

Reliance Industries Limited

Annual Report 1992-93

**Board of
Directors**

Secretary
**Solicitors &
Advocates**
Auditors
Bankers

Registered Office

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

Nikhil R. Meswani
Executive Director

Suresh S. Betrabet
Nominee Director- ICICI

Bhogilal D. Shah
Nominee Director- GIC

Mansingh L. Bhakta

T. Ramesh U. Pai

Yogendra P. Trivedi

Vinod M. Ambani

Kanga & Co.

Chaturvedi & Shah
Rajendra & Co.
Rajagopalan & Co.

Syndicate Bank
Allahabad Bank
American Express Bank
Bank of America
Bank of Baroda
Canara Bank
Central Bank of India
Deutsche Bank
Hongkong Bank
Indian Bank
Oriental Bank of Commerce
Punjab National Bank
State Bank of India
Vijaya Bank

**3rd Floor, Maker Chambers IV,
222, Nariman Point,
Bombay 400 021.
Tel Nos. 226070, 242384
Fax No. 022-204 2268**

**Nineteenth
Annual Report
1992-93**

Contents

Page No(s).

Financial Highlights	4-5
Notice of Annual General Meeting	6-10
Directors' Report	11-13
Annexure to Directors' Report	13-23
Auditors' Report	24-25
Balance Sheet	26
Profit and Loss Account	27
Schedules annexed to Balance Sheet and Profit & Loss Account	28-37
Notes on Accounts	38-43
Statement pursuant to Section 212 of the Companies Act, 1956	44
Documents of Subsidiary Companies	45- 82

Manufacturing Facilities at:

- 1. Petrochemicals & Fibres Complex**
B-4, Industrial Area, Patalganga,
Off Bombay-Pune Road,
Near Panvel, Dist. Raigad 410 207
Maharashtra State, India.
- 2. Textiles Complex**
103/106, Naroda Industrial Estate,
Naroda, Ahmedabad 382 330
Gujarat State, India.
- 3. Plastics & Petrochemicals Complex**
Village Mora, P.O. Bhatha, Surat-Hazira Road
Surat -394 510, Gujarat State, India.

SUBSIDIARY COMPANIES

- 1. Devti Fabrics Limited**
3rd Floor, Maker Chambers IV,
222, Nariman Point, Bombay 400 021
- 2. Reliance Industrial Investments and Holdings Limited**
3rd Floor, Maker Chambers IV,
222, Nariman Point, Bombay 400 021
- 3. Redwood Investments Limited**
3rd Floor, Maker Chambers IV,
222, Nariman Point, Bombay 400 021
- 4. Reliance Petroproducts Limited**
201/202 Lalita Complex
Near Vijaya Bank
352/3 Rasala 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, India
Tel Nos. 836 7015-16-17-18
Fax No. 022-836 7019

Financial

Reliance

	1992-93	1991-92	1990-91
SALES & EARNINGS	Rs.	Rs.	Rs.
Sales	*4105.50	*2953.21	2098.34
Other Income	68.46	42.15	6.55
Sub-Total (A)	4173.96	2995.36	2104.89
Manufacturing & Other Expenses (B)	2295.43	1765.56	1617.87
Inter-divisional Transfers (C)	997.62	655.19	--
Gross Profit (A – B – C) (D)	880.91	574.61	487.02
Interest (E)	279.35	218.65	187.05
Depreciation (F)	279.81	192.64	174.42
Sub Total	559.16	411.29	361.47
Net profit [D – (E + F)] (G)	321.75	163.32	125.55
WHAT THE COMPANY OWNED			
Fixed Assets			
Gross Block	4640.53	4314.33	2186.42
Less: Depreciation (Cumulative)	1272.69	976.22	703.85
Net Block	3367.84	3338.11	1482.57
Investments	516.89	61.95	69.53
Current Assets	2198.28	1480.15	1160.22
Total	6083.01	4880.21	2712.32
WHAT THE COMPANY OWED			
Long Term Funds	2193.42	1794.15	708.96
Medium/Short Term Funds	156.25	176.24	131.26
Current Liabilities and Provisions	1,120.57	966.20	718.65
Total	3470.24	2936.59	1558.87
NET WORTH OF THE COMPANY			
Equity Share Capital	245.48	227.08	152.12
Preference Share Capital	5.50	5.80	5.80
Reserves and Surplus	2361.79	1710.74	995.53
Net Worth	2612.77	1943.62	1153.45
Earnings per Equity Share**(Rupees)	13.24	10.26	8.20
Cash Earnings per Equity Share** (Rupees)	24.79	22.42	19.66
Net worth per Equity Share (Rupees)	106.21	85.34	75.44
Debt: Equity Ratio	0.84:1	0.92:1	0.61:1
Number of Investors (in lakhs)	37	38	24
Number of Employees	11,836	11935	11666
*Includes Inter-divisional Transfers. **Annualised and based on weighted average Equity Shares outstanding.			

Highlights

Reliance
(Rs. in crores)

1989-90	1988-89 (9 months)	1987-88 (18 months)	1986	1985	1984	1983
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1840.66	1112.45	1770.74	905.48	733.14	622.01	520.35
15.64	7.88	7.45	5.73	4.94	7.11	4.68
1856.30	1120.33	1778.19	911.21	738.08	629.12	525.03
1432.10	862.58	1495.27	781.82	604.83	511.23	433.61
-	-	-	-	-	-	-
424.20	257.75	282.92	129.39	133.25	117.89	91.42
171.73	91.58	110.74	54.24	24.45	22.61	21.52
161.97	86.80	91.41	60.98	37.46	34.18	31.38
333.70	178.38	202.15	115.22	61.91	56.79	52.90
90.50	79.37	80.77	14.17	71.34	61.10	38.52
1998.79	1871.76	1862.66	1137.55	735.68	530.93	394.88
529.78	368.98	278.58	188.09	128.88	104.65	73.42
1469.01	1502.78	1584.08	949.46	606.80	426.28	321.46
58.05	58.50	1.25	0.37	37.30	0.17	0.12
1026.26	849.46	607.83	1052.83	402.10	235.41	215.19
2553.32	2410.74	2193.16	2002.66	1046.20	661.86	536.77
595.89	579.44	609.82	546.12	515.16	276.96	239.99
219.50	195.11	103.83	143.78	81.90	44.83	35.46
650.95	564.88	457.39	1001.23	138.02	93.68	131.44
1466.34	1339.43	1171.04	1691.13	735.08	415.47	406.89
152.12	152.11	152.10	51.61	51.61	46.18	36.15
5.80	5.80	5.80	5.80	5.80	5.80	5.80
929.06	913.40	864.22	254.12	253.71	194.41	87.93
1086.98	1071.31	1022.12	311.53	311.12	246.39	129.88
5.89	6.91	5.19	2.58	14.16	15.62	10.42
16.54	14.52	11.21	14.39	21.69	24.47	19.10
71.07	70.05	66.82	59.24	59.16	52.10	34.32
0.55:1	0.54:1	0.60:1	1.75:1	1.66:1	1.12:1	1.85:1
26	31	31	18	17	15	3
11355	10983	10697	9376	9066	8914	8440

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of **RELIANCE INDUSTRIES LIMITED** will be held on Thursday, the 23rd September, 1993 at 10.30 a.m. at Bhaidas Maganlal Sabhagriha, U-1 Juhu Development Scheme, Vile Parle (West), Bombay 400 056, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March, 1993, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Preference and Equity Shares.
3. To appoint a Director in place of Shri Mukesh D. Ambani who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Anil D. Ambani who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri T.Ramesh U. Pai who retires by rotation and being eligible, offers himself for re-appointment.
6. 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.

SPECIAL BUSINESS:

7. 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 Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the reappointment of Shri Dhirubhai H. Ambani, as the Chairman and Managing Director of the Company, for a period of 5 (five) years with effect from 1st March, 1994, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Dhirubhai H. Ambani, 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 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board of Directors and Shri Dhirubhai H. Ambani or as may be varied by the general meeting.

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."

8. 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 Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded to the re-appointment of Shri Anil D. Ambani, as Joint Managing Director of the Company, for a period of 5 (five) years with effect from 1st May, 1994, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Anil D. Ambani, 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 including any statutory modification or re-enactment thereof, for the time being in force as above and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board of Directors and Shri Anil D. Ambani or as may be varied by the general meeting.

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."

9. 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 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby granted to the Board of Directors of the Company, to create mortgage/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 of the Company 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 take over the management of the business and concern of the Company in certain events of default, to or in favour of Industrial Development Bank of India, to secure the Foreign Currency Loan of US\$ 31,500,000 equivalent to Rs. 8169 lacs, (of which approval of shareholders was received for US \$ 21,000,000 at the Eighteenth Annual General Meeting of the Company held on 10th December, 1992) 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 the devaluation/ revaluation/fluctuation in the rates of exchange and all other monies payable by the Company to Industrial Development Bank of India in terms of its 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 Industrial Development Bank of India, the documents for creating the aforesaid mortgage and/or charge and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution."

10. 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 (including any statutory modification or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company, to create 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 of the Company 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 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 Non-Convertible Debentures issued/to be issued by the Company on Private Placement basis to the Financial Institutions/Banks/others, upto an aggregate nominal value of

Rs. 60 crores, 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 of the Company and the Trustees.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the Agents and Trustees/ Trustees the documents for creating the aforesaid mortgage and/or charge 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 293(1)(a) and all other applicable provisions of the Companies Act 1956 (including any statutory modification or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company, to create 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 of the Company 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 take over the management of the business and concern of the Company in certain events of default, in favour of the Lenders/the Consortium of Lenders, who will provide External Commercial Borrowings (ECB) upto US\$ 300 million in aggregate to the Company, 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 the devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company to the Lenders/the Consortium of Lenders who will be providing ECB in terms of Loan Agreement(s)/Heads of Agreement(s) or any other agreement(s)/ document(s), 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 Lenders/the Consortium of Lenders providing ECB the documents for creating the aforesaid mortgage and/or charge and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution.”

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

RESOLVED THAT in terms of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, and in accordance with the provisions of the 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 consent of all concerned authorities and departments if and to the extent necessary, and such other approvals, permission and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed 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”), at its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer and issue, to or for the benefit of such person or persons (including Managing/ Wholtime Directors) as are at the time of issue in the permanent employment of the Company, such number of equity shares of the Company of the face value of Rupees ten each, not exceeding in

number at any time, in the aggregate, 3% of the issued equity shares of the Company at that time, as the Board may deem fit, for subscription for cash, in one or more branches, on terms as may be fixed and determined by the Board prior to the issue and offer thereof in consultation with such authorities as may be prescribed or in accordance with such guidelines or other provision of law as may be prevailing at that time and otherwise ranking pari passu with the equity shares of the Company as then issued and in existence and on such other terms and conditions and at such time or times as Board may at its absolute discretion and in the best interest of the Company may deem fit; Provided that the issue price of such shares shall not be less than the Book value or market price of the Equity Shares whichever is less on the date of offer of the said shares as the Board may at its absolute discretion and in the best interest of the Company may deem fit; Provided further that the aforesaid issue of Equity Shares may instead be in the form of fully or partly convertible debentures, bonds, equity warrants or other securities as may be permitted in law, from time to time and which are generally regarded as an Employee Stock Option Instrument by the Board and the issuance of such securities in the aggregate will result in not more than 3% of the issued Equity Shares of the Company at that time; Provided also that the Board may in this behalf also make or formulate a scheme for the provision of monies by the Company for the purchase or subscription of the shares or other securities as above in such manner as may be permitted under law.

”RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of equity shares and/or fully or partly convertible debentures, bonds, equity warrants or other securities contemplated above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem fit or necessary or desirable for such purpose with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

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

”RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, Article No. 128 of the Articles of Association of the Company be and is hereby deleted and the following Article be substituted in its place and stead as new Article 128:

ARTICLE 128 :-

Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 3 (Three) and not more than such number as may be stipulated by Act for the time being in force. Shri Mukesh D. Ambani and Shri Anil D. Ambani shall be permanent Directors and any Nominee Director appointed under Article 131 shall not be liable to retire by rotation as provided under Section 255 of the Act.

RESOLVED FURTHER THAT in accordance with the provisions of Section 268 and all other applicable provisions, if any, of the said Act the amendment to the Articles of Association as aforesaid shall not have any effect unless approved by the Central Government and that necessary application be made to the concerned authorities for giving effect to this 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: 20th August, 1993

Reliance

NOTES:

1. 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.
2. The Explanatory Statement setting out material facts in respect of the business under item Nos. 7 to 13 is annexed hereto.
3. 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 the Annual General Meeting.
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
5. The Register of Members shall remain close from 27th August, 1993 to 11th September, 1993, both days inclusive for the purpose of Dividend.
6. The Dividend, when sanctioned, will be made payable after 24th September, 1993.
7. 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.
8. In view of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), only the Directors' Report (except information under Section 217 (2A) of the Companies Act, 1956) (including any statutory modification or re-enactment thereof, for the time being in force), 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.
9. The Company has already transferred, unclaimed dividend declared for the financial year ended 31st March, 1989 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 or collected 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:

Financial Year	Due for Transfer on
1989-90	01.01.1994
1990-91	06.12.1994
1991-92	28.01.1996

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, at Andheri, Bombay, their Income Tax Permanent Account Number (PAN), if any, allotted to them by the Income Tax Authorities and the designation, district/circle 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. 7 to 13, of the accompanying notice set out hereinabove is as under:

Item Nos. 7 and 8

The present term of office of Shri Dhirubhai H. Ambani and of Shri Anil D. Ambani expires on 28th February, 1994 and 30th April, 1994 respectively. The Board of Directors has at its meeting held on 20th August, 1993, re-appointed the aforesaid Directors for a period of five years from the expiry of their present term of office.

The draft Agreements to be entered into by the Company with Shri Dhirubhai H. Ambani and Shri Anil D. Ambani in respect of their respective re-appointments for a further period of five years, inter alia, contain the following terms and conditions:

1. NAME & DESIGNATION	PERIOD
Shri Dhirubhai H. Ambani Chairman & Managing Director	From 1.3.1994 to 28.2.1999
Shri Anil D. Ambani Joint Managing Director	From 1.5.1994 to 30.4.1999
2. REMUNERATION	
(a) Salary	
Shri Dhirubhai H. Ambani	Rs.50,000 per month including dearness and all other allowances
Shri Anil D. Ambani	Rs.50,000 per month including dearness and all other allowances
(b) Perquisites:	Perquisites shall be allowed, in addition to salary. Perquisites shall be restricted to an amount equal to the annual salary or Rs. 4,50,000/- 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 furnished accommodation will be subject to the following ceilings:
60% of the salary, over and above 10% payable by the Managing Director and Joint Managing Director.
- (b) If the Company does not provide accommodation to the Managing Director and Joint Managing Director, they shall be entitled to house rent allowance subject to the ceiling laid down in (a) above.
- (c) If accommodation in the Company owned house is provided to the Managing Director and Joint Managing Director a deduction @ 10% shall be made from the salary of the said Directors.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary of the Managing Director and Joint Managing 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.4,000/.

Note: For the purpose of perquisites stated in Part- A above, 'family' means the spouse, the dependent children and dependent parents of the respective appointee(s).

PART B:

- (1) Contribution to Provident Fund and Superannuation Fund or Annuity Fund will 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. Gratuity payable shall not exceed half a month's salary for each completed year of service.
- (2) 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. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

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 private purpose shall be billed by the Company.

- (c) **Commission:** Remuneration by way of commission will be allowed in addition to salary or perquisites or both or in lieu thereof. The amount of it, based on the net profits of the Company in a particular year, shall be subject to the overall ceilings laid down in Section 198 and 309 of the Companies Act, 1956.
- 3. Notwithstanding the above where in financial year during the currency of tenure of the Chairman and Managing Director and Joint Managing Director, the Company has no profits or its profits are inadequate it may pay them remuneration by way of salary and perquisites not exceeding the limits specified hereinabove.
- 4. The terms and conditions set out for re-appointment herein and/or in the Agreement shall be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion, deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or reenactment thereof, for the time being in force), or any amendments made thereto.
- 5. The Agreement may be terminated by either party by giving to other party six months' notice.
- 6. The Managing Director and Joint Managing Director were appointed by virtue of their employment with the Company and their appointments are subject to the provisions of Section 283(1)(1) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force).
- 7. The Managing Director and Joint Managing Director shall not be entitled to supplement their 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 Agreements to be entered into between the Company and Shri Dhirubhai H. Ambani and Shri Anil D. Ambani are available for inspection at the Registered Office of the Company on any working day excluding Saturdays upto the date of the 19th Annual General Meeting between 11.00 a.m. and 1.00 p.m.

Shri Anil D. Ambani has been appointed as Managing Director of Reliance Petroleum Limited (RP), a Reliance Group Company. RP

has been formed for setting up a 9 million tonnes grass root refinery project at Jamnagar in the State of Gujarat. Shri Anil D. Ambani does not draw any remuneration from RP and as a matter of fact he has been appointed as Managing Director without any remuneration by the shareholders of RP.

