

Mumbai, 7 May 2010

## **Statement from Reliance Industries**

The Hon'ble Supreme Court of India has delivered its judgment today in the RNRL-RIL legal dispute.

The judgment recognizes the dominant role of the provisions of the Production Sharing Contract and has upheld the policies formulated by the Government under which it has the authority to regulate the production and distribution of natural gas. The judgment has defined the extent of marketing freedom that RIL enjoys in the area of sale of natural gas produced. In view of the findings of the judgment, RIL can sell gas only at the price approved by the Government and only to the entities who have been allocated gas under the Gas Utilisation Policy. RIL has no ability to deviate from price, quantity and tenure as determined under Government's policies, or to discriminate amongst various consumers.

The judgment of the Hon'ble Supreme Court has set at rest numerous issues which had been raised in relation to the gas discovered and produced by RIL from the KG D6 field. RIL sincerely hopes that the clarity of findings of the judgment brings to a permanent closure the incessant distortion of facts and malicious allegations which were being leveled against the Government's policies of regulating and developing the natural gas sector for the greater good of the people of India and in the interest of nation's energy security.

RIL will renegotiate the gas supply agreements with RNRL in the manner and within the timeframe stipulated by the Hon'ble Supreme Court.

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**Registered Office:**  
Maker Chambers IV  
3rd Floor, 222, Nariman Point  
Mumbai 400 021, India

Corporate Communications  
Maker Chambers IV  
9th Floor, Nariman Point  
Mumbai 400 021, India

Telephone : (+91 22) 22785000  
Telefax : (+91 22) 22785185  
Internet : [www.ril.com](http://www.ril.com)

## Media Release

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The Hon'ble Supreme Court has, inter-alia, held that:

1. MoU amongst the family of the promoters does not bind the corporate entity RIL.
2. The terms of the PSC shall have an over-riding effect;
3. The parties must restrict their negotiations within the conditions of the Government policy, as reflected *inter alia* by the Gas Utilization Policy and EGoM decisions.

While the MoU may be kept in mind during the process of renegotiation, it is clearly held that the MoU is not binding.

RIL has always held that it is bound by the provisions of the PSC and everything else would be subservient to this overriding agreement with the sovereign. The Supreme Court has unambiguously upheld this consistent stand of RIL.

RIL would like to assure all its shareholders that it remains committed to creating value for both shareholders and the nation. We are proud to state that even during this phase, RIL made investments of over Rs 40,000 crore and created the world-class KG D6 asset that India can be truly proud of. This shows our abiding commitment to creation of strategic assets for the country and value for our shareholders even in adversity.

RIL wishes to place on record its high appreciation for the efforts and dedication of thousands of its professionals who have exceeded all expectations and overcome all obstacles in creating a world class facility at KG D6.

Today we re-dedicate ourselves to our core philosophy of making an even more weighty contribution to India's energy security in the years to come. We keenly realize that adequate availability of energy is a pre-condition for India to achieve double-digit GDP growth along with equity and large-scale employment creation. RIL will now work towards setting and reaching ambitious new targets in its energy business to create wealth for the nation and for its shareholders.

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As we look forward with renewed vigor, we thank our shareholders and well-wishers for having stood by us through the challenging years.

### **About Reliance Industries Limited**

Reliance Industries Limited (RIL) is India's largest private sector company on all major financial parameters with a turnover of Rs. 2,00,400 crore (US\$ 44.6 billion), cash profit of Rs. 27,933 crore (US\$ 6.2 billion), net profit of Rs. 16,236 crore (US\$ 3.6 billion) and net worth of Rs. 1,37,171 crore (US\$ 30.6 billion) as of March 31, 2010.

RIL is the first private sector company from India to feature in the Fortune Global 500 list of 'World's Largest Corporations' and ranks 117th amongst the world's Top 200 companies in terms of profits. RIL ranks 75th in the Financial Times FT Global 500 list of the world's largest companies. RIL is rated as the 15th 'Most Innovative Company' in the World in a survey conducted by the US financial publication-Business Week in collaboration with the Boston Consulting Group.

### **Key Contacts:**

Manoj Warriar  
Neucom Consulting  
+ 91 98214 14954  
Email: [manoj.warrier@neucomconsulting.com](mailto:manoj.warrier@neucomconsulting.com)

Tushar Pania  
Reliance Industries Limited  
+ 91 98200 88536  
Email: [tushar.pania@ril.com](mailto:tushar.pania@ril.com)

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