	(5)
Transferred (to)/from Debenture Redemption Reserve	-	-	-	-	41	6	(15)	(2)
Transferred (to)/from Special Economic Zone Reinvestment Reserve	525	72	(5,500)	(727)	525	72	(5,500)	(727)
Dividend on Equity Shares	(3,921)	(536)	(3,852)	(509)	(3,921)	(536)	(3,852)	(509)
Tax on dividend	-	-	(732)	(97)	-	-	(732)	(97)
<b>Closing Balance</b>	<b>41,893</b>	<b>6,937</b>	<b>14,146</b>	<b>3,141</b>	<b>1,96,059</b>	<b>27,073</b>	<b>32,972</b>	<b>4,766</b>

Figures in brackets represent deductions.

\* 1 US\$ = ₹73.110 Exchange Rate as on March 31, 2021 (1 US\$ = ₹75.665 as on March 31, 2020).

^ Refer Note 31 of the Standalone Financial Statement and Note 29 of the Consolidated Financial Statement.

# Refer Note 14 of the Standalone and Consolidated Financial Statement.

## Results of Operations and the state of Company's affairs

### The Highlights of the Company's performance (Standalone) for the year ended March 31, 2021 are as under:

- Value of Sales and services was ₹2,78,940 crore (US\$ 38.2 billion)
- Exports for the year was ₹1,45,143 crore (US\$ 19.9 billion)
- EBITDA for the year was ₹48,318 crore (US\$ 6.6 billion)
- Cash Profit for the year was ₹36,411 crore (US\$ 5.0 billion)
- Net Profit for the year was ₹31,944 crore (US\$ 4.4 billion)

### Financial Performance (Consolidated)

- Value of Sales and services was ₹5,39,238 crore (US\$ 73.8 billion)
- EBITDA for the year was ₹97,580 crore (US\$ 13.3 billion)
- Cash Profit for the year was ₹79,828 crore (US\$ 10.9 billion)
- Net Profit for the year was ₹53,739 crore (US\$ 7.4 billion)

### Dividend

The Board of Directors has recommended a dividend of ₹7/- (Rupees Seven only) per equity share of ₹10/- (Ten rupees) each fully paid-up of the Company (last year ₹6.50 per equity share of ₹10/- each). Pro-rata dividend

shall be paid in proportion to the paid-up value of the partly paid equity shares. Dividend is subject to approval of members at the ensuing annual general meeting and shall be subject to deduction of income tax at source.

The dividend recommended is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy of the Company is annexed herewith and marked as **Annexure I** to this Report and the same is available on the Company's website and can be accessed at

<https://www.ril.com/DownloadFiles/IRStatutory/Dividend-Distribution-Policyv.pdf>

## Details of material changes from the end of the financial year

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Operations and revenue have been impacted due to COVID-19.

## Material events during the year under review

### Rights issue of Equity Shares

During the year under review, the Company had issued and allotted 42,26,26,894 partly paid-up equity shares of ₹10/- each of the Company on rights basis, in the ratio of 1 equity share for every 15 equity shares held, to eligible equity shareholders of the Company at an issue price of ₹1,257/- per fully paid-up equity share (including a premium of ₹1,247/- per equity share). An amount equivalent to 25% of the issue price viz. ₹314.25 per equity share was received on application.

In accordance with the terms of issue, the Board of Directors in its meeting held on March 26, 2021 made the following two calls on the aforesaid equity shares:

- First call of ₹314.25 per partly paid equity share (comprising ₹2.50 towards face value and ₹311.75 towards securities premium), payable during the period from May 17, 2021 to May 31, 2021, both days inclusive; and
- Second & final call of ₹628.50 per partly paid equity share (comprising ₹5.00 towards face value and ₹623.50 towards securities premium), payable during the period from November 15, 2021 to November 29, 2021, both days inclusive.