The appointment of Shri Anil D. Ambani and remuneration payable to him as set out at Item No. 8 of the Notice require approval of the Central Government as Shri Anil D. Ambani is a Managing Director of RP.

Your Directors commend the resolutions set out at Item Nos.7 and 8 of the Notice for your approval.

The above may also be treated as an abstract of the terms of contract/agreement between the Company and Shri Dhirubhai H. Ambani, and Shri Anil D. Ambani pursuant to Section 302 of the Companies Act, 1956.

Shri Dhirubhai H. Ambani and Shri Anil D. Ambani may be deemed to be concerned or interested in the resolution which pertains to their respective reappointment and remuneration payable to each of them.

Further Shri Mukesh D. Ambani may be deemed to be concerned or interested in the resolutions pertaining to re-appointment and remuneration payable to Shri Dhirubhai H. Ambani and Shri Anil D. Ambani. Further Shri R.H. Ambani and Shri N.H. Ambani may be deemed to be concerned or interested in the resolution pertaining to the reappointment and remuneration payable to Shri Dhirubhai H. Ambani.

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

Item No.9

The Company has been sanctioned an additional Foreign Currency Loan aggregating US\$ 10.5 Million by Industrial Development Bank of India, which is to be secured by a suitable mortgage/charge 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 of the Company in consultation with the Lender.

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 Lender, 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.10

The Company has issued/ proposes to issue Non Convertible Debentures to Financial Institutions/Banks/others on Private Placement basis, upto an aggregate nominal value of Rs. 60.00 crores, for augmenting resources for long term working capital requirements of the Company, which are to be secured by a suitable mortgage/charge 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 of the Company in consultation with the Agents and Trustees/ Trustees.

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 Agents and Trustees/ Trustees, 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

Reliance

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 proposes to avail External Commercial Borrowings (ECB) upto US\$ 300 Million from Lenders/Consortium of Lenders in one or more branches to meet the cost for importing the machinery/equipment and other services required for Naphtha Cracker Project, PTA/POY Expansion Project, PET, Captive Power Plants, other plants/equipments for modernisation/expansion/debottlenecking and other corporate purposes. The said ECB facility will be secured by a suitable mortgage / charge 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 of the Company in consultation with the Lenders or Consortium of Lenders.

The Mortgage and/or Charge by the Company of its movable and/or immovable properties and/or whole or any part of the undertakings of the Company in favour of the 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, including any statutory modification or reenactment thereof for the time being in force. Hence, it is necessary to pass a resolution under the said Section by the Members.

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

Item No. 12

The business environment in our country is becoming increasingly competitive thanks to abolition of various controls, liberalisation and opening of the economy. It is, therefore, necessary that the Company adopts requisite measures for attracting and retaining qualified, talented and competent personnel. Stock Option Schemes, designed to foster a sense of ownership and belonging amongst personnel, are a well accepted approach to employee motivation. It is, therefore, appropriate to consider introducing a Stock Option Scheme for the employees of the Company. The shares may be allotted directly to employees or in accordance with a scheme framed in that behalf, through a special trust, which may be set up in that behalf in accordance with the provisions of law. The scheme may also envisage the provision of monies by the Company to enable the Employees Trust to acquire, purchase or subscribe for the shares of the Company. The proposed resolution is designed to enable achievement of these objectives.

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 the said Section unless the shareholders in General Meeting decide otherwise. The listing agreement with the Stock Exchanges provide inter alia, that the Company in the first instance should offer all the securities 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 the said Section 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.

Your Directors recommend the resolution for adoption.

The Directors who would be eligible/qualified to join the scheme may be deemed to be concerned or interested in the resolution to the extent of offer of securities which may be issued to them and benefit which may accrue to them.

Item No. 13

It is proposed to amend 'Article 128' of the Articles of Association of the Company to the effect that Shri Mukesh D. Ambani, Vice Chairman and Shri Anil D. Ambani, Joint Managing Director of the Company be appointed as permanent Directors, not liable to retire by rotation.

In terms of the provisions of Section 268 of the Companies Act, 1956, the aforesaid proposal for amending the Articles of Association of the Company requires approval of the Central Government besides obtaining approval of the shareholders by a Special Resolution. The amendment as aforesaid shall not have any effect unless approved by the Central Government.

Shri Mukesh D. Ambani, Shri Anil D. Ambani and Shri Dhirubhai H. Ambani may be deemed to be concerned or interested in the resolution.

None of the other Directors of the Company is, in any way, concerned or interested in the 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: 20th August, 1993

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 19th Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31st March, 1993.

FINANCIAL RESULTS

(Rs.in crores)

	1992-93	1991-92
Gross Profit before Interest and Depreciation	880.91	574.61
Less: Interest	279.35	218.65
Depreciation	279.81	192.64
Profit for the year	321.75	163.32
Add: Balance in Profit & Loss Account	20.02	27.73
Add: Transfer from General Reserve	—	49.00
Add: Investment Allowance (utilised)		
Reserve written back	16.10	4.40
Less: Prior year adjustments	—	75.06
Amount available for Appropriation	<u>357.87</u>	<u>169.39</u>
Appropriations:		
Capital Redemption Reserve	0.30	—
Investment Allowance Reserve	92.00	50.00
Debenture Redemption Reserve	25.50	21.00
General Reserve	100.00	30.00
Recommended Dividend on Preference and Equity shares	85.67	48.37
Balance carried to Balance Sheet	54.40	20.02
	<u>357.87</u>	<u>169.39</u>

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, 1993, 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. 3.50 per Share on 22,70,81,348 Equity Shares of Rs. 10 each fully paid up and a pro-rata dividend of Rs.2.90 per Share on 1,84,00,000 Equity Shares allotted as fully paid up against Global Depository Shares	84.81	
		<u>85.67</u>

YEAR IN RETROSPECT

The Company performed well in the year under review. The turnover increased to Rs.4105 crores (including Inter-divisional transfers of Rs. 998 crores), recording an increase of 39% over the preceding year. The profit before tax increased to Rs. 322 crores as compared to Rs.163 crores during the preceding year, recording a 97% increase. **The Company contributed nearly Rs.1118 crores to the national exchequer in terms of various taxes.**

OPERATIONS

FIBRES DIVISION:

Polyester Staple Fibre (PSF)

Your Company operated at over 100% capacity as against the industry's capacity utilization of 60%. The Company produced almost one-third (among 10 producers) of the industry's production. Your Company continues to lay emphasis on achieving consistently high quality and ensuring good customer service. Steps have been taken for the improvement of the product mix as well as the production of speciality products for a better average realization. Given the prevailing competitive conditions, active marketing efforts were pursued to maintain your Company's position in the polyester industry.

Polyester Filament Yarn (PFY)

Your Company produced 31% of the total industry's production (among 22 producers) during the year under review. The production achieved during the year was in excess of 17% over the previous year. During the year, the Company changed its product mix suitably to meet the market requirements. Apart from the increase in production, there was an allround quality improvement and your Company offered a wide range of products to the market. The value added products included textured, twisted, high twisted dyed yarns as well as bright yarns. The superior quality of these yarns enabled consumers to increase production of high value fabrics for local sales and for the export market. The Company is continuously making efforts to increase production by debottlenecking/ expansion and also by upgrading quality and developing new products.

FIBRE INTERMEDIATES DIVISION:

Purified Terephthalic Acid (PTA)

Your Company produced 65% of the combined DMT and PTA industry's production during the year under review. The Company achieved over 100% capacity utilization. With the increased acceptance of the PTA route for the manufacture of polyester in India, the demand for PTA is expected to grow much faster in the coming few years. However, with the reduction in import duties, the prices remained under constant pressure.

Ethylene Glycol (EG)

In the very first year of its operation. EG production recorded 86% capacity utilization at Hazira which was over 50% of the industry's production during the year under review. Most of the MEG production at Hazira is used captively in the production of polyester at Patalganga. The balance of about 42,000 MT was sold to the other polyester producers who are also the consumers of PTA produced by your Company.

POLYMERS DIVISION:

Polyvinyl Chloride (PVC)

Your Company started the commercial production of PVC, producing about 37% of the industry's production capacity during the year under review. After the initial start-up problem, the Company has been able to achieve over 100% capacity utilization. The entire production has been successfully marketed. The major reason for this success is superior product quality, on par with international standards.

Reliance

Enthused by the positive response to the product, your Company has taken up debottlenecking/expansion plans which would almost double the PVC capacity in the near future.

The period under review was significant, as for the first time in this country, action was taken against foreign suppliers by imposing an anti dumping duty. The Indian PVC Industry which suffered the consequences of large scale dumping during the first three quarters of the year under review got relief from the government by way of a provisional anti dumping duty. Submissions are being made by the PVC Resin Manufacturers Association seeking permanent relief against dumping.

Polyethylene (PE)

The Company commenced trial run production of polyethylene at Hazira. The plant has a rated capacity which is 55% of the combined capacities of the three domestic producers. Your Company has established a strong distribution network consisting of consignment agents and product promoters all over the country. With the help of Product Application and Research Centre, the Company will be able to give strong technical support to the downstream manufacturers.

CHEMICALS DIVISION:

Linear Alkyl Benzene (LAB)

Your Company produced almost 38% of the total industry's production during the year under review. The capacity utilization was nearly 100%. With the start-up of the Normal Paraffin manufacturing facilities using kerosene, the Company was able to achieve a better contribution during the year under review.

Ethylene Oxide (EO)

Your Company produced EO and captured a sizeable market share. The Company has plans to expand its EO manufacturing facilities through debottlenecking/expansion.

TEXTILE DIVISION:

The Company improved its position as India's largest synthetic textile producer under the brand name VIMAL. This Division is formulating an overall modernisation and expansion plan to maintain its leading position.

EXPORTS

The focussed efforts of your Company to establish itself in the exports market yielded good results. Exports in the year under review totalled Rs. 121 crores - an increase of 50% over the last year (Rs. 81 crores). The Company exported most of its products and has established quality standards in the international market.

SHIPPING DIVISION

During the year, the Company acquired 2 Tugs, having a Bollard Pull of 14 Tons each, from an Indian yard. Approval has also been received from the Government of India towards the acquisition of 2 Suez-Max crude oil tankers. To ensure the efficient and safe supply of ethylene to the Hazira plant, the Company has successfully carried out its lighterage operations by deploying its own fleet of 3 LEG Carriers. Having gained the necessary expertise to handle ethylene, attention is now being focussed on evolving a system for transporting other raw materials like EDC and VCM by the ocean route which is inherently safer and more economical. The acquisition of suitable vessels is on hand and work relating to the enhancement of berthing facilities is also progressing apace with the objective of providing an economic and environmentally safe mode of transporting captive cargoes.

PROJECTS:

NGL/NAPHTHA CRACKER

The implementation of the NGL/Naphtha Cracker Project has made good progress. A majority of detailed engineering work has already been completed. Procurement activities and construction work at the site have also commenced. The Company has received permission from the Government of India to increase the capacity of the proposed cracker to 7,50,000 TPA of ethylene and 3,65,000 TPA of propylene and to produce 2,35,000 TPA of benzene, 1,97,000 TPA of toluene and 1,00,000 TPA of xylene.

POY/PET PROJECT

The Company proposes to set up a project for the manufacture of 70,000 TPA of polyester yarn and 30,000 TPA of bottle grade PET chips in Hazira at a total cost of Rs. 736 crores. The proposed project will be the largest in the country and will enjoy considerable economies of scale. With the implementation of this project, the Company will be doubling its existing capacity in polyester yarn. The raw materials for the project, namely PTA and MEG, will also be produced by the Company. The project is expected to meet the fast-growing demand for these products in India and abroad.

The project cost of Rs.736 crores has been appraised by ICICI. Discussions are in progress with various Indian and multinational lending institutions to meet the necessary foreign exchange requirement. The polyester project will be based on DuPont technology which is currently in use at the company's Patalganga Complex.

PURIFIEDTEREPHTHALIC ACID (PTA)

The Company has plans to set up a new 3,50,000 tons PTA plant also at Hazira. The Company has already submitted its proposal to the financial institutions. The project is estimated to cost about Rs. 850 crores. The project is being set up to meet the raw material requirements of the Polyester/PET project being proposed at Hazira as well as to meet the needs of quality conscious customers who consider PTA as the preferred feedstock for polyester.

CAPTIVE POWER PLANT (CPP)

Your Company has set up large manufacturing complexes at Naroda, Patalganga and Hazira. To ensure quality and maintain stable operations, the Company proposes to set up Captive Power Plants. at all the three manufacturing sites.

5. CHLORALKALI PROJECT

As a step in backward integration, the Company is in the process of setting up manufacturing facilities for ethylene di-chloride (EDC), a feedstock for PVC. The Company has received permission to set up a 500 TPD Caustic Soda-cum-Chlorine project. This will fulfil the need for chlorine, which is required in the manufacture of EDC. The Company is taking steps to implement this project.

NEW COMPANIES

RELIANCE PETROLEUM LIMITED

The Company has made substantial progress towards the implementation of one of the largest ever grass root refineries in India. This refinery will have an annual capacity of 9 (nine) million tonnes. The project will be implemented through a newly formed company in the name of Reliance Petroleum Limited.

The location for the refinery which has been selected, is at village Motikhavdi, (District Jamnagar) in the State of Gujarat. The location is very close to Jamnagar city and is linked by road, rail and air. It offers

some distinct advantages such as proximity to Arabian gulf countries the largest source of crude; accessibility to the gulf of Kutch which is a sheltered port with adequate water depth to handle crude carriers throughout the year; proximity to the Kandla-Bhatinda oil pipeline; and the advantage of being close to areas where demand far outstrips the supply of petroleum products.

The project has already been appraised by the Industrial Development Bank of India (IDBI) for techno-commercial viability. IDBI, along with other leading financial institutions, has consented to take up financial participation in the project. The project is estimated to cost Rs. 5142 crores.

An MOU has been signed with Bharat Petroleum Corporation Limited (BPCL) for marketing the products, by using its existing strong marketing network.

JOINT VENTURES WITH ITOCHU

Your company has set up Reliance Polypropylene Limited (RPPL) and Reliance Polyethylene Limited (RPEL) - two joint ventures with ITOCHU Corporation, Japan. The public issue of Equity Shares and the Optionally Fully Convertible Debentures for these companies which was made in November 1992, received an overwhelming response. Over 1 crore individual investor applications were received for a total commitment of Rs. 3443 crores. The equity shares offered to the public was oversubscribed by 106 and 90 times for RPPL & RPEL respectively.

RELIANCE POLYPROPYLENE LIMITED

Your Company has co-promoted Reliance Polypropylene Limited, with ITOCHU Corporation, Japan to manufacture 2,50,000 TPA of polypropylene. The plant is being set up at the existing complex of the Company at Hazira and is estimated to cost Rs.525 crores. The Company expects to commission this plant by the last quarter of 1994.

RELIANCE POLYETHYLENE LIMITED

Your company has co-promoted Reliance Polyethylene Limited, with ITOCHU Corporation, Japan to manufacture 1,60,000 TPA of polyethylene. The Project is being set up at the existing complex of the Company at Hazira and is expected to cost Rs. 500 crores. Work on the project has commenced and it is expected to be commissioned by the last quarter of 1994.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosures 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, Reliance Industrial Investments & Holdings Limited (formerly known as Trishna Investments and Leasings Limited), Redwood Investments Limited and Reliance Petroproducts Limited and the respective Auditor's Report thereon for the year ended 31st March, 1993, are annexed.

FIXED DEPOSITS

Deposits of Rs. 0.92 crore due for repayment on or before 31st March, 1993, were not claimed by 1551 depositors as on that date. Of these, deposits amounting to Rs.0.37 crore of 614 depositors have since been repaid/renewed.

DEBENTURES

The funds raised through the issue 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.

DIRECTORS

Shri Mukesh D. Ambani, Shri Anil D. Ambani and Shri T. Ramesh U. Pai retire by rotation and being eligible offer themselves for reappointment.

INDUSTRIAL RELATIONS

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

AUDITORS & AUDITORS' REPORT

Messrs. Chaturvedi & Shah, Messrs. Rajendra & Co. and Messrs. Rajagopalan & Co., Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a certificate from these Auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) 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.

ACKNOWLEDGEMENT

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: 20th August, 1993.

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:

1. Replacement of metal fans of fin fan coolers by FRP fans thereby reducing power consumption.
2. Integration of fuel gas system for the entire complex resulting in saving in fuel oil consumption.
3. Detection of faulty steam traps on line by using a portable electronic device.
4. Interconnection of existing individual compressed air headers leading to stopping of a compressor in the nitrogen plant.
5. Reduction of excess air in boilers to optimum level by utilising sophisticated instrumentation.

