
Reliance Industries Limited

Annual Report 1991-92

**Board of
Directors**

Dhirubhai H. Ambani

Chairman & Managing Director

Mukesh D. Ambani

Vice Chairman

Ramniklal H. Ambani

Joint Managing Director

Anil D. Ambani

Joint Managing Director

Natvarlal H. Ambani

Executive Director

Mansingh L. Bhakta

T. Ramesh U. Pai

Suresh S. Betrabet

Nominee Director-ICICI

Bhogilal D. Shah

Nominee Director-GIC

Nikhil R. Meswani

Executive Director

Yogendra P. Trivedi

Vinod M. Ambani

Solicitors & Kanga & Co.

Rajendra & Co.

Chaturvedi & Shah

Bankers Syndicate Bank

State Bank of India

Bank of Baroda

Canara Bank

Indian Bank

Oriental Bank of Commerce

Vijaya Bank

Central Bank of India

Punjab National Bank

Allahabad Bank

3rd Floor, Maker Chambers IV,

222, Nariman Point,

Bombay 400 021

**Secretary
Solicitors &
Advocates**

Auditors

Bankers

Registered Office

**Nineteenth
Annual Report
1991-92**

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PLANTS

- 1. Petrochemical & Fibres Complex**
Patalganga, Off Bombay - Pune Road,
Near Panvel, Dist. Raigad,
Maharashtra - 410 207
- 2. Petrochemical and Plastics Complex**
Village Mora, P.O. Bhattha, Surat-Hazira Road
Surat, Gujarat - 394 510
- 3. Yarn and Textiles Complex**
103/106, Naroda Industrial Estate,
Naroda, Ahmedabad, Gujarat - 382 330

SUBSIDIARY COMPANIES

1. Devti Fabrics Limited
3rd Floor, Maker Chambers IV,
222, Nariman Point, Bombay 400 021
2. Trishna Investments & Leasings Limited
3rd Floor, Maker Chambers IV,
222, Nariman Point, Bombay 400 021
3. Reliance Europe Limited
Devonshire House, 148 Bishopsgate
London EC2M 4JX
4. Redwood Investments Private Limited
3rd Floor, Maker Chambers IV,
222, Nariman Point, Bombay 400 021
5. Reliance Petroproducts Limited
201/202 Lalita Complex
352/3 Raisala Road, Navrangpura
Ahmedabad 380 009

REGISTRARS & TRANSFER AGENTS

Reliance Consultancy Services Limited
56, Mogra Village Lane, Off Old Nagardas Road
Andheri (East). Bombay 400 069

Financial

Reliance

	1991-92	1990-91
SALES & EARNINGS	Rs.	Rs.
Sales	2298.02	2098.34
Other Income	42.15	6.55
(A)	2340.17	2104.89
Manufacturing & Other Expenses (B)	1765.56	1617.87
Gross Profit (A-B) (C)	574.61	487.02
Interest	218.65	187.05
Depreciation	192.64	174.42
(D)	411.29	361.47
Net profit (C-D) (E)	163.32	125.55
WHAT THE COMPANY OWNED		
Fixed Assets		
Gross Block	4314.33	2186.42
Less: Depreciation (Cumulative)	976.22	703.85
Net Block	3338.11	1482.57
Investments	61.95	69.53
Current Assets	1480.15	1160.22
	4880.21	2712.32
WHAT THE COMPANY OWED		
Long Term Funds	1794.15	708.96
Medium/ Short Term Funds	176.24	131.26
Current Liabilities and Provisions	966.20	718.65
	2936.59	1558.87
NET WORTH OF THE COMPANY		
Equity Share Capital	227.08	152.12
Preference Share Capital	5.80	5.80
Reserves and Surplus	1710.74	955.53
	1943.62	1153.45
Earnings per Equity Share* (Rupees)	10.26	8.20
Cash Earnings per Equity Share* (Rupees)	22.42	19.66
Net worth per Equity Share (Rupees)	85.34	75.44
Debt: Equity Ratio	**0.92:1	0.61:1
Number of Investors (in lakhs)	0.38	24
Number of Employees	11935	11666
* Annualised and based on weighted average Equity Share outstanding.		
** After merger of RPL with the Company.		

Highlights

(Rs. in crores) **Reliance**

1989-90 (9 months)	1988-89 (18 months)	1987-88	1986	1985	1984
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1840.66	1112.45	1770.74	905.48	733.14	622.01
15.64	7.88	7.45	5.73	4.94	7.11
1856.30	1120.33	1778.19	911.21	738.08	629.12
1432.10	862.58	1495.27	781.82	604.83	511.23
424.20	257.75	282.92	129.39	133.25	117.89
171.73	91.58	110.74	54.24	24.45	22.61
161.97	86.80	91.41	60.98	37.46	34.18
333.70	178.38	202.15	115.22	61.91	56.79
90.50	79.37	80.77	14.17	71.34	61.10
1998.79	1871.76	1862.66	1137.55	735.68	530.93
529.78	368.98	278.58	188.09	128.88	104.65
1469.01	1502.78	1584.08	949.46	606.80	426.28
58.05	58.50	1.25	0.37	37.30	0.17
1026.26	849.46	607.83	1052.83	402.10	235.41
2553.32	2410.74	2193.16	2002.66	1046.20	661.86
595.89	579.44	609.82	546.12	515.16	276.96
219.50	195.11	103.83	143.78	81.90	44.83
650.95	564.88	457.39	1001.23	138.02	93.68
1466.34	1339.43	1171.04	1691.31	735.08	415.47
152.12	152.11	152.10	51.61	51.61	46.18
5.80	5.80	5.80	5.80	5.80	5.80
929.06	913.40	864.22	254.12	253.71	194.41
1086.98	1071.31	1022.12	311.53	311.12	246.39
5.89	6.91	5.19	2.58	14.16	15.62
16.54	14.52	11.21	14.39	21.69	24.47
71.07	70.05	66.82	59.24	59.16	52.10
0.55	0.54:1	0.60:1	1.75:1	1.66:1	1.12:1
26	31	31	18	17	15
11355	10983	10697	9376	9066	8914

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of RELIANCE INDUSTRIES LIMITED will be held on Thursday, the 10th December, 1992 at 10.30 a.m. at Bhaidas Maganlal Sabhagriha, U-1 Juhu Development Scheme, Vile Parle (W), Bombay 400 056, to transact the following business:

ORDINARY BUSINESS:

- 01 To consider and adopt the Balance Sheet as at 31st March, 1992, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 02 To declare dividend on Preference and Equity Shares.
- 03 To appoint a Director in place of Shri N.H. Ambani who retires by rotation and being eligible, offers himself for re-appointment.
- 04 To appoint a Director in place of Shri M.L. Bhakta who retires by rotation and being eligible, offers himself for re-appointment.
- 05 To appoint a Director in place of Shri N.R. Meswani who retires by rotation and being eligible, offers himself for re-appointment.
- 06 To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration and in this regard to consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution: "RESOLVED THAT M/s. Rajendra & Co., Chartered Accountants, M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Rajagopalan & Co., Chartered Accountants, be and are hereby appointed Auditors of the Company for holding the office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors exclusive of travelling and other out of pocket expenses."

SPECIAL BUSINESS:

- 07 To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution: "RESOLVED THAT Shri Y.P. Trivedi, who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
- 08 To consider and, if thought fit, to pass, with or without modifications the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the re-appointment of Shri Nikhil R. Meswani, as a Wholtime Director of the Company, designated as Executive Director, for a period of 5 (five) years effective 1st July, 1993, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Nikhil R. Meswani, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and /or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act 1956 or any amendments thereto as may be agreed to between the Board of Directors and Shri Nikhil R. Meswani or as may be varied by the general meeting;
RESOLVED FURTHER THAT in the event of loss or inadequacy of

profits in any financial year of the Company during the term of his office, the salary of Shri Nikhil R. Meswani be reduced by 10% and he shall be entitled to all other benefits and perquisites;

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

09. To consider and, if thought fit, to pass, with or without modification the following resolution as an **Ordinary Resolution:**
"RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting of the Company held on 18th October 1991, the Board of Directors be and is hereby authorised, in accordance with Section 293(1)(d) of the Companies Act, 1956 and the Articles of Association of the Company, to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) by a sum not exceeding Rs.3,000 crores and that the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may think fit."
 10. To consider and, if thought fit, to pass, with or without modification the following resolution as an **Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and all other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby granted to the Board of Directors of the Company, to create mortgages/charges in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board of Directors may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company, together with the power to takeover the management of the business and concern of the Company in certain events of default, to or in favour of the following:
 - (a) The Industrial Credit and Investment Corporation of India Ltd., to secure the Foreign Currency Loan of US\$ 10,500,000 equivalent to Rs.2723 lacs; and
 - (b) The Industrial Development Bank of India, to secure the Foreign Currency Loan of US\$ 10,500,000 equivalent to Rs.2723 lacs;
together with interest at the respective agreed rates, additional interest, liquidated damages, commitment charges, premia on prepayment, costs, charges, expenses including any increase as a result of devaluation/ revaluation/fluctuation in the rates of exchange and all other monies payable by the Company to the Industrial Credit and Investment Corporation of India Limited and Industrial Development Bank of India in terms of their respective Loan Agreement/Heads of Agreement or any other document, entered into/to be entered into by the Company, in respect of the said loans/borrowings.
- RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the said Lenders, documents for creating aforesaid mortgages and/or charges and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution."
11. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**
"RESOLVED THAT in accordance with the provisions of Section

372 and all other applicable provisions of the Companies Act, 1956, and subject to the approval of the Central Government, where required, the Board of Directors of the Company be and is hereby authorised to acquire from time to time by way of subscription, purchase or otherwise, shares of any body/bodies corporate, (existing or which may be promoted) whether under the same management or not upto a limit of 50% of the aggregate of the subscribed capital of the Company and its free reserves, notwithstanding that such investment or investments, together with the existing investments of the Company and of its subsidiaries, in all other bodies corporate, -may exceed all or any of the percentages prescribed by the Government and as may be prescribed hereafter from time to time, under the provisions of Section 372(2) of the Companies Act, 1956 and the provisos thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the actual sum or sums to be so invested and to decide all or any other matter arising out of or incidental to the proposed investments and to do all such acts and things as may be necessary to implement this resolution."

12. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the resolution passed at the adjourned 16th Annual General Meeting of the Company held on 13th November, 1990 and subject to the provisions of Section 370 and all other applicable provisions of the Companies Act, 1956 and subject to the approval of the Financial Institutions, if necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to give any guarantee/ guarantee(s) and/or provide any security from time to time in connection with any loan or loans made by any other person to, or to any other person by any bodies corporate, provided that the aggregate of the guarantees so given, or securities so provided shall not, at any time, exceed in the aggregate 30% of the aggregate of the subscribed Capital and free reserves of the Company."

13. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956 and the enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of the Financial Institutions (FIs), Securities & Exchange Board of India (SEBI) and all other concerned authorities, if any, and to the extent necessary and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them in granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company at its sole discretion, consent of the Company be and is hereby accorded to the Board of Directors to issue/offering Non Convertible Secured Redeemable Debentures with or without detachable or non detachable warrant(s) carrying such rate of interest and face value as may be fixed by the Board of Directors aggregating Rs. 300 crores (Rupees three hundred crores) for cash at par by way of Rights and/or Private Placement, to the Financial Institutions/Mutual Funds/Banks and others as the Board of Directors may in its sole discretion think fit; Provided that the detachable warrant(s) to be attached to the Debenture Certificate(s) will entitle the holder of such debentures as on a date to be hereafter fixed by the Board to apply during a period to be hereafter decided by the Board, such number of equity share(s) per warrant at a price to be determined by the Board before the subject offer is made and to call upon all the Warrant holders to exercise their said entitlement to apply for such number of equity shares per warrant within such period and in such manner as may be decided by the Board and if

such entitlement as to Equity Shares attached to the warrant is not exercised within such specified period, the Board will be entitled to deal with the same as it may, in its sole discretion, deem fit and most beneficial to the Company;

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its sole discretion, deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in giving effect to this resolution."

14. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 293(1)(a) and all other applicable provisions, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors to mortgage and/or charge in addition to the mortgages/charges created/to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board of Directors may determine, all or any of the moveable and/or immoveable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default in favour of the Agents and Trustees/Trustees for securing the Debentures referred to at Item No.13 of the Notice, together with interest, further interest thereof, compound interest in case of default, accumulated interest, remuneration of the Trustees, premium, if any, on redemption and all other costs, charges and expenses payable by the Company in terms of the Trust Deed to be finalised and executed between the Company and the Agents and Trustees/ Trustees and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors and the Trustees;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise such documents for creating the aforesaid mortgages and/or charges and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution."

15. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 81 and all other applicable provisions, of the Companies Act, 1956, and enabling provisions in the Memorandum and Articles of Association of the Company and the listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of the Financial Institutions (FIs) Securities & Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities and departments, if any, and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by any of them in granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or duly authorised Committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board to issue/offering Equity Shares/Convertible Debentures, fully or partly, and/or non-convertible debentures with or without detachable or non-detachable warrants, Secured Premium Notes and/or other financial instruments (hereinafter for brevity's sake referred to as "Securities") as the Board at its sole discretion may at any time hereafter decide which securities when issued or allotted would ultimately result in an increase in the paid up equity share capital of the Company, by an amount not exceeding Rs. 60 crores, to the members, debentureholders,

employees, non-resident Indians, overseas bodies corporates (OBCs), foreign institutional investors (FIIs), companies, other entities and to such other persons, through public issue, rights issue, private placement or preferential allotment or conversion of term loans at the option of the term lenders or by any one or more or a combination of the above modes/methods or otherwise and at such time or times and in one or more branches, as the Board or Committee thereof may in its absolute discretion think fit, in consultation with the lead managers, underwriters or otherwise, and on such terms and conditions including the number of Equity Shares and/or Debentures to be issued, the face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the number of equity shares to be allotted on redemption/conversion, the ratio, period of conversion, fixing of record date or book closure, provided that the issue price of the equity shares to be issued on conversion of debentures or upon exercising the rights of entitlement attached to the warrants or on conversion of term loan(s), shall be at a price not exceeding Rs. 250 per equity share; Provided further that the increase in the paid up equity share capital as aforesaid, shall be in addition to the increase in the paid up share capital which will take place in respect of securities already issued/committed to be issued by the Company and approved by the members earlier.

RESOLVED FURTHER THAT such of these securities to be issued, as are not subscribed may be disposed of by the Board/ Committee thereof in its absolute discretion, in such manner and/ or on such terms as it may deem fit, including offering or placing them with Banks/Financial Institutions/Investment Institutions/ Mutual Funds or otherwise as the Board or Committee thereof may in its absolute discretion deem fit and proper.

RESOLVED FURTHER THAT the consent of the Company be and is hereby also granted in terms of Section 293(1)(a) and all other applicable provisions of the Companies Act, 1956, to the Board of Directors to mortgage and/or charge, in addition to the mortgages/ charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, all or any of the moveable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default in favour of the Agents and Trustees/Trustees for securing the Securities (if they compromise fully/partly Convertible Debentures and/or Non Convertible Debentures with or without detachable or non-detachable Warrants or secured premium notes or other debt instruments) referred to herein together with interest, further interest thereon, compound interest in case of default, accumulated interest, remuneration of the Trustees, premium (if any) on redemption, all other costs, charges and expenses payable by the Company in terms of the Trust Deed to be finalised and executed between the Company and the Agents and Trustees/Trustees and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Trustees;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/ issue, allotment and utilisation of the proceeds of issue of the securities towards the Company's projects/other corporate needs and finalise such documents for creating mortgages/charges as it may deem fit."

16. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 293(1)(e) and all other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors to contribute to any institute, body, trust, society, association or person, funds for any charitable or other purposes, not directly relating to the business of the Company or the welfare of the employees, upto an amount not exceeding Rs.5 (five) crores per annum, notwithstanding that the said amount may exceed the limits laid down in Section 293(1)(e) of the Companies Act, 1956.

By Order of the Board of Directors

Rohit C. Shah
Joint Secretary

Registered Office:

3rd Floor, Maker Chambers IV,
222, Nariman Point, Bombay 400 021.
Dated: 29th September, 1992

NOTES :

- 01 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- 02 The Explanatory Statement setting out material facts, in respect of the business under item No.6 to 16 is annexed hereto.
- 03 All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.
- 04 Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
- 05 The Register of Members shall remain closed from Friday, the 16th October, 1992 to Saturday, the 24th October, 1992, both days inclusive.
- 06 The Dividend when sanctioned, will be made payable on or after 10th December, 1992 to those Shareholders, whose name(s) will appear as Member in the Books of the Company on 24th October, 1992.
- 07 Shareholders seeking any information with regard to accounts are requested to write to the Company early so as to enable the Management to keep the information ready.
- 08 In view of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 as amended, only the Directors' Report (except information under Section 217(2A) of the Companies Act, 1956), Auditors' Report and Statement containing salient features of Balance Sheet and Profit and Loss Account are enclosed. However, any member of the Company will, on demand, be furnished free of cost with a copy of the Balance Sheet of the Company along with every other document required by law to be annexed or attached thereto.
- 09 The Company has already transferred, unclaimed dividend declared for the financial year ended 30th June, 1988 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those Shareholders who have so far not claimed their dividend for the said

financial year may claim their dividend from the Registrar of Companies, Maharashtra, Bombay, by submitting application in the prescribed form. The Unpaid Dividends that are due for transfer to Central Government are as follows:

For the Financial Year	Date of Dividend	Due for Transfer
1988-89	30.09.1989	18.11.1992
1989-90	13.11.1990	01.01.1994
1990-91	18.10.1991	06.12.1994

Members who have not encashed their Dividend Warrants, may approach the Company's Registrar & Transfer Agents Reliance Consultancy Services Limited at 56, Mogra Village Lane, Off Old Nagardas Road Andheri (E), Bombay 400 069, for obtaining duplicate Dividend Warrants.

- 10 Members are requested to inform the Company or its Registrars and Transfer Agents, Andheri, Income Tax Permanent Account Number (PAN), if any, allotted to them by the Income Tax Authorities and the designation, designation and address of the Income Tax Authority by whom their income is assessed or assessable in case the same is not submitted to the Company as such particulars are statutorily required to be stated in the Tax Deduction Certificate issued to the Shareholders.

EXPLANATORY STATEMENT:

The Explanatory statement for item Nos. 6 to 16 set out hereinabove is as under:

Item No.6

The assets of the Company have risen to about Rs.4880 crores as on 31st March, 1992. The Company has three main manufacturing complexes - one at Patalganga, producing Fibres, Petrochemical products, Fibre intermediates and Detergent intermediates, second at Naroda, producing Synthetic textiles; and third at Hazira, manufacturing Plastics and Petrochemical products. It has already begun building an NGL/Naptha Cracker at Hazira to be integrated with the Petrochemical Plants at Hazira. The multiple products being manufactured at several locations will substantially increase the activities and operations of the Company. Keeping in view the foregoing, it is proposed to appoint an additional Auditor as Joint Auditor to conduct statutory audit, who shall hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting subject to requisite approval being obtained from the Shareholders at the Annual General Meeting. The Directors commend the Resolution for your approval. None of the Directors of the Company is, in any way, concerned or interested in the said Resolution.

Item No.7

Shri Y.P. Trivedi was appointed as an Additional Director of the Company with effect from 16th April, 1992. Pursuant to Section 260 of the Companies Act, 1956, Shri Y.P. Trivedi will hold office of Director upto the date of the ensuing Annual General

Meeting. The Company has received a Notice in writing from a member (along with the deposit of Rs. 500/-) proposing the candidature of Shri Y.P. Trivedi for the office of Director under the provisions of Section 257 of the Companies Act, 1956. Shri Y.P. Trivedi is an Advocate of the Supreme Court and an eminent Tax Consultant. In view of his considerable experience, in the opinion of the Directors, it will be in the interest of the Company that Shri Y.P. Trivedi be appointed as a Director of the Company. The Directors commend the resolution for your approval. Other than Shri Y.P. Trivedi, none of the other Directors of the Company is, in any way, concerned or interested in this resolution.

Item No.8

The Board of Directors seek approval of the Shareholders for the reappointment of Shri Nikhil R. Meswani as a Wholetime Director, designated as an Executive Director for a period of five years from 1st July, 1993.

The draft Agreement to be entered into by the Company with Shri Nikhil R. Meswani, in respect of his re-appointment as Wholetime Director, inter alia, contains the following terms and conditions:

- I. Salary:** Rs. 8,000 per month (in the grade of Rs. 8,000 1,000-12,000)
- II. Commission:** 1% commission on the net profits of the Company computed in the manner laid down in section 309(5) of the Companies Act, 1956, subject to a ceiling of 50% of the annual salary or Rs.90,000 per annum whichever is less;
- III. Perquisites:** Perquisites shall be allowed, in addition to salary and/or commission or both. Perquisites shall be restricted to an amount equal to the annual salary or Rs.1,35,000/- per annum whichever is less. Perquisites are classified into three categories, Part A, B and C as under:

PART A:

(i) Housing:

- (a) The expenditure by the Company on hiring unfurnished accommodation will be subject to the following ceilings: Bombay, Calcutta, Delhi and Madras: 60% of the salary, over and above 10% payable by the Wholetime Director. Other places: 50% of the salary, over and above 10% payable by the Wholetime Director.
- (b) If the Company does not provide accommodation to the Wholetime Director, House Rent Allowance will be paid by the Company to the Wholetime Director as above.
- (c) If accommodation in the Company owned house is provided, the Wholetime Director shall pay by way of rent 10% of the salary to the Company.

Explanation: The expenditure incurred by the Company on gas, electricity and water and furnishings shall be valued as per Income Tax Rules, 1962. These shall, however, be subject to a ceiling of 10% of the salary of the Wholetime Director.

- (ii) Medical reimbursement:** Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
 - (iii) Leave travel Concession:** Leave travel concession for self and family once in a year incurred in accordance with the rules of the Company.
 - (iv) Club fees:** Fees of clubs subject to a maximum of two clubs. No admission and life membership fees will be paid.
 - (v) Personal Accident Insurance:** Personal Accident Insurance of an amount, the Annual Premium of which shall not exceed Rs. 1,000/-
- Note:** For the purpose of perquisites stated in Part-A above, family means the spouse, the dependent children and dependent parents of the appointee.

PART B:

Contribution to Provident Fund and Superannuation Fund or Annuity shall not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

- (i) Company's contribution towards Provident Fund as per the rules of the Company but not exceeding 10% of the salary.
- (ii) Company's contribution towards Superannuation Fund as per the rules of the Company, but it shall not together with the Company's contribution to Provident Fund, exceed 25% of the salary.
- (iii) Gratuity payable will not exceed half a month's salary for each completed year of service, subject to a ceiling of Rs. 1,00,000.

PART C:

Provision of car for use on the Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for personal purposes shall be billed by the Company.

Reliance

Earned Leave

On full pay and allowances as per the rules of the Company but not exceeding one month's leave for every eleven months of service, subject to the further condition that leave accumulated but not availed of will not be allowed to be encashed.

In the event of loss or inadequacy of profits during the period (1st July, 1993 to 30th June, 1998), salary payable to Shri Nikhil R. Meswani shall be reduced by 10% and he shall be entitled to all other benefits and perquisites.

The terms and conditions set out for re-appointment and/or in the Agreement shall be altered and varied from time to time by the Board of Directors as it may, at its discretion, deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments made thereto.

The Agreement may be terminated by either party by giving to other party six months' notice.

Shri Nikhil R. Meswani was appointed by virtue of his employment with the Company and his appointment is subject to the provisions of Section 283(1)(i) of the Companies Act, 1956.