The funds raised by the Company through Rights Issue, have been utilised for the objects stated in the Letter of Offer, dated May 15, 2020, towards repayment of certain borrowings of the Company.

### Issue of Debentures

The Company had issued and allotted on private placement basis, unsecured redeemable non-convertible debentures (NCDs) aggregating

₹24,955 crore. Further, during the year, the Company received payment of 3<sup>rd</sup> tranche, aggregating ₹500 crore, from the holders of partly paid listed unsecured redeemable non-convertible debentures (PPD Series-IA). The funds raised through NCDs have been utilised for repayment of existing borrowings and other purposes in the ordinary course of business.

### Scheme of Amalgamation of Reliance Holding USA Inc., Reliance Energy Generation and Distribution Limited with the Company

A composite scheme of amalgamation and plan of merger amongst Reliance Holding USA Inc. ("RHUSA"), Reliance Energy Generation and Distribution Limited ("REGDL") and the Company (the "Scheme"), which provided for merger of RHUSA with REGDL and merger of REGDL with the Company, was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench and the Scheme became effective from August 21, 2020. Both RHUSA and REGDL were wholly owned subsidiaries of the Company.

### Scheme of Arrangement Between the Company and Reliance O2C Limited

The Board of Directors of the Company had approved a scheme of arrangement between (i) the Company, its shareholders and creditors, and (ii) Reliance O2C Limited and its shareholders and creditors (the "Scheme"). The Scheme, *inter alia*, provides for transfer of the oil-to-chemicals ("O2C") undertaking from the Company to Reliance O2C Limited, a wholly owned subsidiary, as a going concern on a slump sale basis on terms and conditions as detailed in the Scheme. The Scheme has been approved by the Shareholders and Creditors of the Company and is subject to approvals under the applicable laws including approval of the National Company Law Tribunal.

### Transfer of Petroleum Retail Marketing Business

During the year under review, the Company transferred its Petroleum Retail Marketing business to Reliance BP Mobility Limited ("RBML"). RBML is a fuels and mobility business with BP

Global Investments Limited ("bp"). bp holds 49% equity stake in RBML and the balance 51% is held by the Company.

## Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

## Business Operations / Performance of the Company and its major Subsidiaries

Major developments and business performance of the Company and its major subsidiaries consolidated with the Company are given below:

### Retail

Retail segment delivered a resilient performance against the backdrop of an unprecedented and challenging operating environment, arising from the COVID-19 pandemic situation that emerged at the start of the year. The business achieved revenue of ₹1,53,818 crore and posted an all-time high EBITDA of ₹9,842 crore for the year. This was driven by gradual rebound of revenue streams, judicious cost management initiatives and boosted by higher investment income.

During the year, Reliance Retail executed India's largest fund raise in the consumer / retail sector of ₹47,265 crore for 10.09% stake from marquee global investors, reflecting the conviction in operating track record, model and prospects.

### Digital Services

Digital Service Segment achieved revenue of ₹90,287 crore, an increase of 29.7% y-o-y. Segment EBITDA was at ₹34,035 crore for the year, a growth of 45.8% y-o-y. The Digital business added 37.9 million subscribers during the year, with year-end subscriber base at 426.2 million. Customer engagement on the Jio network remained healthy across data and voice services. Jio is one of the largest data networks globally carrying over 5 exabytes of data on a monthly

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basis. Average per capita monthly data usage across the subscriber base was 13.3 GB for the quarter ended March 2021.

During the year, Jio completed raising funds of ₹152,056 crore across 13 marquee global investors. It also enhanced its spectrum portfolio by 56% to 1,732 MHz through acquisition of spectrum via the auction conducted by Department of Telecom in 2021 and spectrum trading agreement with Bharti Airtel.

In the endeavour to continue building the premiere digital society in India, multiple digital platforms like JioMart, JioMeet, JioHaptik, JioPOS-lite, JioGames, JioUPI, JioHealthHub, were launched which were key enablers of work from home, learn from home, health from home and shop from home during the Coronavirus crisis.