Reliance

6. Six numbers coal-fired Thermic Fluid Heaters were replaced by highly efficient fully automatic modulating controlled gas fired thermopacs.
7. Double effect Two stage Steam Absorption Heat Pump (VAC) of 380TR capacity was installed in place of electrically operated reciprocating compressors.
8. Conversion of existing chilled water coil plain air-washer system to chilled water air-washer system in 1090TR Air Conditioning Plant.
9. Reduction in pot diameter from 220 mm to 140 mm of 40 no. of Twisting Machine Type MT-307.
10. DM Water used in Water Jet Loom is recovered and used as Boiler Feed.

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

1. Simulation package utilisation for optimising distillation column operation in all plants.
2. Installation of vapour absorption chiller using low pressure steam, which otherwise is being vented.
3. Installation of heat recovery steam generator on DG sets' flue gas system.
4. Installation of steam turbo generator for additional power generation utilising the waste heat from the gas turbine exhaust gases.
5. Order is already placed for one number highly efficient modulating gas fired combimax steam boiler against existing old boiler.
6. Process initiated for introducing gas based combined cycle co-generation Power Plant of 32 MW.

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

1. Integration of fuel gas system for the entire complex resulted in a saving of 3.86 million kilo calories per tonne of paraxylene and 2.30 million kilo calories per tonne of linear alkyl benzene. This in turn reduced cost of production of finished products, paraxylene and linear alkyl benzene respectively.
2. Replacement of metal fans with FRP fans on finfan coolers resulted in 20% saving in power consumption.
3. Detection and repairing of faulty steam traps and excess air reduction in boilers contributed to 1570 tons of fuel/annum.
4. Stopping of one compressor in nitrogen plant resulted in a saving of 6320 mw per annum.
5. Consumption of Furnace Oil has reduced from 2117 KL in 1991-92 to 482 KL in 1992-93.
6. Consumption of coal is reduced from 7232 MT in 1991-92 to 3083 MT in 1992-93.
7. Techno-economic programme for augmentation of power and steam was worked out, during which three units of vapour

Absorption Chiller 600TR capacity each were installed in 1991-1992, replacing electrically operated conventional compressors, thereby saving electrical power consumption by 133.55 lac units per year.

8. Energy consumption has reduced after installation of (a) highly efficient fully automatic modulating controlled gas fired steam boilers (b) three pass fully automatic modulating controlled gas fired thermopacs replacing old coal-fired low efficient thermopacs (c) recycling of condensate and flash steam and used DM water.

FORM 'A'

Form for disclosure of particulars with respect to Conservation of Energy:

PART - A

Power and Fuel consumption

April 92 to
March 1993

April 91 to
March 1992

1. Electricity

a)	Purchased Units (lacs)	3518.14	3102.67
	Total Amount (Rs. in lacs)	8110.55	5864.05
	Rate/Unit (Rs)	2.31	1.89
b)	Own Generation		
i)	Through Diesel Generator		
	Units (lacs)	414.89	512.66
	Units per Ltr. of Diesel	3.47	3.54
	Cost/Unit (Rs)	1.94	1.55
ii)	Through Steam Turbine/Generator		
	Units (lacs)	6270.94	N.A.
	Unit per Ltr. of fuel oil/gas	3.07	
	Cost/Unit (Rs)	1.18	

2. Coal

	Quantity (tonnes)	3083.00	7232.00
	Total Cost (Rs. in lacs)	54.88	101.34
	Average Rate per MT (Rs)	1780.08	1394.00

3. Furnace Oil

	Quantity (K. Ltrs)	219078.07	183649.00
	Total Cost (Rs. in lacs)	10184.14	8098.92
	Average Rate per Ltr. (Rs.)	4.65	4.41

4. LDO

	Quantity (K. Ltrs)	79.00	262.00
	Total Cost (Rs. in lacs)	3.84	12.36
	Rate/Unit per Ltr. (Rs)	4.86	4.72

5. Others

	GAS		
	Quantity (1000M ³)	41612.00	17319.00
	Total Cost (Rs.in lacs)	848.41	337.60
	Rate/unit per 1000 M ³ (Rs)	2038.86	1949.00

PART 'B'

CONSUMPTION PER UNIT OF PRODUCTION

	FABRICS PER 1000Mtr.		PFY PER M.T.		PSF PER M.T.		PTA PER M.T.		LAB PER M.T.		MEG PER M.T.		PVC PER M.T.		HDPE PER M.T.	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Electricity (KWH)	95	95	1446	1440	709	639	405	402	373	500	1244	Being Comm.	602	Being Comm.	Being Comm.	Being Comm.
Furnace Oil (Ltrs.)	7	36	110	211	108	212	126	161	140	228	-	-	-	-	-	-
Coal (Kgs.)	63	134	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas (SM ³)	343	278	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LSHS (Kgs.)	4	5	100	49	99	41	32	325	240	217	1	-	124	-	-	-

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

- i) Development of micro denier polyester yarn to have better processibility at texturising stage.
- ii) Development of speciality staple fibre suitable for sanitary napkins.
- iii) Development of suitable material for treatment of heavy alkyl benzene in LAB plant.
- iv) Development of fire retardant finish on 100% polyester substrate for car upholstery.
- v) Investigation on special requirements of automotive textiles and development of dyeing technique with disperse dyes having superior light fastness properties.
- vi) Development of techniques of weaving low dpf microfibre zero twist warps for shuttleless looms.
- vii) Development of processes in textile finishing to minimise environmental pollution.

2. Benefits derived from the above R & D:**a) Product Development/Improvement**

- i) 50/34/round/flat yarn with better performance and physical properties has been achieved.
- ii) 60/34 trilobal/bright/flat spin draw yarn specially developed for warp sizing end use.
- iii) Low denier per filament yarns have been produced viz. 235/68/POY, 80/68 Bright/POY, 80/68/Semidull/POY, 50/27/bright/POY, 30/27/trilobal/bright/flat. Performance is well accepted.
- iv) Speciality staple fibre - 1.5/bright/trilobal and 2.5/bright/trilobal - with good sparkle developed and commercialised.
- v) Process developed for producing filament yarn using 10% higher spinning machine speed for better yield.
- vi) Changing draw roll shaft design to sustain higher stresses during production of high tenacity fibres.
- vii) Development of finer denier less than 1.0 for staple fibre to improve fabric feel.
- viii) Computerised simulation of process through Simsci package for improving quality and yield for paraxylene and linear alkyl benzene plants.
- ix) Replacement of isomerisation catalyst by suitable catalyst to reduce C8 aromatics ring losses in paraxylene process.
- x) Developed high quality car upholstery.
- xi) Increased productivity of low dpf microfibre sero-twist warps on shuttleless looms.
- xii) Easier effluent treatment and less environment pollution.

b) Import Substitution

- i) Indigenisation of a number of engineering spares in polyester and petrochemical areas.
- ii) Development of three inch diameter chucks with indigenous components.
- iii) Use of indigenous alumina in place of imported alumina.
- iv) Indigenisation of solvent being pursued.
- v) Indigenisation trial of Emulsifier being done. Reduction in buffer addition done.
- vi) HDPE Raffia grade polymer made for the first time in the country.

3. Future plan of action**Projects are proposed for the following:-**

- i) Indigenisation of spin-finish oils in filament and staple fibre processing.
- ii) Reduction in consumption of spin-finish through optimisation of spin-finish application system.
- iii) System development for achieving constant bale weight in polyester staple fibre.
- iv) Winder replacement for production of higher weight POY package to reduce waste generation and higher productivity.
- v) Improvement of polymer quantity by introducing continuous polymer filter device.
- vi) Development of furnishing fabrics on Raschel Knitting M/c using core-spun yarns with jute fibre.
- vii) Development of new thickener for printing hydrophobic substrates.
- viii) Improvement of special effect yarns by thermomechanical and friction methods.

4. Expenditure on R & D**(Rs. in lacs)**

a) Capital	70.60
b) Recurring	860.61
c) Total	931.21
d) Total R & D expenditure as a percentage of total turnover	0.2%

Technology absorption, adaptation and innovation efforts in brief, made towards technology absorption, adaptation and innovation and benefits derived as a results thereof-

- i) Regeneration of spent catalyst in LAB plant.
- ii) In-situ regeneration facility for de-hydro sulphurisation catalystin LAB plant.
- iii) Use of plate heat exchanger to improve heat transfer efficiency and product processing in Paraxylene and LAB plants.
- iv) Use of new catalyst in isomerisation section for reduction in ring losses.
- v) Improved quench air system for better uster value and minimizing bulk variation in textured yarn.
- vi) Development of new cutter reels 40 mm. and 54 mm. to improve crimp retention property is staple fibre.
- vii) Improved performance of stripper of pre-fractionation section of paraxylene.
- viii) Improved G-monomer injection system.
- ix) Alternate catalyst development for improving life and yield in linear alkyl benzene plant.
- x) Old electricity operated reciprocating compressors of Air Conditioning Plants were discarded and new vapour absorption chillers, steam based, were installed having new concept of technology, discarding CFC based compressor chilling changed to Ozone friendly Absorption Chilling.
- xi) Auto-controlled modulating steam boilers having high efficiency were installed. Also auto-controlled modulating thermic fluid heaters were installed replacing coal fired thermopacs.
- xii) Change over of ballast gas from Nitrogen to Methane in EO Reactor for capacity increase, in progress.
- xiii) Debottlenecking of EO column for higher EO production, in progress.
- xiv) Change over of poly reactor cooling medium f rom cooling water to chilled water being studied with trial runs.
- xv) Mechanical Seals' 'O' rings material changed from Kalrez to Viton.

INFORMATION REGARDING IMPORTED TECHNOLOGY

Product	Technology from	Year of Import	Status of implementation/absorption
Mono Ethylene Glycol	Shell, (Lummus Crest B.V., Holland)	1989	Full
Poly Vinyl Chloride	B.F. Goodrich (USA)	1988	Full
High Density Polyethylene	Dupont(Canada)	1989	Full

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

i)	Activities relating to exports, initiatives to increase exports, developments of new export market for products and services and export plan.	
ii)	Total foreign exchange used and earned	(Rs. in crores)
a)	Total foreign exchange earned	147.13
b)	Total savings in foreign exchange through products manufactured by the Company and deemed exports	1669.00
		1816.13
c)	Total foreign exchange used	700.25

AUDITORS' REPORT

To the Members of RELIANCE INDUSTRIES LIMITED

We have audited the attached Balance Sheet of RELIANCE INDUSTRIES LIMITED as at 31st March, 1993 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 OUI 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) For the reasons mentioned in note No. 1(F) of Schedule 'N' to the Accounts, the items of Income and Expenditure mentioned therein continue to be accounted for on cash basis.

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 Balance Sheet of the state of affairs of the Company as at 31st March, 1993 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 **CHATURVEDI & SHAH**
Chartered Accountants
D. CHATURVEDI
Partner

For **RAJENDRA & Co.**
Chartered Accountants
R.J. SHAH
Proprietor

For **RAJAGOPALAN & CO.**
Chartered Accountants
Dr. R. RAJAGOPALAN
Partner

Bombay
Dated: 20th August, 1993

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.7 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. Attention is invited to Note No. 9 of Schedule 'N' to the accounts. 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 mentioned above, they are generally repaying the principal amounts as stipulated and are also regular in the payment of interest.
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 realizable 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 1993 for a period of more than six months from the date of becoming 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 **CHATURVEDI & SHAH**
Chartered Accountants

For **RAJENDRA & Co.**
Chartered Accountants

For **RAJAGOPALAN & CO.**
Chartered Accountants

D. CHATURVEDI
Partner

R.J. SHAH
Proprietor

Dr. R. RAJAGOPALAN
Partner

Bombay
Dated: **20th August, 1993**

BALANCE SHEET AS AT 31ST MARCH, 1993

	Schedule	As at 31st March, 1993		(Rs. in crores) As at 31st March, 1992	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS:					
Shareholders' Funds					
Share Capital	'A'	250.98		157.94	
Share Capital Suspense		—		74.94	
Reserves and Surplus	'B'	2,361.79		1,710.74	
			2,612.77		1,943.62
Loan Funds					
Secured Loans	'C'	2,391.94		1,878.19	
Unsecured Loans	'D'	305.47		277.99	
			2,697.41		2,156.18
TOTAL			5,310.18		4,099.80
APPLICATION OF FUNDS:					
Fixed Assets					
Gross Block	'E'	3,961.03		2,248.65	
Less: Depreciation		1,272.69		976.22	
Net Block		2,688.34		1,272.43	
Capital Work-in-Progress		679.50		2,065.68	
			3,367.84		3,338.11
Investments					
Current Assets, Loans and Advances	'F'		516.89		61.95
Current Assets:					
Inventories	'G'	523.10		404.90	
Sundry Debtors		555.10		415.14	
Cash and Bank Balances		505.72		75.36	
Other Current Assets		—		0.11	
		1,583.92		895.51	
Loans and Advances	'H'	614.36		584.64	
		2,198.28		1,480.15	
Less: Current Liabilities and Provisions	'I'				
Current Liabilities		683.41		730.90	
Provisions		89.42		49.51	
		772.83		780.41	
			1,425.45		699.74
TOTAL			5,310.18		4,099.80
Notes on Accounts	'N'				

For CHATURVEDI & SHAH Chartered Accountants	As per our Report of even date For RAJENDRA & CO. Chartered Accountants	For RAJAGOPALAN & CO. Chartered Accountants	For and on behalf of the Board D.H. Ambani Chairman & Managing Director
			M.D. Ambani Vice Chairman
D. Chaturvedi Partner	R.J. Shah Proprietor	Dr. R. Rajagopalan Partner	R. H. Ambani A.D. Ambani } Joint Managing Directors
			N.R. Meswani Executive Director
			S.S. Betrabet B.D. Shah M.L. Bhakta T. Ramesh U. Pai } Directors
Bombay			V.M. Ambani Secretary
Dated : 20th August, 1993.			

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1993

(Rs. in crores)

Schedule	1992-93		1991-92	
	Rs.	Rs.	Rs.	Rs.
INCOME				
Sales and Inter-divisional Transfers:		4,105.50		2,953.21
Sales	3,107.88		2,298.02	
Inter-divisional Transfers (as per Contra)	997.62		655.19	
Other Income 'J'		68.46		42.15
Variation in Stock 'K'		34.12		(51.75)
		4,208.08		2,943.61
EXPENDITURE				
Purchases	33.96		12.82	
Inter-divisional Transfers (as per Contra)	997.62		655.19	
Manufacturing and Other Expenses 'L'	2,333.83		1,749.62	
Interest 'M'	279.35		218.65	
Depreciation	279.81		192.64	
	3,924.57		2,828.92	
Less: Pre-operative expenses of Projects under Commissioning	38.24		48.63	
		3,886.33		2,780.29
Profit for the year		321.75		163.32
Add: Balance brought forward from last year	20.02		27.73	
Add: Transferred from General Reserve	—		49.00	
Less: Prior year adjustments	—		75.06	
		20.02		1.67
Add: Investment Allowance (Utilised) Reserve written back		16.10		4.40
Amount Available For Appropriations:		357.87		169.39
APPROPRIATIONS				
Capital Redemption Reserve	0.30		—	
Investment Allowance Reserve	92.00		50.00	
Debenture Redemption Reserve	25.50		21.00	
General Reserve	100.00		30.00	
Proposed Dividend (subject to tax):				
Preference Shares	0.86		0.86	
Equity Shares	84.81		47.51	
		303.47		149.37
Balance carried to Balance Sheet		54.40		20.02
Notes on Accounts	'N'			

For CHATURVEDI & SHAH Chartered Accountants	As per our Report of even date For RAJENDRA & CO. Chartered Accountants	For RAJAGOPALAN & CO. Chartered Accountants	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
			N.R. Meswani Executive Director
			S.S. Betrabet B.D. Shah M.L. Bhakta T. Ramesh U. Pai } Directors
			V.M. Ambani Secretary

Bombay

Dated : 20th August, 1993.

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in crores)

		As at 31st March, 1993		As at 31st March, 1992	
		Rs.	Rs.	Rs.	Rs.
SCHEDULE 'A'					
SHARE CAPITAL					
Authorised:					
35,00,00,000	Equity Shares of Rs. 10 each		350.00		200.00
(20,00,00,000)					
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
			400.00		250.00
Issued: Equity					
24,54,89,256	Equity Shares of Rs. 10 each		245.49		152.15
(15,21,46,493)					
Subscribed: Equity					
24,54,81,348	Equity Shares of Rs.10 each fully paid up		245.48	152.14	
(15,21,40,973)					
	Add: Shares forfeited		—	—	
	(Amount originally paid up on 7,908 Equity Shares (Rs.39,540)		245.48		152.14
	previous year on 5,520 Equity Shares, Rs.27,600)				
Issued & Subscribed: Preference					
—	11% Cumulative Redeemable Preference Shares				
(30,000)	of Rs. 100 each fully paid up		—		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
			250.98		157.94
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)	8,10,02,375	Shares were allowed 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 amalgamated with the Company.		
	(f)	1,84,00,000	Shares were allotted as fully paid-up against 92,00,000 Global Depository Shares(GDS).		
2.	During the year forfeiture of 708 (Previous Year 13,688) Equity Shares was annulled.				
3.	As per the terms of the issues of Debentures Series "F" (Rolled over) and Series "J", the holders of Warrants are entitled to apply upto 1,95,40,000 Equity Shares of Rs.10 each.				