Shri Nikhil R. Meswani shall not be entitled to supplement his earnings under any Agreement with any buying or selling agency and shall also not be interested or concerned directly or indirectly through spouse or minor children in any Selling Agency of the Company without the prior approval of the Central Government.

The draft Agreement to be entered into between the Company and Shri Nikhil R. Meswani is available for inspection at the Registered Office of the Company on any working day excluding Saturdays, upto the date of the Annual General Meeting between 11.00 a.m. and 1.00 p.m.

The above may also be treated as an abstract of the terms of contract/agreement between the Company and Shri Nikhil R. Meswani pursuant to Section 302 of the Companies Act, 1956.

Shri Nikhil R. Meswani is concerned or interested in the resolution. None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No.9

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Public Company cannot, except with the consent of such Public Company in General Meeting, borrow monies in excess of the aggregate of the paid-up capital of the Company and its free reserves.

After the merger of Reliance Petrochemicals Limited (RPL) with the Company, all assets and rights as well as all debts and liabilities of the erstwhile RPL have been transferred to the Company, which, on the one hand, has increased its loans, on the other hand has increased its asset base to over Rs.4,880 crores. This has enhanced its credit rating and resources raising ability in the financial market and the Company is poised for further growth.

This has necessitated the restructuring of the Company's borrowing limit by authorising the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid up capital of the Company and its free reserves by a sum not exceeding Rs.3000 crores. The Directors while exercising their powers shall however observe the Debt/ Equity norms as applicable.

The Directors commend the resolution for approval.

None of the Directors of the Company is, in any way, concerned or interested in this resolution.

Item No.10

The Company has been sanctioned Foreign Currency Loans aggregating US\$ 21 Million by The Industrial Credit and Investment Corporation of India Limited and Industrial Development Bank of India, which are to be secured by a suitable charge/mortgage on

all or any of the movable and/or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors in consultation with the said Lenders.

The mortgage and/or charge by the Company of its movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company, in favour of the aforesaid Lenders, with a power to take over the management of the business and concern of the Company, in certain events of default by the Company, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 293(1)(a) of the Companies Act, 1956. Hence, it is necessary for the members to pass a resolution under the said section.

The Directors commend the resolution for your approval. None of the Directors of the Company is, in any way, concerned or interested in the resolution.

Item No. 11

The Company alongwith its Subsidiaries and Group Companies is growing at a faster pace. The Company is proposing to invest in the Equity Shares and Optionally Fully Convertible Debentures of Reliance Polypropylene Limited and Reliance Polyethylene Limited aggregating Rs. 147.50 crores and a similar investment in Shares and Debentures is proposed to be made by Messrs. C. Itoh & Co. Ltd., Japan, which occupies the number 1 position in Sales on a world wide basis at Rs.480,000 crores.

The Company has been approached by several leading international companies for establishing joint ventures. It becomes necessary for the Company to make investments in other bodies Corporate with which the Company is or may be associated in the future. It will also be advantageous if the Company invests in Shares of other Companies which are engaged in allied industries.

In accordance with the provisions of Section 372 of the Companies Act, 1956, the Company cannot make any investment in the Equity Shares of any other body/bodies corporate in excess of the percentages prescribed unless the investment is sanctioned by the Resolution by the Shareholders in General Meeting and unless previously approved by the Central Government where required. The enabling Resolution set out at item No. 11 of the Notice would empower the Board of Directors to invest its funds in the shares of other Companies as and when it deems fit.

The Directors commend the resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution.

Item No.12

As per the provisions of Section 370 of the Companies Act, 1956, the Board of Directors of a public limited company can be authorised to give any guarantee or provide any security if a special resolution is passed by the shareholders of the lending company fixing a limit for the purpose.

In the course of the Company's business, it becomes necessary for the Board of Directors from time to time to give guarantees or provide securities favouring various personal authorities including customs, excise and other Government semi Government Authorities.

In view of the increasing business operations of the Company as also of the associate companies, the Board is of the view that the limit for giving guarantees or providing securities to other bodies corporate, be increased upto a sum not exceeding 30% of the aggregate of the subscribed capital of the Company and its free reserves.

The Directors commend the resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

Item Nos.13 & 14

The Company had proposed to avail sanctioned Foreign Exchange loans aggregating US \$ 113 million (Rs. 293 crores approximately) to part finance the Cracker Project of the Company to be located at Hazira, Dist. Surat, in the State of Gujarat. Out of the aforesaid Foreign Exchange loans, the Company has availed US \$ 21 million from the Industrial Credit and Investment Corporation of India Limited (ICICI) and Industrial Development Bank of India (IDBI). Keeping in view the foreign exchange rates and fluctuation, the Company in consultation with the Financial Institutions, proposes to raise Rupee resources by issuing Non

Convertible Secured Debentures with or without detachable warrants aggregating Rs. 300 crores in substitution of the balance Foreign Currency loan to be availed by the Company in the manner set out in the resolution at No. 13 of the Notice. This will greatly enable the Company to eliminate foreign exchange risk and raise rupee resources at competitive rates.

In terms of the Listing Agreements entered into by the Company with the various Stock Exchanges where the Company's securities are listed, the Company in the first instance should offer all the securities to be issued for subscription pro rata to the equity shareholders unless the shareholders decide otherwise in a General Meeting. Further Section 81 of the Companies Act, 1956, provides, inter alia, that when it is proposed to increase the Issued Capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81, unless the shareholders in a General Meeting decide otherwise.

Since the Company proposes to issue the said Debentures with or without Warrants (entitling the Warrantholders to apply for equity shares) by private placement to the Financial Institutions/Mutual Funds/ Banks or others, consent of the Shareholders is being sought to authorise the Board of Directors to issue the securities.

It is, therefore, necessary for the members to grant approval under Section 81 of the Companies Act, 1956, and under the listing agreement to the Resolution at Item 13 of the Notice. The Debentures will be secured by a suitable mortgage/charge on all or any of the moveable any/ or immoveable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors in consultation with the Debenture Trustees.

The mortgages and/or charges by the Company of its moveable and immoveable properties and/or the whole or any part of the undertaking of the Company, in favour of the debenture trustees with a right to take over the management of the business and concern of the company in certain events of default by the Company may be regarded as disposal of the Company's undertakings within the meaning of Section 293(1)(a) of the Companies Act, 1956. It is therefore necessary for the members to pass the resolution at Item No. 14 of the Notice.

The Board commends the resolutions at Item 13 and 14, for your approval.

None of the Directors of the Company is, in any way, concerned or interested, in the said resolutions.

Item No.15

The Company is the country's largest Private Sector Industrial Company measured in terms of gross assets. The Company's strategy has been to build modern world scale plants to establish market leadership in its major products.

It has three main manufacturing complexes - **one** at Patalganga, producing Fibres, Petrochemical products, Fibre Intermediates and Detergent Intermediaries; **second** at Naroda, producing Synthetic Textiles and Yarn; and **third** at Hazira, manufacturing Plastics and Petrochemical products. It has taken effective steps to implement an NGL/Naphtha Cracker at Hazira to be integrated with the Petrochemical plants at Hazira.

Under the liberalised policy announced by the Government, globalisation, privatisation, market-led economy and competition are the hallmarks of the new economic policy. Keeping in view the foregoing and also to augment long term Working Capital requirements and other corporate needs, the Company proposes to raise finance, at appropriate time(s) as the Board may decide, by issue of Equity Shares and/or Fully/Partly Convertible Debentures and/or Non Convertible Debentures with or without Detachable/Non Detachable Warrants, secured premium notes and other Financial instruments whether by way of Rights issue to the Members, to the Debentureholders, to the Employees and/or by Private Placement and/or by Public Issue including to Non Resident Indians/ Overseas Corporate Bodies/Foreign Institutional Investors (FIIs) etc. Consent of the Shareholders is also sought to authorise the Board

of Directors for issuing Equity Shares as may be mutually agreed between the Company and Financial Institutions who at their option are agreeable to convert their term loans into Equity Shares of the Company. As the Members are aware, as part of the liberalisation in the economic policies, the Government of India has permitted free pricing of Equity Issues. The Company, in consultation with its Merchant Bankers and Financial Institutions and other Advisors, will fix the detailed terms of the issue which will be in line with the requirements of guidelines issued by the Securities & Exchange Board of India (SEBI) and as permitted by Financial Institutions.

The resolution set out in Item No.15 is an enabling resolution conferring authority on the Board to cover all contingencies and requirements. The Directors are of the view that the price at which Equity Shares will be available in case of issue of Equity Shares and the Issue of Shares on Conversion of Debentures and Shares against Equity Warrant and conversion of term loans at the option of the term lenders will not be exceeding Rs. 250 per Share, but this is only indicative.

Section 81 of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the Issued Capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 unless the Shareholders in General Meeting decide otherwise.

The Listing Agreement referred to above provides, inter alia, that the Company in the first instance should offer all the Shares and Debentures to be issued by the Company for subscription pro rata to the Equity Shareholders unless the Shareholders decide otherwise in a General Meeting. Under the said Special Resolution, consent of the Shareholders is being sought pursuant to the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the Company with the various Stock Exchanges in India where the Company's securities are listed.

The Directors commend the resolution for your approval.

The Directors of the Company may be deemed to be concerned or interested to the extent they may be entitled to or that will be offered to them on Rights/Preferential basis or otherwise and applied for and allotted to them.

Item No.16

As per the provisions of Section 293(1)(e) of the Companies Act, 1956, the Board of Directors of a public company shall not except with the consent of such public company contribute to Charitable and other funds not directly relating to the business of the Company or the welfare of its employees in excess of Rs. 50,000 or 5% of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956, during the three financial years, immediately preceding, whichever is greater.

Acknowledging the Company's increased responsibility towards social, philanthropic and other causes of public utility, your Directors recommend for approval by the Shareholders that the limit of contribution to charitable and other funds be fixed not exceeding Rs.5 (five) crores per annum.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

By Order of the Board of Directors
Rohit C. Shah
Joint Secretary

Registered Office:

3rd Floor, Maker Chambers IV,
222, Nariman Point,
Bombay 400 021.

Dated: 29th September, 1992

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 18th Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31st March, 1992.

FINANCIAL RESULTS

(Rs. in crores)

	1991-92	1990-91
Gross Profit before Interest and Depreciation	574.61	487.02
Less: Interest	218.65	187.05
Depreciation	192.64	174.42
Profit for the year	163.32	125.55
Add: Balance in Profit & Loss Account	27.73	30.26
Add: Transfer from General Reserve	49.00	—
Add: Taxation Reserve written back	—	10.00
Add: Investment Allowance Reserve (utilized) written back	4.40	—
Less: Prior year adjustments	75.06	12.58
Available for Appropriation	169.39	153.23
Appropriations:		
Investment Allowance Reserve	50.00	50.00
Debenture Redemption Reserve	21.00	16.00
General Reserve	30.00	13.00
Recommended Dividend on Preference and Equity shares	48.37	46.50
Balance carried forward to Balance Sheet	20.02	27.73
	169.39	153.23

DIVIDENDS

Your Directors are pleased to recommend the following dividends to be paid (subject to deduction of tax at source) for the financial year ended 31st March, 1992, if approved by the Shareholders at the ensuing Annual General Meeting.

On Preference Shares

(Rs. in crores)

(a) Dividend of Rs. 11 per Share on 30,000 Cumulative Redeemable Preference Shares of Rs. 100 each fully paid up	0.03	
(b) Dividend of Rs. 15 per Share on 5,50,000 Cumulative Redeemable Preference Shares of Rs. 100 each fully paid up.	0.83	0.86

On Equity Shares

Dividend of Rs. 3.00 per Share on 15,21,40,973 Equity Shares of Rs. 10 each fully paid up and a pro-rata dividend of Rs. 0.25 per Share on 7,49,26,428 Equity Shares to be allotted to the erstwhile Shareholders of Reliance Petrochemicals Limited (RPL)	47.51
Total	48.37

INTERNATIONAL ISSUE OF GLOBAL DEPOSITARY RECEIPTS

The first ever Indian issue of Global Depositary Receipts (GDRs) was made by your Company. This Issue evoked keen interest in the International Capital markets and the Company issued GDRs aggregating US \$ 150.42 million (Rs. 462.48 crores). This equity capital was raised by issuing 9,200,000 GDRs in May, 1992 at a price of US \$ 16.35. Each GDR represents one Global Depositary Share and each Global Depositary Share represents two underlying Equity Shares of the Company of Rs. 10 each. This resulted in an increase in equity of Rs. 18.40 crores and an addition to reserves of Rs. 444.08 crores. These GDRs are listed at Luxembourg Stock Exchange and are also traded on the OTC market in London as well as on a private placement basis in the United States.

MERGER

The largest ever merger in Indian Corporate History - the merger of Reliance Petrochemicals Limited with your Company - was completed in a record time of five months. The merger is effective 1st March, 1992. The merger was aimed to enhance shareholders' value by realising significant synergies of both the companies. Liberalisation of Government policy and the accompanying economic reforms created this opportunity for the Company's shareholders.

YEAR IN RETROSPECT

The Company continued to perform well in the year under review. The turnover increased to Rs. 2298.02 crores recording an increase of Rs. 199.68 crores (10 %) over the preceding year. The Profit before tax increased to Rs. 163.32 crores as compared to Rs. 125.55 crores during the preceding year, recording a 29 % increase. **The Company contributed nearly Rs. 984 crores to the national exchequer in the form of various taxes.**

FIBRE DIVISION

Polyester Staple Fibre (PSF)

In spite of recession and poor off-take in the industry in general, the Company continued to operate at full capacity and sell its products. The Company was able to manufacture superior quality products, to meet the diverse requirements of quality conscious customers. The Company continued its export thrust by not only exporting its own production but also production based on conversion of company's produced raw materials by other co-producers and thus maintained its leadership in market share.

Polyester Filament Yarn (PFY)

The Company continued to maintain its leadership position in this important product group in the domestic markets. The Company also undertook a strategy of selective exports keeping in mind the long term potential and competitive position of the company in this product. In spite of a reduction in excise duty of Rs. 6:90 per Kg., PFY continued to remain one of the highest exciseable product in the country. The industry has made several representations for the rationalisation of excise duty structure.

FIBRE INTERMEDIATES DIVISION

Purified Terephthalic Acid (PTA)

PTA sales of the company registered 21% increase over the previous year. PTA continues to gain increased acceptance as the preferred raw material for the manufacture of Polyester. The Company completed expansion of its production capacity to 2,00,000 TPA from 1,00,000 TPA.

Ethylene Oxide /Mono Ethylene Glycol(EO/MEG)

The company commissioned its 1,00,000 TPA Ethylene Oxide and Mono Ethylene Glycol (MEG) plant at Hazira. The MEG plant has the largest capacity of five domestic producers. More than 50% of the production of MEG will be captively consumed at the Patalganga complex.

The Principal raw material for the above products is ethylene which is currently being imported. Ethylene is highly flammable and potentially explosive, and hence presents risks in transportation and handling which cannot be eliminated entirely. The company has implemented a transportation system using specially designed lighterage vessels to offload ethylene from ocean-going ships offshore and transport it up river to the company's plant. During the monsoon season or rough weather, transfer to the lighterage vessels is carried out at Bombay harbour. This is the first time in the world that the lighterage operation of ethylene has been undertaken highlighting a significant technological achievement for the company. The company is the single largest buyer of deep sea ethylene in the world.

PLASTICS DIVISION

India has one of the world's lowest per capita consumption of plastics. In the past, demand for plastics was constrained by shortages of basic polymers such as Poly Vinyl Chloride (PVC) and Polyethylene, which were imported in large quantities. The company believes that in the coming years there will be a growing demand in India for such plastics as a relatively cheap replacement for metal, timber, rubber, jute and other materials which have traditionally been used in the domestic market. This growing demand is expected from the general rise in population, an expansion of the middle class, and an acceleration of economic growth due to recent reforms. Plastics will be of core importance in the 1990's as they represent a safer and more energy efficient alternative.

The company seeks to establish itself as a market leader through a strong distribution network, support of downstream markets with the help of its Product Application Research Centre, worldscale production capacity and state-of-the-art technology. Towards this end, the company has reached a major milestone by completing the construction of its PVC and Polyethylene plants.

This is a new business division of the company as a result of the merger of RPL with the Company.

Polyvinyl Chloride(PVC)

The company has completed the construction of its Polyvinyl Chloride (PVC) plant at the Hazira site. The plant has been built using the latest technology from B.F. Goodrich (USA) and will produce 1,00,000 TPA of PVC per year. PVC is used in pipes & conduits, fittings, profiles, wires & cables, leather cloth, footwear, films & foils.

Polyethylene(PE)

The company has completed the construction of its Polyethylene plant at Hazira site. The plant has been built using latest technology from DuPont (Canada) and will produce 1,60,000 TPA of Linear Low Density Polyethylene (LLDPE) and High Density Polyethylene (HDPE). LLDPE is used in films, extrusion coating, bags and packaging. HDPE is used in woven sacks, pipes, H.M. films, injection and blow moulding.

TEXTILE DIVISION

The Company continues to be India's largest Synthetic Textile producer. The Company sells a wide range of Synthetic Textiles under the brand name "VIMAL" which is India's largest, selling premium brand.

DETERGENT INTERMEDIATES DIVISIO

NLinear Alkyl Benzene (LAB)

As a step towards backward integration the Company has commissioned a new facility to produce Normal paraffin using Kerosene. Thus, your company does not now depend any more on imported Normal paraffin as raw material. Indigenous feed stock has given its input price stability in production of LAB. The Company is a market leader in the domestic market. The Company has recently completed a de-bottlenecking programme to increase its LAB capacity from 60,000 to 80,000 TPA.

EXPORTS

The Company continued its export efforts throughout the year with satisfactory results. Exports jumped by 44% from Rs.56 Crores in 1990-91 to Rs. 81 Crores during the financial year under review. Exports of LAB increased by 90% from 13,078 MTS in 1990-91, to 24,907 MTS in 1991-92. The Company also registered significant growth in exports of synthetic fibres. These are likely to contribute even more in the years to come. The Company emerges as the largest supplier of PSF and LAB under the Advance Intermediate Licensing Scheme. The Company has become the largest supplier of PSF and LAB which has resulted in net savings in foreign exchange to the country and facilitated domestic producers in improving their value addition.

SHIPPING DIVISION

The Company acquired three ships specially built to carry Ethylene and other liquefied gases at temperatures upto minus 104C. Operations of these ships demand high technical skills in view of the hazardous nature of Ethylene gas. The Company has successfully carried out all its lighterage operations safely. Approval was also received from Government of India to acquire a few more ships such as Oil Tankers, Product Carriers and Ethylene Carriers. The Company is in the process of identifying suitable opportunities for expansion in this field.

PROJECTS:

I. NGL/Naphtha Cracker

The Company is implementing a worldscale NGL/Naphtha Cracker Unit at Hazira. This will be India's fifth and largest Cracker project. The cracker when established will produce 4,00,000 TPA of Ethylene, 1,95,000 TPA of Propylene and 1,20,000 TPA of Mixed C4 Stream. The cracker will use mainly natural gas liquid as feed stock which is expected to be available through the pipeline from a nearby government owned gas complex and will help saving of foreign exchange. The ethylene to be produced by the cracker will be supplied to the company's plastics division for the production of MEG, PVC & HDPE/LLDPE. Technology & assistance is being provided by Stone & Webster, one of the world leaders in cracker process licensing & contracting. The Company has a ten year technical collaboration agreement with Stone & Webster which provides for the transfer of technology, use of patent rights, procurement & supply of imported machinery, assistance during engineering, construction & commissioning stages, safety audit, certification of engineering & construction to international standards, sharing of technological improvements and a performance guarantee.

The company issued Debentures series H & J aggregating Rs. 678 crores to part finance the cost of the cracker project. The company is extending the redemption period of non-convertible debentures

Reliance

of series F for the purpose of meeting additional outlay, interalia for financing the additional cost of increasing the capacity of the proposed cracker complex from 3,20,000 TPA to 4,00,000 TPA of ethylene for Minimum Economic Scale (MES). Site preparation, basic engineering & pre ordering for the cracker has been completed. Detailed engineering, procurement & construction are expected to start soon.

II. Refinery

The Company has received approval from the Government of India for India's first private sector refinery project. The annual capacity of the refinery is 9 (nine) million tonnes per annum and will be the largest ever grass root refinery to be built in India. The Refinery project is proposed to be implemented in a new company. The Company has been approached by several international companies for equity participation in this project. Your company is currently evaluating the overall techno-commercial feasibility of this project to frame its implementation strategy.

III. Joint Ventures with Japanese Collaborator

The Company has taken the lead in promoting the Government of India's new economic policy encouraging foreign investment. Towards this, the company has been able to obtain financial participation of C. Itoh & Co. Ltd., Japan, in two companies - Reliance Polypropylene Limited and Reliance Polyethylene Limited, - Copromoted by your Company.

Reliance Polyethylene Limited is setting up a world-scale Polyethylene Project with a capacity of 1,60,000 TPA at a total project cost of Rs. 500 Crores at Hazira in the State of Gujarat.

Reliance Polypropylene Limited is setting up a world-scale Polypropylene Project with a capacity of 2,50,000 TPA at a total project cost of Rs. 525 Crores, also at Hazira in the State of Gujarat. Both the projects are co-promoted by the Company with Japanese Collaborator, C. Itoh & Co. Ltd., Japan. This is the largest Japanese investment in India. C. Itoh & Co. Ltd., Japan, is the world's No. 1 trading corporation (as of March, 1992) having a turnover of US \$ 155 Billion (equivalent to Rs. 480,000 Crores). Both these companies will utilise the company's products, namely, Ethylene and Propylene as principal raw material.

The Equity Shareholders of your Company will get a 'preferential offer' in the proposed public issue of Equity Shares and Optionally Fully Convertible Debentures in the aforesaid Companies.

RIGHTS ISSUE OF DEBENTURES

The biggest ever Rights Debenture Issue of Series H, J and K aggregating Rs. 943.50 crores, made by the Company in December, 1991, pursuant to the Letter of Offer dated 30.11.1991 received an overwhelming response. Your Directors wish to place on record their deep sense of appreciation for the overwhelming support extended by the shareholders of the Company.

AWARD ON SAFETY

The Patalganga Plant of the Company received the Prestigious Safety Award from the British Safety Council for the year 1991, in recognition of its safety standards in the man-made fibre industry.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this report.

SUBSIDIARY COMPANIES

As required under Section 212 of the Companies Act, 1956, the audited statements of accounts along with the report of the Board of Directors of Devti Fabrics Limited, Trishna Investments and Leasings Limited, Reliance Europe Limited, Redwood Investments Private Limited and Reliance Petroproducts Limited and the respective Auditors' Report thereon for the year ended 31st March, 1992, are annexed.

FIXED DEPOSITS

Deposits of Rs. 1.22 crores due for repayment on or before 31st March, 1992, were not claimed by 2040 depositors as on that date. Of these, deposits amounting to Rs. 0.64 crores of 1075 depositors have since been repaid/renewed.

DEBENTURES

The funds raised through the issues of Debentures have been utilized for the approved objectives.

PERSONNEL

As required by the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report in the full Balance Sheet and Profit and Loss Account.

INDUSTRIAL RELATIONS

The company continues its belief in preventive and predictive industrial relation and has developed each of its line supervisors to be an Industrial Relations Manager to his team. During the period the industrial relations have been extremely cordial and management thanks all the employees for their continued contribution towards the growth of the organization.

DIRECTORS

Since the last Report, Shri M.D. Ambani has been elected as the Vice Chairman of your Board and Shri A.D. Ambani has been redesignated as Joint Managing Director.

Shri Y.P. Trivedi was appointed as an Additional Director of the Company on 16th April, 1992. Shri Trivedi will hold the office of Director upto the date of the ensuing Annual General Meeting and is eligible for appointment. The Company has received from some of its members a notice under Section 257 of the Companies Act, 1956 proposing his appointment as a Director subject to retirement by rotation.