### Media and Entertainment

The business successfully dealt with the challenges posed by the COVID-19 pandemic and posted much improved profitability across all business lines in a difficult year. During financial year 2020-21, Network18 reported value of services of ₹5,459 crore and EBITDA of ₹796 crore (growth of 29% y-o-y). The improvement in profitability is a result of cost controls and concerted efforts to increase annuity-style revenue streams, including subscription and syndication.

### Oil to Chemicals

The Oil to Chemicals (O2C) business experienced both price and margin dislocation due to the pandemic and lockdown in many countries during the first half of the financial year. Even in testing times such as this, the business delivered robust performance by leveraging the strong international and domestic supply-chain, multimodal logistics, deep integration and feedstock flexibility. Revenues for the O2C business declined 29% with lower volumes and lower realization due to decline in average crude and feedstock prices specifically during the first half of the year. Brent crude price for the year averaged at US\$44.3/bbl versus US\$61.1/bbl in the previous year. The segment performance was supported by sharp recovery in downstream demand and deltas in the second half of the year. During the financial year 2020-21, O2C business

reported revenue of ₹3,20,008 crore and EBITDA of ₹38,170 crore.

Overall production meant for sale reduced from 71 MMT to 63.6 MMT. Most of the reduction came from transportation fuels due to global demand destruction. However, with agile business model and feedstock flexibility, the Company was able to maximize downstream throughput which stood at 71.9 MMT, a decrease of 10% y-o-y.

### Oil and Gas E&P

Segment Revenues for the year was lower by 33.4% y-o-y to ₹2,140 crore primarily due to lower volumes from conventional fields and overall lower commodity price realization. EBITDA for the year declined by 27% to ₹258 crore. For the year, domestic production (the Company's share) was at 27.8 BCFe, down 28.4% y-o-y due to expiry of Panna Mukta Production Sharing Contract in December 2019 and cessation of production from D1D3 (KG D6) field in February 2020. US Shale (the Company's share), production was 98.8 BCFe, up 22.9% on y-o-y basis. During the year, R-Cluster fields in KG D6 block commenced production and achieved peak production level of 12.8 MMSCMD in mid-April 2021, ahead of plan. In April 2021, Satellite fields also commenced production two months ahead of schedule despite COVID-19 challenges.

### Credit Rating

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies. The details of credit ratings are disclosed in the Management Discussion and Analysis Report, which forms part of the Annual Report.

### Consolidated Financial Statement

In accordance with the provisions of the Companies Act, 2013 ("the Act") and Listing Regulations read with Ind AS-110-Consolidated Financial Statement, Ind AS-28-Investments in Associates and Joint Ventures and Ind AS-31-Interests in Joint Ventures, the consolidated audited financial statement forms part of the Annual Report.

## Subsidiaries, Joint Ventures and Associate Companies

During the year under review, companies listed in **Annexure II** to this Report have become and/or ceased to be the Company's subsidiaries, joint ventures or associate companies.

A statement providing details of performance and salient features of the financial statements of Subsidiary / Associate / Joint Venture companies, as per Section 129(3) of the Act, is provided as Annexure A to the consolidated financial statement and therefore not repeated in this Report to avoid duplication.

The audited financial statement including the consolidated financial statement of the Company and all other documents required to be attached thereto is available on the Company's website and can be accessed at <https://www.ril.com/ar2020-21/pdf/RIL-Integrated-Annual-Report-2020-21.pdf>

The financial statements of the subsidiaries, as required, are available on the Company's website and can be accessed at

<https://www.ril.com/Financial-Statement-2020-21.aspx>

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website and can be accessed at <https://www.ril.com/DownloadFiles/IRStatutory/Material-Subsidiaries.pdf>

During the year under review:

- Reliance Retail Limited, Jio Platforms Limited, Reliance Jio Infocomm Limited and Reliance Global Energy Services (Singapore) Pte. Limited, were material subsidiaries of the Company, as per Listing Regulations.
- The Company along with JM Financial Asset Reconstruction Company Limited (acting in its capacity as a Trustee of 'JMFARC- March 2018 - Trust' - (JMFARC) acquired, in accordance with the approved Resolution plan, joint control over Alok Industries Limited. The Company holds 40.01% equity stake and JMFARC holds 34.99% equity stake in Alok Industries Limited aggregating to 75%.