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 las. Balance Sheet	0.29		—	
Add: Balance from Reliance Petrochemicals Limited on amalgamation (RPL).	—		0.28	
Add/Less: on re-issue of forfeited Shares	(0.05)		0.01	
		0.24		0.29
Capital Redemption Reserve				
Transferred from Profit and Loss Account		0.30		—
Amalgamation Reserve				
As per last Balance Sheet	674.34		—	
Add: Surplus resulting from amalgamation of Reliance Petrochemicals Limited	0.13		674.34	
		674.47		674.34
Share Premium Account				
As per last Balance Sheet	673.36		673.17	
Add: Received during the year	438.80		0.19	
	1,112.16		673.36	
Less: GDS Issue Expenses	23.91		—	
		1,088.25		673.36
Debenture Redemption Reserve				
As per last Balance Sheet	55.25		34.25	
Add: Transferred from Profit and Loss Account	25.50		21.00	
		80.75		55.25
Investment Allowance Reserve				
As per last Balance Sheet	50.00		50.00	
Add: Transferred from Profit and Loss Account	92.00		50.00	
	142.00		100.00	
Less: Utilised for purchase of machinery during the year transferred to Investment Allowance (Utilised) Reserve	50.00		50.00	
		92.00		50.00
Investment Allowance (Utilised) Reserve				
As per last Balance Sheet	196.50		150.90	
Add: Transferred from Investment Allowance Reserve	50.00		50.00	
	246.50		200.90	
Less: Transferred to Profit and Loss Account to the extent not required	16.10		4.40	
		230.40		196.50
Taxation Reserve				
As per last Balance Sheet		10.00		10.00
General Reserve				
As per last Balance Sheet	30.98		49.48	
Add: Balance in account of Reliance Petrochemicals Limited on amalgamation	—		0.50	
Add: Transferred from Profit and Loss Account	100.00		30.00	
	130.98		79.98	
Less: Transferred to Profit and Loss Account	—		49.00	
		130.98		30.98
Profit and Loss Account		54.40		20.02
		<u>2,361.79</u>		<u>1,710.74</u>

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

80.00**26.67****53.33***

80.00

26.67

53.33

* Includes debentures of face value of (Rs.25,000) 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***

270.00

15.49

254.51

*Includes debentures of face value of (Rs.35,000) held by Directors

- iii) 12.5% Fully Convertible Secured Redeemable Debentures (Part 'C') of Rs.150 each fully paid up

1.13

1.13

- iv) 14% Non-Convertible Secured Redeemable Debentures of Rs.100 each fully paid up

162.50

162.50

- v) 12.5% Partly Convertible Secured Redeemable Debentures of Rs.150 each, (Series 'H')

277.17*

142.30

* Includes debentures of face value of Rs.0.16 crore held by Directors

- vi) 14% Non-Convertible Secured Redeemable Debentures of Rs.150 each, (Series 'J') with Detachable Warrant

65.87*

33.26

* includes debentures of face value of Rs. 0.01 crore held by Directors

- vii) 17.5% Non Convertible Secured Redeemable Debentures of Rs.100 each, (Series 'K')

132.67

66.62

962.67

713.65

B) TERM LOANS

1. From Banks
Foreign currency Loans
2. From Financial Institutions
a) Foreign Currency Loans
b) Rupee Loans
3. From Others:
Housing Development Finance Corporation Ltd.

47.27

49.76

620.21

549.32

379.64

38.15

999.85

587.47

1.86

3.19

1,048.98

640.42

C) WORKING CAPITAL LOANS

- From Banks

347.74

185.79

D) DEFERRED PAYMENT LIABILITIES**29.27**

39.55

E) BRIDGE LOANS FROM FINANCIAL INSTITUTIONS**–**

293.05

F) HIRE PURCHASE FINANCE**0.21**

0.33

G) INTEREST ACCRUED & DUE**3.07**

5.40

2,391.94

1878.19

NOTES:

1. (a) Term Loan referred to in B, save and except B(1), B(2)(a) & B(2)(b) to the extent of Rs. 24.85 crores Rs.388.55 crores and Rs. 367.47 crores respectively and B(3), are secured and Term Loans referred in B(2)(a) the extent of Rs. 54.69 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.
- (b) The Term Loans referred to in B(2)(a) above, to the extent of Rs.20.25 crores are secured by an exclusive charge by way of Hypothecation of specific items of machinery.
- (c) The term Loan referred in B(2)(a) to the extent of Rs.280.72 crores were obtained for the Plastic & Petrochemicals Division of the Company and are secured by first charge by way of hypothecation of movable assets first mortgage/charge on all the immovable assets of the Plastics & Petrochemical Division of the Company situate at Hazira, District Surat, in the State of Gujarat.

- (d) Term Loans referred to in B(2)(a) & B(2)(b) to the extent of Rs.87.58 crores and Rs.17.64 crores respectively are secured by mortgage of deposit of title deeds on the properties situated at Patalganga, District Raigad in the State of Maharashtra and are to be secured by mortgage of deposit of title deeds in the properties situated at Naroda, District Ahmedabad in the State of Gujarat.
- (e) Term Loans referred to in B(i) to the extent of Rs. 22.81 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.
- (f) Term Loans referred in B(3) are secured mortgage, by deposit of title deeds, of specified residential quarters situate at Panvel and Mohapada, District Raigad in the State of Maharashtra.
2. (a) Debentures referred to in A(ii), (iv), (v), (vi) & (vii) are 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 of the movable properties situate at Patalganga, District Raigad in the State of Maharashtra.
- (b) (i) Debentures referred to in A(ii) (both under Cumulative & Non-Cumulative Interest Payment Scheme) were rolled over for a further period of 7 (seven) years i.e. upto 31st August, 1999. The Company had received request for buy-back of Debentures upto 31st August, 1992 amounting to Rs.16.64 crores which were paid in full. Those Debentureholders who have not opted for Roll over have been paid the Principal Amount, Premium of Rs.5/- per Debenture and interest upto 30th September, 1992 on surrender of Debenture Certificates.
- (ii) Debentures with an extended period of redemption are on the following terms:
- Interest payment on Non Cumulative basis;
 - Redemption at par;
 - No buy back facility; and
 - Issue of 2 detachable Warrants for every 5 Debentures Rolled over.
- The holders of warrants are entitled to apply for 1 equity share per warrant, of face value Rs.10/- for cash at a price of Rs. 150/- (inclusive of premium Rs.140/-) per share as on 1st April, 1993.
- (c) Debentures referred to in A(iv) above aggregating Rs.80.00 crores will be redeemable at a premium of 5% on the face value of the said debentures on the expiry of seventh year from the date of allotment. The redemption will commence from November 1994 and Debentures aggregating to Rs.82.50 crores are to be redeemed at a premium of 5% on the face value of the Debentures between 6th & 8th year from the date of allotment in equal instalments. The redemption will commence from March, 1997.
- (d) In terms of issue of Debentures referred to in A(v) above, an amount of Rs. 55/-out of the face value of Rs.150/- of the Debentures 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 26 the February, 2002 with an option to the Board of Directors to redeem at any time after 26th February, 1999.
- (e) The Debentureholders of detachable warrants attached to the Debentures 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 26th February, 1994. The Debentures will be redeemed on the expiry of 10 years i.e. on 26th February,2002 with an option to Board of Directors to redeem at any time after 26th February, 1999.
- (f) The Debentures referred to in A(vii) above will be redeemed at the expiry of 10 years i.e. 26th February, 2002 with an option to the Board of Directors to redeem the same at any time after 20th February, 1999.
3. (a) Debentures referred to in A(i) are secured by a legal mortgage in English form on the properties situate at Naroda, District Ahmedabad in the State of Gujarat. These Debentures shall rank subsequent to the charges created/ to be created by the company in favour of:
- Trustees for the holders of Debentures referred to in A(ii), (iv), (v), (vi) and (vii); and
 - Other Financial Institutions/Banks for their outstanding loans/guarantees.
- (b) The balance amount of Debentures referred in A (i) was due for redemption in one or more instalments by draw of lots at any time after on 10th December, 1996. The Company has now decided to redeem the same on 10th December, 1996.
4. The charges created /to be created on the Debentures and Term Loans referred to in A and B above rank pari passu, inter-se, save and except debentures referred to in A(i) and B(3).
5. (a) The Debentures referred to in A(iii) issued by erstwhile Reliance Petrochemicals Limited (RPL), are secured by a legal mortgage in English form by way of residual charge on the assets of erstwhile Reliance Petrochemicals Limited situate at village Mora, District Surat in the State of Gujarat. The said debentures shall rank subservient and subordinate to all present mortgage/charge, created on the assets of the erstwhile RPL.
- (b) The Debentures referred to in A (iii) issued by erstwhile RPL will 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.
6. 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.
7. Liabilities referred in item D above are secured by first charge by way of hypothecation of specific items of machinery acquired under Deferred Payment Facility.
8. Hire Purchase Finance referred in item F above is obtained by the Plastics & Petrochemicals Division of the Company and is secured by first charge by way of hypothecation of specific vehicles acquired by the erstwhile RPL under the said facility.
9. Secured Loans include Rs.281.29 crores repayable within one year.
10. Particulars of Debentures Series H, J and K are as follows:
- Series-H comprises Nil Debentures (Previous Year 3,59,62,462) of Rs.37.50 paid up, 3,59,64,184 Debentures (Previous Year 3,771) of Rs.75 paid up and 4,95,816 Debentures (Previous Year 493,767) of Rs. 150 paid up.
 - Series J comprises Nil Debentures (Previous Year 86,94,107) of Rs. 37.50 paid up, 86,97,642 Debentures (Previous Year 3,691) of Rs. 75 paid up and 42,358 Debentures (Previous Year 42,202) of Rs.150 paid up.
 - Series-K comprises Nil Debentures (Previous Year 2,64,20,671) of Rs. 25 paid up,2,64,21,145 Debentures (Previous Year 886) Debentures of Rs.50paid up and 56,688 Debentures (Previous Year 56,276) of Rs. 100 paid up.

Reliance

SCHEDULE 'D'

(Rs. in crores)

UNSECURED LOANS

Fixed Deposits

(including Cash Certificates of Rs.0.12 crore) 31.78 41.33

Short Term Loans from:

	As at 31st March, 1993 Rs.		As at 31st March, 1992 Rs.	
i) Financial Institutions	71.19 +		38.65+	
ii) Banks [Includes Commercial Paper Rs.Nil, (Previous Year Rs. 90.00 crores), maximum amount outstanding at any time during the year Rs.90.00 crores, (previous year Rs.90.00 crores)]	50.00		90.53	
		121.19		129.18
Interest free Loans under Sales-tax deferral schemes		152.50		107.48
		305.47 *		277.99 *

+ Includes Rs.33.19 crores (Previous Year Rs. 33.65 crores) pending adjustment against amount payable in respect of 'H', 'J' and 'K' series of debentures.

* Includes Rs.130.88 crores (Previous Year Rs.145.98 crores) repayable/adjustable within one year.

SCHEDULE 'E'

FIXED ASSETS

(Rs. in crores)

Description	Gross Block				Depreciation up to 31.3.93 Rs.	Net Block	
	As at 1.4.92 Rs.	Additions Rs.	Deductions Rs.	As at 31.3.93 Rs.		As at 31.3.93 Rs.	As a 31.3.92 Rs.
Goodwill	1.23	—	—	1.23	—	1.23	1.23
Leasehold Lands	7.67	39.06	3.31	43.42	—	43.42	7.67
Freehold Lands	0.56	0.04	—	0.60	—	0.60	0.56
Buildings	131.71	164.50	3.31	292.90	23.44	269.46	115.69
Plant & Machinery	1,889.47	1,392.04	3.84	3,277.67	1,204.04	2,073.63	955.15
Ships	126.98	23.52	—	150.50	9.52	140.98	123.86
Electric Installation	37.99	85.80	—	123.79	18.60	105.19	27.21
Factory Equipment	7.28	6.17	—	13.45	3.19	10.26	4.75
Furniture & Fixture	35.83	8.94	0.10	44.67	11.59	33.08	27.97
Vehicles	9.93	3.33	0.46	12.80	2.31	10.49	8.34
Total	2,248.65	1,723.40	11.02	3,961.03	1,272.69	2,688.34	1,272.43
Previous Year	1,942.85	331.30	25.50	2,248.65	976.22	1,272.43	
Capital Work-in-Progress						679.50	2,065.68

NOTE:

- Leasehold Lands include Rs. 1.43 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.
- Buildings include cost of ownership premises in Co-operative Housing Societies Rs. 1.11 crores.
- Capital Work-in-Progress includes:
 - Rs. 97.84 crores on account of pre-operative expenses (Previous year Rs.612.93 crores).
 - Rs.26.43 crores on account of cost of construction materials at site (Previous year Rs.49.36 crores).
 - Rs.4.30 crores on account of advance against Capital Work-in-progress, (Previous Year Rs.17.65 crores)

SCHEDULE 'F'

(Rs. in crores)

INVESTMENTS

GOVERNMENT AND OTHER SECURITIES - Unquoted:

- 7 Years National Savings Certificates (face value Rs.5,000)
(Deposited with Sales Tax Dept.) (Previous year Rs.5,000)
Indira Vikas Patra

As at
31st March, 1993
Rs. Rs.

As at
31st March, 1992
Rs. Rs.

-

0.20

0.20

-

0.20

0.20

TRADE INVESTMENTS

IN EQUITY SHARES - Quoted, fully paid up:

- 83,31,500 Equity Shares of Reliance Capital & Finance Trust Ltd.
(18,00,000) of Rs. 10 each

34.84

34.84

1.80

1.80

Un-Quoted, fully paid up:

- 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 (Rs.16,500) (Previous year Rs.16,500)
- 20 Shares of The Bombay Market Art Silk Co-operative (Shops & Warehouses)
Society Ltd., of Rs.200 each, (Rs.4,000) (Previous year Rs.4,000)
- 11,08,500 Equity Shares of Reliance Europe Ltd.
(20,17,000) sterling pound 1 each
- 2,10,00,000 Equity Shares of Reliance Polypropylene Ltd. of Rs.10 each
- 2,10,00,000 Equity Shares of Reliance Polyethylene Ltd. of Rs.10 each

-

-

-

-

3.93

21.00

21.00

45.93

-

-

-

-

7.00 *

-

-

7.00

Unquoted, Partly paid up:

- 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)
- 76,92,000 Equity Shares of Reliance Polypropylene Ltd. of Rs.10 each, Rs.2.50 paid up
- 76,92,000 Equity Shares of Reliance Polyethylene Ltd. of Rs.10 each, Rs.2.50 paid up

-

32.23

32.23

64.46

-

-

-

-

IN DEBENTURES Unquoted, fully paid up:

- 1,00,00,000 16% Optionally Fully Convertible Debentures of Reliance Polypropylene Ltd.
Of Rs.50 each.
- 75,00,000 16% Optionally Fully Convertible Debentures of Reliance Polyethylene Ltd.
Of Rs.50 each.

