

## **Reliance Bonus Bonanza: Value Creation through Continued Growth**

*Reliance Industries Limited proposed a bonus issue of one share for every equity share held while maintaining the dividend at Rs. 13 per share in a bid to reward shareholders as the company completed a major cycle of value creation. Continuing its trend of growth in the last few years*

Mumbai, Maharashtra, October 9, 2009 /[India PRwire](#)/ -- Reliance Industries Limited, India's largest private company, has decided to issue bonus shares after a gap of twelve years reinforcing management's confidence in the company's future prospects and its ability to service the enhanced capital.

Post the announcement and with future in perspective, Mr. Mukesh Ambani, CMD, Reliance Industries Limited, said on 8th October 2009, "We will (continue) focusing on our existing sectors. We will look at filling societal gaps, at providing expertise and management and creating business models. We are looking at both organic and inorganic growth."

Reliance's announcement of a 1:1 bonus, which caught the markets by surprise, is intended to reward shareholders as the company completes a major cycle of value creation. A day after the announcement, a visibly relaxed and confident Mukesh Ambani emphasized that RIL had a long tradition of leaving something on the table for its shareholders. "We have gone through cycles of value creation at RIL. We have created an SEZ refinery which has added significantly to India's exports and has proved that despite having no oil, we can still import the input and using complex technology export products (which are) competitive. The other piece was deepwater gas, where the world average from concept to production is 10 years. We have done this in a shorter period, and have strengthened the Indian economy," Mr. Ambani said.

On 7th October 2009, Reliance Industries Limited proposed a bonus issue of one share for every equity share held while maintaining the dividend at Rs. 13 per share. The board has also considered dividend on the shares issued to the shareholders of erstwhile Reliance Petroleum. The amount required for the proposed dividend will be Rs. 2,219 crore, including dividend distribution tax of Rs.322 crore. The bonus declaration was accompanied by the restated results for the year ended March 31, 2009, to reflect the absorption of Reliance Petroleum unit effective April 1, 2008.

As a testament to its continued growth, during the past four years, in the period of significantly higher capital costs, shortage of financial capital globally and constrained resources for large scale projects, Reliance has commissioned two of its largest global scale projects in the energy sector. The commissioning and successful implementation of these projects has created several milestones in Reliance's corporate history.

Now, Reliance is ready to invest for the future. It has a strong Balance Sheet, large cash reserves and substantial financial flexibility owing to its Treasury Stock holding which have a current value of nearly Rs. 40,000 crore. It also has operating experience and project execution skills at par with global energy majors. Reliance has built new businesses and invested in globally competitive capacity consistently to create value for all its stakeholders. Commenting on above, Mukesh Ambani, Chairman stated "We had committed to reward our shareholders on successful completion of our two world class projects. I am really delighted to share with you the excitement we all have in flawless execution of the upstream project which has been recognized globally as a defining accomplishment. Our refinery project has also set new benchmarks and made Reliance the operator of the largest refinery site anywhere in the world. These are achievements that we should all have pride in and are milestones in our journey of creating value for our shareholders".

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