Shri N.H. Ambani, Shri M.L. Bhakta and Shri N.R. Meswani retire by rotation and being eligible offer themselves for reappointment.

AUDITORS & AUDITORS' REPORT

Messrs. Rajendra & Co. and Messrs. Chaturvedi & Shah, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. As stated at Item No. 6 of the Notice convening the Annual General Meeting, it is proposed to appoint an additional Auditor as Joint Auditor to conduct statutory audit. The Company has received Certificates from these Auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1) of the Companies Act, 1956.

The notes to the Accounts referred to in the Auditors' Report are self explanatory and, therefore, do not call for any further comment.

ACKNOWLEDGMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions and Banks during the year under review.

Your Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success.

For and on behalf of the Board of Directors

DHIRUBHAI H. AMBANI
Chairman & Managing Director

Bombay

Dated: 29th September, 1992

* Effective October 1, 1992, C. Itoh & Co. Ltd. will change its name to ITOCHU Corporation which is a direct transliteration of its Japanese name.

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY:

a) Energy conservation measures taken:

Some of the important measures taken in the year 1991-92 are given below:

- i) Utilisation of excess low pressure steam for Captive Consumption.
- ii) Utilisation of low pressure steam to replace power driven conventional chillers by vapour absorption chillers.
- iii) Stoppage of vent condenser in dow system to conserve electrical as well as heat energy.
- iv) Steam recovery from boilers blow downs.
- v) Integration of steam system of two plants to avoid direct throttling of steam from high pressure to low pressure.
- vi) Automation of air supply to waste cut-down basket thereby eliminating air wastage.
- vii) Replacing oil fired thermopacs with high efficiency thermic fluid heaters thereby causing considerable increase in thermal efficiency.
- viii) Discarding number of old reciprocating compressor machines in Air-conditioning plant for new vapour absorption chillers.
- ix) Optimisation of insulation thickness of Piping system.

b) Additional investments and proposals, if any, being implemented for reduction in consumption of energy:

- i) Automatic control of cooling tower fans through PLC to maintain desired cooling water temperature.
- ii) Back pressure turbine to drive one cooling water pump at energy centre.

- iii) Heat recovery steam generator on DG set's flue gas.
- iv) Retrofitting of boiler for utilising excess gas from Paraxylene plant.
- v) Revamping of dehydration column in PTA using Ion-exchange resins resulting in reduction of effluent load.
- vi) To undertake major modification to change the concept of cooling system conversion from existing chilled water Coil-plain air-washer system to chilled water air-washer system.

c) Impact of measures at (a) and (b) above for reduction of energy consumption and on the cost of production of goods.

- i) Replacement of electrically operated conventional R-22 compressor, Electric motors etc., by V.A.C UNITS has reduce electrical power consumption by 1500 Kw/Hr. Thermal energy in form of Steam supplied by highly efficient gas fired steam Boilers to vapour absorption Chillers for refrigeration has replace electrical energy, thus reducing consumption of conventional R-22 Ercon gas & helping clean environment.
- ii) Reduction of consumption of energy by installing highly efficiency fully automatic modulating control steam boilers and thermic Fluid heaters has resulted in reduction of fuel cost and also reduction in consumption of Furnace Oil/coal.

FORM 'A'

Form for disclosure of particulars with respect to Conservation of Energy: **PART-A**

Power and Fuel consumption

	April 91 to March 1992	April 90 to March 1991
1. Electricity		
a) Purchased Units (lacs)	3102.67	3183.94
Total Amount (Rs. in lacs)	5864.05	5052.55
Rate/Unit (Rs)	1.89	1.59
b) Own Generation		
i) Through Diesel Generator		
Units (lacs)	512.66	483.26
Unit per Ltr. of Diesel	3.54	3.52
Cost Unit (Rs)	1.55	1.43
ii) Through Steam Turbine/Generator		
Units (lacs)	N.A.	N.A.
Unit per Ltr. of fuel oil/gas		
Cost/Unit (Rs)		
2. Coal		
Quantity (tonnes)	7232.00	9756.00
Total cost (Rs. in lacs)	101.34	119.37
Average Rate per MT (Rs)	1394.00	1223.55
3. Furnace Oil		
Quantity (K.Ltr.s)	183649.00	166661.00
Total Amount (Rs. in lacs)	8098.92	5850.60
Average Rate per Ltr. (Rs.)	4.41	3.51
4. Others		
GAS		
Quantity (1000M ³)	17319.00	16671.00
Total Cost (Rs.in lacs)	337.60	319.00
Rate/unit per 1000 M ³ (Rs)	1949.00	1915.00
5. LDO		
Quantity (K.Ltrs)	262.00	214.00
Total Cost (Rs.in lacs)	12.36	7.92
Rate/Unit per K.Ltr.(Rs)	4.72	3.69

Reliance

PART-B

Consumption per unit of production

	FABRICS		PFY		PSF		PTA		LAB	
	PER 1000 mtrs		PER M.T.		PER M.T.		PER M.T.		PER M.T.	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Electricity (KWH)	935	980	1440	1370	639	610	402	381	500	435
Furnace Oil(Ltrs)	36	48	211	105	212	107	161	417	228	347
Coal (Kgs)	134	146	—	—	—	—	—	—	—	—
Gas (M ³)	278	277	—	—	—	—	—	—	—	—
LSHS (Kgs)	5.2	4.3	49	139	41	133	325	—	207	—

Note: The above figures indicate only the direct consumption and exclude consumption of power and fuel in the supporting utilities.

B. TECHNOLOGY ABSORPTION:

FORM ' B '

Form for disclosure of particulars with respect to:

Research and Development (R&D)

1. Specific areas in which research and development (R&D) is being carried out by the Company.

- An anti-static oil for yarn processing has been developed combining paraffin oil and an emulsifier with other additives. The oil thus produced also has anti-splash properties.
- Various non-apparel products have been developed using warp knitting technology.
- Development of new fancy effects economically for apparel fabrics has been continued.
- Research work is being carried out in Polyester Staple Fibre, Polyester Filament Yarn and Petrochemical Process. The stress has been on process modification, product development, for better yield and quality, optimisation of process parameters, energy conservation, cost substitution & technology upgradation.

2. Benefits derived as a result of the above R&D

a) Product Development improvement

- The anti-static oil reduces static generation considerably and helps in smooth running of yarn during subsequent processing.
- 2.5D trilobal fibre with excellent sparkle and lustre.
- Optimisation of process settings for all the deniers at maximum polymerisation capacity yarn strength and improved weaving efficiency.
- Cutter reels with 40 mm and 54 mm cut length developed to get improvement in yarn strength.
- New application method of finish with recirculation mode developed for conservation of finish.
- Uster improved for 80/34/SD/POY with new quench air profiles.
- Development of quench air conditions to reduce yarn variations and bulk variations in textured yarn to minimum.
- Process changes optimised to reduce bottoms generation in POY.
- Installation of Combimax Boilers has reduced the cost of steam generation by saving fuels and installation of gas fired Thermic Fluid heaters has resulted in saving furnace oil.

b) Import Substitution

- Indigenisation of antistatic component in spin finish & lubricating oil component in fibre finish.
- Development of indigenous crimper discs, cutter reels, crimper spares, pack parts etc.
- Development of Indigenous Sources of
 - S.S. powder for polymer filtration.
 - Silicone spray cans for pack wipe.
 - Silicone sponge rubber gasket for quench units.

3. Future plan of action

Projects are proposed for the following-

- Micromotion flow meter for G-Monomer injection to improve uniformity and accuracy of injection leading to consistency in quality of yarns.
- New trilobal spinnerettes with 1710 holes to get better spinning performance and improved sparkle.
- Increased production of 1.0 denier by using spinnerettes with more number of holes.
- Total indigenisation of fibre finish components.
- Reduction in consumption of finish oils.
- Draw roll shafts with modified design to sustain the higher drawing stresses at draw machines.
- Use of different types of cutter blades to optimise the cost of cutting and improve the quality of cut fibre.
- Provision of constant bale weight system for existing bales.
- Introduction of mechanical seal for sealing agitators of finisher vessel for eliminating air leakage into the system.
- Replacement of existing screw pumps with gear pumps for better quality product.
- Introduction of continuous polymer filter to improve polymer quality, reduce spinning breaks.
- Modification of winders and introduction of auto doffing system for producing 18 kg POY packages.
- Upgradation of control systems in extruder, overload protection for drives on spinning machines for improved polymer quality and yields.
- Modification of winders on spin draw yarns to improve package formation and reduce unwinding breaks.
- Development of new universal quenching units for 86D, 126D and 235D yarns.
- Indigenous development of
 - Spin finish for POY and SDY
 - Biocide in spin finish
 - Ceramic guides
 - Thread guides
 - Spin draw steam jets

4. Expenditure on R&D

(Rs. in lacs)

a) Capital	53.52
b) Recurring	1058.13
c) Total	1111.65
d) Total R & D expenditure as a percentage of total turnover	0.48 %*

Technology absorption, adaptation and innovation

Efforts in brief, made towards technology absorption, adaptation and innovation and benefits derived as a result thereof

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Modification of quench units to improve air sealing thereby improving quality of spin draw yarns. 2. Increasing spin pack filtration area by 50%. This will double pack life, also by adding finer filter media polymer quality will improve and spinning breaks will be reduced. 3. Incorporation of solenoid valves in spin finish system to avoid finish overflow. | <ol style="list-style-type: none"> 4. Various byproducts in Petrochemicals have been developed for different end uses. 5. Development of environment friendly process for LAB production. 6. Trial runs for cost effective and better yielding chemicals & catalysts. 7. Vapour Absorption Chillers have been installed replacing old, power consuming reciprocating compressors. 8. Highly efficient automatic, modulating, controlled Combimax Steam boilers and Thermic Fluid Heaters have been installed. |
|--|--|

Information regarding imported technology

Product	Technology from	Year of import	Status of implementation
Mono Ethylene Glycol	Lummus Crest B.V (Holland)	1989	Under Implementation
Poly Vinyl Chloride	B.F Goodrich (USA)	1988	Under Implementation
High Density Polyethylene	Du Pont (Canada)	1989	Under Implementation

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

i) Activities relating to exports, initiatives taken to increase exports, developments of new export market for products and services and export plan.	Detailed information in main report (Rs. in crores)
ii) Total foreign exchange used and earned:	
a) Total foreign exchange earned.	80.56
b) Total savings in Foreign Exchange through products manufactured by the Company and deemed exports.	922.00
	1002.56
c) Total foreign exchange used	255.76

AUDITORS' REPORT

To the Members of Reliance Industries Limited

We have audited the attached Balance Sheet of RELIANCE INDUSTRIES LIMITED as at 31st March, 1992 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 we give in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:
 - a) We have 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 appears from our examination of such books.
 - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - d) (i) For the reasons mentioned in Note No 1(G) of Schedule 'N' to the Accounts, the items of the income and expenditure mentioned therein continue to be accounted for on cash basis.
(ii) The Company during the year has changed its method of accounting in respect of foreign currency fluctuation as explained in Note No.9 of Schedule 'N' to the Accounts. Consequently depreciation for the year is higher by Rs.28.40 crores and profit for the year is lower by Rs.28.40 crores, Reserve and Surplus are lower by Rs.90.51 crores, Net Block of Fixed Assets is higher by Rs.26.03 crores and Secured loans are higher by Rs.116.54 crores.
(iii) Subject to the above, in our opinion and to the best of our information and according to explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the other notes thereon give the information required by the Companies Act 1956, in the manner so required and give a true and fair view:
 - (a) in so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March, 1992, and
 - (b) in so far as it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date.

For **RAJENDRA & CO.**
Chartered Accountants

R. J. SHAH
Proprietor

Bombay,
Dated: **29th September, 1992**

For **CHATURVEDI & SHAH**
Chartered Accountants

D. CHATURVEDI
Partner

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available except in respect of certain items of furniture and fixtures. According to the information and explanations given to us most

of the Fixed Assets were physically verified by the management during the year and no material discrepancies were noticed on such verification as compared to the available records. In our opinion the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets.

2. None of the Fixed Assets have been revalued during the year.
3. As explained to us, the stock of stores, spare parts, raw materials and finished goods have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.
4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. As explained to us there were no material discrepancies noticed on physical verification of the stocks of raw materials, stores and spares and finished goods having regard to the size of the operations of the Company and the same have been properly dealt with in the books of account.
6. On the basis of our examination of stock and other records and considering the method adopted for accounting of excise duty referred to in Note No.8 of Schedule 'N' to the accounts, in our opinion, the valuation of stocks is fair and proper, is in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956, or from companies under the same management within the meaning of sub section (1B) of Section 370 of the Companies Act, 1956.
8. The Company has not granted any loans secured or unsecured, to companies, firms or other parties listed in the registers maintained under Section 301 and/or to the companies under the same management as defined under sub-section(1B) of Section 370 of the Companies Act, 1956, except interest free loans to its subsidiary companies. In our opinion, having regard to the long term involvement with the subsidiary companies and considering the explanations given to us in this regard the terms and conditions of the above are not, prima-facie, prejudicial to the interests of the Company.
9. In respect of the loans and advances in the nature of loans given by the Company to parties other than subsidiary companies, they are generally repaying the principal amounts as stipulated and are also regular in the payment of interest, wherever stipulated except loan to a company terms of which are to be finalised as stated in Note No.15 of Schedule 'N' to the accounts.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
11. In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000 (Rupees Fifty Thousand only) or more in respect of any party.
12. According to the information and explanations given to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.

13. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the Public.
14. In our opinion reasonable records have been maintained by the Company for the sale and disposal of realisable by-products and scrap wherever significant.
15. In our opinion the internal audit system of the Company is commensurate with its size and the nature of its business.
16. The Central Government has prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
17. According to the records of the Company, Provident Fund and Employees' State Insurance dues have been regularly deposited with the appropriate authorities.
18. According to information and explanations given to us no undisputed amounts payable in respect of Income tax, Wealth tax, Sales tax, Customs Duty and Excise Duty were outstanding as on 31st March 1992 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us and on the basis of records examined by us, no personal expenses of employees or

Directors have been charged to Revenue Account other than those payable under contractual obligation or in accordance with generally accepted business practice.

20. The Company is not a sick industrial Company within the meaning of clause (o) of sub section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of trading activities, we are informed that the Company does not have damaged goods lying with it at the end of the year. Therefore, no provision for any loss is required to be made in the accounts.
22. In respect of service activities of the Company, we are informed that the Company has a reasonable system for recording receipts, issues and consumption of materials and stores commensurate with the size and nature of its business and the system provides for a reasonable, allocation of materials and man-hours consumed to the relative jobs. In our opinion, there is a reasonable system for authorisation at proper levels with necessary control on the issues and allocation of stores and labour to relative jobs.

For **RAJENDRA & CO.**
Chartered Accountants

For **CHATURVEDI & SHAH**
Chartered Accountants

R. J. SHAH
Proprietor

D. CHATURVEDI
Partner

Bombay,
Dated: **29th September, 1992**

Reliance

BALANCE SHEET AS AT 31st MARCH, 1992

		As at 31st March, 1992		(Rs. in crores) As at 31st March, 1991	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS:					
Shareholders' Funds					
Share Capital	'A'	157.94		157.92	
Share Capital Suspense		74.94		—	
Reserves and Surplus	'B'	<u>1710.74</u>		<u>995.53</u>	
			1943.62		1153.45
Loan Funds					
Secured Loans	'C'	1878.19		939.13	
Unsecured Loans	'D'	<u>277.99</u>		<u>162.39</u>	
			2156.18		1101.52
TOTAL			<u>4099.80</u>		<u>2254.97</u>
APPLICATION OF FUNDS:					
Fixed Assets					
Gross Block	'E'	2266.30		1960.50	
Less: Depreciation		<u>976.22</u>		<u>703.85</u>	
Net Block		1290.08		1256.65	
Capital Work-in-Progress		<u>2048.03</u>		<u>225.92</u>	
			3338.11		1482.57
Investments	'F'		61.95		69.53
Current Assets, Loans and Advances					
Current Assets					
Inventories	'G'	404.90		411.51	
Sundry Debtors		415.14		327.31	
Cash and Bank Balances		75.36		40.44	
Other Current Assets		<u>0.11</u>		<u>—</u>	
		895.51		779.26	
Loans and Advances	'H'	<u>584.64</u>		<u>380.96</u>	
		1480.15		1160.22	
Less: Current Liabilities and Provisions					
Current Liabilities					
Current Liabilities	'I'	730.90		410.04	
Provisions		<u>49.51</u>		<u>47.31</u>	
		780.41		457.35	
			699.74		702.87
TOTAL			<u>4099.80</u>		<u>2254.97</u>
Notes on Accounts	'N'				

As per our Report of even date
For **RAJENDRA & CO.**
Chartered Accountants

For **CHATURVEDI & SHAH**
Chartered Accountants

R.J. Shah
Proprietor

D. Chaturvedi
Partner

Bombay
Dated: **29th September, 1992.**

For and on behalf of the Board
D.H. Ambani
Chairman & Managing Director

M.D. Ambani
Vice Chairman

R.H. Ambani
A.D. Ambani }
Joint Managing Directors

M.L. Bhakta
T. Ramesh U. Pai
S.S. Betrabet }
Directors

N.H. Ambani
N.R. Meswani }
Executive Directors

V.M. Ambani
Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1992

(Rs. in crores)

	Schedule	1991-92		1990-91	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sales		2298.02		2,098.34	
Other Income	'J'	42.15		6.55	
Variation in Stock	'K'	<u>(-51.75)</u>		<u>32.69</u>	
			2288.42		2,137.58
EXPENDITURE					
Purchases		12.82		57.69	
Manufacturing and Other Expenses	'L'	1749.62		1,592.87	
Interest	'M'	218.65		187.05	
Depreciation		<u>192.64</u>		<u>174.42</u>	
		2173.73		2,012.03	
Less: Amounts Charged to Pre-operative expenses of Projects under Commissioning		<u>48.63</u>		<u>—</u>	
			2125.10		2012.03
Profit for the year					
Less: Tax liability of prior years		—		12.58	
Less: Taxation Reserve written back		<u>—</u>		<u>10.00</u>	
			<u>—</u>		<u>2.58</u>
			163.32		125.55
Add: Balance brought forward from last year		27.73		30.26	
Add: Transfer from General Reserve		49.00		—	
Less: Prior years adjustments		<u>75.06</u>		<u>—</u>	
			1.67		30.26
Add: Investment Allowance (Utilised) Reserve written back			4.40		—
Amount Available For Appropriations:			169.39		153.23
APPROPRIATIONS					
Investment Allowance Reserve		50.00		50.00	
Debenture Redemption Reserve		21.00		16.00	
General Reserve		30.00		13.00	
Proposed Dividend (subject to tax):					
Preference Shares		0.86		0.86	
Equity Shares		<u>47.51</u>		<u>45.64</u>	
			149.37		125.50
Balance carried to Balance Sheet			<u>20.02</u>		<u>27.73</u>

Notes on Accounts 'N'

As per our Report of even date
 For **RAJENDRA & CO.**
 Chartered Accountants

For **CHATURVEDI & SHAH**
 Chartered Accountants

R.J. Shah
 Proprietor

D. Chaturvedi
 Partner

Bombay
 Dated: **29th September, 1992.**

For and on behalf of the Board
D.H. Ambani Chairman & Managing Director
M.D. Ambani Vice Chairman
R.H. Ambani }
A.D. Ambani } Joint Managing Directors
M.L. Bhakta }
T. Ramesh U. Pai } Directors
S.S. Betrabet }
N.H. Ambani }
N.R. Meswani } Executive Directors
V.M. Ambani Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET

		As at 31st March, 1993		(Rs. in crores) As at 31st March, 1992	
		Rs.	Rs.	Rs.	Rs.
SCHEDULE 'A'					
SHARE CAPITAL					
Authorised:					
20,00,00,000	Equity Shares of Rs. 10 each		200.00		200.00
30,000	11% Cumulative Redeemable Preference Shares of Rs. 100 each		0.30		0.30
5,50,000	15% Cumulative Redeemable Preference Shares of Rs.100 each		5.50		5.50
4,42,00,000	Unclassified Shares of Rs. 10 each		44.20		44.20
			<u>250.00</u>		<u>250.00</u>
Issued: Equity					
15,21,46,493	Equity Shares of Rs. 10 each		152.15		152.15
Subscribed: Equity					
15,21,40,973	Equity Shares of Rs.10 each fully paid up		152.14	152.10	
(15,20,97,285)	Add: Shares forfeited (Amount originally paid up on 5520 Equity Shares (Rs.27600) previous year on 49208 Equity Shares)		<u>—</u>	<u>0.02</u>	
			152.14		152.12
Issued & Subscribed: Preference					
30,000	11% Cumulative Redeemable Preference Shares of Rs. 100 each fully paid up (redeemable at any time after 16th March, 1990 but not later than 15th March, 1993)		0.30		0.30
5,50,000	15% Cumulative Redeemable Preference Shares of Rs.100 each fully paid-up (redeemable at any time after 31st December, 1994 but not later than 31st December, 1997)		5.50		5.50
			<u>157.94</u>		<u>157.92</u>
Of the above Equity Shares:					
1.	(a) 1,56,78,440	Shares were allotted as fully paid-up Bonus Shares by capitalisation of Share Premium and Reserves.			
	(b) 60,62,000	Shares were allotted as fully paid-up pursuant to Schemes of Amalgamation without payments being received in cash.			
	(c) 9,44,78,433	Shares were allotted as fully paid-up Shares on conversion/surrender of Debentures.			
	(d) 13,24,000	Shares were issued on conversion of Term Loans.			
	(e) 4,058	Shares (including 1,527 Shares by way of Bonus Shares by Capitalisation of Share Premium and Reserves) are reserved for allotment to some of the Shareholders/purported transferees of shares of erstwhile The Sidhpur Mills Company Limited which merged with the Company			
2.	During the year, forfeiture of 13688 Equity Shares was annulled and 30000 Equity Shares were reissued at a premium of Rs.50 per share, out of Shares forfeited last year.				