## Secretarial Standards

The Company has followed the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

## Directors' Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the Securities and Exchange Board of India ("SEBI"). The Company has also implemented several best

governance practices. The report on Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report. Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

## Business Responsibility Report

As stipulated under the Listing Regulations, the Business Responsibility Report (BRR) describing the initiatives taken by the Company from an environmental, social and governance perspective is available on the Company's website and can be accessed at

<https://www.ril.com/DownloadFiles/BRR202021.pdf>

## Contracts or arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is available on the Company's website and can be accessed at

<https://www.ril.com/DownloadFiles/IRStatutory/Policy-on-Materiality-of-RPT.pdf>

There were no materially significant related party transactions which could have potential conflict with the interests of the Company at large.

Members may refer to Note 33 to the Standalone Financial Statement which sets out related party disclosures pursuant to Ind AS.

## Corporate Social Responsibility (CSR)

Over the past decade, the Company has focused on several corporate social responsibility programs. The CSR initiatives of the Company under the leadership of Smt. Nita M. Ambani, Founder and Chairperson, Reliance Foundation, have touched the lives of more than 4.5 crore people covering more than 44,700 villages and several urban locations across India.

The Company continues its endeavour to improve the lives of people and provide opportunities for their holistic development through its different initiatives in the areas of Rural Transformation, Health, Education, Sports for Development, Disaster Response, Arts, Culture, Heritage and Urban Renewal.

The Company adopted a multi-pronged approach to address the COVID-19 pandemic. The Company supported initiatives on healthcare, medical oxygen supply, emergency meal distribution, supply of free fuel, masks and awareness creation. Over 5.5 crore meals provided under Mission Anna Sewa; over 81 lakh masks were distributed under Mission COVID-19 Suraksha and free fuel support was provided to 14,000+ emergency vehicles. Medical oxygen production was ramped up from zero to 11% of India's treatment needs for meeting the requirement of over one lakh patients every day. This was supplied free to several State Governments.

The Company supported national initiatives like Gram Uday Se Bharat Uday Abhiyan, Unnat Bharat Abhiyan, Swachh Bharat Abhiyan, Poshan Abhiyan, Jal Shakti Abhiyan, Sabki Yojana Sabka Vikas, Skill India Mission, Digital India and Doubling Farmers' Income.

The CSR initiatives of the Company have won several awards including India Today-MDRA Special Healthgiri Award 2020, CII National Awards for Excellence in Water Management 2020 in the 'Beyond the Fence' category and ICSI 5<sup>th</sup> CSR Excellence Award in Large Category. Town & Country, America's leading general interest magazine, featured Smt. Nita M. Ambani and Reliance Foundation among the world's top Philanthropists of 2020.

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The CSR policy, formulated by the Corporate Social Responsibility and Governance ("CSR&G") Committee and approved by the Board, continues unchanged. The policy can be accessed at

<https://www.ril.com/DownloadFiles/IRStatutorv/CSR-Policv.pdf>

The three core commitments of Scale, Impact and Sustainability form the bed-rock of the Company's philosophy on CSR initiatives. As per the CSR policy of the Company, Rural Transformation, Health, Education, Environment, Arts, Heritage & Culture and Disaster Response, are the focus areas for CSR engagement.

During the year, the Company spent ₹922 crore (around 2.09% of the average net profits of last three financial years) on CSR activities.