50.00

37.50

87.50

232.73

-

-

-

8.80

IN SUBSIDIARY COMPANIES - Unquoted, fully paid up:

- 2,10,070 Equity Shares of Devti Fabrics Ltd. of Rs.10 each
- 4,400 Equity Shares of Reliance Industrial Investments and Holdings Ltd
of Rs.10 each (Rs.44,000)
- 1,300 Equity Shares of Reliance Petroproducts Ltd
of Rs.10 each fully paid up (Rs.13,000)
- 10,000 Equity Shares of Redwood Investments Ltd of Rs.10 each

0.21

-

-

0.01

0.21

-

-

0.01

0.22

233.15

0.22

9.22

C/F

Reliance

		(Rs. in crores)			
		As at 31st March, 1993		As at 31st March, 1992	
		Rs.	Rs.	Rs.	Rs.
	B/F		233.15		9.22
OTHER INVESTMENTS					
IN EQUITY SHARES:					
Quoted, fully paid up:					
3,798	Equity Shares of The Industrial Credit & Investment Corporation of India Ltd. of Rs. 100 each	0.06		0.01	
Unquoted fully paid up:					
1,000	Equity Shares of Air Control & Chemicals Engineering Co. Ltd. of Rs.100 each, fully paid up	0.01		0.01	
		<u>0.07</u>		<u>0.02</u>	
IN DEBENTURES:					
Quoted:					
3,174	Fully Convertible Debentures of The Industrial Credit & Investment Corporation of India Ltd., of Rs.450 each, fully paid up	0.13		0.03	
		<u>0.13</u>	0.20	<u>0.03</u>	0.05
IN UNITS: & BONDS					
Unquoted					
18,06,64,830	Units of Unit Trust of India	283.54		2.68	
(18,00,000)	— 9% Tax free Bonds of Indian Railway Finance Corporation Ltd., of Rs.1,000 each fully paid up	—		50.00	
			<u>283.54</u>		<u>52.68</u>
			<u>516.89</u>		<u>61.95</u>
* Ceased to be Subsidiary Company during the year.					
AGGREGATE VALUE OF					
		Book Value	Market Value	Book Value	Market Value
	Quoted Investments	35.03	34.78	1.84	48.93
	Unquoted Investments	481.86	—	60.11	—

MOVEMENT DURING THE YEAR:

The Company purchased and sold 71,00,000 Units of GIC Rise I, 3,25,00,000 Units of GIC Rise II and 3,00,00,000 Units of Unit Trust of India (1964 Scheme)

SCHEDULE 'G'

(Rs. in crores)

CURRENT ASSETS

	As at 31st March, 1993		As at 31st March, 1992	
	Rs.	Rs.	Rs.	Rs.
INVENTORIES (Certified and valued by the Management)				
Stores, spares, dyes, chemicals, etc.	158.06		105.74	
Raw materials	122.96		91.05	
Stock-in-transit	—		0.15	
Stock-in-process	31.44		29.38	
Finished goods	210.64		177.12	
Others	—		1.46	
		523.10		404.90
SUNDRY DEBTORS (Unsecured)				
Over six Months:				
Considered good	79.11		86.05	
Considered doubtful	4.66		4.66	
		83.77		90.71
Less: Provision for doubtful debts	4.66		4.66	
	79.11		86.05	
Others considered good	475.99 *		329.09	
		555.10		415.14
CASH AND BANK BALANCES				
Cash on hand	0.33		0.33	
Balance with Scheduled Banks:				
In Current Accounts	28.40		70.54	
In Fixed Deposit Accounts	2.84		2.19	
		31.57		73.06
In Asset Management Schemes with a:				
Scheduled Bank	1.92		2.30	
Non-Scheduled Bank +	472.23		—	
		474.15		2.30
OTHER CURRENT ASSETS				
Interest Accrued on Investment	—		0.11	
		1,583.92		895.51

* includes Rs. 3.21 crores due from Devti Fabrics Ltd (refer note 9 of Schedule N) a subsidiary of the Company and Rs.125.65 crores on account of Bills of Exchange.

+ with Union Bank of Switzerland (maximum balance outstanding during the year Rs.472.23 crores) at Net Asset Value.

SCHEDULE 'H'**LOANS AND ADVANCES**

(Rs. in crores)

	As at 31st March, 1993		As at 31st March, 1992	
	Rs.	Rs.	Rs.	Rs.
UNSECURED - (CONSIDERED GOOD)				
Loans to subsidiary companies	146.47		152.24	
Advances recoverable in cash or in kind or for value to be received	360.73 *		316.06	
Deposits	100.12		108.46	
Balance with Customs, Central Excise Authorities, etc.	7.04		7.88	
		614.36		584.64

* Includes Rs. 0.21 Crore from Officers (Previous year Rs. 0.18 Crore), Maximum balance outstanding at any time during the year Rs. 0.21 Crore.

Reliance

SCHEDULE 'I'

(Rs. in crores)

CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

	As at 31st March, 1993		As at 31st March, 1992	
	Rs.	Rs.	Rs.	Rs.
Sundry Creditors	598.94*		575.40	
Unclaimed Dividends	1.17		5.03	
Excess Debenture Application monies refundable/adjustable	0.69		64.39	
Interest accrued but not due on loans	82.61		86.08	
		683.41		730.90

* Includes for Capital Expenditure of As 107.65 crores, Acceptance of Rs. 45.53 crores and and Rs. 8.51 crores of backward area incentives withdrawn (payable within one year Rs. 2.84 crores)

PROVISIONS

Gratuity and Superannuation	3.50		1.14	
Provision for Wealth Tax	0.25		—	
Proposed Dividend	85.67		48.37	
		89.42		49.51
		772.83		780.41

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

(Rs. in crores)

SCHEDULE 'J'

OTHER INCOME

	1992-1993		1991-1992	
	Rs.	Rs.	Rs.	Rs.
Export Incentives		0.74		3.74
Dividends:				
From Subsidiaries	0.13		7.08	
From Others	56.96		0.51	
		57.09		7.59
Income from Time Charter		—		20.35
Miscellaneous Income		10.63		10.47
		68.46		42.15

SCHEDULE 'K'

VARIATION IN STOCK

(Rs. in Crores)

STOCK-IN-TRADE (at close)

	1992-1993		1991-1992	
	Rs.	Rs.	Rs.	Rs.
Finished goods	210.64		177.12	
Stock-in-process	31.44		29.38	
Others	—		1.46	
		242.08		207.96

STOCK-IN-TRADE (at commencement)

Finished goods	177.12		159.55	
Stock-in-process	29.38		98.41	
Others	1.46		1.75	
		207.96		259.71
		34.12		(51.75)

SCHEDULE 'L'

(Rs. in crores)

MANUFACTURING & OTHER EXPENSES

RAW MATERIALS CONSUMED

Stock at commencement
Add: Purchases

Less: Stock at close

MANUFACTURING EXPENSES

Stores and Spare parts
Dyes and Chemicals
Electric Power, fuel and water
Machinery repairs
Building repairs
Labour, Processing and machinery hire charges
Excise Duty
Lease Rent

PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

Salaries, Wages and Bonus
Contribution to Provident Fund, Gratuity Fund,
Superannuation Fund, Employees State Insurance Scheme,
Pension Scheme, Labour Welfare Fund etc.
Employees' Welfare and other amenities

SALES & DISTRIBUTION EXPENSES

Samples, Sales Promotion and Advertisement Expenses
Brokerage and Commission
Packing Expenses
Warehousing Charges
Freight and forwarding charges
Octroi Expenses
Sales Tax

ESTABLISHMENT EXPENSES

Insurance
Rent
Rates and taxes
Other repairs
Travelling expenses (including Rs.0.42 crore for Directors)
Payment to Auditors
General Expenses
Wealth Tax
Charity & Donations
Loss on sale of Assets
Preliminary Expenses written off

1992 - 1993		1991 - 1992	
Rs.	Rs.	Rs.	Rs.
91.05		125.84	
<u>659.37</u>		<u>389.62</u>	
750.42		515.46	
<u>122.96</u>		<u>91.05</u>	
	627.46		424.41
92.96		41.46	
118.85		55.76	
159.86		140.56	
8.62		6.01	
4.09		3.47	
24.37		20.27	
861.43		751.17	
<u>61.81</u>		<u>25.24</u>	
	1,331.99		1,043.94
61.27		45.87	
8.48		5.74	
<u>17.67</u>		<u>14.17</u>	
	87.42		65.78
13.72		2.90	
32.32		25.20	
49.79		35.03	
1.98		1.49	
20.96		16.90	
5.23		4.93	
<u>47.80</u>		<u>40.24</u>	
	171.80		136.69
23.12		15.84	
9.42		4.12	
0.59		0.39	
7.64		4.49	
7.13		4.02	
0.47		0.31	
63.54		47.76	
0.25		—	
1.18		1.84	
1.82		0.01	
—		0.02	
	115.16		78.80
	<u>2,333.83</u>		<u>1749.62</u>

(Rs.in crores)

SCHEDULE 'M'

INTEREST

Debentures
Fixed Loans
Others (Net)

1992-1993	1991-1992
Rs.	Rs.
149.33	82.37
102.95	52.40
27.07	83.88
<u>279.35</u>	<u>218.65</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 with generally accepted accounting principles followed by the Company.

B. Fixed Assets and Depreciation

- a) Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations relating to specific borrowings attributable to the fixed assets are capitalised.
- b) Depreciation on fixed assets (other than goodwill and leasehold land, which are not amortised) is provided on the straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 except depreciation on incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets, which have been amortised over the residual life of the respective assets.

C. Foreign Exchange Transactions

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- b) (i) Assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at contracted rates, when covered by foreign exchange contracts and at year end rates in all other cases.
(ii) Gains and losses on foreign exchange transactions/translation other than those relating to fixed assets are recognized to the respective accounts in the Profit and Loss Account. Gain or loss on translation of long term liabilities incurred to acquire fixed assets is treated as an adjustment to the carrying cost of such fixed assets.

D. Investments

Investments are stated at cost

E. 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. 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.

F. Basis of Accounting

All income and expenditure items having a material bearing on the financial statements are recognised on accrual basis, 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) Disposal of sundry items including waste; and
- iii) Interest on calls-in-arrears.

b) Expenditure:

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

G. Sales

Sales include sale of by products, waste, sales during trial run, excise duty and sales tax but exclude discount, commission and incentives.

H. Excise Duty

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

I. Employee Retirement Benefits

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

J. Research and Development Expenses

Expenditure related to capital items is debited to fixed assets and depreciated at applicable rates Revenue expenditure is charged to Profit and Loss Account of the year in which they are incurred.

K. Debenture/Share Issue Expenses and Debenture Redemption Reserve.

- (a) Debenture issue expenses, to the extent pertaining to projects, are capitalised
- (b) Issue expenses are adjusted against the Share Premium Account.
- (c) Debenture Redemption Reserve has been created pursuant to the Guidelines dated 14th January, 1987 of the Government of India only in respect of Debentures issued after the said date.

L. 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.

M. Inter-divisional Transfers

Inter-divisional transfers of goods and services for internal use as captive consumption in vertically integrated multi-plants are shown as contra items in the Profit and Loss Account to reflect the true economic value of the production inter-se the divisions. Any unrealised profit on unsold stocks is ignored while valuing inventories. This accounting treatment has no impact on the profits of the Company.

2. (a) The previous year's figures have been reworked, regrouped and reclassified wherever necessary including inter-alia to give effect to inter-divisional transfers.
- (b) 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. 'Interest - Others (Net)' is arrived at after deducting interest received/receivable of Rs. 47.69 crores (Previous Year Rs. 10.10 crores) Tax Deducted at Source of Rs.3.83 crores (Previous Year Rs. 1.34 crores)
4. A sum of Rs.10.30 crores (net) included in 'Manufacturing and Other expenses' represents excess of expenditure over income relating to previous year(s)
5. (a) Auditors' Remuneration:

(Rs.in crores)

	<u>1992-93</u>	<u>1991-92</u>
i) Audit Fees	0.30	0.18
ii) Tax Audit Fees	0.07	0.07
iii) For Certification and Consultation in finance and tax matters	0.08	0.05
iv) Expenses reimbursed	<u>0.02</u>	<u>0.01</u>
	<u>0.47</u>	<u>0.31</u>

(b) Cost Auditor:

Audit Fees Rs. 30,000 (Previous Year Rs. NIL)

6. (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.
- (b) Managing Directors' and Executive Directors' remuneration:

(Rs.in crores)

	<u>1992-93</u>	<u>1991-92</u>
i) Salaries	0.07	0.07
ii) Contribution to Provident Fund and Superannuation Fund	0.01	0.02
iii) Provision for Gratuity (as per Actuarial Valuation Rs. 40,300, Previous Year Rs. 26,600)	-	-
iv) Perquisites	<u>0.03</u>	<u>0.03</u>
	<u>0.11</u>	<u>0.12</u>

7. In accordance with the accounting policy followed by the Company, the estimated liability as on 31st March, 1993 amounting to Rs.54.35 crores for excise duty in respect of finished products lying in 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.
8. The income-tax assessments of the Company have been completed upto Assessment Year 1990-91. The total demand raised by the Income-tax Department upto the said assessment year is Rs.78.46 crores which are disputed. Based on the decisions of the First Appellate Authorities and interpretation of other relevant provisions, the Company has been legally advised that provision for taxation made in respect thereof aggregating to Rs.15.52 crores is sufficient and no further provision for taxation in respect thereof is required in the accounts. The taxation reserve created in the past amounting to Rs.10.00 crores would be adequate enough to meet the liabilities, if any, in respect of disputed matters which are pending in appeals. The Company has been advised that no provision for taxation is necessary for the current financial year in view of various unabsorbed past reliefs.
9. The Company has an investment of Rs. 0.21 crore in the Share Capital, loan of Rs. 6.76 crores and receivables on account of sale of goods of Rs.3.21 crores from Devti Fabrics Ltd (DFL), a wholly owned subsidiary company and furnished guarantees to Banks and Financial Institutions of Rs. 2.50 crores on behalf of DFL. The losses of DFL exceed its paid Up capital and reserves as on 31st March, 1993. In view of the long term involvement of the Company in said company, no provision has been made in the accounts for the probable loss that may arise.
10. The provision for depreciation for multiple shifts, wherever applicable, has been made on the basis of actual utilisation of respective eligible assets.
11. 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.

Reliance

	(Rs.in crores)	
	Total Upto 31st March 1993	Total Upto 31st March 1992
12. Pre-operative expenses		
Net Pre-operative expenditure at the time of amalgamation.	392.73	392.73
Pre-operative expenditure of projects under commissioning	86.88	48.63
Transportation	0.74	0.74
Lease Expenses	76.64	59.84
Insurance	3.33	2.82
Travelling Expenses	1.31	0.54
General Expenses	159.21	92.70
Interest	96.81	24.95
Debenture Issue Expenses	12.45	5.03
	<u>830.10</u>	<u>627.98</u>
Less: Income		
Interest (Tax Deducted at Source Rs. 0.23 crore (Previous Year Rs.Nil)	2.33	0.91
Income from funds placed under Portfolio Management Scheme	0.03	0.03
Other Income	14.17*	14.11*
Capitalised by allocating to Building and Plant & Machinery	715.73	-
	<u>97.84</u>	<u>612.93</u>

* represents income in respect of power supplied to Gujarat Electricity Board on estimated tariff, pending execution of agreement.

13. CONTINGENT LIABILITIES

	(Rs.in crores)	
	As at 31st March, 1993	As at 31st March, 1992
(a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	267.89	399.39
(b) Outstanding guarantees furnished to Banks and Financial Institutions including in respect of Letters of Credit opened by Bankers	208.20	309.90
(c) Guarantees to Banks and Financial institutions against credit facilities extended to third parties	58.50	49.50
(d) Liability in respect of bills discounted with banks	4.08	-
(e) Bonds executed in favour of Excise and Custom Authorities	31.00	26.64
(f) Uncalled liability on partly paid shares (Previous Year Rs. 16,875)	11.54	-
(g) Claims against the Company disputed liabilities not acknowledged as debts	19.45	19.97
(h) Export bills discounted against irrevocable Letters of Credit	6.68	1.69
(i) Import Duty on Raw Materials/chemicals & catalysts imported under Advance Licences against fulfilment of export obligations.	2.30	14.28

14. LICENSED AND INSTALLED CAPACITY

	UNIT	Licensed Capacity		Installed Capacity	
		1992-93	1991-92	1992-93	1991-92
(a) Polyester Filament Yarn /Polyester Chips	M.T.	N.A.	N.A.	25,125+	25,125 +
(b) Polyester Staple Fibre/Polyester Chips	M.T.	N.A.	N.A.	45,000	45,000
(c) Man-made Fibre spun yarn on worsted system (Spindles)	Nos.	N.A.	N.A.	12,494	12,494
(d) Man-made Fabrics (Looms)	Nos.	N.A.	N.A.	450	450
(d) Man-made Fabrics (Knitting M/c)	Nos.	N.A.	N.A.	20	20
(e) Purified Terephthalic Acid	M.T.	N.A.	N.A.	200,000	100,000
(f) Linear Alkyl Benzene	M.T.	N.A.	N.A.	60,000	60,000
(g) (i) Ethylene	M.T.	400,000	400,000	U.I.	U.I.
(g) (ii) Propylene	M.T.	195,000	195,000	U.I.	U.I.
(g) (iii) Butadiene & Other C4s	M.T.	120,000	120,000	U.I.	U.I.
(h) Polypropylene	M.T.	N.A.	N.A.	U.I. ++	-
(i) Styrene	M.T.	N.A.	N.A.	-	-
(j) Polystyrene	M.T.	N.A.	N.A.	-	-
(k) Styrene Butadiene Rubber	M.T.	N.A.	N.A.	-	-
(l) Linear Low Density Polyethylene	M.T.	N.A.	N.A.	U.I. ++	-
(m) Acrylonitrile	M.T.	N.A.	N.A.	-	-
(n) Butyl Rubber	M.T.	N.A.	N.A.	-	-
(o) (i) Mono Ethylene Glycol (MEG)	M.T.	100,000	100,000	60,000	U.I.
(o) (ii) Ethylene Oxide	M.T.	10,000	-	10,000	-
(o) (iii) Higher Ethylene Glycol (HEG) (By Product)	M.T.	5,000	5,000	5,000	U.I.
(p) High Density Polyethylene (HDPE)	M.T.	N.A.	N.A.	U.I.	U.I.
(q) Poly Vinyl Chloride (PVC)	M.T.	N.A.	N.A.	100,000	U.I.
(r) (i) Chlorine	M.T.	66,000	66,000	U.I.	U.I.
(r) (ii) Caustic Soda (By Product)	M.T.	78,000	78,000	U.I.	U.I.
(r) (iii) Hydrogen (By Product)	M.T.	N.A.	N.A.	U.I.	U.I.