SCHEDULE 'B'

(Rs. in crores)

RESERVES & SURPLUS

	As at 31st March, 1993		As at 31st March, 1992	
	Rs.	Rs.	Rs.	Rs.
Capital Reserve				
As per last Balance Sheet	—		—	
Add: Balance in account of Reliance Petrochemicals Limited on amalgamation	0.28		—	
Credited during the year on re-issue of forfeited shares	0.01		—	
		0.29		—
Amalgamation Reserve				
As per last Balance Sheet				
Add: Surplus resulting from amalgamation of Reliance Petrochemicals Limited (Refer note 3 (c) of schedule 'N')	674.34		—	
		674.34		—
Share Premium Account				
As per last Balance Sheet	673.17		673.17	
Add: Received during the year	0.19		—	
		673.36		673.17
Debenture Redemption Reserve				
As per last Balance Sheet	34.25		18.25	
Add: Transferred from Profit and Loss Account	21.00		16.00	
		55.25		34.25
Investment Allowance Reserve				
As per last Balance Sheet	50.00		10.00	
Add: Transferred from Profit and Loss Account	50.00		50.00	
	100.00		60.00	
Less: Utilised for purchase of machinery during the year transferred to Investment Allowance (Utilised) Reserve	50.00		10.00	
		50.00		50.00
Investment Allowance (Utilised) Reserve				
As per last Balance Sheet	150.90		140.90	
Add: Transferred from Investment Allowance Reserve	50.00		10.00	
	200.90		150.90	
Less: Transferred to Profit and Loss Account to the extent not required	4.40		—	
		196.50		150.90
Taxation Reserve				
As per last Balance Sheet	10.00		20.00	
Less: Transferred to Profit and loss Account	—		10.00	
		10.00		10.00
General Reserve				
As per last Balance Sheet	49.48		36.48	
Less: Transferred to Profit and Loss Account	49.00		—	
	0.48		36.48	
Add: Balance in account of Reliance Petrochemicals Limited on amalgamation	0.50		—	
Add: Transferred from Profit and Loss Account	30.00		13.00	
		30.98		49.48
Profit and Loss Account		20.02		27.73
		1710.74		995.53

SCHEDULE 'C'

(Rs. in crores)

SECURED LOANS**A) DEBENTURES:**

- i) 13.5% Convertible Secured Debentures of Rs.150 each fully paid up (Series 'E')
Less: Converted

As at 31st March, 1993		As at 31st March, 1992	
Rs.	Rs.	Rs.	Rs.
80.00		80.00	
26.67		26.67	
53.33 *		53.33	

* Includes debentures of face value of (Rs.25000) held by Directors

- ii) 15% Non-convertible Secured Debentures of Rs. 100 each fully paid up (Series 'F')
Less: Bought back (Net of re-issue)

270.00		270.00	
15.49		12.42	
254.51 *		257.58	

* Includes debentures of face value of (Rs.35000) held by Directors

- iii) 12.5% Fully Convertible Secured Redeemable Debentures (Part 'C') of Rs. 150 each fully paid up
iv) 14% Non Convertible Secured Redeemable Debentures of Rs.100 each fully paid up
v) 12.5% Partly Convertible Secured Redeemable Debentures of Rs.150 each, (Series 'H')
* Includes debentures of face value of Rs.0.04 crore held by Directors
vi) 14% Non-Convertible Secured Redeemable Debentures of Rs.150 each, (Series 'J') with Detachable Warrant
* Includes debentures of face value of (Rs.20650) held by Directors
vii) 17.5% Non Convertible Secured Redeemable Debentures of Rs.100 each, (Series 'K')

1.13		—	
162.50		155.00	
142.30 *		—	
33.26 *		—	
66.62		—	
	713.65		465.91

B) TERM LOANS**1. From Banks**

Foreign currency Loans

49.76		45.19	
-------	--	-------	--

2. From Financial Institutions

- a) Foreign Currency Loans
b) Rupee Loans

549.32		116.23	
38.15		27.48	
587.47		143.71	

3. From Others:

Housing Development Finance Corporation Ltd.

3.19		3.10	
------	--	------	--

C) WORKING CAPITAL LOANS

From Banks

640.42		192.00	
--------	--	--------	--

185.79		261.30	
--------	--	--------	--

D) WORKING CAPITAL TERM LOANS

From Banks

—		19.92	
---	--	-------	--

E) DEFERRED PAYMENT LIABILITIES

39.55		—	
-------	--	---	--

F) BRIDGE LOANS FROM FINANCIAL INSTITUTIONS

293.05		—	
--------	--	---	--

G) HIRE PURCHASE FINANCE

0.33		—	
------	--	---	--

H) INTEREST ACCRUED & DUE

5.40		—	
------	--	---	--

1878.19		939.13	
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NOTES:

1. (a) Debentures referred in A(ii), Term Loans referred to in B save and except B(1) and B(2)(a) to the extent of Rs.27.49 crores and Rs. 232.64 crores respectively and B(3) are secured and Term Loans referred in B (2)(a) to the extent of Rs.65.58 crores are to be secured by mortgage of deposits of title deeds on the properties situate at Naroda, District Ahmedabad in the state of Gujarat and at Patalganga, District Raigad in the state of Maharashtra. The Term Loan referred in B (2) (a) to the extent of Rs.232.64 crores were obtained by the erstwhile Reliance Petrochemicals Limited (RPL) and are secured by first charge by way of hypothecation of movable assets and first mortgage/charge on all the immovable assets of the erstwhile RPL situate at Hazira, District Surat, in the state of Gujarat.
- (b) Debentures referred in A (iv) are secured / to be secured by legal mortgage in English form on the properties situate at Naroda, District Ahmedabad in the state of Gujarat and by deposit of title deeds on the properties situate at Patalganga, District Raigad in the State of Maharashtra and by hypothecation on the movable properties situate at Patalganga, District Raigad in the state of Maharashtra. Of this Debentures aggregating Rs.80.00 crores will be redeemed at a premium of 5% on the face value of the said Debentures on the expiry of 7th year from the date of allotment. The redemption will commence from November 1994.
The Debentures aggregating Rs.82.50 Crores are to be redeemed at a premium of 5% on the face value of the Debentures between 6th year and 8th year from the date of allotment in equal instalments. The redemption will commence from March 1997.
2. (a) Debentures referred in A(i) are secured by a legal mortgage in English form on the properties situated at Naroda, District Ahmedabad in the State of Gujarat. These Debentures along with Cumulative interest payable on the Debentures referred to in A(ii) shall rank subsequent to the charges created / to be created by the Company in favour of:
 - (i) Trustees for the holders of Debentures referred in A (ii),(iv),(v),(vi) and (vii)
 - (ii) Other Financial Institutions/Banks for their outstanding loans/guarantees.
- (b) Balance amount of Debentures referred in A (i) is redeemable at par by 10th December, 1996 with an option to repay these amounts in one or more instalments by drawing lots at any time after 10th December, 1993.
3. (a) The Debentures referred in A(ii) above are redeemable at a premium of 5% on the face value of each Debenture. Of the aforesaid Debentures, the Debentures issued under non-cumulative interest payment scheme are redeemable on 30th September, 1992 and the Debentures issued under cumulative interest payment scheme are redeemable in three yearly instalments commencing from 30th September, 1992 by draw of lots.
- (b) The Company is required to buy-back at par the said Debentures provided:
 - (i) the face value of the total holdings of the Debentureholder in each case does not exceeded Rs.40,000 and
 - (ii) the debentureholder has held the debentures for a period of not less than one year on the date of his offer.
- (c) The Company can re-issue at par such bought back Debentures
- (d) The Company received request for buy-back of Debentures after the end of financial year of an aggregate nominal value of Rs.1.15 crores till date (Since paid Rs.1.15 crores).
- (e) Pursuant to the resolutions passed by the shareholders and debentureholders (series F) at their respective meetings both held on 7th April, 1992, the redemption period of debenture series 'F' has been extended to 31st August, 1999. Debentureholder under cumulative interest payment scheme not opting for roll over of debentures shall be paid principal amount, premium and accumulated interest on 30.9.1992. Those debentureholders who exercise roll over option are entitled to be issued 2 detachable warrants for every 5 debentures held with a right to acquire shares of the Company at Rs.150/- per share with effect from 1st April 1993.
4. (i) Term Loan referred in B(1) to the extent of Rs.6.55 crores are secured exclusively by hypothecation of specific items of plant and machinery situate at Naroda and Patalganga.
- (ii) Term loan referred in B(i) to the extent of Rs.20.94 Crores is secured by guarantee issued by one of the Bankers of the Company against hypothecation of all movable assets both present and future situate at Naroda and Patalganga.
5. The Term Loans referred in B (2) (a) to the extent of Rs.79.36 crores and Term Loans referred in B(2) (b) to the extent of Rs. 19.00 crores for acquiring Ships are, inter alia, secured / to be secured by:
 - (a) A first mortgage on the said Ships;
 - (b) A mortgage / charge on all moveable properties of the Company, both present and future, pari passu with other lenders, subject to prior charges to be created in favour of the Company's Bankers for borrowings for working capital requirements;
 - (c) Hypothecation of its receivables and other current assets ranking after the charge in favour of Commercial Banks for the purpose of working capital.
6. Term Loans referred in B(3) are secured / to be secured by mortgage, by deposit of title deeds, of specified residential quarters situate at Panvel and Mohapada, District Raigad in the State of Maharashtra.
7. The charges created /to be created on the Debentures and Term Loans referred to in A and Babove rank pari passu, inter-se, save and except.
 - (i) Debentures referred to in A (i) and cumulative interest payment on Debentures referred in A (ii) and
 - (ii) Term Loans referred in B(1) to the extent of Rs.6.55 crores, and B(3).
8. (a) Debentures referred in A (iii) issued by R PL, are secured by a legal mortgage in English form by way of residual charge on the assets of the RPL situate at village Mora, Dist. Surat in State of Gujarat. The said debentures shall rank subservient and subordinate to all present mortgage/charge, created on the assets of the RPL.
- (b) The Debentures referred to in A (iii) issued by RPL will and compulsorily be converted into appropriate number of Equity Shares of the Company of Rs. 10 each at such premium as may be fixed by the appropriate authority after 26th October 1993, but before 27th October 1995,
9. (a) Debentures referred to in A -(v),(vi) and (vii) are to be secured by legal mortgage in English form on the properties of the Company situate at Hazira, Dist. Surat / Naroda, Ahmedabad and by way of equitable mortgage on the immovable properties of Patalganga plant and machinery and hypothecation on movable properties situate at Patalganga, District Raigad in the state of Maharashtra.
- (b) In terms of issue of the Debentures, an amount of Rs.55/- out of the face value of Rs.150/- of the Debentures referred to in A(v) above will stand converted effective 26th August, 1993 into one equity share of Rs. 10/- of the Company at a premium of Rs.45/- per share. Balance amount of Rs.95/- per Debentures will be redeemed on expiry of 10 years i.e. on 26th February, 2002 with an option to the Board of Directors to redeem at any time after 26th February, 1999.

Reliance

- (c) The holders of detachable warrant attached to the debenture referred to in A(vi) are entitled to apply for one equity share of face value of Rs. 10/- each for cash at a price not exceeding Rs. 70/- per share for each warrant at the expiry of 24 months from the date of allotment i.e. on 26.2.1994. The Debentures will be redeemed on expiry of 10 years i.e. on 26th February, 2002 with an option to the Board of Directors to redeem at any time after 26th February, 1999.
- (d) The Debentures referred in A (vii) above will be redeemed on expiry of 10 years i.e. on 26th February, 2002 with an option to the Board of Directors to redeem at any time after 26th February, 1999.
10. Working Capital Loans from Banks referred to in C are secured by hypothecation of present and future stock of raw materials, stock-in-process, spares and stores, book debts, outstanding monies and receivable claims, trust receipts, etc.
11. Liabilities referred in item E above are secured by first charge by way of hypothecation of specific items of machinery acquired under Deferred Payment Facility.
12. The Bridge Loans referred in item F above obtained RPL are secured by first charge by way of hypothecation of movable assets of RPL and rank pari passu with the charge created by way of hypothecation in respect of Term Loans referred to in B 2(a) to extent of Rs.232.64 crores.
13. Hire Purchase Finance referred in item G above obtained by RPL is secured by first charge by way of hypothecation of specific vehicles acquired by RPL under the said facility.
14. Interest accrued and due in item H represents Rs.0.70 crore on loans from Bank / Financial Institutions and Rs.4.70 crores on Debentures, both of RPL
15. Secured Loans include Rs.130.72 crores repayable within one year excluding monies payable on surrender of Debentures under buy-back scheme as mentioned in 3(b) above.
16. Particulars of Debentures Series H, J and K are as follows:
- (a) Series H comprises 35962462 Debentures of Rs. 37.50 paid up, 3771 Debentures of Rs. 75 paid up and 493767 Debentures of Rs.150 paid up
- (b) Series J comprises 8694107 Debentures of Rs. 37.50 paid up, 3691 Debentures of Rs. 75 paid up and 42202 Debentures of Rs. 150 paid up
- (c) Series K comprises 26420671 Debentures of Rs. 25 paid up, 886 Debentures of Rs. 50 paid up and 56276 Debentures of Rs. 100 paid up

SCHEDULE 'D'

(Rs. in crores)

UNSECURED LOANS

	As at 31st March, 1993 Rs.		As at 31st March, 1992 Rs.	
Fixed Deposits (including Cash Certificates of Rs.0.16 crore)		41.33		62.30
Short Term Loans from:				
i) Financial Institutions	38.65+		—	
ii) Banks (Includes Commercial Paper Rs. 90.00 crores, maximum amount outstanding at any time during the year Rs.90.00 crores, previous year Rs.nil)	90.53		49.04	
		129.18		49.04
Interest free Loans under Sales-tax deferral schemes		107.48		51.05
		<u>277.99</u> *		<u>162.39</u>

+ Includes Rs.33.65 crores received in advance to be adjusted against future call amount of 'H', 'J' and 'K' series of debentures.

* Includes Rs.145.98 crores repayable/adjustable within one year.

SCHEDULE 'E'

FIXED ASSETS

(Rs. in crores)

Description	Gross Block				Depreciation		Net Block	
	As at 1.4.91	Acquired On amalga- Mation	Additions	Deductions	As at 31.3.92	up to 31.3.92	As at 31.3.92	As at 31.3.91
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Goodwill	1.23	—	—	—	1.23	—	1.23	1.23
Leasehold Lands	4.85	2.82	—	—	7.67	—	7.67	4.85
Freehold Lands	0.11	0.44	0.01	—	0.56	—	0.56	0.11
Buildings	122.24	5.71	4.30	0.54	131.71	16.02	115.69	109.25
Plant & Machinery	1710.29	18.11	162.03	0.96	1889.47	934.32	955.15	1036.92
Ships	44.53	—	82.45	—	126.98	3.12	123.86	44.53
Electric Installation	37.82	—	0.17	—	37.99	10.78	27.21	29.00
Factory Equipment	7.16	—	0.12	—	7.28	2.53	4.75	5.00
Furniture & Fixture	25.10	7.52	3.26	0.05	35.83	7.86	27.97	19.58
Vehicles	5.70	1.62	2.89	0.28	9.93	1.59	8.34	4.71
Sub-Total	1959.03	36.22	255.23	1.83	2248.65	976.22	1272.43	1255.18
Advance against Capital Expenditure	1.47	39.85	—	23.67	17.65	—	17.65	1.47
Total	1960.50	76.07	255.23	25.50	2266.30	976.22	1290.08	1256.65
Previous Year Capital Work-in-Progress	1772.87	—	255.57	67.94	1960.50	703.85	1256.65	225.92
							<u>2048.03</u>	<u>225.92</u>

NOTE:

- (a) Leasehold Lands include Rs.1.64 crores in respect of which lease-deeds are pending execution. No write-off has been made in respect of lease-premium paid for leasehold lands since the grant of lease is for a long period.
- (b) Buildings include cost of ownership premises in Co-operative Housing Societies Rs. 1.11 crores
- (c) Capital Work-in-Progress includes:
- i) Rs.612.93 crores on account of pre-operative expenses (Previous year Rs.107.33 crores) including Rs.392.73 crores acquired on amalgamation to be capitalised (refer note 16 of Schedule 'N').
 - ii) Rs.49.36 crores on account of cost of construction materials at site (Previous year Rs.38.72 crores).
 - iii) Rs. 1022.51 crores acquired on amalgamation.

SCHEDULE 'F'

(Rs. in crores)

INVESTMENTS (At Cost)

GOVERNMENT AND OTHER SECURITIES - Unquoted

- 7 Years National Savings Certificates (face value Rs.5000)
(Deposited with Sales Tax Dept.) (Previous year Rs.5000)
Indira Vikas Patra

	As at 31st March, 1991		As at 31st March, 1991	
	Rs.	Rs.	Rs.	Rs.
	—		—	
	0.20	0.20	—	—
TRADE INVESTMENTS - Unquoted				
60 Equity Shares of New Piece Goods Bazar Co.Ltd. of Rs.100 each, fully paid up (Rs.17,000) (Previous year Rs.17,000)	—		—	
5 Equity Shares of Bombay Gujarat Art Silk Vepari Mahajan Co-operative Shops & Warehouse Society Ltd. of Rs.200 each, fully paid up (Rs.1,000) (Previous year Rs.1,000)	—		—	
165 Shares of The Art Silk Co-operative Society Ltd. of Rs.100 each, fully paid up (Rs.16,500) (Previous year Rs.16,500)	—		—	
225 Shares of Crimpers Industrial Co-operative Society Ltd. of Rs.100 each, Rs.25 per share paid up (Rs.5,625) (Previous year Rs.5,625)	—		—	
20 Shares of The Bombay Market Art Silk Co-operative (Shops & Warehouses) Society Ltd., of Rs.200 each, fully paid up (Rs.4,000) (Previous year Rs.4,000)	—	—	—	—
IN SUBSIDIARY COMPANIES - Unquoted:				
210070 Equity Shares of Devti Fabrics Ltd. of Rs.10 each, fully paid up	0.21		0.21	
4400 Equity Shares of Trishna Investments and Leasings Ltd of Rs.10 each, fully paid up (Rs.44000)				
2017000 Equity shares of Reliance Europe Limited of sterling pound 1 each fully paid up	7.00		7.00	
10000 Equity Shares of Redwood Investments Private Ltd of Rs.10 each fully paid up	0.01		—	
1300 Equity Shares of Reliance Petroproducts Ltd of Rs.10 each fully paid up (Rs.13000)	—		—	
		7.22	—	7.21
Quoted:-				
— Equity Shares of Reliance Petrochemicals Ltd. (57600000) of Rs.10 each fully paid up (During the year 100000000 Equity Shares of Rs.10 each fully paid-up were issued on conversion of unsecured loans given to Reliance Petrochemicals Limited) (See note below)		—		57.60
		7.42		64.81

C/F

Reliance

	B/F	As at 31st March, 1993		As at 31st March, 1992	
		Rs.	Rs.	Rs.	Rs.
OTHER INVESTMENTS					
Quoted					
–	Equity Shares of Housing Development and Finance Corporation Ltd. of Rs.100 each, fully paid up (See note below)	–		0.08	
1248	Equity Shares of The Industrial Credit and Investment Corporation of India Ltd. of Rs.100 each, fully paid up (See note below)	0.01		0.06	
1800000	Equity shares of Reliance Capital & Finance Trust Ltd of Rs.10 each fully paid up	1.80		1.80	
–	Equity shares of Hindustan Oil Exploration Company Ltd of Rs.10 each fully paid up (see note below)	–		0.05	
			1.81		1.99
Unquoted					
1000	Equity Shares of Air Control & Chemicals Engineering Co.Ltd. of Rs.100 each, fully paid up		0.01		0.01
IN DEBENTURES - Quoted					
624	Fully Convertible Debentures of The Industrial Credit & Investment Corporation of India Ltd, of Rs.450 each, fully paid up. (see note below)		0.03		0.04
IN UNITS: Unquoted					
1800000	Units of Unit Trust of India		2.68		2.68
IN BONDS: Unquoted					
515000	9% Tax free Bonds of Indian Railway Finance Corporation Ltd of Rs.1000 each fully paid up		50.00		–
			61.95		69.53
AGGREGATE VALUE OF					
		Book Value	Market Value	Book Value	Market Value
	Quoted Investments	1.84	48.93	59.63	226.68
	Unquoted Investments	60.11	–	9.90	–
Notes:					
(1) During the year Equity were allotted by the following companies.					
(a) 1248 Equity Shares of Rs.100 each by ICICI on part conversion of 624 Fully Convertible Debentures					
(b) 10,00,00,000 Equity Shares of Rs.10 each fully paid up by RPL on conversion of unsecured loan given to it.					
(2) During the year the Company sold Shares of the following companies at cost to Reliance Enterprises Private Limited when the later was a subsidiary of the Company					
		No of Shares.			
	Reliance Petrochemicals Limited	15,76,00,000			
	Housing Development Finance Corporation Limited	7530			
	The Industrial Credit and Investment Corporation of India Ltd .	5622			
	Hindustan Oil Exploration Company Limited	49800			

SCHEDULE 'G'

(Rs. in crores)

CURRENT ASSETS**INVENTORIES (at cost or market value whichever is lower except otherwise stated)**

(Certified and valued by the Management)

Stores, spares, dyes, chemicals, etc.

Raw materials

Stock-in-transit

Stock-in-process

Finished goods

Others

As at
31st March, 1992
Rs. Rs.As at
31st March, 1991
Rs. Rs.

105.74

79.34

91.05

91.07

0.15

—

90.63

93.93

115.87

145.42

1.46

1.75

404.90

411.51

SUNDRY DEBTORS

Over six Months:

Considered good

Considered doubtful

86.05

29.01

4.66

4.66

90.71

33.67

4.66

4.66

Less: Provision for doubtful debts

86.05

29.01

Others considered good

329.09 *

298.30

415.14

327.31

CASH AND BANK BALANCES

Cash on hand

Balance with Scheduled Banks In Current Accounts

In Fixed Deposit Accounts

In Portfolio Management Schemes with a Scheduled Bank

0.33

0.23

70.54

40.01

2.19

0.20

2.30

—

75.36

40.44

OTHER CURRENT ASSETS

Interest Accrued on Investment

0.11

—

895.51

779.26

* includes Rs.2.39 crores due from Devti Fabrics Ltd (refer note 13 of Schedule N) and Rs.25.29 crores from Reliance Europe Limited (subsidiary companies) and Rs.81.49 crores on account of Bills of Exchange

SCHEDULE 'H'

(Rs. in crores)

LOANS AND ADVANCES**UNSECURED - (CONSIDERED GOOD)**

Loans to subsidiary companies

Advances recoverable in cash or in kind or for value to be received

Deposits

Balance with Customs, Central Excise Authorities, etc.

As at
31st March, 1992
Rs.As at
31st March, 1991
Rs.

152.24

250.04

316.06 *

79.23

108.46

45.59

7.88

6.10

584.64

380.96

* Includes Rs.0.18 Crore due from an Officer (Previous year Rs.0.18 Crore) Maximum balance at anytime during the year Rs.0.18 Crore

SCHEDULE 'I'

CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

Sundry Creditors	575.40 *	350.30
Unclaimed Dividends	5.03	2.11
Excess Debenture Application monies refundable/adjustable	64.39	—
Interest accrued but not due on loans	86.08 +	57.63

(Rs. in crores)

As at		As at	
Rs.	Rs.	Rs.	Rs.

	730.90	410.04
--	---------------	--------

* Includes for Capital Expenditure of Rs.143.33 crores, Acceptance of Rs.191.84 crores and backward area incentive withdrawn of Rs. 14.18 crore (payable within one year Rs.5.67 crores)

+ includes interest of Rs.38.94 crores on cumulative "F" series Debentures payable on maturity and interest of Rs.1.86 crores on Cumulative Fixed Deposit payable on maturity.

PROVISIONS

Gratuity and Superannuation	1.14	0.81
Proposed Dividend	48.37	46.50

	49.51	47.31
	780.41	457.35

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

SCHEDULE 'J'

OTHER INCOME

Incentives, assistance and drawbacks on Exports received		3.74	4.70
Dividends			
From Subsidiaries	7.08	—	
From Others	0.51	0.27	
(Tax at source Rs.1.65 crores)			
Income from Time Charter		7.59	0.27
Miscellaneous Income		20.35	—
		10.47	1.58
		42.15	6.55

(Rs. in Crores)

1991 - 1992		1990 - 1991	
Rs.	Rs.	Rs.	Rs.

SCHEDULE 'K'

VARIATION IN STOCK

STOCK-IN-TRADE (at close)

Finished goods	115.87	145.42
Stock-in-process	90.63	93.93
Others	1.46	1.75

(Rs. in Crores)

1991 - 1992		1990 - 1991	
Rs.	Rs.	Rs.	Rs.