The Annual Report on CSR activities is annexed herewith and marked as **Annexure III** to this Report.

### Risk Management

The Company has a structured Group Risk Management Framework, designed to identify, assess and mitigate risks appropriately. The Risk Management Committee has been entrusted with the responsibility to assist the Board in:

- overseeing and approving the Company's enterprise wide risk management framework; and
- ensuring that all material Strategic and Commercial including Cybersecurity, Safety and Operations, Compliance, Control and Financial risks have been identified and assessed and adequate risk mitigations are in place, to address these risks.

Further details on the Risk Management activities including the implementation of risk management policy, key risks identified, and their mitigations are covered in Management Discussion and Analysis section, which forms part of the Annual Report.

### Internal Financial Controls

Internal Financial Controls are an integral part of the Group Risk Management framework and processes that address financial as well as financial reporting

risks. The key internal financial controls have been documented, automated wherever possible and embedded in the respective business processes.

Assurance to the Board on the effectiveness of internal financial controls is obtained through 3 Lines of Defence which include:

- Management reviews and self-assessment;
- Continuous controls monitoring by functional experts; and
- Independent design and operational testing by the Group Internal Audit function.

The Company believes that these systems provide reasonable assurance that the Company's internal financial controls are adequate and are operating effectively as intended.

### Directors and Key Managerial Personnel

In accordance with the provisions of the Act and the Articles of Association of the Company, Shri Nikhil R. Meswani and Shri P. K. Kapil, Directors of the Company, retire by rotation at the ensuing annual general meeting. The Board of Directors, on the recommendation of the Human Resources, Nomination and Remuneration ("HRNR") Committee, has recommended their re-appointment.

The Board of Directors, based on performance evaluation and as per the recommendation of the HRNR Committee has commended the re-appointment of Dr. Shumeet Banerji, as an Independent Director of the Company for a second term of 5 (five) consecutive years, effective July 21, 2022 on completion of his current term of office. In the opinion of the Board, he possesses requisite expertise, integrity and experience (including proficiency) for appointment as an Independent Director of the Company and the Board considers that, given his professional background, experience and contributions made by him during his tenure, the continued association of Dr. Shumeet Banerji would be beneficial to the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that:

- they meet the criteria of independence prescribed under the Act and the Listing Regulations; and
- they have registered their names in the Independent Directors' Databank.

The Company has devised, *inter alia*, the following policies viz.:

- Policy for selection of Directors and determining Directors' independence; and
- Remuneration Policy for Directors, Key Managerial Personnel and other employees.

The aforesaid policies are available on the Company's website and can be accessed at

<http://www.ril.com/DownloadFiles/IRStatutorv/Policy-for-Selection-of-Directors.pdf> and

<https://www.ril.com/DownloadFiles/IRStatutorv/Remuneration-Policv-for-Directors.pdf>

The Policy for selection of Directors and determining Directors' independence sets out the guiding principles for the HRNR Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, while considering their appointment as Independent Directors of the Company. The Policy also provides for the factors in evaluating the suitability of individual Board members with diverse background and experience that are relevant for the Company's operations. There has been no change in the policy during the current year.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements. The remuneration policy is in consonance with existing industry practice. There has been no change in the policy during the current year.

### Performance Evaluation

The Company has a policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-Executive Directors and Executive Directors.

In accordance with the manner of evaluation specified by the HRNR Committee, the Board carried out annual performance evaluation of the Board, its Committees and Individual Directors. The Independent Directors carried out annual performance evaluation of the Chairperson, the non-independent directors and the Board as a whole. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on the report of evaluation received from the respective Committees. A consolidated report was shared with the Chairman of the Board for his review and giving feedback to each Director.