N.A Delicensed vide Notification No. 477(E) dated 27th July, 1991.

+ Based on average Denier of 40

Installed Capacity based on Certificate of the Management.

U.I. Under Implementation

U.I. ++ Projects Under Implementation by Reliance Polypropylene Ltd. and Reliance Polyethylene Ltd. respectively Co-promoted by the Company.

15. PRODUCTION OF FINISHED PRODUCTS MEANT FOR SALE

	UNIT	1992-93	1991-92
	Mtrs. in Lacs		
Fabrics		491.26	518.00
Polyester Filament Yarn	M.T.	75,983	64,994
Polyester Staple Fibres	M.T.	62,230	61,476
PTA	M.T.	106,403	59,343
LAB	M.T.	79,241	62,739
Ethylene Glycol	M.T.	48,366	4,402
PVC	M.T.	103,714	7,432
PE	M.T.	46,422	-

16. VALUE OF IMPORTS ON C.I.F. BASIS IN RESPECT OF

	(Rs.in crores)	
	1992-93	1991-92
	Rs.	Rs.
(a) Raw Materials	280.49	132.88
(b) Dyes and Chemicals. Catalysts, Stores and Spare parts	58.10	58.46
(c) Capital goods	59.44	22.35

17. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF

	(Rs.in crores)	
	1992-93	1991-92
	Rs.	Rs.
Interest in rupees on foreign currency loans	76.04	31.98
Interest on Debentures held by Non-residents on repatriation basis (Gross)	3.75	1.98
Other matters	2.75	3.21
Technical Know how & Engineering Fees	63.30	2.08

Reliance

18. QUANTITATIVE INFORMATION	UNIT	1992 - 1993		1991 - 1992	
		Quantity	Rs. in Crores	Quantity	Rs. in Crores
(a) Opening Stock:		177.12		159.55	
i) Finished Goods					
a) Fabrics	Mtrs. in lacs	57.58		65.24	
b) Polyester Filament Yarn	M.T.	4,634		9,298	
c) Polyester Staple Fibre	M.T.	4,644		7,301	
d) Paraxylene	M.T.	14,462		591	
e) PTA	M.T.	9,030		163	
f) LAB	M.T.	2,122		6,873	
g) Ethylene Glycol	M.T.	2,168		1,751	
h) PVC	M.T.	8,980		4,733	
i) PE	M.T.	-		-	
ii) Stock-in-process			29.38		98.41
iii) Others			1.46		1.75
(b) Closing Stock:					
i) Finished Goods			210.64		177.12
a) Fabrics	Mtrs. in lacs	37.50		57.58	
b) Polyester Filament Yarn	M.T.	5,988		4,634	
c) Polyester Staple Fibre	M.T.	4,787		4,644	
d) Paraxylene	M.T.	2,384		14,462	
e) PTA	M.T.	13,744		9,030	
f) LAB	M.T.	5,598		2,122	
g) Ethylene Glycol	M.T.	8,405		2,168	
h) PVC	M.T.	3,938		8,980	
i) PE	M.T.	10,442		-	
ii) Stock-in-process			31.44		29.38
iii) Others			-		1.46
(c) Purchases:			9.04		12.82
Polyester Filament Yarn	M.T.	27		402	
Polyester Staple Fibre	M.T.	1253		-	
Others	M.T.	-	24.92	-	-
(d) Sales:					
a) Fabrics	Mtrs in Lacs	511.34	287.44	525.66	258.29
b) Polyester Filament Yarn	M.T.	74,656	1,047.96	69,372	1139.56
c) Polyester Staple Fibre	M.T.	63,340	397.43	64,009	425.87
d) PTA	M.T.	106,432	400.96	59,669	212.83
e) LAB	M.T.	75,765	236.81	67,364	184.72
f) Ethylene Glycol	M.T.	42,129	130.65	3,985	12.48
g) PVC	M.T.	108,756	349.87	3,185	10.11
h) PE	M.T.	35,980	146.98	-	-
i) Power	-	-	5.55	-	-
j) Others	-	-	104.23	-	54.16
			3,107.88		2,298.02
(e) Raw material consumed:					
a) Naptha	M.T.	234,298	139.31	199,640	107.13
b) Fibre Intermediates	M.T.	52,999	67.06	53,127	75.28
c) Fibre/Yarn	M.T.	4,482	64.41	4,252	52.29
d) Fabrics (Grey)	Mtrs. in Lacs	61.80	11.50	145.03	26.68
e) Detergent Intermediates	M.T./K.L.	136,993	110.77	79,764	129.02
f) Olefins	M.T.	134,279	150.77	5,539	8.88
g) Chloro olefins	M.T.	94,344	83.64	6,654	7.81
h) Others	-	-	-	-	17.32
			627.46		424.41

19. VALUE OF RAW MATERIALS CONSUMED

	1992 - 1993		1991 - 1992	
	Rs. in crores	% of total Consumption	Rs. in crores	% of total Consumption
Imported	294.14	46.88	61.86	14.58
Indigenous	333.32	53.12	362.55	85.42
	<u>627.46</u>	<u>100.00</u>	<u>424.41</u>	<u>100.00</u>

20. VALUE OF DYES, CHEMICALS, CATALYSTS, STORES AND SPARE PARTS CONSUMED:

	1992 - 1993		1991 - 1992	
	Rs. in crores	% of total Consumption	Rs. in crores	% of total Consumption
Imported	90.94	42.93	36.07	37.10
Indigenous	120.87	57.07	61.15	62.90
	<u>211.81</u>	<u>100.00</u>	<u>97.22</u>	<u>100.00</u>

21. EARNINGS IN FOREIGN EXCHANGE

	1992-93		1991-92	
	Rs.		Rs.	
Export of goods on FOB basis	121.00		80.56	
Dividend	3.12		—	
Interest	16.87		—	
Others	6.14		—	

22. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

	1992-93		1991-92	
	Rs.		Rs.	
(a) Number of Non-resident shareholders	20,941		18,917	
(b) Number of Equity Shares held by them	10,094,141		9,416,634	
(c) (i) Amount of dividend paid (Gross)-Tax at source Rs.0.45 crore (Previous Year Rs.0.51 crore)				
Dividend		2.59		2.82
(ii) Year to which dividend relates		1991-92		1990-91

The Company has paid dividend in respect of shares held by Non Residents on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External Account (NRE A/c) The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given herein below:

<p>For CHATURVEDI & SHAH Chartered Accountants</p> <p>D. Chaturvedi Partner</p> <p>Bombay</p> <p>Dated : 20th August, 1993.</p>	<p>As per our Report of even date</p> <p>For RAJENDRA & CO. Chartered Accountants</p> <p>R.J. Shah Proprietor</p>	<p>For RAJAGOPALAN & CO. Chartered Accountants</p> <p>Dr. R. Rajagopalan Partner</p>	<p>For and on behalf of the Board</p> <p>D.H. Ambani Chairman & Managing Director</p> <p>M.D. Ambani Vice Chairman</p> <p>R. H. Ambani A.D. Ambani } Joint Managing Directors</p> <p>N.R. Meswani Executive Director</p> <p>S.S. Betrabet B.D. Shah M.L. Bhakta T.Ramesh U. Pai } Directors</p> <p>V.M. Ambani Secretary</p>
--	---	--	--

Reliance

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

	Devti Fabrics Ltd. Investments and Holdings Ltd.	Reliance Industrial Investments Limited Limited	Redwood Petroproducts	Reliance
1. The Financial Year of the Subsidiary Companies ended on	31st March, 1993	31st March, 1993	31st March, 1993	31st March, 1993
2. Date from which they become subsidiary companies	30th September, 1985	30th December, 1988	15th October, 1991	11th February, 1992
3. a. Number of shares held by Reliance Industries Limited 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	10,000 Equity Shares of the face value of Rs. 10 each fully paid-up	1.300 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 the subsidiary companies	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, 1993	(Rs. 372.18 Lakhs)	Rs. 1079.83 Lakhs	(Rs. 11,556)	(Rs.11,169)
ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiaries	(Rs.447.66 Lakhs)	(Rs.547.73 Lakhs)	(Rs.12,024)	(Rs. 6,110)
b. Dealt with in holding company's accounts:				
i) For the financial year ended 31st March, 1993	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

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
N.R. Meswani Executive Director
S.S. Betrabet }
B.D. Shah } Directors
M.L. Bhakta }
T. Ramesh U. Pai }
V.M. Ambani Secretary

Bombay

Dated : **20th August, 1993.**

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 Ninth Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31st March, 1993.

OPERATIONS

The Company has incurred a loss of Rs.372.78 lakhs during the year under review as against loss of Rs.129.45 lakhs in the previous year. Sales declined to Rs.764.19 lakhs as against Rs.988.01 lakhs for the previous year.

During the year under review the company has closed the weaving section which was incurring losses and has retrenched 511 workers.

The loss for the current year includes compensation paid to the employees Rs.22.89 lakhs and contribution paid to the Gratuity Trust Fund Rs.69.95 lakhs. All efforts are being made to make the spinning unit more profitable.

DIVIDEND

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

DIRECTORS

Shri H N. Arora and Shri J.B. Dholakia were appointed as additional directors of the Company from 16th August 1993. They will hold office of directors upto the date of the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

The directors record their appreciation for the valuable services rendered by Shri Sushilbhai Kothari, Shri S Natarajan and Shri K.V Ambani who had resigned from the Board of Directors of the Company with effect from 16th August, 1993.

As per the provisions of the Companies Act, 1956, Shri V.M. Ambani and Shri N.M. Sanghavi 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 re-appointment. The Auditors have, under Section 224(1B) of the Companies Act, 1956, furnished a certificate of their eligibility for reappointment.

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.

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

VINOD M. AMBANI

N. M. SANGHAVI

DIRECTORS

Bombay

Dated: 16th August, 1993.

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

1. Water Bore Pumps motor of 55 HP has been replaced by 35 HP motor there by saving of 20 HP.

2. Cotton tapes of all Ring Frames has been replaced by Synthetic tapes. Saving of 4 to 5%.

By adopting the above energy conservation measures a sum of Rs. 0.75 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 1992-93	PreviousYear 1991-92
1. ELECTRICITY		
a. Purchased		
Units	56,32,405	69,65,805
Total Amount	1,29,14,660	1,34,62,453
Rate/Unit	2.29	1.93
b. Own Generation		
i. Through Diesel Generator		
Units	2,640	1,48,458
Units per Ltr. of Diesel	2.40	2.40
Oil Cost/Unit	2.40	2.86
ii. Through Steam Turbine/Generator		
Units	—	—
Unit per Ltr. of Fuel Oil/Gas cost/unit	—	—
2. COAL		
Quantity(Tonnes)	738	1765
Total cost	11,28,848	22,82,951
Average rate	1,529.60	1,293.46
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 1992-93		Previous year 1991-92	
	YARN (Kgs)	FABRICS (P. MTR)	YARN (Kgs)	FABRICS (P. MTR)
ELECTRICITY(UNITS)	4.09	0.75	3.61	0.60
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 EARNINGS 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, 1993 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 (Auditor's 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 an agreement with the books of account.
 - (d) Although the Company has incurred substantial losses resulting in the erosion of its net worth, the accounts of the Company are prepared on going concern basis, in view of the long term profitability expected by the management consequent to a substantial restructuring of operations including closure of weaving division of the Company. Subject to the above, 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, 1993 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 8 SHAH**
Chartered Accountants

D.CHATURVEDI
Partner

Bombay

Dated: **16th August, 1993**

For **RAJENDRA & CO.**
Chartered Accountants

R.J. SHAH
Proprietor

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 interests 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, 1993 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. According to the information and explanations given to us and in our opinion the Company has become 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 **CHATURVEDI 8 SHAH**
Chartered Accountants

D.CHATURVEDI
Partner

Bombay

Dated: **16th August, 1993**

For **RAJENDRA & CO.**
Chartered Accountants

R.J. SHAH
Proprietor

BALANCE SHEET AS AT 31st MARCH, 1993

	Schedule	As at		(Rs. in crores)	
		31st March, 1993 Rs.	Rs.	As at 31st March, 1992 Rs.	Rs.
SOURCES OF FUNDS:					
Shareholders' Funds					
Capital	'A'		21.01		21.01
Loan Funds					
Secured Loans	'B'	227.60		289.65	
Unsecured Loans (From Holding Company)		676.00		339.00	
	TOTAL		903.60		628.65
			924.61		649.66
APPLICATION OF FUNDS:					
Fixed Assets					
Gross Block		560.51		586.74	
Less: Depreciation		343.18		299.87	
Net Block	'C'		217.33		286.87
Current Assets, Loans and Advances					
Current Assets					
Inventories	'D'	185.79		184.65	
Sundry Debtors		48.48		48.38	
Cash and Bank Balances		66.30		7.09	
		300.57		240.12	
Loans and Advances	'E'	9.99		25.27	
		310.56		265.39	
Less: Current Liabilities and Provisions					
Current Liabilities					
Current Liabilities	'F'	410.51		338.74	
Provisions		13.25		11.58	
		423.76		350.32	
Miscellaneous Expenditure (to the extent not written off or adjusted)			(113.20)		(84.93)
Profit & Loss Account			0.04		0.06
			820.44		447.66
	TOTAL		924.61		649.66
Notes on Accounts	'K'				

As per our Report of even date

For **CHATURVEDI & SHAH**
Chartered AccountantsFor **RAJENDRA & CO.**
Chartered Accountants**D. Chaturvedi**
Partner**R.J. Shah**
ProprietorBombay
Dated: **16th August, 1993.**

For and on behalf of the Board

Vinod M. Ambani**N.M. Sanghavi****H.N. Arora****J.B. Dholakia**

Directors

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1993

(Rs. in crores)

	Schedule	1992-93		1991-92	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sales (Net)		764.19		988.01	
Other Income	'G'	195.93		213.11	
Variation in Stock	'H'	<u>(28.64)</u>		<u>39.25</u>	
			931.48		1,240.37
EXPENDITURE					
Purchases		0.17		49.29	
Manufacturing and Other Expenses	'I'	1,200.30		1,205.54	
Interest	'J'	44.61		52.88	
Depreciation		<u>59.18</u>		<u>62.11</u>	
			1,304.26		1,369.82
Loss for the year			(372.78)		(129.45)
<i>Add: Balance brought forward from last year</i>			(447.66)		(318.21)
Balance carried to Balance Sheet			<u>(820.44)</u>		<u>(447.66)</u>
Notes on Accounts	'K'				

As per our Report of even date

For **CHATURVEDI & SHAH**
Chartered AccountantsFor **RAJENDRA & CO.**
Chartered Accountants**D. Chaturvedi**
Partner**R.J. Shah**
ProprietorBombay
Dated: **16th August, 1993.**

For and on behalf of the Board

Vinod M. Ambani**N.M. Sanghav****H.N. Arora****J.B. Dholakia**

} Directors

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

	As at 31.3.1993 Rs.	(Rs. in Lacs) As at 31.3.1992 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 (Held by Reliance Industries Limited, the holding company)	<u>21.01</u>	<u>21.01</u>
	<u>21.01</u>	<u>21.01</u>

SCHEDULE 'B'**SECURED LOANS**

	As at 31.3.1993 Rs.	(Rs. in Lacs) As at 31.3.1992 Rs.
Working Capital Loan from a Bank	99.66	89.03
Working Capital Term Loan from a Bank	13.50	40.50
Term Loans from Financial Institutions	<u>114.44</u>	<u>160.12</u>
	<u>227.60</u>	<u>289.65</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.
- Term Loans 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 31.3.93 Rs.	DEPRECIATION Total upto 31.3.93 Rs.	NET BLOCK	
	As at 1.4.92 Rs.	Addition Rs.	Deduction Rs.			As at 31.3.93 Rs.	As at 31.3.92 Rs.
Buildings	27.48	—	—	27.48	5.02	22.46	23.38
Plant & Machinery	531.34	—	25.46	505.88	330.40	175.48	242.53
Electric Installation	17.99	—	—	17.99	5.25	12.74	13.34
Factory Equipment	2.97	—	—	2.97	1.15	1.82	1.96
Furniture & Fixture	4.12	—	0.05	4.07	1.07	3.00	3.27
Vehicles	2.84	—	0.72	2.12	0.29	1.83	2.39
	586.74	—	26.23	560.51	343.18	217.33	286.87
Previous Year	577.08	9.66		586.74	299.87	286.87	