	207.96	241.10
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STOCK-IN-TRADE (at commencement)

Finished goods	145.42	117.15
Stock-in-process	93.93	89.75
Others	1.75	1.51

	241.10	208.41
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Stock in trade of RPL as at 1.3.92

Finished goods	13.16	—
Stock-in-process	5.45	—

	259.71	208.41
	(-51.75)	32.69

SCHEDULE 'L'

(Rs. in crores)

MANUFACTURING & OTHER EXPENSES

RAW MATERIALS CONSUMED

	1991 - 1992		1990 - 1991	
	Rs.	Rs.	Rs.	Rs.
Stock at commencement	91.07		62.19	
Stock taken over on amalgamation	34.77		—	
Add: Purchases	389.62		447.60	
	<u>515.46</u>		<u>509.79</u>	
Less: Stock at close	91.05		91.07	
		<u>424.41</u>		<u>418.72</u>

MANUFACTURING EXPENSES

Stores and Spare parts	41.46		83.58	
Dyes and Chemicals	55.76		55.94	
Electric Power, fuel and water	140.56		115.18	
Machinery repairs	6.01		5.12	
Building repairs	3.47		2.49	
Labour, Processing and machinery hire charges	20.27		17.73	
Excise Duty	751.17		628.51	
Lease Rent	25.24		24.16	
		<u>1043.94</u>		<u>932.71</u>

PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

Salaries, Wages and Bonus	45.87		39.99	
Contribution to Provident Fund, Gratuity Fund, Superannuation Fund, Employees State Insurance Scheme, Pension Scheme, Labour Welfare Fund etc.	5.74		4.51	
Employees' Welfare and other amenities	14.17		12.20	
		<u>65.78</u>		<u>56.70</u>

SALES AND DISTRIBUTION EXPENSES

Samples, Sales Promotion and Advertisement Expenses	12.90		9.19	
Brokerage and Commission	25.20		27.26	
Packing Expenses	35.03		29.54	
Warehousing Charges	1.49		0.93	
Freight and forwarding charges	16.90		15.19	
Octroi Expenses	4.93		1.41	
Sales Tax	40.24		33.91	
		<u>136.69</u>		<u>117.43</u>

ESTABLISHMENT EXPENSES

Insurance	15.84		13.05	
Rent	4.12		2.54	
Rates and taxes	0.39		1.12	
Other repairs	4.49		4.41	
Travelling expenses (including Rs.0.39 crore for Directors)	4.02		3.16	
Payment to Auditors	0.31		0.29	
General Expenses	49.60		42.70	
Loss on sale of Assets	0.01		0.04	
Preliminary Expenses written off	0.02		—	
		<u>78.80</u>		<u>67.31</u>
		<u>1749.62</u>		<u>592.87</u>

SCHEDULE 'M'

(Rs. in crores)

INTEREST

	1991-1992		1990-1991	
	Rs.	Rs.	Rs.	Rs.
Debentures	82.37		61.20	
Fixed Loans	52.40		36.63	
Others (Net)	83.88		89.22	
		<u>218.65</u>		<u>187.05</u>

SCHEDULE 'N'

NOTES ON ACCOUNTS

1. Significant Accounting Policies

A. Basis of preparation of financial statements

- a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles, and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- b) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the Company.

B. Fixed Assets and Depreciation

- a) Goodwill represents the excess of consideration paid over the value of the net assets of the business taken over, and the same is not amortised.
- b) Technical know-how fees are capitalised in the year of payment.
- c) Other fixed assets are stated at cost of acquisition/construction less accumulated depreciation.
- d) Expenditure, including cost of financing incurred in the course of construction, installation and commissioning of projects, property, plant or equipment till the commencement of commercial production are capitalised and included in the cost of the respective fixed assets.
- e) Depreciation on fixed assets (other than goodwill, leasehold and freehold land) is provided on straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956, save and except depreciation in respect of incremental liability on account of exchange fluctuations arising during the year which have been amortised over the residual life of the eligible assets commencing from 1st April, 1991.
- f) Capital work-in-progress includes assets under/awaiting installation, on site inventories, net pre-operative expenses, including difference between income and expenditure in respect of production during trial run and interest capitalised in respect of assets not yet commissioned.

C. Accounting for Foreign Currency translations

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transactions.
- b) Foreign currency loans availed for acquiring fixed assets have been translated at the exchange rate prevailing at the end of the year or contract rates in case of forward cover.

D. Investments

Investments are stated at cost.

E. Debtors

Debtors are stated at book value after making provisions for doubtful debts.

F. Inventories

- a) Raw Materials, Stores, Spares, Dyes, Chemicals, etc, and Stock-in-transit are valued at cost.
- b) Stock-in-process is valued at cost including related overheads.
- c) Finished Goods are valued at cost or market value whichever is lower. The cost includes cost of production and expenses incurred in putting the inventories in their present location and condition.
- d) Waste and Scrap are not separately valued
- e) By-products are valued at net realisable value.

G. Basis of Accounting

All income and expenditure items having a material bearing on the financial statements are recognised on accrual basis, save and except the following items which are accounted for on cash basis, as it is not possible to ascertain with reasonable accuracy the quantum thereof

a) Income:

- i) Export Incentives;
- ii) Miscellaneous Insurance and sundry claims receivable; and
- iii) Disposal of Sundry items including waste.

b) Expenditure:

- i) Interest on overdue bills/letters of credit;
- ii) Performance incentives on sales; and
- iii) Premium on redemption of debentures.

H. Sales

Sales includes sale of by-products, waste, sale of products produced during trial run, excise duty and sales tax but excludes discount, commission, incentives and value of inter division transfer of finished products and other services.

I. Excise Duty

Excise Duty is accounted for as and when the same is paid, on the despatch of the goods from factory/bonded premises. No provision is made for excise duty in respect of finished products lying in the factory/bonded premises.

J. Employee Retirement Benefits

- (a) Company's contributions to Provident Fund, Superannuation Fund and other Funds for the year are charged to Profit and Loss Account.
- (b) Gratuity is charged to Profit and Loss Account on the basis of actuarial valuation.

K. Research and Development

Expenditure related to capital items is debited to fixed assets and depreciation provided as stated in Note 1B herein. Revenue expenditure is charged to Profit and Loss Account of the year in which they are incurred.

L. Debenture Issue Expenses

Debenture issue expenses to the extent pertaining to projects are capitalised.

M. Leases

No distinction is made between finance leases and operating leases and lease rentals are expensed, except for rentals pertaining to the periods upto the date of commissioning of the assets which are capitalised.

2. (a) The previous year's figures have been regrouped and reclassified wherever necessary.
- (b) The figures for the current year include figures of erstwhile Reliance Petrochemicals Limited (referred to as RPL) which is amalgamated with the Company and are therefore not comparable with those of the previous year.
- (c) Figures have been presented in 'crores' of rupees with two decimals in accordance with the approval received from the Company Law Board. Figures less than Rs.50,000 have been shown at actuals in brackets.
3. (a) In terms of a Scheme of Amalgamation and Order dated 29th July, 1992 and dated 11th August, 1992 of the Hon'ble Bombay High Court and Hon'ble Gujarat High Court respectively, RPL has been amalgamated with the Company with effect from 1st March, 1992. Pursuant to the said Scheme, the Company has taken over all the assets, liabilities and the obligations of RPL.
- (b) Pursuant to above, 7,49,26,428 Equity Shares of Rs.10/- each are to be issued as fully paid-up to the shareholders of RPL, without payment being received in cash, and pending allotment have been shown under the head "Share Capital Suspense".
- (c) The amalgamation reserve represents excess of assets over liabilities taken over by the Company consequent on the amalgamation as reduced by the face value of the Equity Shares to be issued to the shareholders of RPL, arrived at as under:

Value of Assets taken over as at 1st March, 1992:

	(Rs.in crores)
Net Fixed Assets (including Net Pre-operative Expenditure)	1,472.81
Investments	0.20
Current Assets	124.01
Miscellaneous Expenditure (to the extent not written off)	<u>0.02</u>
	1,597.04
Less: Loans	609.94
Current Liabilities	237.04
Capital Reserve	0.28
General Reserve	<u>0.50</u>
	<u>847.76</u>
	749.28
	<u>74.94</u>
	<u>674.34</u>

Less: Share Capital of the Company to be issued

Surplus on Amalgamation

(d) Share Capital Suspense includes Shares forfeited by RPL of Rs.0.02 crore, representing 30,964 Equity Shares.

4. 'Interest - Others (Net)' is arrived at after deducting interest received/receivable of Rs. 10.10 crores (previous year Rs. 0.59 crore); Tax Deducted at Source of Rs. 1.34 crores (previous year Rs. 0.07 crore).
5. A sum of Rs.5.66 crores (net) included in other income, represents excess of income over expenditure relating to previous year(s). This excludes octroi amounting to Rs. 12.95 crores payable in terms of Order of the High Court of Gujarat dated 8th May, 1992 and depreciation amounting to Rs. 62.11 crores arising due to change in accounting policy for foreign currency translation relating to previous years' being extraordinary items shown under the head Prior years adjustments in the Profit and Loss Account.

	(Rs. in crores)	
	1991-92	1990-91
6. (a) Auditors' Remuneration:		
i) Audit Fees	0.18	0.17
ii) Tax Audit Fees	0.07	0.07
iii) For Certification and Consultation in finance and tax matters	0.05	0.05
iv) Expenses reimbursed (Previous year Rs. 37,335)	<u>0.01</u>	<u>—</u>
	<u>0.31</u>	<u>0.29</u>

(b) Cost Auditor:
Audit Fees Rs. Nil. (Previous year Rs. 50,000)

7. (a) The Company has been advised that the computation of net profits for the purpose of Directors' remuneration under section 349 of the Companies Act, 1956 need not be enumerated since no commission is agreed to be paid to the Directors. Fixed monthly remuneration has been paid to the Directors as per Schedule XIII to the Companies Act, 1956 and/or as per the approval of the Central Government, wherever applicable.

	(Rs. in crores)	
	1991-92	1990-91
(b) Managing Directors' and Executive Directors' remuneration:		
i) Salaries	0.07	0.08
ii) Contribution to Provident Fund and Superannuation Fund	0.02	0.02
iii) Provision for Gratuity (as per actuarial Valuation Rs.26,600, previous year Rs.35,000)	—	—
iv) Perquisites	<u>0.03</u>	<u>0.03</u>

Reliance

8. In accordance with the accounting policy followed by the Company, the estimated liability as on 31st March, 1992 amounting to Rs. 36.32 crores for excise duty in respect of finished products lying in factory/bonded premises has not been provided for in the accounts and hence not included in the valuation of inventory. This accounting treatment has no impact on profits of the current financial year.
9. During the year, the Company has restated liabilities in respect of foreign exchange loans availed to acquire fixed assets at the rate of exchange prevailing at end of the year or contract rate in case of forward cover, unlike in past when the Company used to (a) account such loans at the exchange rates prevailing on relevant dates; and (b) recognise such additional liabilities on the basis of payments thereto alongwith roll-over charges. Consequently, the liability has been increased by the translated difference of Rs. 116.54 crores with corresponding increase in carrying cost of the fixed assets. On account of this, depreciation upto 31st March, 1991 amounting to Rs. 62.11 crores has been included in Prior years adjustment in Profit and Loss Account. Depreciation for the year on such incremental liability is charged over the residual life of the relevant fixed assets. Had the Company followed its past practice, depreciation for the year would have been lower by Rs. 28.40 crores and profit for the year would have been higher by Rs. 28.40 crores. Consequently Reserves and Surplus are lower by Rs. 90.51 crores, Net Block of Fixed Assets is higher by Rs.26.03 crores, and Secured Loans are higher by Rs.116.54 crores.
10. The provision for depreciation for multiple shifts, wherever applicable as per records and as advised, has been made on the basis of the actual utilisation of respective eligible assets.
11. The income-tax assessments of the Company have been completed upto Assessment Year 1989-90. The total demand raised by the Income-tax Department up-to the said assessment year is Rs. 52.29 crores, which are disputed. Based on the decisions of the first Appellate Authorities and interpretation of other relevant provisions, the Company has been advised that no provision for taxation in respect thereof is required in the accounts. The taxation reserve created in past amounting to Rs.10.00 crores would be adequate enough to meet the liabilities, if any, in respect of pending assessments.
The Company has been advised that no provision for taxation is necessary for the current financial year in view of various unabsorbed past reliefs.
12. Guidelines dated 14th January, 1987 of the Government of India require Companies raising resources through issue of Debentures to create a Debenture Redemption Reserve. The Company has been advised that this notification is not applicable to Debentures issued before the date of the said notification. The Company during the financial year, has transferred Rs.21.00 crores to the Debenture Redemption Reserve for debentures in respect whereof provision is required to be made and which have been issued subsequent to the date of the said notification.
13. The Company has an investment of Rs. 0.21 crore and Rs. 44,000 in the Share Capital of Devti Fabrics Limited and Trishna Investments & Leasings Limited respectively, wholly owned subsidiary companies. Loans to these subsidiary companies of Rs.3.39 crores and Rs. 147.50 crores respectively, receivables on account of sale of goods of Rs. 2.39 crores from Devti Fabrics Ltd. and guarantees to Banks and Financial Institutions of Rs. 2.50 crores aggregate to Rs.155.78 crores. The losses of these companies exceed their paid up capital and reserves as on 31st March, 1992. In view of the long term involvement of the Company in both the said companies, no provision has been made in the accounts for the probable loss that may arise.
14. The Company had received demand notices in 1986 aggregating Rs.15.40 crores being the alleged differential stamp duty payable under the Bombay Stamp Act, 1958 in respect of Debenture Trust Deeds executed in the state of Gujarat. The matter is pending before the Hon'ble Bombay High Court. The Honourable High Court at Bombay has granted a stay of enforcement of these demands. The Company has been advised that there will be no liability in this regard and accordingly, no provision has been made in this respect in the accounts.
15. The Company had given unsecured loan of Rs. 157.85 crores to Reliance Enterprises Private Limited (Amount outstanding as on 31st March, 1992 Rs. 155.69 crores appearing in Schedule 'H'), when it was a subsidiary of the Company. The terms of interest and repayment of the said loan are subject to mutual agreement and approval by financial institution(s).
16. Pre-operative expenses in respect of projects upto 31st March, 1992 to be capitalised:

	Total upto 31st March 1992	(Rs. in crores) Total upto 31st March 1991
Net Pre-operative expenditure of RPL taken over on amalgamation.	392.73	—
Pre-operative expenditure of projects under commissioning transferred from Profit and Loss Account.	48.63	—
Transportation	0.74	0.28
Lease Expenses	59.84	8.71
Insurance	2.82	1.58
Travelling Expenses	0.54	0.16
General Expenses	92.70	84.34
Interest	24.95	14.21
Debenture Issue Expenses	5.03	—
	627.98	109.28
Less: Income		
Interest (Tax Deducted at Source Rs. Nil (Previous Year Rs. 0.01 crore)	0.91	—
Lease Income (Rs. 36,000)		
Income from funds placed under Portfolio Management Scheme	0.03	—
Other Income Capitalised by allocating to Building and Plant & Machinery	14.11*	—
	—	1.95
	612.93	107.33

The above items do not form part of Profit and Loss Account, except to the extent amount transferred from Profit and Loss Account.
*represents income in respect of power supplied to Gujarat Electricity Board on estimated tariff, pending execution of agreement.

17. CONTINGENT LIABILITIES

	As at 31st March, 1992	(Rs. in crores) As at 31st March, 1991
(a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	399.39	216.24
(b) Outstanding guarantees furnished to Banks and Financial Institutions including in respect of Letters of Credit opened by Bankers	309.90	342.93
(c) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties	49.50	38.25
(d) Liability in respect of bills discounted with banks	-	32.30
(e) Bonds executed in favour of Excise and Custom Authorities	26.64	2.71
(f) Uncalled liability on partly paid shares (Rs. 16,875, previous year Rs. 16,875)		
(g) Claims against the Company/disputed liabilities not acknowledged as debts	19.97	9.11
(h) Export bills discounted against irrevocable Letters of Credit	1.69	0.93
(i) Indemnities towards export obligations against capital goods import	-	0.67
(j) Import Duty on Raw Materials/ Chemicals & catalysts imported under Advance Licences against fulfilment of export obligations Licensed Capacity Installed Capacity	14.28	38.86

18. LICENCED AND INSTALLED CAPACITY	Unit	Licensed Capacity		Installed Capacity	
		1991-92	1990-91	1991-92	1990-91
(a) Polyester Filament Yarn /Polyester Chips	M.T.	32300 A	32300 A	25125 ++	25125 ++
(b) Polyester Staple Fibre/Polyester Chips	M.T.	60000@	60000@	45000	45000
(c) Man-made Fibre spun yarn on worsted system (Spindles)Nos.		20000	20000	12494	12494
(d) Man-made Fabrics (Looms)	Nos.	450	450	450	450
(d) Man-made Fabrics (Knitting M/c)	Nos.	22	22	20	20
(e) Purified Terephthalic Acid	M.T.	200000@	200000@	100000 ++	100000 ++
(f) Linear Alkyl Benzene	M.T.	80000@	80000@	60000	60000
(g) Synthetic Filament Yarn Including Industrial yarn/tyre cord	M.T.	2000 *	2000 *	-	-
(h) Ethylene	M.T.	40000 *	320000 *	Under Implementation	-
(i) Propylene	M.T.	195000 *	155000 *	Under Implementation	-
(j) Butadiene & Other C4s	M.T.	120000 *	98000 *	Under Implementation	-
(k) Acrylic Fibre	M.T.	20000 *	20000 *	-	-
(l) Polypropylene	M.T.	100000 *	100000 *	-	-
(m) Styrene	M.T.	80000 *	80000 *	-	-
(n) Polystyrene	M.T.	40000 *	40000 *	-	-
(o) Styrene Butadiene Rubber	M.T.	100000@	100000@	-	-
(p) Linear low Density Polyethylene	M.T.	100000 *	100000 *	-	-
(q) Acrylonitrile	M.T.	70000 *	70000 *	-	-
(r) Butyl Rubber	M.T.	25000 *	25000 *	-	-
(s) Export Oriented Unit					
(i) Para-xylene	M.T.	270000 *	270000 *	-	-
(ii) Purified Terephthalic Acid	M.T.	200000 *	200000 *	-	-
(t) Mono Ethylene Glycol (MEG)	M.T.	100000 *		Under Implementation	
(u) Higher Ethylene Glycol (HEG) (By Products)	M.T.	5000 *		Under Implementation	
(v) High Density Polyethylene (HDPE)	M.T.	160000 *		Under Implementation	
(w) Poly Vinyl Chloride (PVC)	M.T.	100000 *		Under Implementation	
(x) Chlorine	M.T.	66000 *		Under Implementation	
(y) Caustic Soda (By Product)	M.T.	78000 *		Under Implementation	
(z) Hydrogen (By Product)	M.T.	1950 *		Under Implementation	

*On the basis of Letter of Intent received and items stated under (t) to (z) stand in the name of RPL, acquired on amalgamation.

++ Based on average Denier of 40

@ Approved under MES.

Installed Capacity based on Certificate of the Management.

A Subject to automatic re-endorsement of capacity further 15000 M.T. has been approved under broad-banding scheme and under implementation.

B MES capacity of 200000 M.T. of PTA under implementation.

Reliance

19. PRODUCTION OF FINISHED PRODUCTS MEANT FOR SALE	Unit			1991-92	1990-91
a) Yarn	M.T.			61,428	67,653
b) Polyester Staple Fibre	M.T.			55,119	48,485
c) Polyester Chips	M.T.			9,923	13,739
d) Fabrics	Mtrs. in lacs			518.00	505.81
e) Paraxylene	M.T.			—	3,400
f) P.T.A.	M.T.			59,343	58,576
h) MEG	M.T.			62,739	66,950
i) HEG	M.T.			1,200	—
j) PVC	M.T.			7,432	—
20. VALUE OF IMPORTS ON C.I.F. BASIS IN RESPECT OF				1991-92	1990-91
				Rs.	Rs.
(a) Raw Materials				132.88	167.77
(b) Dyes and Chemicals Catalysts, Stores and Spare parts				58.46	23.66
(c) Capital goods				22.35	13.65
21. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF				1991-92	1990-91
				Rs.	Rs.
Interest on foreign currency loans				31.98	20.05
Interest on Debentures held by Non-residents on repatriation basis (Gross)				1.98	2.57
Other matters				3.21	18.53
Technical know-how & Engineering Fees				2.08	3.00
22. QUANTITATIVE INFORMATION IN RESPECT OF OPENING STOCK, CLOSING STOCK, PURCHASES, SALES AND CONSUMPTION OF RAW MATERIALS					
	Unit			1991-92	1990-91
				Quantity	Quantity
				Rs. in Crores	Rs. in Crores
(a) Opening Stock:				158.58*	117.15
i) Finished Goods					
a) Yarn	M.T.			7,645	3,524
b) Polyester Staple Fibre	M.T.			6,583	8,410
c) Polyester Chips	M.T.			2,371	1,234
d) Fabrics	Mtrs. in lacs			65.24	64.15
e) Paraxylene	M.T.			161	1,595
f) PTA	M.T.			163	—
g) L.A.B.	M.T.			6,873	4,414
h) HEG	M.T.			1,751	—
i) PVC	M.T.			4,733	—
ii) Stock-in-process				99.38*	89.75
iii) Others				1.75	1.51
* Including stock-in-trade of RPL as on 1.3.1992.					
(b) Closing Stock:					
i) Finished Goods				115.87	145.42
a) Yarn	M.T.			4,293	7,645
b) Polyester Staple Fibre	M.T.			4,168	6,583
c) Polyester Chips	M.T.			817	2,371
d) Fabrics	Mtrs. in lacs			57.58	65.24
e) Paraxylene	M.T.			—	161
f) PTA	M.T.			29	163
g) L.A.B.	M.T.			2,122	6,873
h) HEG	M.T.			2,168	—
i) PVC	M.T.			8,980	—
ii) Stock-in-process				90.63	93.93
iii) Others				1.46	1.75
(c) Purchases				12.82	57.69
Yarn	M.T.			402	3970
PTA	M.T.			—	1000
(d) Sales					
a) Yarn	M.T.			64,959	66,692
b) Polyester Staple Fibre	M.T.			57,442	52,813
c) Polyester Chips	M.T.			10,980	11,149
d) Fabrics	M.T.			525.66	506.60
e) Paraxylene	M.T.			—	3,697
f) P.T.A.	M.T.			59,669	48,908
g) L.A.B.	M.T.			67,364	64,142

	Unit	1991-92		1990-91	
		Quantity	Rs. in Crores	Quantity	Rs. in Crores
h) MEG	M.T.	3,202	8.79	—	—
i) HEG	M.T.	783	3.69	—	—
j) PVC	M.T.	3,185	10.11	—	—
k) Others	M.T.	—	54.16	—	31.80
			<u>2,298.02</u>		<u>2,098.34</u>
(e) Raw Material Consumed	Unit				
Naptha	M.T.	199,640	107.13	168,091	69.67
Paraxylene	M.T.	6,843	12.18	—	—
PTA	M.T.	6,032	8.85	21,370	65.63
M.E.G.	M.T.	40,252	54.25	45,317	74.57
Fibre	M.T.	1,590	13.84	1,531	12.57
Yarn	M.T.	2,662	38.45	2,790	31.76
Fabrics (Grey)	Mtrs in lacs	145.03	26.68	151.56	25.02
N. Paraffin	M.T.	55,830	102.97	61,398	103.05
Benzene	M.T./K.L.	23,934	26.05	25,493	22.04
Others		—	17.32	—	14.41
Ethylene	M.T.	5,539	8.88	—	—
VCM	M.T.	6,654	7.81	—	—
			<u>424.41</u>		<u>418.72</u>
23. VALUE OF RAW MATERIAL CONSUMED			1991-92		1990-91
			Rs. in Crores		Rs. in Crores
Imported			61.86		119.76
Indigenous			362.55		298.96
			<u>424.41</u>		<u>418.72</u>
			% of total Consumption		% of total Consumption
			14.58		28.60
			85.42		71.40
			<u>100.00</u>		<u>100.00</u>
24. VALUE OF DYES, CHEMICALS, CATALYSTS, STORES & SPARE PARTS CONSUMED:					
23. VALUE OF RAW MATERIAL CONSUMED			1991-92		1990-91
			Rs. in Crores		Rs. in Crores
Imported			36.07		60.38
Indigenous			61.15		79.14
			<u>97.22</u>		<u>139.52</u>
			% of total Consumption		% of total Consumption
			37.10		43.28
			62.90		56.72
			<u>100.00</u>		<u>100.00</u>
25. EARNINGS IN FOREIGN EXCHANGE:					
Export of goods on FOB basis			80.56		55.95
26. REMITTANCE IN FOREIGN EXCHANGE ON ACCOUNT OF DIVIDEND			1991-92		1990-91
			Rs.		Rs.
			18,917		21,102
			9,416,634		11,789,082
			2.82		3.54
(II) Year to which dividend relates			1990-91		1989-90

(Rs. in Crores)

As per our Report of even date		For and on behalf of the Board	
For RAJENDRA & CO. Chartered Accountants	For CHATURVEDI & SHAH Chartered Accountants	D.H. Ambani	Chairman & Managing Director
		M.D. Ambani	Vice Chairman
		R.H. Ambani A.D. Ambani	Joint Managing Directors
R.J. Shah Proprietor	D. Chaturvedi Partner	M.L. Bhakta T. Ramesh U. Pai S.S. Betrabet	Directors
		N.H. Ambani N.R. Meswani	Executive Directors
Bombay		V.M. Ambani	Secretary
Dated: 29th September, 1992.			