## Employees' Stock Option Schemes

The Employee Stock Option Scheme – 2006 (“**ESOS-2006**”) was withdrawn during financial year 2017-18. However, options granted under ESOS-2006, but pending to be exercised, continue to be governed by ESOS-2006. The HRNR Committee, through RIL ESOS 2017 Trust *inter alia* administers and monitors Reliance Industries Limited Employees' Stock Option Scheme 2017 (“**ESOS-2017**”) of the Company.

The above Schemes are in line with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SBEB Regulations”). The Company has obtained certificates from the Auditors of the Company stating that the Schemes have been implemented in accordance with the SBEB Regulations and the resolutions passed by the members. The certificates are available for inspection by members in electronic mode. The details as required to be disclosed under the SBEB Regulations can be accessed at

<https://www.ril.com/DownloadFiles/IRStatutory/ESOS-2006-Disclosure-2020-21.pdf>

and

<https://www.ril.com/DownloadFiles/IRStatutory/ESOS-2017-Disclosure-2020-21.pdf>

## Auditors and Auditors' Report

### Auditors

S R B C & CO LLP, Chartered Accountants and D T S & Associates

LLP (formerly known as D T S & Associates), Chartered Accountants were appointed as Auditors of the Company for a term of 5 (five) consecutive years, at the annual general meeting held on July 21, 2017. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

### Cost Auditors

The Board has appointed the following Cost Accountants as Cost Auditors for conducting the audit of cost records of products and services of the Company for various segments for the financial year 2021-22 under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014:

- i. Textiles Business – Kiran J. Mehta & Co;
- ii. Chemicals Business – Diwanji & Co., K.G. Goyal & Associates, V.J. Talati & Co., Suresh D. Shenoy, Shome & Banerjee and Dilip M. Malkar & Co.;
- iii. Polyester Business – V.J. Talati & Co., Suresh D. Shenoy, V. Kumar & Associates and K.G. Goyal & Associates;
- iv. Electricity Generation – Diwanji & Co. and Kiran J. Mehta & Co.;
- v. Petroleum Business – Suresh D. Shenoy;
- vi. Oil & Gas Business – V.J. Talati & Co. and Shome & Banerjee;
- vii. Gasification – Suresh D. Shenoy; and
- viii. Composite Solution – Kiran J. Mehta & Co.

Shome & Banerjee, Cost Accountants, have been nominated as the Company's Lead Cost Auditors.

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost records.

### Secretarial Auditor

The Board had appointed Dr. K.R. Chandratre, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2020-21. The

Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith and marked as **Annexure IV** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

## Disclosures

### Meetings of the Board

Eight Meetings of the Board of Directors were held during the year. The particulars of the meetings held and attended by each Director are detailed in the Corporate Governance Report.

### Audit Committee

The Audit Committee comprises Shri Yogendra P. Trivedi (Chairman), Dr. Raghunath A. Mashelkar, Shri Adil Zainulbhai, Shri Raminder Singh Gujral and Shri K. V. Chowdary. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

### Corporate Social Responsibility and Governance Committee

The Corporate Social Responsibility and Governance Committee comprises Shri Yogendra P. Trivedi (Chairman), Shri Nikhil R. Meswani, Dr. Raghunath A. Mashelkar and Dr. Shumeet Banerji.

### Human Resources, Nomination and Remuneration Committee

The Human Resources, Nomination and Remuneration Committee comprises Shri Adil Zainulbhai (Chairman), Shri Yogendra P. Trivedi, Dr. Raghunath A. Mashelkar, Shri Raminder Singh Gujral, Dr. Shumeet Banerji and Shri K. V. Chowdary.

### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises Shri Yogendra P. Trivedi (Chairman), Smt Arundhati Bhattacharya, Shri K. V. Chowdary, Shri Nikhil R. Meswani and Shri Hital R. Meswani.

Details of composition of other committees are given in the Corporate Governance Section of the Annual Report.