SCHEDULE 'D'

	As at 31.3.1993		(Rs. in Lacs) As at 31.3.1992	
CURRENT ASSETS	Rs.	Rs.	Rs.	Rs.
INVENTORIES (at cost or market value whichever is lower except otherwise stated). Stores, spares, dyes, chemicals, etc.	18.66		20.78	
Raw materials	64.78		32.88	
Stock-In-process	28.87		31.49	
Finished goods	72.60		98.74	
Others	0.88		0.76	
		<u>185.79</u>		<u>184.65</u>
SUNDRY DEBTORS (Unsecured) Over six Months:				
Considered good	7.33		—	
Considered doubtful	0.55		0.55	
Others considered good	41.15		48.38	
	<u>49.03</u>		<u>48.93</u>	
Less: Provision for Doubtful Debts	0.55		0.55	
		<u>48.48</u>		<u>48.38</u>
CASH AND BANK BALANCES				
Cash on hand	0.49		1.63	
Balance with Scheduled Banks:				
In Current Accounts	62.39		2.04	
In Fixed Deposit Accounts	3.42		3.42	
		<u>66.30</u>		<u>7.09</u>
		<u>300.57</u>		<u>240.12</u>

SCHEDULE 'E'

	As at 31.3.1993		(Rs. in Lacs) As at 31.3.1992	
LOANS AND ADVANCES (Unsecured- Considered Good)	Rs.	Rs.	Rs.	Rs.
Advances recoverable in cash or in kind or for value to be received		7.85		23.89
Deposits		0.20		0.20
Prepaid expenses		0.69		0.57
Balance with customs, Central Excise authorities etc.		1.25		0.61
		<u>9.99</u>		<u>25.27</u>

SCHEDULE 'F'

	As at 31.3.1993		(Rs. in Lacs) As at 31.3.1992	
CURRENT LIABILITIES & PROVISIONS	Rs.	Rs.	Rs.	Rs.
CURRENT LIABILITIES				
Sundry Creditors	409.07		336.31	
Interest accrued but not due on loans	1.44		2.43	
		<u>410.51</u>		<u>338.74</u>
PROVISIONS				
Gratuity, Superannuation and Provident Funds		13.25		11.58
		<u>423.76</u>		<u>350.32</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	1992-1993		(Rs. in Lacs) 1991-1992	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 'G'				
OTHER INCOME				
Processing charges		164.01		196.17
Profit on sale of assets (Net)		19.38		—
Miscellaneous Income		8.60		16.94
Excess provision for expenses no longer required		3.94		—
		<u>195.93</u>		<u>213.11</u>
				(Rs. in Lacs) 1991-1992
SCHEDULE 'H'				
VARIATION IN STOCK				
STOCK-IN-TRADE (at close)				
Finished Goods	72.60		98.74	
Stock-in-process	28.87		31.49	
Others	0.88		0.76	
		<u>102.35</u>		<u>130.99</u>
STOCK-IN-TRADE (at commencement)				
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>
		<u>(28.64)</u>		<u>39.25</u>
				(Rs. in Lacs) 1991-1992
SCHEDULE 'I'				
MANUFACTURING AND OTHER EXPENSES				
RAW MATERIALS CONSUMED				
Stock at commencement	32.88		32.64	
Add: Purchases	514.89		565.52	
	<u>547.77</u>		<u>598.16</u>	
Less: Stock at close	64.78		32.88	
		<u>482.99</u>		<u>565.28</u>
MANUFACTURING EXPENSES				
Carriage Inward	0.38		0.34	
Stores and spare parts	29.07		38.45	
Dyes & Chemicals	3.48		11.20	
Electric Power, fuel and water	140.57		161.70	
Machinery repairs	1.04		2.36	
Building repairs	0.22		1.10	
Labour, Processing and machinery hire charges	18.75		23.45	
Excise Duty	11.86		15.90	
		<u>205.37</u>		<u>254.50</u>
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES				
Salaries, Wages and Bonus	234.85		308.47	
Contribution to Provident Fund, Gratuity Fund, Superannuation Funds Employees State Insurance Scheme, Pension Scheme, Labour Welfare Fund etc.	102.19		33.85	
Employees' Welfare and other amenities	15.75		11.37	
Retirement Compensation	112.89		—	
		<u>465.68</u>		<u>353.69</u>
C/F		<u>1154.04</u>		<u>1173.47</u>

		1992-1993	(Rs. in Lacs)
		Rs.	1991-1992
		Rs.	Rs.
	B/F	1154.04	1173.47
SALES AND DISTRIBUTION EXPENSES			
Samples, Sales Promotion and Advertisement Expenses		0.01	0.09
Brokerage and Commission		5.53	1.19
Packing Expenses		13.29	6.56
Freight and forwarding charges		2.07	2.69
Octroi Expenses		0.35	0.56
Sales Tax		2.09	0.22
		<u>23.34</u>	11.31
ESTABLISHMENT EXPENSES			
Insurance		4.57	4.73
Rent		5.01	5.01
Rates and taxes		1.67	1.16
Other repairs		0.41	1.07
Travelling expenses		0.72	0.52
Payment to Auditors		0.35	0.35
General Expenses		8.40	7.02
Charity & Donation		1.79	0.90
		<u>22.92</u>	20.76
		<u>1,200.30</u>	<u>1,205.54</u>
(Rs. in Lacs)			
		1992-1993	1991-1992
		Rs.	Rs.
SCHEDULE 'J'			
INTEREST			
Fixed Loans		38.17	41.31
Others (Net)		6.44	11.57
		<u>44.61</u>	<u>52.88</u>

SCHEDULE 'K'**NOTES ON ACCOUNTS****1. SIGNIFICANT ACCOUNTING POLICIES****A. Basis of preparation of Financial Statements**

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. The same are prepared on a going concern basis.

B. Fixed Assets and Depreciation

- a) Fixed assets are stated at acquisition cost less accumulated depreciation.
- b) 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.
- c) Depreciation on fixed assets is provided on the straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

C. Debtors

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

D. Inventories

- a) Raw Materials, Stores, Spares, Dyes, Chemicals etc. 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. Costs include 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. Basis of Accounting

All income and expenditure items having a material bearing on the financial statements are recognised on the accrual basis.

F. 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.

		1992-1993 Rs.	(Rs. in Lacs) 1991-1992 Rs.
2.	Figures of the previous year have been regrouped, wherever necessary to confirm to this year's figures.		
3.	Auditor's Remuneration:		
	(a) Audit fees	0.25	0.25
	(b) Tax audit fees	0.10	0.10
		0.35	0.35
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.9.22 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 for the year.		
5.	Contingent Liabilities		(Rs. in lacs)
	Claims against the company not acknowledged as debts	As at 31st March, 1993 3.99	As at 31st March, 1992 1.90
6.	Licenced & Installed Capacity (As certified by the Management)		
		Licensed Capacity	Installed Capacity
		1992-93	1991-92
	Spindles	38368	38368
	Looms	490	490
			—
7.	Production of finished products meant for sale	1992-1993	1991-1992
	Blended Yarn	M.T. 421	229
	Fabrics	Mtrs in lacs 21.43	53.96
8.	Value of imports on CIF basis.	—	—
9.	Expenditure in foreign currency	—	—
10.	Quantitative information		
		1992-93	1991-92
		Quantity	Quantity
		Rs. in Lacs	Rs. in Lacs
(a)	Opening stock		
	i) Finished Stock		
	Yarn	M.T. 4	7
	Fabrics	Mtrs. in Lacs 7.31	2.36
	ii) Stock in process (yarn)	31.49	46.97
	iii) Others	0.76	1.24
(b)	Closing stock		
	i) Finished Stock		
	Yarn	M.T. 69	4
	Fabrics	Mtrs in Lacs —	7.31
	ii) Stock in process (yarn)	28.87	31.49
	iii) Others	0.88	0.76
(c)	Purchases		
	Fabrics	Mtrs. in Lacs 0.01	3.60
		0.17	49.29
(d)	Sales		
	Yarn	M.T. 356	232
	Fabrics	Mtrs in Lacs 28.75	52.61
		379.58	241.40
		384.61	746.61
(e)	Raw Material consumed		
	Cotton	M.T. 164	175
	Fibres	M.T. 343	267
	Yarn	M.T. 37	115
	Viscose	M.T. 157	101
		56.45	71.78
		266.31	215.22
		71.70	229.53
		88.53	48.75

11. Value of Raw Material Consumed.	1992-1993		1991-1992	
	Rs. in Lacs	% of total Consumption	Rs. in Lacs	% of total Consumption
Indigenous	482.99	100.00	565.28	100.00
12. Value of dyes & chemicals. Stores and spare parts consumed	1992-1993		1991-1992	
Indigenous	32.55	100.00	49.65	100.00
13. Earnings in foreign exchange	—		—	

As per our Report of even date

For **CHATURVEDI & SHAH**
Chartered AccountantsFor **RAJENDRA & CO.**
Chartered Accountants**D. Chaturvedi**
Partner**R.J. Shah**
ProprietorBombay
Dated: **16th August, 1993.**

For and on behalf of the Board

Vinod M. Ambani**N.M. Sanghav****H.N. Arora****J.B. Dholakia**

Directors

**RELIANCE INDUSTRIAL INVESTMENTS
AND HOLDINGS LIMITED**

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

DIRECTORS' REPORT

To the Members,
Your Directors present the Seventh Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 1993.

FINANCIAL RESULTS	(Rs. in Lacs)	
	1992-93	1991-92
Profit before tax	1150.33	382.01
Less: Provision for taxation	70.50	32.21
Profit after tax	1079.83	349.80
Add: Balance in Profit & Loss Account	(632.19)	(634.59)
Less: Short provision of tax for the earlier year	0.12	—
Balance available for appropriation	447.52	(284.79)
Less: a. Transfer to General Reserve	108.00	35.00
b. Interim Dividend	—	299.20
c. Proposed Final Dividend	338.80	13.20
	446.80	347.40
Balance carried forward to Balance Sheet	0.72	(632.19)

INCOME

During the year, the Company received dividend income of Rs.467.57 Lakhs from the investments.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.7700/- per Equity Share (subject to deduction of tax at source) for the Financial Year ended 31st March, 1993 aggregating to Rs.338.80 Lakhs.

CHANGE OF NAME

The Company has changed its name from "Trishna Investments and Leasings Limited" to "Reliance Industrial Investments and Holdings Limited", pursuant to the Special Resolution passed at the Extraordinary General Meeting of the Company, held on 6th August, 1993. The Company has received the fresh Certificate of Incorporation consequent on change of name, from the Registrar of Companies, Maharashtra, Bombay.

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

Shri Alok Agarwal, Shri Manoj H Modi and Shri Satish S. Seth were appointed as additional directors of the company from 16th April 1993. They will hold office of directors upto the date of the ensuing Annual General Meeting of the Company and are eligible for reappointment.

The directors record their appreciation for the valuable services rendered by Shri V.T. Pai, Shri B.K. Bhandari, Shri F.N. Vazifdar, Shri R.P. Mehta, and Shri A.J. Joshi, who had resigned from the Board of Directors of the Company with effect from 16th April, 1993.

AUDITORS

The Auditors of the Company, Messrs. Rajendra & Co. and Messrs. Chaturvedi & Shah hold office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. 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(1B) of the Companies Act, 1956.

For and on behalf of the Board

Alok Agarwal }
Manoj H. Modi } Directors

Bombay Dated: **16th August, 1993.**

BALANCE SHEET AS AT 31ST MARCH, 1993.

	Schedule	As at 31.3.1993		(Rs. in thousands) As at 31.3.1992	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS:					
Shareholders' Funds					
Capital	'A'		44		44
Reserves & Surplus					
General Reserve					
At the beginning of the year		8446		4946	
Add: Transferred from Profit & Loss Account		10800		3500	
		<u>19246</u>		<u>8446</u>	
Less: Adjusted against Profit & Loss Account (as per contra)		<u>—</u>		<u>8446</u>	
		<u>19246</u>		<u>—</u>	
Profit & Loss Account		<u>72</u>		<u>—</u>	
			19318		—
LOAN FUNDS					
Unsecured Loans					
(From Holding Company)			1384000		1475000
			<u>1403362</u>		<u>1475044</u>
	TOTAL		<u>1403362</u>		<u>1475044</u>
APPLICATION OF FUNDS:					
Investments	'B'		1412432		1348771
Current Assets, Loans & Advances	'C'				
Debtors		57		55836	
Cash & Bank Balances		879		1746	
Loans & Advances		34430		19139	
		<u>35366</u>		<u>76721</u>	
Less: Current Liabilities & Provisions	'D'				
Current Liabilities		285		280	
Provisions		44151		4941	
		<u>44436</u>		<u>5221</u>	
Net Current Assets			(9,070)		71500
Profit & Loss Account		—		63219	
Less: Adjusted against		<u>—</u>		<u>8446</u>	
General Reserve (as per contra)			—		54773
	TOTAL		<u>1403362</u>		<u>1475044</u>
Notes on Accounts	'F'				

As per our Report of even date

For and on behalf of the Board

For **CHATURVEDI & SHAH**
Chartered Accountants

For **RAJENDRA & CO.**
Chartered Accountants

D. Chaturvedi
Partner

R.J. Shah
Proprietor

Alok Agarwal

Manoj H. Modi

Satish S. Seth

Directors

Bombay
Dated: **16th August, 1993.**

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1993

	Schedule	As at 31.3.1993		(Rs. in thousands) As at 31.3.1992	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Dividend Income (Tax deducted at Source Rs. 11,505 thousands, previous year Rs. 9,864 thousands)			46757		40067
Interest Received (Tax deducted at source Rs. 100 thousands previous year Rs. Nil)			3320		714
Profit on Sale of Investment (Net)			65112		—
			<u>115189</u>		<u>40781</u>
EXPENDITURE					
Establishment & Other Expenses	'E'		156		2580
Profit before tax			115033		38201
Less: Provision for taxation			7050		3221
Profit after tax			107983		34980
Less: Transferred to General Reserve			10800		3500
			97183		31480
Less: Interim Dividend (Subject to Tax)		—		29920	—
Proposed Final Dividend (Subject to Tax)		<u>33880</u>	<u>33880</u>	<u>1320</u>	<u>31240</u>
			63303		240
Less: 1, Short provision of tax for the earlier year 2, Balance brought forward from last year			(12)		—
			<u>(63,219)</u>		<u>(63459)</u>
Balance carried to balance Sheet			<u>72</u>		<u>(63219)</u>
Notes on Accounts	'F'				

As per our Report of even date

For **CHATURVEDI & SHAH**
Chartered Accountants

For **RAJENDRA & CO.**
Chartered Accountants

D. Chaturvedi
Partner

R.J. Shah
Proprietor

Bombay
Dated: **16th August, 1993.**

For and on behalf of the Board

Alok Agarwal

Manoj H. Modi

Satish S. Seth

} Directors

SCHEDULES FORMING PART OF THE BALANCE SHEET

		As at 31st March, 1993 Rs.	(Rs. in thousands) As at 31st March, 1992 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>
		As at 31st March, 1993	(Rs. in thousands) As at 31st March 1992
		Rs.	Rs.
SCHEDULE 'B'			
INVESTMENT:			
(A) QUOTED:			
13359212	Equity Shares of Larsen & Toubro Limited of Rs.10/- each fully paid up	1340366	1340366
284625 (-)	Equity shares of Kothari Sugars and chemicals Ltd . of each fully paid up	6831	-
(B) UNQUOTED:			
26400	Equity Shares of Observer (India) Limited of Rs.10/- each fully paid up	435	435
- (11385)	16% Partly Convertible Debentures of Kothari Sugars and Chemicals Ltd. of Rs. 700/- each fully paid up	-	7970
30,000 (-)	9% (tax free) Secured Redeemable Non-Convertible Bonds of Indian Railway Finance Corporation Ltd. 3A Series of Rs. 1,000/- each fully paid up	24000	-
10,000	9% (tax free) Secured Redeemable Non Convertible Bonds of Indian Railway Finance Corporation Ltd 3 A Series of Rs. 1000/- each fully paid up	8000	-
(-)	9% (tax free) Secured Redeemable Bond of Rural Electrification Corporation Ltd. 15th Series (Face Value Rs. 15,000 thousands)	12000	-
-	9% (tax free) Secured Redeemable Bond of Rural Electrification Corporation Ltd 17th Series (Face Value Rs. 15,000 thousands)	12000	-
-	9% (tax free) Secured Redeemable Bond of Rural Electrification Corporation Ltd. 19th Series (Face Value Rs. 11,000 thousands)	8800	-
		<u>1412432</u>	<u>1348771</u>
Quoted Investment -	Book Value	1347197	1340366
	Market Value	2384638	5210093

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in thousands)

SCHEDULE 'C'

	As at 31st March, 1993 Rs.	As at 31st March, 1992 Rs.
CURRENT ASSETS, LOANS & ADVANCES		
Current Assets:		
Sundry Debtors(Unsecured, Considered Good) Over Six months	57	55836
Cash and Bank Balances:		
Cash on hand 1		
Balance with a Scheduled bank: in Current Account	878	1745
Loans and Advances		
Advances recoverable in cash or in kind or for value to be received	6631	756
Advance Payment of tax	27799	18383
	<u>35366</u>	<u>76721</u>

(Rs. in thousands)

SCHEDULE 'D'

	As at 31st March, 1993 Rs.	As at 31st March, 1992 Rs.
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Other Liabilities	285	280
Provisions		
For Taxation	10271	3621
Proposed Dividend	33880	1320
	<u>44151</u>	<u>4941</u>
	<u>44436</u>	<u>5221</u>

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT

SCHEDULE 'E'

Establishment & Other Expenses

(Rs. in thousands)

	1992-93 Rs.	1991-92 Rs.
Salary and wages	72	480
Conveyance	18	202
Printing and Stationery	—	455
Other Administrative Expenses	4	228
Auditors' Remuneration		
Audit Fees	25	25
Legal & Professional charges	37	1190
	<u>156</u>	<u>2580</u>

SCHEDULE 'F'

NOTES ON ACCOUNTS

1. Significant Accounting Policies.
 - 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) Investments:
Investments are stated at cost.
2. Previous year's figures have been regrouped and/or rearranged wherever necessary.
3. As the company is not a manufacturing company, information required under para 3 and 4 of Schedule Vi of the Companies Act, 1956 is not given.
4. Consequent to fresh Certificate of Incorporation Dated 6th August, 1993 received from Registrar of Companies Maharashtra, name of the Company has been changed from 'Trishna Investments and Leasings Limited' to Reliance Industrial Investments and Holdings Limited'.