Reliance

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY COMPANIES

	Devti Fabrics Ltd.*	Trishna Investments and Leasings Ltd.	Reliance Europe Limited	Reliance Petroproducts Limited	Redwood Investments Private Limited
1. The Financial Year of the Subsidiary companies ended on	31st March, 1992	31st March, 1992	31st December, 1991	31st March, 1992	31st March, 1992
2. Date from which they became subsidiary companies	30th September, 1985	30th December, 1988	14th August, 1990	11th February, 1992	15th October, 1991
3. a. No of shares held by Reliance Industries Limited (holding company) with its nominees in the subsidiaries at the end of the financial year of the subsidiary companies.	2,10,070 Equity Shares of the face value of Rs. 10 each fully paid-up	4,400 Equity Shares of the face value of Rs. 10 each fully paid-up	20,17,000 Equity Shares of the face value of £ 1 each fully paid-up	1,300 Equity Shares of the face value of Rs. 10 each fully paid-up	10,000 Equity Shares of the face value of Rs. 10 each fully paid-up
b. Extent of interest of holding company at the end of the financial year of subsidiary companies	100%	100%	100%	100%	100%
4. The net aggregate amount of the subsidiary companies profit/(loss) so far as it concerns the members of the holding company					
a. Not dealt with in the holding company's accounts					
i) For the financial year ended 31st March, 1992	(Rs.129.45 Lakhs)	Rs. 50.60 Lakhs	US\$3,11,077	(Rs.6,110)	(Rs.12,024)
ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiaries	(Rs. 318 21 Lakhs)	(Rs. 585.13 Lakhs)	US \$ 9,792		
b. Dealt with in holding company's accounts:					
i) For the financial year ended 31st March, 1992	NIL	NIL	NIL	NIL	NIL
ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiaries	NIL	NIL	NIL	NIL	NIL

* Devti Fabrics Limited has become a potentially Sick Company under Section 3(1) of the Sick Industrial Companies (Special Provision) Act. 1985

	For and on behalf of the Board	
	D.H. Ambani	Chairman & Managing Director
	M.D. Ambani	Vice Chairman
	R.H. Ambani A.D. Ambani	Joint Managing Directors
	M.L. Bhakta T. Ramesh U. Pai S.S. Betrabet	Directors
	N.H. Ambani N.R. Meswani	Executive Directors
	V.M. Ambani	Secretary

Bombay

Dated: **29th September, 1992.**

DEVTI FABRICS LIMITED

Regd. Office : 3rd Floor, Maker Chambers IV
222, Nariman Point,
Bombay 400 021.

DIRECTORS REPORT

To the Members.

Your Directors present the Eighth Annual Report together with the Audited Statement of Accounts for the Financial year ended 31st March, 1992.

OPERATIONS:

The Company has incurred a loss of Rs.129.45 Lakhs during the year under review as against loss of Rs.20.77 Lakhs in the previous year. Sales declined marginally to Rs.988.01 Lakhs as against Rs.1004.78 Lakhs for the previous year.

In spite of all the adverse market conditions, the Company was able to contain the losses. The weaving activity, which is no more a profitable venture, is being reduced gradually. However the spinning unit is doing well Efforts are being made to increase the production and performance of this Unit.

POTENTIAL SICKNESS:

In view of the accumulated losses of the company for the preceding five financial years, its net worth has eroded and as such, the Company has become a potentially sick industrial company pursuant to the provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 Therefore, the Company will have to report the fact of such erosion to the Board for Industrial and Financial Reconstruction (BIFR) within a period of 60 days from the date hereof and also to hold a general meeting of the Shareholders of the Company, for considering such erosion in net worth.

DIVIDEND:

In view of the carried forward losses, your Directors have not proposed any Dividend for the Financial Year under review.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Shri K.V. Ambani and Shri N.M. Sanghvi retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS:

M/s Rajendra & Co. and M/s. Chaturvedi & Shah, Chartered Accountants retire at the ensuing Annual General Meeting and are recommended for reappointment. The Auditors have, under Section 224(1) of the Companies Act, 1956, furnished a certificate of their eligibility for re-appointment.

DEPOSITS:

The Company has not accepted any deposits from the Public. Hence, no information is required to be appended to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under Sub-section(e) of Section 217 (1) of the Companies Act 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure which forms part of the Directors Report.

PERSONNEL:

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is not given as no employee is drawing more than Rs.12,000/- per month.

APPRECIATION:

Your Directors wish to place on record their appreciation of the devoted services rendered by the Executives, Staff and Workers of the Company

For and on behalf of the Board

S. Natarajan
Vinod M. Ambani

Bombay

Dated: 28th September, 1992 Directors

ANNEXURE TO DIRECTORS REPORT**Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.****A. CONSERVATION OF ENERGY**

Water bore pumps motors are re-arranged so that pumping of water to staff quarters is regulated through the Over-head tank and stopping the motors for more than 10 hours per day thereby Electrical Power is saved In loomshed total 12 line shafts (15 hp and 20 hp motors) stopped and 144 looms converted to individual drive.

Further cotton tapes of 7 ring frames and 10 doubling are replaced with synthetic tapes thereby consumption of energy reduced by 4 to 5% on these machines.

Lighting of the departments is put-off during third shift after re-arranging and providing individual control switches so that lights can be switched off as and when not required.

By adopting above energy conservation measures, a sum of Rs.1.73 lakhs was saved during the year.

FORM-A

(Form for disclosure of particulars with respect to conservation of energy)

PART - A**A. POWER AND FUEL CONSUMPTION**

	CurrentYear 1991-92	PreviousYear 1990-91
1. ELECTRICITY		
a. Purchased Units		
Total Amount	69,65,805	84,34,672
Rate/Unit	1,34,62,453	1,25,80,355
b. Own Generation:		
i. Through Diesel Generator		
Units	1,48,458	4,320
Units per Ltr. of Diesel		
Oil Cost/Unit	2.4	2.4
ii. Through Steam Turbine/Generator		
Units	—	—
Unit per Ltr. of Fuel Oil/Gas cost/unita	—	—
2. COAL		
Quantity(Tonnes)	1765	1905
Total cost	22,82,951	22,41,008
Average rate	1,293.46	1,176.383.
3. FURNACE OIL		
Quantity (Kilo Ltrs.)	—	—
Total Amount	—	—
Average rate	—	—
4. OTHERS/INTERNAL GENERATION		
Quantity	—	—
Total Cost	—	—
Average Rate	—	—

PART - B**B. CONSUMPTION PER UNIT OF PRODUCTION**

	CurrentYear 1991-92		Previous year 1990-91	
	YARN (Kgs)	FABRICS (P. MTR)	YARN (Kgs)	FABRICS (P. MTR)
ELECTRICITY(UNITS)	7.89	0.60	5.34	0.41
FURNACE OIL	—	—	—	—
COAL**	—	—	—	—
OTHERS	—	—	—	—

** Coal is used for steaming and heating the yarn for the purpose of sizing. It has no link with the production.

FORM - B**(Form for disclosure of particulars with respect to Technology Absorption).**

The Company has no specific Research and Development Department. hence information to be given in Form - B are not relevant for the Company. However, the Company has a quality control department to check the quality of the products manufactured.

C. FOREIGN EXCHANGE EARNING AND OUTGO

- Activities relating to exports Company is making a study to explore the foreign market for export of Company's products.
- Foreign Exchange used and earned... .. NIL

AUDITORS REPORT

To

The Members of Devti Fabrics Limited

We have audited the attached Balance Sheet of DEVTI FABRICS LIMITED as at 31st March, 1992 and the Profit and Loss Account of the company for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors Report) order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we state that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books.
 - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i) in so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March, 1992 and
 - ii) in so far as it relates to the Profit and Loss Account of the Loss of the Company for the year ended on that date.

For **RAJENDRA & CO.**
Chartered Accountants

For **CHATURVEDI & SHAH**
Chartered Accountants

R.J. SHAH
Proprietor

D.CHATURVEDI
Partner

Bombay
Dated: **28th September 1992**

ANNEXURE TO AUDITORS REPORT

Referred to in Paragraph 1 of our report of even date

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. We are informed that most of the assets have been physically verified by the Management during year and that no material discrepancies were noticed on such verification. In our opinion, the frequency of such physical verification is reasonable having regard to the size of the company and the nature of its assets.
2. None of the fixed assets have been revalued during the year.
3. According to the information and explanations given to us, the stocks of finished goods, stores, spare parts and raw materials have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable.

4. In our opinion, the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. As explained to us, there were no material discrepancies noticed on physical verification of the stocks and the same have been properly dealt with in the Books of account.
6. In our opinion and on the basis of our examination of stock and other records and considering the method adopted for accounting of excise duty referred to in Note No.4 of Schedule K, to the accounts, the valuation of stocks is fair and proper and is in accordance with the normally accepted accounting principles and is on same basis as in the preceding year.
7. The Company has taken an interest-free unsecured loan from the holding company. It has not taken any other loan, secured or unsecured, from companies, firms or other parties as listed in the register maintained under section 301 of the Companies Act, 1956, or from companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956. The terms and conditions of the above loan are not, in our opinion prima facie prejudicial to the interest of the Company.
8. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 or to companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956.
9. In respect of loans and advances in the nature of loans given by the Company, the parties have generally repaid the principal amounts as stipulated and have also been regular in the payment of interest, wherever applicable.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
11. In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods or materials and sale of goods materials and services made in pursuance of contracts or arrangement entered in the register maintained under section 301 and aggregating during the year to Rs.50,000/- or more in respect of each party.
12. As explained to us, the company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.
13. The company has not accepted any deposit from the public and consequently the provisions of Sections 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.
14. The Company has no by-products and in our opinion reasonable records have been maintained by the Company for the sale and disposal of realisable scrap wherever significant.
15. In our opinion the Company has an internal audit system commensurate with its size and the nature of its business.
16. The Central Government has prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of the manufacturing activities of the Company. We have broadly reviewed the records in this connection and are of the opinion that the

- prescribed accounts and records have been made and maintained. However, no detailed examination of the same has been carried out by us.
17. According to the records of the Company, Provident Fund and Employee's State Insurance dues have been regularly deposited with the appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, customs duty, sales tax and excise duty were outstanding as on 31st March, 1992 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a sick industrial company within the meaning of clause (o) of sub-section(1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of the service activities of the Company:
- (a) The Company has a reasonable system of recording receipts, issues and consumption of material and stores commensurate with its size and the nature of its business.
- (b) The Company does not have any significant allocation of material in respect of the processing activities carried out on 'job work' basis.
- (c) The Company has a reasonable system of allocating manhours utilised to the relative jobs commensurate with its size and the nature of its business.
- (d) There is a reasonable system of authorisation at proper levels and an adequate system of internal control commensurate with the size of the Company and the nature of its business on the issue of stores and allocation of stores and labour to relative jobs.
22. In respect of the trading activities, we are informed that the Company does not have damaged goods lying with it at the end of the year. Therefore, no provisions for any loss is required to be made in the accounts.

For **RAJENDRA & CO.**
Chartered Accountants

For **CHATURVEDI & SHAH**
Chartered Accountants

R.J. SHAH
Proprietor

D.CHATURVEDI
Partner

Bombay
Dated: **28th September 1992**

BALANCE SHEET AS AT 31st MARCH, 1993

	Schedule	As at		(Rs. in crores)	
		31st March, 1992 Rs.	Rs.	As at 31st March, 1991 Rs.	Rs.
SOURCES OF FUNDS:					
Shareholders' Funds					
Capital	'A'		21.01		21.01
Loan Funds					
Secured Loans	'B'	289.65		386.27	
Unsecured Loans (From Holding Company)		339.00		175.00	
	TOTAL		628.65		561.27
			649.66		582.28
APPLICATION OF FUNDS:					
Fixed Assets					
Gross Block		586.74		577.08	
Less: Depreciation		299.87		237.76	
Net Block	'C'		286.87		339.32
Current Assets, Loans and Advances					
Current Assets					
Inventories	'D'	184.65		146.24	
Sundry Debtors		34.68		4.10	
Cash and Bank Balances		7.09		10.65	
		226.42		160.99	
Loans and Advances	'E'	38.97		55.48	
		265.39		216.47	
Less: Current Liabilities and Provisions	'F'				
Current Liabilities		338.74		280.35	
Provisions		11.58		11.45	
		350.32		291.80	
Miscellaneous Expenditure (to the extent not written off or adjusted)			(84.93)		(75.33)
Profit & Loss Account			0.06		0.08
			447.66		318.21
	TOTAL		649.66		582.28
Notes and Contingent Liabilities	'K'				

As per our Report of even date

For **RAJENDRA & CO.**
Chartered AccountantsFor **CHATURVEDI & SHAH**
Chartered Accountants**R.J. Shah**
Proprietor**D. Chaturvedi**
PartnerBombay
Dated: **28th September, 1992.**

For and on behalf of the Board

S. Natarajan**Vinod M. Ambani**

} Directors

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1992

	Schedule	1991-92		(Rs. in crores) 1990-91	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sales (Net)		988.01		1,004.78	
Other Income	'G'	213.11		291.46	
Variation in Stock	'H'	<u>39.25</u>		<u>41.52</u>	
			1,240.37		1,337.76
EXPENDITURE					
Purchases		49.29		63.56	
Manufacturing and Other Expenses	'I'	1,205.54		1,172.13	
Interest	'J'	52.88		61.56	
Depreciation		<u>62.11</u>		<u>61.28</u>	
			<u>1,369.82</u>		<u>1,358.53</u>
Profit/(Loss) for the year			(129.45)		(20.77)
Add: Balance brought forward from last year Profit/(Loss)			(318.21)		(297.44)
Balance carried to Balance Sheet			<u>(447.66)</u>		<u>(318.21)</u>
Notes and Contingent Liabilities	'K'				

As per our Report of even date

For and on behalf of the Board

For **RAJENDRA & CO.**
Chartered AccountantsFor **CHATURVEDI & SHAH**
Chartered Accountants**S. Natarajan****Vinod M. Ambani**

} Directors

R.J. Shah
Proprietor**D. Chaturvedi**
PartnerBombay
Dated: **28th September, 1992.**

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 'A'

	As at 31.3.1992 Rs.	(Rs. in Lacs) As at 31.3.1991 Rs.
SHARE CAPITAL		
Authorised:		
2,50,000 Equity Shares of Rs.10/- each	<u>25.00</u>	<u>25.00</u>
Issued & Subscribed:		
2,10,070 Equity Shares of Rs.10/- each fully paid up (All the Shares are held by Reliance Industries Limited, the holding company)	<u>21.01</u>	<u>21.01</u>

SCHEDULE 'B'
SECURED LOANS

	As at 31.3.1992 Rs.	(Rs. in Lacs) As at 31.3.1991 Rs.
Working Capital Loan from a Bank	89.03	107.72
Working Capital Term Loan from a Bank	40.50	70.45
Rupee Term Loan from Financial Institutions	160.12	205.80
Deferred Payment Facilities	—	2.30
	<u>289.65</u>	<u>386.27</u>

NOTES:

- Working Capital Loan and Working Capital Term Loan from a Scheduled Bank are secured against Hypothecation of present and future stock of the materials stock in process, finished goods, book debts, moveable machineries including all stock and spare parts belonging to the Company at Sidhpur in the State of Gujarat save and except Plant & Machineries purchased under the Modernisation Scheme from the Financial Institutions referred to in Note 2 below and are further guaranteed by Reliance Industries Limited, the holding company.
- Rupee Term Loan from Financial Institutions are secured by an exclusive first charge on the plant and machinery purchased under modernisation scheme.
- The figure of secured loans include Rs.72.68 lacs repayable within one year.

SCHEDULE 'C'

FIXED ASSETS

DESCRIPTION	GROSS BLOCK (AT COST)			As at 31.3.92 Rs.	DEPRECIATION Total upto 31.3.92 Rs.	NET BLOCK	
	As at 1.4.91 Rs.	Addition Rs.	Deduction Rs.			As at 31.3.91 Rs.	As at 31.3.91 Rs.
Buildings	25.83	1.65	—	27.48	4.10	23.38	22.63
Plant & Machineries	525.44	5.90	—	531.34	288.81	242.53	296.67
Electric Installations	17.99	—	—	17.99	4.65	13.34	13.94
Factory Equipments	2.96	—	—	2.96	1.00	1.96	2.11
Furniture & Fixtures	4.13	—	—	4.13	0.86	3.27	3.50
Vehicles	0.73	2.11	—	2.84	0.45	2.39	0.47
	<u>577.08</u>	<u>9.66</u>	<u>—</u>	<u>586.74</u>	<u>299.87</u>	<u>286.87</u>	<u>339.32</u>
Previous Year	571.32	9.89	4.13	577.08	237.76	339.32	

SCHEDULE 'D'

	As at 31.3.1992		(Rs. in Lacs) As at 31.3.1991	
	Rs.	Rs.	Rs.	Rs.
CURRENT ASSETS				
INVENTORIES (at cost or market value whichever is lower as certified by the Management).				
Stores, spares, dyes, chemicals, etc.	20.78		19.02	
Raw materials	32.88		32.64	
Stock-in-process	31.49		46.97	
Finished goods	98.74		43.53	
Others	0.76		4.08	
		<u>184.65</u>		<u>146.24</u>
SUNDRY DEBTORS (Unsecured)				
Over six Months:				
Considered good	34.68		—	
Considered doubtful	0.55		0.55	
Others: considered good	—		4.10	
	<u>35.23</u>		<u>4.65</u>	
Less: Provision for Doubtful Debts	0.55		0.55	
		<u>34.68</u>		<u>4.10</u>
CASH AND BANK BALANCES				
Cash on hand	1.63		1.36	
Balance with Scheduled Banks:				
In Current Accounts	2.04		9.29	
In fixed Deposit Accounts	3.42		—	
		<u>7.09</u>		<u>10.65</u>
		<u>226.42</u>		<u>160.99</u>

SCHEDULE 'E'

	As at 31.3.1992		(Rs. in Lacs) As at 31.3.1991	
	Rs.	Rs.	Rs.	Rs.
LOANS AND ADVANCES (Unsecured, Considered Good)				
Advances recoverable in cash or in kind or for value to be received		37.59		51.57
Deposits		0.20		0.23
Prepaid expenses		0.57		3.58
Balance with customs, Central Excise authorities etc.		0.61		0.10
		<u>38.97</u>		<u>55.48</u>

SCHEDULE 'F'

	As at 31.3.1992		(Rs. in Lacs) As at 31.3.1991	
	Rs.	Rs.	Rs.	Rs.
CURRENT LIABILITIES & PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors	336.31		277.15	
Interest accrued but not due on loans	2.43		3.20	
		<u>338.74</u>		<u>280.35</u>
PROVISIONS				
Gratuity, Superannuation and Provident Funds		11.58		11.45
		<u>350.32</u>		<u>291.80</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	1992-1992		(Rs. in Lacs)	
	Rs.		1991-1991	
	Rs.		Rs.	
SCHEDULE 'G'				
OTHER INCOME				
Processing charges		196.17		279.68
Profit on sale of assets (Net)		—		2.05
Miscellaneous Income		16.94		9.73
		<u>213.11</u>		<u>291.46</u>
				<u>291.46</u>
				(Rs. in Lacs)
				1991-1991
				Rs.
SCHEDULE 'H'				
STOCK-IN-TRADE (at close)				
finished goods	98.74		43.53	
Stock-in-process	31.49		46.97	
Others	0.76		1.24	
		<u>130.99</u>		<u>91.74</u>
				91.74
STOCK-IN-TRADE (at commencement)				
Finished goods	43.53		19.56	
Stock-in-process	46.97		29.56	
Others	1.24		1.10	
		<u>91.74</u>		<u>50.22</u>
				50.22
		<u>39.25</u>		<u>41.52</u>
				41.52
				(Rs. in Lacs)
				1991-1991
				Rs.
SCHEDULE 'I'				
MANUFACTURING AND OTHER EXPENSES				
RAW MATERIALS CONSUMED				
Stock at commencement	32.64		58.03	
Add: Purchases	565.52		502.15	
	<u>598.16</u>		<u>560.18</u>	
Less: Stock at close	32.88		32.64	
		<u>565.28</u>		<u>527.54</u>
				527.54
MANUFACTURING EXPENSES				
Carriage Inward	0.34		0.31	
Stores and spare parts	38.45		35.29	
Dyes & Chemicals	11.20		12.80	
Electric Power, fuel and water	161.70		148.76	
Machinery repairs	2.36		2.49	
Building repairs	1.10		1.72	
Labour, Processing and machinery hire charges	23.45		19.63	
Excise Duty	15.90		63.76	
		<u>254.50</u>		<u>284.76</u>
				284.76
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES				
Salaries, Wages and Bonus	308.47		287.68	
Contribution to Provident Fund, Gratuity Fund, Superannuation Fund, Employees State Insurance Scheme, Pension Scheme, Labour Welfare Fund etc.	33.85		32.99	
Employees' Welfare and other amenities	11.37		10.78	
		<u>353.69</u>		<u>331.45</u>
				331.45
		<u>1173.47</u>		<u>1143.75</u>
				1143.75
	C/F			

		1992-1992 Rs.	(Rs. in Lacs) 1991-1991 Rs.
	B/F	1173.47	1143.75
SALES AND DISTRIBUTION EXPENSES			
Samples, Sales Promotion and Advertisement Expenses	0.09		0.06
Brokerage and Commission	1.19		0.47
Packing Expenses	6.56		4.01
Freight and forwarding charges	2.69		2.07
Octroi Expenses	0.56		0.53
Sales Tax	0.22		0.03
		<u>11.31</u>	7.17
ESTABLISHMENT EXPENSES			
Insurance	4.73		4.60
Rent	5.01		5.01
Rates and taxes	1.16		1.77
Other repairs	1.07		2.32
Travelling expenses	0.52		0.59
Payment to Auditors	0.35		0.35
Directors Fees	—		0.02
Provision for Doubtful Debts	—		0.55
General Expenses	7.02		5.87
Charity & Donation	0.90		0.13
		<u>20.76</u>	21.21
		<u>1,205.54</u>	<u>1,172.13</u>
		1992-1992 Rs.	(Rs. in Lacs) 1991-1991 Rs.
SCHEDULE 'J'			
INTEREST			
Fixed Loans		41.31	42.79
Others (Net)		11.57	18.77
		<u>52.88</u>	<u>61.56</u>
SCHEDULE 'K'			
'NOTES AND CONTINGENT LIABILITIES			
1. SIGNIFICANT ACCOUNTING POLICIES			
1.	Basis of preparation of Financial Statements The Financial Statements have been prepared under the historical cost convention in accordance with the normally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company The same are prepared on a going concern concept.		
2.	Fixed Assets and Depreciation		
2.1	Fixed assets are stated at acquisition cost less accumulated depreciation		
2.2	Expenditure incurred in the course of construction, installation and commissioning of property, plant or equipment are capitalised and included in the cost of the respective fixed assets.		
2.3	Depreciation on fixed assets is provided pro-rata on a straight line basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.		
3.	Debtors Debtors are stated at book value after making provisions for doubtful debts		
4.	Inventories		
4.1	Raw Materials are valued at cost. Cost is determined on the First in First out (FIFO) method		
4.2	Stock-in-process is valued at raw material cost including related overheads		
4.3	Finished Goods are valued at cost or market value, whichever is lower. Costs include cost of production and expenses incurred in putting the inventories in their present location and condition. The cost is determined on the average cost method.		
4.4	Stores, Spares, Dyes, Chemicals etc. are valued at cost. The cost is determined on a First in First Out (FIFO) basis.		
4.5	Waste and scrap are not separately valued.		
5.	Basis of Accounting All income and expenditure items having a material bearing on the financial statements are recognised on the accrual basis.		
6.	Employee/Retirement Benefits		
	(a) Company's contributions to Provident Fund, Superannuation Fund and other Funds for the year are charged to Profit and Loss Account.		
	(b) Gratuity is charged to Profit and Loss Account on the basis of actuarial valuation.		