### Vigil Mechanism

The Company has established a robust Vigil Mechanism and a Whistle-blower policy in accordance with the

## Board's Report

provisions of the Act and the Listing Regulations. An Ethics and Compliance Task Force (ECTF) comprising an Executive Director, General Counsel, Group Controller and Group Company Secretary has been established which oversees and monitors the implementation of ethical business practices in the Company. The task force reviews complaints and incidents on a quarterly basis and reports them to the Audit Committee.

Employees and other stakeholders are required to report actual or suspected violations of applicable laws and regulations and the Code of Conduct. Such genuine concerns (termed Reportable Matter) disclosed as per Policy are called "Protected Disclosures" and can be raised by a Whistle-blower through an e-mail or dedicated telephone line or a letter to the ECTF or to the Chairman of the Audit Committee. The Vigil Mechanism and Whistle-blower policy is available on the Company's website and can be accessed at

<https://www.ril.com/DownloadFiles/IRStatutory/Vigil-Mechanism-and-Whistle-Blower-Policy.pdf>

### Prevention of Sexual Harassment at Workplace

In accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has in place a policy which mandates no tolerance against any conduct amounting to sexual harassment of women at workplace. The Company has constituted Internal Committee(s) (ICs) to redress and resolve any complaints arising under the POSH Act. Training/awareness programs are conducted throughout the year to create sensitivity towards ensuring respectable workplace.

### Particulars of loans given, investments made, guarantees given and securities provided

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security provided is proposed to be utilised by the recipient are provided in the Standalone Financial Statement

(Refer Note 2, 3, 6, 9, 33 and 39 to the Standalone Financial Statement).

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure V** to this Report.

### Annual Return

The Annual Return of the Company as on March 31, 2021 is available on the Company's website and can be accessed at <https://www.ril.com/DownloadFiles/IRStatutory/Annual-Return-2020-21.pdf>

### Particulars of Employees and Related Disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report.

Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may address their email to [rilagm@ril.com](mailto:rilagm@ril.com)

### General

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Schemes referred to in this Report.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.
- There has been no change in the nature of business of the Company.
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of one-time settlement with any Bank or Financial Institution.

### Acknowledgement

The Board of Directors wish to place on record its deep sense of appreciation for the committed services by all the employees of the Company. The Board of Directors would also like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government and regulatory authorities, stock exchanges, customers, vendors, members, debenture holders and debenture trustee during the year under review.

For and on behalf of the Board of Directors

**Mukesh D. Ambani**  
Chairman and Managing Director

April 30, 2021

## Annexure I

### Dividend Distribution Policy

The Board of Directors (the "Board") of Reliance Industries Limited (the "Company") at its meeting held on April 24, 2017 had adopted this Dividend Distribution Policy (the "Policy") as required by Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

#### Objective

The objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

The Company has had an uninterrupted dividend payout since listing. In future, the Company would endeavour to pay sustainable dividend keeping in view the Company's policy of meeting the long-term growth objectives from internal cash accruals.

#### Circumstances under which the shareholders may or may not expect dividend

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. The Board of Directors, while determining the dividend to be declared or recommended, shall take into consideration the advice of the executive management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to

conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

#### Parameters to be considered before recommending dividend

The Board of Directors of the Company shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

- Profits earned during the financial year
- Retained Earnings
- Earnings outlook for next three to five years
- Expected future capital / liquidity requirements
- Any other relevant factors and material events.

The Board of Directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- Macro-economic environment – Significant changes in Macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates
- Regulatory changes – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged
- Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged.

### Utilisation of Retained Earnings

The Company shall endeavour to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The Company may utilise the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

#### Parameters that shall be adopted with regard to various classes of shares

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

#### Conflict in Policy

In the event of any conflict between this Policy and the provisions contained in the Listing Regulations, the Regulations shall prevail.

#### Amendments

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and Listing Regulations or as deemed fit on a review.

For and on behalf of the  
Board of Directors

#### Mukesh D. Ambani

Chairman and Managing Director

April 30, 2021