As per our Report of even date

For **CHATURVEDI & SHAH**
Chartered Accountants

For **RAJENDRA & CO.**
Chartered Accountants

D. Chaturvedi
Partner

R.J. Shah
Proprietor

Bombay
Dated: **16th August, 1993.**

For and on behalf of the Board

Alok Agarwal

Manoj H. Modi

Satish S. Seth

}
} Directors
}

AUDITORS REPORT

To,

The Members of Reliance Industrial Investments and Holdings Limited.
(Formerly known as Trishna Investments and Leasings Limited).

We have audited the attached Balance Sheet of RELIANCE INDUSTRIAL INVESTMENTS AND HOLDINGS LIMITED as at 31st March, 1993. 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 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, 1993 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 **CHATURVEDI & SHAH**
Chartered Accountants

For **RAJENDRA & CO.**
Chartered Accountants

D. CHATURVEDI
Partner

R.J. SHAH
Proprietor

BOMBAY

DATE: **16th August, 1993**

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 Older 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 had 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 prima-facie not prejudicial to the interest of the Company The Company has not received any other loan from the 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 section 370(1B) of the Companies Act 1956

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 and directives issued by the Reserve bank of India are not applicable.
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 Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the Employee s 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. 1993 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. According to the information and explanations given to us, 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. In our opinion the Company has maintained proper records and made timely entries in respect of investments dealt in or traded by the Company The Company s investments are held in its own name.

For **CHATURVEDI & SHAH**
Chartered Accountants

For **RAJENDRA & CO.**
Chartered Accountants

D. CHATURVEDI
Partner

R.J. SHAH
Proprietor

BOMBAY

DATE: **16th August, 1993**

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 Second Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 1993.

FINANCIAL RESULTS

The Company during the year under review has incurred a loss of Rs. 11556/- as against loss of Rs.12024/- for the previous year.

DIVIDEND

In view of the loss, the Directors have not recommended any dividend for the year ended 31st March, 1993.

DIRECTORS

Shri K. Sethuraman was appointed as an Additional Director with effect from 1st April, 1993. He holds the office of Director upto the date of the ensuing Annual General Meeting and is eligible for reappointment. The Company has received a notice under Section 257 of the Companies Act, 1956, proposing his appointment as a Director of the Company subject to retirement by rotation.

As per the provisions of the Companies Act, 1956, Shri V.M Ambani retires by rotation and being eligible offers himself for reappointment. Shri B.R. Jaju resigned from the Board with effect from 1st April, 1993.

DEPOSITS

The Company has not accepted any deposits from the public. Hence, no information is required to be appended to this report in terms of NonBanking 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.

AUDITORS

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

For and on behalf of the Board

Alok Agarwal }
Manoj H. Modi } Directors

Bombay Dated: 16th August, 1993.

BALANCE SHEET AS AT 31ST MARCH, 1993.

	Schedule	As at 31.3.1993		(Rs. in thousands) As at 31.3.1992	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS:					
Shareholders' Funds					
Capital	'A'	5,04,000		5,04,000	
Reserves and Surplus	'B'	<u>9,000</u>		<u>9,000</u>	
			5,13,000		5,13,000
Loan Funds					
Unsecured Loans		<u>1,31,00,000</u>		<u>1,35,00,000</u>	
(from Reliance Industries Limited, the holding company)			<u>1,31,00,000</u>		<u>1,35,00,000</u>
	TOTAL		<u><u>1,36,13,000</u></u>		<u><u>1,40,13,000</u></u>
APPLICATION OF FUNDS:					
Investments	'C'		1,35,09,650		1,35,10,000
Current Assets, Loans and Advances					
Cash and Bank Balances	'D'	78,920		4,88,770	
Less: Current Liabilities and provisions					
Current Liabilities					
Sundry Creditors		<u>10,000</u>		<u>10,000</u>	
			68,920		4,78,770
Miscellaneous Expenditure			10,850		12,206
(To the extent not written off or adjusted)					
Profit & Loss Account			<u>23,580</u>		<u>12,024</u>
	TOTAL		<u><u>1,36,13,000</u></u>		<u><u>1,40,13,000</u></u>
Notes and Contingent Liabilities	'E'				

As per our Report of even date

For and on behalf of the Board

For **CHATURVEDI & SHAH**
Chartered Accountants

For **RAJENDRA & CO.**
Chartered Accountants

D. Chaturvedi
Partner

R.J. Shah
Proprietor

Vinod M. Ambani

Manoj H. Modi

K. Sethuraman

Directors

Bombay
Dated: **16th August, 1993.**

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1993

Schedule	For the Year Ended 31st March, 1993		For the Year Ended 31st March, 1992	
	Rs.	Rs.	Rs.	Rs.
INCOME		—		—
EXPENDITURE				
Audit Fees	10,000		10,000	
General Expenses	200		668	
Miscellaneous Expenditure Written Off	1,356		1,356	
		<u>11,556</u>		<u>12,024</u>
Loss for the year/period		(11,556)		(12,024)
Add: Balance brought forward from last period		(12,024)		—
Balance carried to Balance Sheet		<u>(23,580)</u>		<u>(12,024)</u>

Notes and Contingent Liabilities 'E'

As per our Report of even date

For **CHATURVEDI & SHAH**
Chartered Accountants

For **RAJENDRA & CO.**
Chartered Accountants

D. Chaturvedi
Partner

R.J. Shah
Proprietor

Bombay
Dated: **16th August, 1993.**

For and on behalf of the Board

Vinod M. Ambani

Manoj H. Modi

K. Sethuraman

Directors

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 'A'

	As at		As at	
	31st March, 1993		31st March, 1992	
	Rs.	Rs.	Rs.	Rs.
SHARE CAPITAL				
Authorised:				
59,600 Equity Shares of Rs. 10 each		5,96,000		5,96,000
40,400 11%, Cumulative Redeemable Preference Shares of Rs.10 each		4,04,000		<u>4,04,000</u>
		10,00,000		<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		1,00,000
40,400 11% cumulative Redeemable Preference Shares of Rs. 10 each fully paid up. (Redeemable at any time after 19th October, 2000 but not later than 19th October, 2001)		4,04,000		<u>4,04,000</u>
		5,04,000		5,04,000
		5,04,000		<u>5,04,000</u>

(SCHEDULE 'B'

RESERVES AND SURPLUS

	As at		As at	
	31st March, 1993		31st March, 1992	
	Rs.	Rs.	Rs.	Rs.
Capital Reserves				
As per last Balance Sheet		9,000		—
Added during the year		—		9,000
		9,000		<u>9,000</u>

SCHEDULE 'C'

INVESTMENTS (At Cost)

OTHER INVESTMENTS

	As at		As at	
	31st March, 1993		31st March, 1992	
	Rs.	Rs.	Rs.	Rs.
Unquoted:				
1,35,09,650 Equity Shares of Reliance Enterprises Limited of Rs.1, each. fully paid up.		1,35,09,650		1,35,10,000
		1,35,09,650		<u>1,35,10,000</u>

SCHEDULE 'D'

CASH AND BANK BALANCES

	As at		As at	
	31st March, 1993		31st March, 1992	
	Rs.	Rs.	Rs.	Rs.
Cash on hand		352		2
Balance with a Scheduled Bank In a current Amount		78,568		<u>4,88,768</u>
		78,920		4,88,770
		78,920		<u>4,88,770</u>

SCHEDULE ' E '

NOTES AND CONTINGENT LIABILITIES

- 1) The Current financial year is for the period of twelve months whereas the previous financial year was for a period from 10th April, 1991 to 31st March, 1992. The Current Financial year's figures to that extent are not comparable.
- 2) Arrears of Fixed Cumulative Dividend on Preference Shares is Rs. 58,743 (Previous Year Rs.14,303)
- 3) As the Company is not a Manufacturing Company, information required under para 3 and 4 of Schedule VI of the Companies Act, 1956 is not given.
- 4) During the year the Company became a Public Company by virtue of Section 43A of the Companies Act, 1956.
- 5) Figures of the Previous Year have been regrouped/rearranged wherever necessary.

6) DISCLOSURE OF SIGNIFICANT ACCOUNT POLICIES:

a) GENERAL

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting policies, 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.

c) INVESTMENTS:

Investments are stated at cost.

As per our Report of even date

For **CHATURVEDI & SHAH**
Chartered Accountants

For **RAJENDRA & CO.**
Chartered Accountants

D. Chaturvedi
Partner

R.J. Shah
Proprietor

Bombay
Dated: **16th August, 1993.**

For and on behalf of the Board

Vinod M. Ambani

Manoj H. Modi

K. Sethuraman

} Directors

AUDITORS' REPORT

To
The Members of Redwood Investments Limited

We have audited the attached Balance Sheet of Redwood Investments Limited as at 31st March, 1993, 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 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, 1993 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

For **RAJENDRA & CO.**
Chartered Accountants

D.CHATURVEDI
Partner

R.J. SHAH
Proprietor

Bombay
Dated: **16th August, 1993**

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 prima-facie not prejudicial to the interest of the Company. The Company has not taken any other loan.
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 and the directions issued by the Reserve Bank of India are not applicable.
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 Employees' Provident Fund and Miscellaneous Provisions Act 1952, and the Employee's 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, 1993 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 or 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 **CHATURVEDI & SHAH**
Chartered Accountants

For **RAJENDRA & CO.**
Chartered Accountants

D.CHATURVEDI
Partner

R.J.SHAH
Proprietor

Bombay
Dated: **16th August, 1993**

RELIANCE PETROPRODUCTS LIMITED

Regd. Office: 210/202 Lalita Complex
Near Vijaya Bank
352/3, Rasala Road,
Navrangpura, Ahmedabad 380 009.

DIRECTORS' REPORT

To the Members

Your Directors present the Third Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31st March, 1993.

FINANCIAL RESULTS

The expenses incurred during the year under review were Rs.11,169/ (amounting to loss for the year) as against loss of Rs.6,110/- for the previous year.

DIVIDEND

In view of the loss, the Board of Directors has not recommended any dividend for the Financial Year under review.

DIRECTORS

Shri K.K. Seth was appointed as Additional Director of the Company with effect from 23rd February, 1993.

Shri P.S. Balasubramaniam resigned from the Board with effect from 1st April, 1993.

Shri J.S. Bakshi retires by rotation and being eligible offers himself for reappointment.

Shri K.K. Seth who was appointed as an Additional Director holds office of director upto the date of the ensuing Annual General Meeting. However, the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his appointment as a Director of the Company subject to retirement by rotation.

DEPOSITS

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

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.

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

As no manufacturing activities have commenced till the date of this report, no information is required to be disclosed in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo.

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 reappointment. The Company has received certificates from the Auditors to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

For and on behalf of the Board

J.S. BAKSHI }
K.K. SETH } Directors

BOMBAY

DATED: **16th August, 1993**

BALANCE SHEET AS AT 31ST MARCH, 1993

	Schedule	As at 31st March, 1993		As at 31st March, 1992	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS:					
Shareholders' Funds Capital	'A'	<u>13,000</u>	13,000	<u>13,000</u>	13,000
Loan Funds					
Unsecured Loans (From Reliance Industries Limited, Holding Company)		<u>10,000</u>	10,000	<u>—</u>	—
TOTAL			<u><u>23,000</u></u>		<u><u>13,000</u></u>
APPLICATION OF FUNDS:					
Current Assets, Loans and Advances					
Cash and Bank Balances	'B'	9,136		5,626	
Less: Current Liabilities and Provisions Current Liabilities Sundry Creditors		<u>10,000</u>	(864)	<u>6,000</u>	(374)
Miscellaneous Expenditure (To the extent not written off or adjusted) Profit & Loss Account			4,753		5,432
TOTAL			<u><u>19,111</u></u>	<u><u>7,942</u></u>	<u><u>13,000</u></u>
Notes on Accounts:	'C'				

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 1993

	Schedule	As at 31st March, 1993		As at 31st March, 1992	
		Rs.	Rs.	Rs.	Rs.
INCOME		<u>—</u>	—	<u>—</u>	—
EXPENDITURE					
Audit Fees		10,000		5,000	
General Expenses		490		431	
Miscellaneous Expenditure written off		<u>679</u>		<u>679</u>	
			11,169		6,110
Loss for the year			(11,169)		(6,110)
Add: Balance brought forward from last year			(7,942)		(1,832)
Balance carried to Balance Sheet			<u><u>(19,111)</u></u>		<u><u>(7,942)</u></u>
Notes on Accounts:	'C'				

As per our Report of even date

For and on behalf of the Board

For **CHATURVEDI & SHAH**
Chartered Accountants

For **RAJENDRA & CO.**
Chartered Accountants

D. Chaturvedi
Partner

R.J. Shah
Proprietor

J.S. Bakshi

K.K. Seth

} Directors

Bombay
Dated: **16th August, 1993.**

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 1993		As at 31st March, 1992	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 'A'				
SHARE CAPITAL				
Authorised:				
50,000	Equity Shares of Rs.10 each.		<u>5,00,000</u>	<u>5,00,000</u>
Issued, Subscribed & Paid up:				
1,300	Equity Shares of Rs.10/- each fully paid up. (held by Reliance Industries Limited, the Holding Company)		<u>13,000</u>	<u>13,000</u>
			<u>13,000</u>	<u>13,000</u>
SCHEDULE 'B'				
	As at 31st March, 1993		As at 31st March, 1992	
	Rs.	Rs.	Rs.	Rs.
CASH AND BANK BALANCES				
			1,070	
Cash on hand				
Balance with a scheduled Bank in a Current Account	<u>9,136</u>		<u>4,556</u>	
		<u>9,136</u>		<u>5,626</u>
		<u>9,136</u>		<u>5,626</u>
SCHEDULE 'C'				
NOTES ON ACCOUNTS:				
1) 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.				
2) Figures of the previous year have been regrouped/rearranged wherever necessary.				
3) DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES:				
a) GENERAL:				
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) REVENUE RECOGNITION:				
income and Expenditure are accounted for on accrual basis.				

As per our Report of even date		For and on behalf of the Board	
For CHATURVEDI & SHAH Chartered Accountants	For RAJENDRA & CO. Chartered Accountants	J.S. Bakshi	} Directors
D. Chaturvedi Partner	R.J. Shah Proprietor	K.K. Seth	
Bombay Dated: 16th August, 1993.			

AUDITORS' REPORT

To
The Members of Reliance Petroproducts Limited

We have audited the attached Balance Sheet of Reliance Petroproducts Limited as at 31st March, 1993 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 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 1993, 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

For **RAJENDRA & CO.**
Chartered Accountants

D.CHATURVEDI
Partner

R.J.SHAH
Proprietor

Bombay
Dated : **16th August, 1993**

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 prima-facie not prejudicial to the interest of the Company. The Company has not taken any other loan.
4. The Company has not granted any loan, 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 sub-section (1B) of Section 370 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.
7. According to the information and explanation 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 Employees' Provident Fund and Miscellaneous Provisions Act, 1952 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, 1993 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.

For **CHATURVEDI & SHAH**
Chartered Accountants

For **RAJENDRA & CO.**
Chartered Accountants

D.CHATURVEDI
Partner

R.J.SHAH
Proprietor

Bombay
Dated : **16th August, 1993**