2. Figures of the previous year have been regrouped, wherever necessary to confirm to this year's figures.

3. Auditor's Remuneration:

	1991-1992	(Rs. in Lacs) 1990-1991
	Rs.	Rs.
(a) Audit tees	0.25	0.25
(b) Tax audit tees	0.10	0.10
	<u>0.35</u>	<u>0.35</u>

4. The company has been accounting liability for Excise Duty in respect of finished products lying in factory premises as and when the same are cleared/debonded. Accordingly estimated liability amounting to Rs.0.46 lacs in respect of such products at the end of the Financial Year has not been provided for in the accounts and hence not included in the valuation of inventory This accounting treatment has no impact on the loss of the Current Financial Year.

5. Expenditure amounting to Rs.0.54 lacs respectively relating to Previous Year have been suitably accounted for in the respective heads.

6. Contingent Liabilities

	1991-1992	(Rs. in lacs) 1990- 1991
a) Guarantees given by the Bank of Baroda for DPG Scheme	—	0.16
b) Claims against the company not acknowledged as debts	1.90	1.43

7. Licenced & installed Capacity
(As certified by the Management)

	Licensed Capacity		Installed Capacity	
	1991-92	1990-91	1992-92	1991-91
Spindles	38368	38368	37536	37536
Looms	490	490	490	490

8. Production of finished products meant for sale

	1991-1992	1990-1991
Blended Yarn	229.00	52.00
Fabrics	53.96	63.40

9. Value of imports on CIF basis.

10. Expenditure in foreign currency

11. quantitative information

		1992-93		1991-92	
		Quantity	Rs. in Lacs	Quantity	Rs. in Lacs
(a) Opening stock					
i) Finished Stock			43.53		19.56
Yarn	M.T.	7.00		3.00	
Fabrics	Mtrs. in Lacs	2.36		1.06	
ii) Stock in process (yarn)			46.97		29.56
iii) Others			1.24		1.10
(b) Closing stock					
i) Finished Stock			98.74		43.53
Yarn	M.T.	4.00		7.00	
Fabrics	Mtrs in Lacs	7.31		2.36	
ii) Stock in process (yarn)			31.49		46.97
iii) Others			0.76		1.24
(c) Purchases					
Fabrics	Mtrs. in Lacs	3.60	49.29	4.83	63.56
(d) Sales					
Yarn	M.T.	232.00	241.40	48.00	54.27
Fabrics	Mtrs. in Lacs	52.61	746.61	66.93	950.51
(e) Raw Material consumed					
Cotton	M.T.	175.00	71.78	211.00	57.18
Fibres	M.T.	267.00	215.22	225.00	163.60
Yarn	M.T.	115.00	229.53	143.00	287.76
Viscose	M.T.	101.00	48.75	42.00	19.00

12. Value of Raw Material Consumed.

	1991-1992		1990-1991	
	Rs. in Lacs	% of total Consumption	Rs. in Lacs	% of total Consumption
Imported	—	—	—	—
Indigenous	565.28	100.00	527.54	100.00
13. Value of dyes & chemicals, Stores and spare parts consumed				
Imported	—	—	—	—
Indigenous	49.65	100.00	48.09	100.00
14. Earnings in foreign exchange	—		—	

As per our Report of even date

For **RAJENDRA & CO.**
Chartered AccountantsFor **CHATURVEDI & SHAH**
Chartered Accountants**R.J. Shah**
Proprietor**D. Chaturvedi**
PartnerBombay
Dated: **28th September, 1992.**

For and on behalf of the Board

S. Natarajan**Vinod M. Ambani**

} Directors

TRISHNA INVESTMENTS & LEASINGS LIMITED

Regd. Office: 3rd Floor, Maker Chambers IV
222, Nariman Point,
Bombay 400 021

DIRECTORS' REPORT

To the Members,
Your Directors present the Sixth Annual Report together with the Audited Statement of Accounts for the financial year ended on 31st March, 1992

FINANCIAL RESULTS	1991-92	(Rs. in Lacs)	
		1990-91	
Profit before tax	382.01	498.59	
Less: Provision for taxation	32.21	4.00	
Profit after tax	349.80	494.59	
Less: a. Transfer to General Reserve	35.00	49.46	
b. Interim Dividend	299.20	—	
c. Proposed Final Dividend	13.20	347.40	319.00
Balance carried forward to Balance Sheet	2.40	368.46	126.13

INCOME:

During the year, the Company received dividend income of Rs.400.67 Lacs from the investments.

DIVIDEND:

Your Directors had declared an interim dividend of Rs.6,800 per Equity Share (subject to deduction of tax at source) aggregating to Rs.299.20 lacs. Now your Directors are pleased to recommend a final dividend of Rs.300.00 per Equity Share (subject to deduction of Tax at source) for the financial year ended 31st March, 1992 aggregating Rs.13.20 lacs.

DEPOSITS:

The Company has not accepted any deposit from the public. Hence no information is required to be appended to this report in terms of Non Banking Financial Companies (Reserve Bank) Directions, 1977.

PERSONNEL:

The Company has not paid any remuneration attracting the provisions of Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act, 1956. Hence, no information is required to be appended to this report in this regard.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Being an investment company, there are no particulars furnished in this report as required under Section 217(1)(e) of the Companies Act, 1956, relating to conservation of energy and technology absorption. There was no foreign exchange earnings or outgo during the year.

DIRECTORS:

As per the provisions of the Articles of Association, Shri B.K. Bhandary and Shri R.P.Mehta, Directors of the Company, retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS:

The Auditors of the Company, M/s. Rajendra & Co. and M/s. Chaturvedi & Shah hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The Company has received Certificates from these Auditors to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1) of the Companies Act, 1956.

For and on behalf of the Board

<p>F.N. Vajifdar</p> <p>V.P. Pal</p> <p>B.K. Bhandary</p>	}	Directors
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Bombay
Dated: **30th June, 1992.**

AUDITORS' REPORT

To,

The Members of Trishna Investments and Leasings Limited

We have audited the attached Balance Sheet of TRISHNA INVESTMENTS AND LEASINGS LIMITED, as at 31st March, 1992 and the Profit & Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - (a) We have 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 appears from our examination of such books.
 - (c) The Balance Sheet and Profit and Loss Account referred to in this Report are in agreement with the books of account
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i) in so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March, 1992 and
 - ii) in so far as it relates to the Profit and Loss Account of the 'Profit' of the Company for the year ended on that date.

For **RAJENDRA & CO.**
Chartered Accountants

For **CHATURVEDI & SHAH**
Chartered Accountants

R.J.SHAH
Proprietor

D.CHATURVEDI
Partner

BOMBAY
DATED: 30TH JUNE, 1992

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 1 of our report of even date

1. As the Company had no Fixed Assets during the year, Clauses 4(A) (i) and (ii) of the said Order are not applicable.
2. Since the Company has not commenced any manufacturing and/or trading activity, items (iii), (iv), (v), (vi), (x), (xi), (xii), (xiv) and (xvi) of the Clause A of paragraph 4 of the aforesaid Order are not applicable.

3. The Company has received an interest free loan from the holding company. According to the information and explanations given to us, and in our opinion, the terms and conditions of the above loan are not prima facie prejudicial to the interest of the Company.
4. The Company has not granted any loans, secured or unsecured to companies, firms, or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, or to Companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.
5. The Company has not given any loans or advances in the nature of loans during the year.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits as defined under Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 during the year under review.
7. Since the paid up capital of the Company is less than Rs.25 lacs and as it has not commenced any trading or manufacturing activity, internal audit is not required statutorily.
8. According to the information and explanations given to us, the provisions of the Provident Fund Act and the Employees State Insurance Act, 1948 are not applicable to the Company.
9. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Wealth-Tax, Sales-Tax, Excise Duty and Customs Duty were outstanding as at 31st March, 1992 for a period of more than six months from the date they became payable. 10. In our opinion and according to the information and explanations given to us, no personal expenses have been charged to revenue account.
11. The Company is not a sick industrial company within the meaning of clause (O) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. According to the information and explanations given to us, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
14. The Company has not dealt or traded in Shares, Securities, Debentures and other investments. The Company's investments are held in its own name.

For **RAJENDRA & CO.**
Chartered Accountants

For **CHATURVEDI & SHAH**
Chartered Accountants

R.J.SHAH
Proprietor

D.CHATURVEDI
Partner

BOMBAY
DATED: 30TH JUNE, 1992

BALANCE SHEET AS AT 31ST MARCH, 1992.

	Schedule	Rs.	1991 - 92 Rs.	(Rs. in thousands) 1990 - 91 Rs.
SOURCES OF FUNDS:				
Shareholders' Funds				
Capital	'A'		44	44
Reserves & Surplus				
General Reserve				
At the beginning of-the year		4946		—
Add: Transferred from Profit & Loss Account		3500		4946
		<u>8446</u>		<u>4946</u>
Less: Adjusted against Profit & Loss Account (as per contra)		<u>8446</u>		<u>4946</u>
			—	—
LOAN FUNDS				
Unsecured Loans (From Holding Company)			1475000	1482900
			<u>1475044</u>	<u>1482944</u>
	TOTAL		<u>1475044</u>	<u>1482944</u>
APPLICATION OF FUNDS:				
Investments	'B'		1348771	1340448
Current Assets, Loans & Advances	'C'			
Debtors		55836		55836
Cash & Bank Balances		1746		223
Loans & Advances		19139		60362
		<u>76721</u>		<u>116421</u>
Less: Current Liabilities & Provisions	'D'			
Current Liabilities		280		138
Provisions		3621		400
Proposed Dividend		1320		31900
		<u>5221</u>		<u>32438</u>
Net Current Assets			71500	83983
Profit & Loss Account		63219		63459
Less: Adjusted against General Reserve (as per contra)		<u>8446</u>		<u>4946</u>
			<u>54773</u>	<u>58513</u>
	TOTAL		<u>1475044</u>	<u>1482944</u>
Notes and Contingent Liabilities	'F'			

As per our Report of even date

For and on behalf of the Board

For **RAJENDRA & CO.**
Chartered Accountants

For **CHATURVEDI & SHAH**
Chartered Accountants

R.J. Shah
Proprietor

D. Chaturvedi
Partner

F.N. Vajifdar

V.P. Pai

B.K. Bhandary



Directors

Bombay
Dated: **30th June, 1992.**

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1992

				(Rs. in thousands)	
	Schedule	Rs.	1991 - 92 Rs.	Rs.	1990 - 91 Rs.
INCOME					
Dividend Income (Tax deducted at Source (TDS) Rs.9864 thousands, previous year Rs.6194 thousands)			40067		32640
Interest Received on Securities (Previous year TDS Rs.1045 thousands)			132		2447
Interest Received from other			582		—
Profit on Sale of Investment (Net)			<u>—</u>		<u>17148</u>
			40781		52235
EXPENDITURE					
Establishment & Other Expenses	‘E’		<u>2580</u>		<u>2376</u>
Profit before tax			38201		49859
Less: Provision for taxation			<u>3221</u>		<u>400</u>
Profit after tax			34980		49459
Less: Transferred to General Reserve			<u>3500</u>		<u>4946</u>
			31480		44513
Less: Interim Dividend (Subject to Tax)		29920		—	—
Proposed Final Dividend (Subject to Tax)		<u>1320</u>	<u>31240</u>	<u>31900</u>	<u>31900</u>
			240		12613
Add/Less: Provision for tax written back			—		5
Balance brought forward from last year			<u>(-63459)</u>		<u>(-76077)</u>
Balance carried to balance Sheet			<u>(-63219)</u>		<u>(-63459)</u>
Notes and Contingent Liabilities	‘F’				

As per our Report of even date

For **RAJENDRA & CO.**
Chartered Accountants**R.J. Shah**
ProprietorBombay
Dated: **30th June, 1992.**For **CHATURVEDI & SHAH**
Chartered Accountants**D. Chaturvedi**
Partner

For and on behalf of the Board

F.N. Vajifdar**V.P. Pai****B.K. Bhandary**

} Directors

SCHEDULES FORMING PART OF THE BALANCE SHEET

		(Rs. in thousands)	
		As at 1991 - 92 Rs.	As at 1990 - 91 Rs.
SCHEDULE 'A'			
SHARE CAPITAL			
Authorised:			
40,000	Equity Shares of Rs.10/- each	400	400
10,000	11% Non-Cumulative Redeemable Preference Shares of Rs.10/- each	100	100
		<u>500</u>	<u>500</u>
Issued, Subscribed & Paid - up:			
4,400	Equity Shares of Rs.10/- each fully paid up (Previous year 4400 Equity Shares of Rs.10/- each) All the above shares are held by Reliance Industries Limited the holding Company	44	44
		<u>44</u>	<u>44</u>
SCHEDULE 'B'			
INVESTMENT:			
(A) QUOTED:			
Investment-At cost			
13359212	Equity Shares of Larsen & Toubro Limited of Rs.10/- each fully paid up (Previous year 13359212 Equity Shares of Rs.10/- each.)	1340366	1340013
		<u>1340366</u>	<u>1340013</u>
(B) UNQUOTED:			
26400	Equity Shares of Observer (India) Limited of Rs.10/- each fully paid up (Previous year 26400 Equity Shares of Rs.10/- each)	435	435
11385	16% Partly Convertible Debentures of Kothari Sugars and Chemicals Ltd. of Rs.700/- each fully paid up (Previous year Nil)	7970	—
		<u>8405</u>	<u>435</u>
Total Investment A + B		<u>1348771</u>	<u>1340448</u>
Quoted Investment - Book Value		<u>1340366</u>	<u>1340013</u>
Market Value		5210093	1502911

		(Rs. in thousands)	
SCHEDULE 'C'		1991 - 92	1990 - 91
		Rs.	Rs.
CURRENT ASSETS, LOANS & ADVANCES			
Current Assets:			
Sundry Debtors (Unsecured and considered good) Over Six months	55836	55369	
Others	<u>—</u>	<u>467</u>	
	55836		55836
Cash and Bank Balances:Cash on hand	1		85
Balance with a Scheduled bank:In Current Accounts	1745		138
Loans and Advances			
Advances recoverable in cash or in kind or for value to be received	756		50537
Advance Payment of tax	18383		<u>9825</u>
	<u>76721</u>		<u>116421</u>
SCHEDULE 'D'		(Rs. in thousands)	
CURRENT LIABILITIES & PROVISIONS		1991 - 92	1990 - 91
Current Liabilities			
Other Liabilities	280		138
Provisions			
For Taxation	3621		400
Proposed Dividend	1320		<u>31900</u>
	<u>5221</u>		<u>32438</u>
SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT			
SCHEDULE 'E'		(Rs. in thousands)	
Establishment & Other Expenses		1991-92	1990-91
		Rs.	Rs.
Salary and wages	480		59
Conveyance	202		10
Printing and Stationery	455		—
Other Administrative Expenses	228		168
Finance Charges	—		80
Commission	—		1143
Auditors' Remuneration:			
Audit Fees	25		25
Legal & Professional charges	1190		<u>891</u>
	<u>2580</u>		<u>2376</u>

SCHEDULE 'F'

Notes forming part of Balance Sheet and Profit & Loss Account for the year ended 31st March 1992.

1. Significant Accounting Policies.
 - a) Basis of Accounting:
The financial statements have been prepared under the historical cost convention on accrual basis.
 - b) Investments:
Investments are stated at cost
2. Previous year's figures have been regrouped and/or rearranged wherever necessary.
3. Interim & Proposed Final Dividend have been paid/recommended for the year out of current year's profit.
4. As the company is not a manufacturing company, information in respect of manufacturing activities required under para 3 and 4 of Schedule VI of the Companies Act, 1956 is not given.

As per our Report of even date		For and on behalf of the Board	
For RAJENDRA & CO. Chartered Accountants	For CHATURVEDI & SHAH Chartered Accountants	F.N. Vajifdar	} Directors
R.J. Shah Proprietor	D. Chaturvedi Partner	V.P. Pai	
		B.K. Bhandary	
Bombay Dated: 30th June, 1992.			

RELIANCE EUROPE LIMITED

Regd. Office: Devonshire House
146, Bishopsgate
London EC2M 4JX

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their Report and the Audited Financial Statement for the period from 1st April 1991 to 31st December 1991.

Principal Activities and Business Review

The principal activity during the period was that of selling, marketing and distribution of petrochemical products and the related technology to manufacture such products.

The results of the period and the financial position at the period end were considered satisfactory by the Directors who expect continued growth in the foreseeable future.

Results and Dividend

The results of the Company for the period are set out on page three and are reported in US Dollars which is the currency in which the company conducts its trade. The Directors recommend that a final dividend of 15.42 cents (31.3.91 - 0.4855 cents) per share (in issue at the balance sheet date) be paid for the period under review which, in total, equates to 50% of the company's after tax profits. It is proposed that the retained profit of \$311,077 be transferred to reserves.

Fixed Assets

The movements in fixed assets are shown in Note 10 to the Financial statements.

Directors and their Interests

The Directors who served the company throughout the period together with their interests in the shares of the company at the beginning and end of the period were as follows:

Ordinary Shares of £ 1 each

	<u>31.12.1991</u>	<u>31.3.1991</u>
Dhirubhai Ambani	—	—
Mukesh Ambani	—	—
Anil Ambani	1*	1*
Mathew Panikar (appointed on 14.10.91)	—	—
Kenneth Ridehalgh	—	—

Held as nominee for Reliance Industries Limited

Post Balance Sheet Event

Since the Balance Sheet date the Company has allotted further share Capital, and has also entered into the lease arrangement as stated in Note 17 to the Financial Statements.

Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 1985 it is recommended that they be re-appointed auditors to the company for the ensuing year

By Order of the Board

M.K. Shetty
Secretary

Devonshire House,
146 Bishopsgate,
London EC2M 4JX.

11th June 1992

REPORT OF THE AUDITORS TO THE MEMBERS OF RELIANCE EUROPE LIMITED

We have audited the financial statements set out on pages three to ten in accordance with Auditing Standards.

In our opinion the financial statement give a true and fair view of the state of affairs of the Company at 31st December 1991 and of its Profit and Cash Flow Statement for the period ended on that date and have been properly prepared in accordance with the Companies Act 1985.

Kingston Smith

Chartered Accountants
and Registered Auditor

Devonshire House,
146 Bishopsgate,
London, EC2M 4JX.

11th June 1992

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST DECEMBER 1991

	Note	9 Months Ended 31.12.1991 US\$	Period Ended 31.3.1991 US\$
TURNOVER			
Cost of Sales	1 (d),3	28,934,099 26,831,220	9,307,250 9,075,406
GROSS PROFIT		2,102,879	231,844
Administrative Expenses		1,437,631	220,215
OPERATING PROFIT		665,248	11,629
Interest Receivable and Similar Income	4 7	309,081	23,307
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		974,329	34,936
Taxation	8	352,175	15,352
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		622,154	19,584
Dividend	9	311,077	9,792
RETAINED PROFIT FOR THE FINANCIAL PERIOD		311,077	9,792
RETAINED PROFIT BROUGHT FORWARD		9,792	—
RETAINED PROFIT CARRIED FORWARD		320,869	9,792

BALANCE SHEET AT 31ST DECEMBER 1991

	Note	31.12.1991 US\$	31.3.1991 US\$
FIXED ASSETS	10	107,261	—
CURRENT ASSETS			
Stocks	11	3,427,687	6,821,996
Debtors	12	7,272,542	2,574,865
Cash at Bank and in Hand		4,543,709	2,608,427
		<u>15,243,938</u>	<u>12,005,288</u>
CREDITORS: AMOUNTS FALLING DUE			
WITHIN ONE YEAR	13	11,097,180	8,062,346
NET CURRENT ASSETS		4,146,758	3,942,942
NET ASSETS		4,254,019	3,942,942
CAPITAL AND RESERVES			
Called up Share Capital	14	3,933,150	3,933,150
Profit and Loss Account		320,869	9,792
		<u>4,254,019</u>	<u>3,942,942</u>

Approved by the Board on 11th June 1992

P.J.M. PANIKAR - Director

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER 1991

	9 Months Ended 31.12.1991	Period Ended 31.3.1991
	US \$	US \$
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES (Note a)	1,761,612	(1,348,030)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest Received	309,081	23,307
Dividends Paid	(9,792)	—
Net Cash Inflow from Returns on Investments and Servicing of Finance	299,289	23,307
TAXATION		
Corporation Tax Paid	(15,352)	—
INVESTING ACTIVITIES		
Payment to Acquire Tangible Assets	(110,267)	—
FINANCING		
Issue of Ordinary Share Capital	—	3,933,150
INCREASE IN CASH AND CASH EQUIVALENTS (Note b)	<u>1,935,282</u>	<u>2,608,427</u>

NOTES TO THE CASH FLOW STATEMENT

a. RECONCILIATION OF OPERATING PROFIT TO NET CASH
IN FLOW FROM OPERATING ACTIVITIES

Operating Profit	665,248	11,629
Depreciation Charge	3,006	—
Decrease/(Increase) in Stocks	3,394,309	(6,821,996)
(Increase) in Debtors	(4,361,133)	(2,571,601)
Increase in Creditors	2,060,182	8,033,938
Net Cash Inflow/(Outflow) from Operating Activities	<u>1,761,612</u>	<u>(1,348,030)</u>

b. ANALYSIS OF CHANGE IN CASH AND CASH EQUIVALENTS
DURING THE PERIOD

Balance at 1st April 1991	2,608,427	—
Net Cash Inflow	1,935,282	2,608,427
Balance at 31st December 1991	<u>4,543,709</u>	<u>2,608,427</u>

**NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED
31ST DECEMBER 1991**

1. ACCOUNTING POLICIES

(a) Accounting

Basis and Standards The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost or revalued amounts, less estimated residual value, of each assets over its expected useful life as follows:

Fixtures, Fittings and Equipment	-	20% straight line
Motor Vehicles	-	20% straight line

(c) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

(d) Turnover

Turnover represents the invoiced value of goods sold net of Value Added Tax.

(e) Deferred Taxation

Deferred Taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

(f) Foreign currencies

Profit and Loss Account transactions denominated in foreign currencies are translated into US Dollars at the average monthly rate of exchange appropriate to the month in which the transaction is recognised. Assets and liabilities in foreign currencies are translated into US Dollars at rates of exchange ruling at the end of the financial period.

All exchange differences are dealt with in the Profit and Loss Account.

(g) Leasing

Rentals paid under operating leases are charged to income on a straight line basis over the lease term, in an accounting period where a liability exists for the period.

2. CORRESPONDING AMOUNTS

The comparative figures are for the period from incorporation on 16th July 1990 to 31st March 1991.

3. TURNOVER

Turnover is attributable to the principal activities of the Company which arose as shown below:

	31.12.1991	31.3.1991
Geographical Analysis:	US \$	US \$
United Kingdom	2,139,616	2,835,393
Rest of Europe	12,824,887	6,471,857
North America	2,789,906	—
Asia	11,179,690	—
	28,934,099	9,307,250

4. OPERATING PROFIT

The Operating Profit is stated after charging:

Auditor's Remuneration	15,293	6,458
Depreciation of Tangible Fixed Assets	3,006	—

5. EMPLOYEE INFORMATION

The average number of employees during the period was 5 (31.3.1991 - 3). Due to the size of the company there is no formal classification of duties.

Their total remuneration (including Director) was: US \$	US \$
Wages and Salaries	155,070
Social Security Costs	15,813
	170,883
	70,925
	7,288
	78,213

6. DIRECTOR'S REMUNERATION

Emoluments - Salary	US \$	US \$
Benefits in kind	26,571	—
	15,905	—
	42,476	—

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	US\$	US\$
Derived from Group Undertakings on letters of Credit	867,094	—
Bank Interest	120,117	23,307
	987,211	23,307

Less: Interest charges incurred on discounting Letters of credit

	(678,130)	—
	309,081	23,307

8. TAXATION

	31.12.1991	31.3.1991
	US\$	US\$

Corporation Tax based on the results for the period at the rate of 33% (31.3.1991-26.21%)

	352,175	15,352
--	----------------	--------

The taxation charges for the period has been affected by the disallowance of certain expenditure, and the taxation liability has been provided at the period end rate of exchange.

9. DIVIDEND

Proposed	US \$	US \$
	311,077	9,792

10. TANGIBLE ASSETS

Cost Additions	Payments on account and assets in course of Construction			Total
	Fixtures, Fittings and Equipment	Motor Vehicles		
	US\$	US\$	US\$	US\$
At 31st December 1991	50,141	10,293	49,833	110,267
Depreciation				
Charge for the period	—	515	2,491	3,006
At 31st December 1991	—	515	2,491	3,006
Net Book Value				
At 31st December 1991	50,141	9,778	47,342	107,261
At 31st March 1991	—	—	—	—

11. STOCKS	31.12.1991	31.3.1991
	US\$	US\$
Goods for Resale	932,559	5,761,004
Goods in Transit	2,495,128	1,060,992
	<u>3,427,687</u>	<u>6,821,996</u>

The value of Goods in Transit includes transactions where the Company has made arrangements to sell products to customers where the products have been accepted by the Company from the supplier but delivery to the Company's customer has not been completed until after the accounting reference date.

12. DEBTORS	US\$	US\$
Trade Creditors	3,587,820	2,566,892
Amounts owed by Group Undertakings	3,384,342	7,973
Others Debtors	116,781	—
Prepayments and Accrued Income	183,599	—
	<u>7,272,542</u>	<u>2,574,865</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	US\$	US\$
Trade Creditors	3,980,294	271,349
Amounts owed to Group Undertakings	6,092,278	7,709,301
Corporation Tax	348,753	15,352
Advance Corporation Tax on Dividends	107,114	3,264
Social Security and Other Taxes	—	4,930
Accruals and Deferred Income	257,664	48,358
Proposed Dividend	311,077	9,792
	<u>11,097,180</u>	<u>8,062,346</u>

14. CALLED UP SHARE CAPITAL	£	£
Authorised:		
3,000,000 Ordinary Shares of £ 1 each	£3,000,000	£3,000,000
Called Up Allotted and Fully paid:		
2,017,000 Ordinary shares of £ 1 each	£2,017,000	£2,017,000

An exchange rate of \$1.95: £ 1 was used to re-state the above Called Up, Allotted and fully paid shares to the balance sheet equivalent of \$ 3,933,150. A further issue of shares has been made since the balance sheet date as disclosed in Note 17 of the Financial Statements.

15. **FUTURE FINANCIAL COMMITMENTS**
At 31st December, 1991 the company had annual commitments under operating leases as set out below:

	Land and Building	Other	31.3.1991
	31.12.1991	31.12.1991	31.3.1991
	US \$	US \$	US \$
Expiring within one year	<u>49,777</u>	<u>550,000</u>	—

The Company's total future financial commitments under these leases are \$599,777 (31.3.1991 - \$NIL).

16. **DIRECTOR S INTERESTS**
The Company has traded with Beachcroft stanleys, solicitors, a firm of which Mr.K.Ridehalgh is a Panner, on normal arms-length trading terms for the provision of legal services. These services amounted to \$1,607 (31.3.1991 - \$2,030).

17. **POST BALANCE SHEET EVENTS**
(a) On 1st April 1992 the Company issued 200,000 £ 1 Ordinary Shares at par to Reliance Industries Limited. The funds will be used to provide additional working capital.
(b) Since the Balance Sheet date the Company has entered into an operating lease agreement in respect of Office Premises. The annual commitment under this lease is \$125,153 with payments commencing in January 1994. The total commitment under this operating lease amounts to \$500,612.

18. CAPITAL COMMITMENTS	31.12.1991	31.3.1991
	US\$	US\$
Expenditure contracted for not provided	<u>183,706</u>	—

19. **ULTIMATE PARENT COMPANY**
The Company's Ultimate Parent Company is Reliance Industries Limited, a Company incorporated in India. The address from which the financial statement of the Ultimate Parent company can be obtained is:

3rd Floor, Maker Chambers IV,
222 Nariman Point, Bombay 400 021,
Post Box 11717, India.

REDWOOD INVESTMENTS LIMITED

Regd. Office: 3rd Floor, Maker Chambers IV
222, Nariman Point,
Bombay 400 021

DIRECTORS' REPORT

To the Members

Your Directors present the First Annual Report together with the Audited Statement of Accounts for the period ended on 31st March, 1992.

FINANCIAL RESULTS:

The Company during the year under review has incurred a loss of Rs. 12,024/-.

DIVIDEND:

In view of the loss, the Directors have not recommended any dividend for the period ended 31st March, 1992.

FIRST ACCOUNTING YEAR:

Your Directors have fixed the first accounting year of the Company from 10th April, 1991 the date of incorporation, upto 31st March, 1992 and accordingly, the accounts reflected herein are for the said period.

INVESTMENTS:

During the year the Company, has acquired 1,35,10,000 Equity Shares of Rs.1/- each of Reliance Enterprises Private Limited for Rs.1,35,10,000/-.

DEPOSITS:

The Company has not accepted any deposit from the public. Hence, no information is required to be appended to this report in terms of Non-Banking Financial Companies (Reserve Bank) Directions, 1977.

PERSONNEL:

The Company has not paid any remuneration attracting the provisions of Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act, 1956. Hence, no information is required to be appended to this report in this regard.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Being an investment Company, there are no particulars furnished in this report as required by Section 217(1)(e) of the Companies Act, 1956 relating to conservation of energy and technology absorption. There was no foreign exchange earnings and outgo during the year.

DIRECTORS:

Shri Mohan Patel and Shri Parag Parikh were the first Directors of the Company, who resigned from the Board on 9.9.91 and Shri V.R. Mohan and Shri Tushar B. Sarda were appointed as Additional Directors on the same day.

Shri V.R. Mohan and Shri Tushar B. Sarda, the Additional Directors, resigned from the Board on 14.1.92 and Shri V.M. Ambani, Shri B.R. Jaju and Shri Manoj H. Modi were appointed as Additional Directors. Their appointment expire at the ensuing Annual General Meeting. However, the Company has received notices under Section 257 of the Companies Act, 1956, proposing their appointment as Directors of the Company.

AUDITORS:

The first Auditors of the Company, M/s. Rajendra & Co. and M/s. Chaturvedi & Shah, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re- appointment. The Company has received certificate from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1) of the Companies Act, 1956.

Bombay

Dated : 30th June, 1992

For and on behalf of the Board

V. M. AMBANI

B. R. JAJU

MANOJ H. MODI

} Directors

AUDITORS' REPORT

To The Members of Redwood Investments Private Limited

We have audited the attached Balance sheet of Redwood investments Private Limited as at 31st March, 1992 and the Profit & Loss Account for the period ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - a) We have 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 appears from our examination of such books.
 - c) The Balance Sheet and Profit and Loss Account referred to in this Report are in agreement with the books of account.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.
 - i) in so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March 1992 and
 - ii) in so far as it relates to the Profit and Loss Account of the Loss of the Company for the period ended on that date.

For **RAJENDRA & CO.**
Chartered Accountants

For **CHATURVEDI & SHAH**
Chartered Accountants

R.J. SHAH
Proprietor

D.CHATURVEDI
Partner

Bombay
Dated: **30th June 1992**

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 1 of our report of even date

1. As the Company had no Fixed Assets during the period, clauses 4(A)(i) and (ii) of the said Order are not applicable.
2. Since the Company has not commenced any manufacturing and/or trading activity, items (iii), (iv), (v), (vi), (x), (xi), (xii), (xiv) and (xvi) of the clause A of paragraph 4 of the aforesaid Order are not applicable.
3. The Company has received an interest free loan from the holding Company. According to the information and explanations given to us, and in our opinion, the terms and conditions of the above loan are not prima facie prejudicial to the interest of the Company.
4. The Company has not granted any loans, secured or unsecured to companies, firms, or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, or to Companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956.
5. The Company has not given any loans or advances in the nature of loans during the period.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits as defined under Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 during the period under review.
7. According to the information and explanations given to us and in our opinion, internal audit is not required statutorily.
8. According to the information and explanations given to us, the provisions of the Provident Fund Act and the Employees State Insurance act, 1948 are not applicable to the Company.
9. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Excise Duty and Customs Duty were outstanding as at 31st March, 1992 for a period of more than six months from the date they became payable.
10. In our opinion and according to the information and explanations given to us, no personal expenses have been charged to revenue account.
11. The Company is not a sick Industrial Company within the meaning of clause (0) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
12. The Company has not granted any loans, advances on the basis of security by way of pledge of Shares, debentures and other securities.
13. According to the information and explanations given to us, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
14. The Company has not dealt or traded in Shares, Securities, Debentures and other investments. The Company's investments are held in its own name.

For **RAJENDRA & CO.**
Chartered Accountants

For **CHATURVEDI & SHAH**
Chartered Accountants

R.J. SHAH
Proprietor

D.CHATURVEDI
Partner

Bombay
Dated: **30th June 1992**

BALANCE SHEET AS AT 31ST MARCH, 1992

		As at 31st March, 92	
	Schedule	Rs.	Rs.
SOURCES OF FUNDS:			
Shareholders' Funds			
Capital	'A'	5,04,000	
Reserves and Surplus	'B'	<u>9,000</u>	
			5,13,000
Loan Funds			
Unsecured Loans (from Reliance Industries Limited, the holding company)		<u>1,35,00,000</u>	
			1,35,00,000
			<u>1,40,13,000</u>
APPLICATION OF FUNDS:			
Investments	'C'		<u>1,35,10,000</u>
Current Assets, Loans and Advances			
Cash and Bank Balances	'D'	4,88,770	
Less: Current Liabilities and provisions			
Current Liabilities:			
Sundry Creditors		<u>10,000</u>	4,78,770
Miscellaneous Expenditure (To the extent not written off or adjusted)	'E'		12,206
Profit & Loss Account			<u>12,024</u>
			<u>1,40,13,000</u>
Notes and Contingent Liabilities	'F'		
			<u>1,40,13,000</u>
PROFIT & LOSS FOR THE PERIOD			
10TH APRIL, 1991 TO 31ST MARCH, 1992			
	Schedule	For the period Ended 31st March, 1992	
		Rs.	Rs.
INCOME		<u>—</u>	<u>—</u>
EXPENDITURE			
Audit Fees		10,000	
General Expenses		668	
Miscellaneous expenditure Written off		<u>1,356</u>	
			12,024
Loss for the period			12,024
Balance carried to Balance Sheet			12,024
Notes and Contingent Liabilities	'F'		<u>12,024</u>

As per our Report of even date

For **RAJENDRA & CO.**
Chartered Accountants

R.J. Shah
Proprietor

Bombay
Dated: **30th June, 1992.**

For **CHATURVEDI & SHAH**
Chartered Accountants

D. Chaturvedi
Partner

For and on behalf of the Board

Vinod M. Ambani

B.R. Jaju

Manoj H. Modi

Directors

SCHEDULES FORMING PART OF THE BALANCE SHEET**SCHEDULE 'A'**

As at 31st March 1992

SHARE CAPITAL

		Rs.	Rs.
Authorised:			
59,600	Equity Shares of Rs.10 each	5,96,000	
40,400	11% Cumulative Redeemable Preference Shares of Rs.10 each.	<u>4,04,000</u>	<u>10,00,000</u>
Issued, Subscribed & Paid up:			
10,000	Equity Shares of Rs.10 each fully paid up. (held by Reliance Industries Limited, the Holding company)	1,00,000	
40,400	11% cumulative Redeemable Preference Shares of Rs.10 each fully paid up. (Redeemable at at any time after 19th October, 2000 but not later than 19th October, 2001.)	<u>4,04,000</u>	<u>5,04,000</u>
			<u>5,04,000</u>

SCHEDULE 'B'**RESERVES AND SURPLUS**

Capital Reserves
(Share Application Money @ Rs.5/- per Share
on 1800 Equity Shares forfeited.)

As at 31st March 1992.

Rs.

9,0009,000**SCHEDULE 'C'****INVESTMENTS (At cost)****OTHER INVESTMENTS:**

As at 31st March 1992

Rs.

Unquoted:

1,35,10,000 Equity Shares of Reliance Enterprises
Private Limited of Rs.1/- each, fully paid up.

1,35,10,0001,35,10,000**SCHEDULE 'D'****CASH AND BANK BALANCES**

Cash on hand
Balance with a Scheduled Bank In a current Account.

Rs.

2

4,88,768

As at 31st March 1992

Rs.

4,88,7704,88,770**SCHEDULE 'E'****MISCELLANEOUS EXPENDITURE**

Preliminary Expenses
Less: Written Off during the year

Rs.

13,562

1,356

As at 31st March 1992

Rs.

12,20612,206

SCHEDULE 'F'

NOTES AND CONTINGENT LIABILITIES

- 1) The company was incorporated on 10th April, 1991 and the Accounts are therefore prepared for the period from 10th April, 1991 to 31st March, 1992. This being the first financial year of the Company, there are no corresponding figures for the previous year.
- 2) In view of loss for the year no Dividend on 11% cumulative Redeemable preference shares is proposed amounting to Rs.14,303/
- 3) As the Company is not a Manufacturing company, information in respect of manufacturing activities required under para 3 and 4 of Schedule VI of the Companies Act, 1956 is not given.

4) DISCLOSURE OF SIGNIFICANT ACCOUNT POLICIES:

a) GENERAL

The financial statements are prepared in accordance with the normally accepted accounting principles and the provisions of the Companies Act, 1956.

b) REVENUE RECOGNITION:

Income and Expenditure are accounted for on accrual basis.

c) INVESTMENTS:

Investments are stated at cost.

As per our Report of even date

For **RAJENDRA & CO.**
Chartered Accountants

For **CHATURVEDI & SHAH**
Chartered Accountants

R.J. Shah
Proprietor

D. Chaturvedi
Partner

Bombay
Dated: **30th June, 1992.**

For and on behalf of the Board

Vinod M. Ambani

B.R. Jaju

Manoj H. Modi

} Directors

RELIANCE PETROPRODUCTS LIMITED

Regd. Office: 3rd Floor, Maker Chambers IV
222, Nariman Point,
Bombay 400 021

DIRECTORS REPORT

To the Members

Your Directors present the Second Annual Report together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 1992.

FINANCIAL RESULTS:

The expenses incurred during the year under review were Rs.6110/- (amounting to loss for the year) as against loss of Rs.1832/- for the last year.

DIVIDEND:

In view of the carried forward losses, your Board of Directors has not proposed any dividend for the financial year under review.

DIRECTORS:

Shri M.N. Chaini and Shri K.K. Malhotra resigned from the Board and Shri A.D. Ambani, Shri S.R. Vengsarkar and Shri P.S. Balasubramaniam were appointed as Additional Directors of the Company on 13.2.1992.

Shri A.D. Ambani and Shri S.R. Vengsarkar resigned from the Board on 30.4.1992.

As per the provisions of the Companies Act, 1956, Shri J.S. Bakshi retires by rotation and being eligible offers himself for re-appointment.

The appointment of Shri P.S. Balasubramaniam as an Additional Director

expires at the ensuing Annual General Meeting. However, the Company has received a notice under Section 257 of the Companies Act, 1956, regarding his re-appointment as a Director of the Company.

AUDITORS:

The Company has received a special notice under Section 225 of the Companies Act, 1956 from a member proposing a resolution for appointment of M/s Rajendra & Co., Chartered Accountants, Bombay, as Joint Auditors of the Company for the Financial Year 1992-93.

The Company has received a certificate from M/s Rajendra & Co., Chartered Accountants, Bombay, to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1) of the Companies Act, 1956.

M/s. Chaturvedi & Shah, Chartered Accountants, retire at the ensuing Annual General Meeting and are recommended for re- appointment. The Auditors have, under Section 224(1) of the Companies Act, 1956, furnished a certificate of their eligibility for reappointment.

DEPOSITS:

The company has not accepted any deposit from the public. Hence, no information is required to be appended to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As no manufacturing activities have commenced till the date of this report, there is nothing to be disclosed in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo.

PERSONNEL:

The Company has not paid any remuneration attracting the provisions of the Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act, 1956. Hence, no information is required to be appended to this report in this regard.

For and on behalf of the Board

J.S. Bakshi

P.S. Balasubramaniam

Directors

Bombay
Dated : **30th June, 1992**

For and on behalf of the Board J.S. Bakshi Directors P.S. Balasubramaniam BOMBAY DATED: 30th June, 1992

AUDITORS' REPORT

To
The Members of Reliance Petroproducts Limited

We have audited the attached Balance sheet of Reliance Petroproducts Limited as at 31st March, 1992 and the Profit & Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - a) We have 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 appears from our examination of such books.
 - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.
 - i) in so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March 1992 and
 - ii) in so far as it relates to the Profit and Loss Account of the Loss of the Company for the year ended on that date.

For **CHATURVEDI & SHAH**
Chartered Accountants

Bombay
Dated: **30th June 1992**

D.CHATURVEDI
Partner

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 1 of our report of even date

1. As the Company had no Fixed Assets during the year, clauses 4(A)(i) and (ii) of the said Order are not applicable.
2. Since the Company has not commenced any manufacturing and/or trading activity, items (iii), (iv), (v), (vi), (x), (xi), (xii), (xiv) and (xvi) of the clause A of paragraph 4 of the aforesaid Order are not applicable.
3. The Company has not taken/or granted any loan, secured or unsecured from /to companies, firms, or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, or from/to Companies under the same management within the meaning of section (1B) of Section 370 of the Companies Act, 1956.
4. The Company has not given any loans or advances in the nature of loans during the year.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits as defined under Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 during the year under review.
6. According to the information and explanations given to us and in our opinion, internal audit is not required statutorily.
7. According to the information and explanations given to us, the provisions of the Provident Fund Act and the Employees State Insurance act, 1948 are not applicable to the Company.
8. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Excise Duty and Customs Duty were outstanding as at 31st March, 1992 for a period of more than six months from the date they became payable.
9. In our opinion and according to the information and explanations given to us, no personal expenses have been charged to revenue account.
10. The Company is not a sick industrial Company within the meaning of clause (0) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For **CHATURVEDI & SHAH**
Chartered Accountants

Bombay
Dated: **30th June 1992**

D.CHATURVEDI
Partner

BALANCE SHEET AS AT 31ST MARCH, 1992

	Schedule	As at 31st March, 1992		As at 31st March, 1991	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS:					
Shareholders' Funds					
Capital	'A'	<u>13,000</u>		<u>3,000</u>	
Loan Funds			13,000		3,000
Unsecured Loans (From Directors)		<u>—</u>	<u>—</u>	<u>3,000</u>	
					<u>3,000</u>
	TOTAL		<u>13,000</u>		<u>6,000</u>
APPLICATION OF FUNDS:					
Current Assets, Loans and Advances					
Cash and Bank Balances	'B'	5,626		1,697	
Less: Current Liabilities and Provisions					
Current Liabilities					
Sundry Creditors		<u>6,000</u>		<u>3,640</u>	
			(374)		(1,943)
			5,432		6,111
Miscellaneous Expenditure (To the extent not written off or adjusted)					
Profit & Loss Account			<u>7,942</u>		<u>1,832</u>
	TOTAL		<u>13,000</u>		<u>6,000</u>

Notes on Accounts: 'C'

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 1992

	Schedule	For the period ended 31st March, 1992		For the period ended 31st March, 1991	
		Rs.	Rs.	Rs.	Rs.
INCOME					
		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
EXPENDITURE					
Audit Fees		5,000		1,000	
General Expenses		431		153	
Miscellaneous Expenditure written off		<u>679</u>		<u>679</u>	
			6,110		1,832
Loss for the year			<u>6,110</u>		<u>1,832</u>
Add: Balance brought forward from last year			<u>1,832</u>		<u>—</u>
Balance carried to Balance Sheet			<u>7,942</u>		<u>1,832</u>

Notes on Accounts: 'C'

As per our Report of even date

For **CHATURVEDI & SHAH**
Chartered Accountants

D. Chaturvedi
Proprietor

Bombay
Dated: **30th June, 1992.**

For and on behalf of the Board

J.S. Bakshi
P.S. Balasubramanian } Directors

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 1992 Rs.	As at 31st March, 1991 Rs.
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised: 50,000 Equity Shares of Rs.10 each.	<u>500,000</u>	<u>500,000</u>
Issued, Subscribed & Paid up: 1,300 Equity Shares of Rs.10/- each fully paid up. (300) (held by Reliance Industries Limited, the Holding Company)	<u>13,000</u> <u>13,000</u>	<u>3,000</u> <u>3,000</u>
SCHEDULE 'B'		
	As at 31st March, 1992 Rs.	As at 31st March, 1991 Rs.
CASH AND BANK BALANCES		
Cash on hand	1,070	1,697
Balance with a scheduled Bank in a Current Account	<u>4,556</u>	<u>—</u>
	<u>5,626</u>	<u>1,697</u>
	<u>5,626</u>	<u>1,697</u>

SCHEDULE 'C'

NOTES ON ACCOUNTS:

- 1) The current financial year is for the period of twelve months whereas the previous year was for a period from 4th January, 1991 to 31st March, 1991. The current financial year's figures to that extent are not comparable.
- 2) During the year the company became a Public Limited Company by virtue of Section 43A of the Companies Act, 1956.
- 3) As no manufacturing and/or Trading activities were carried out during the year, information required under para 3 and 4 of Schedule VI of the Companies Act, 1956 are not applicable.
- 4) Figures of the previous year have been regrouped/rearranged wherever necessary.
- 5) **DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES:**
 - a) **GENERAL:**
The financial statements are prepared in accordance with the normally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
 - b) **REVENUE RECOGNITION:**
Income and Expenditure are accounted for on accrual basis.

As per our Report of even date

For **CHATURVEDI & SHAH**
Chartered Accountants

D. Chaturvedi
Proprietor

Bombay
Dated: **30th June, 1992.**

For and on behalf of the Board

J.S. Bakshi
P.S. Balasubramanian } Directors