Reliance Industries Limited

Financial Summary 1993-94

Financial Highlights

(Rs.inCrores)

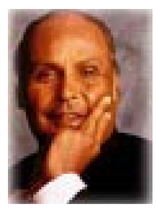
S A L E S   A N D   E A R N I N G S

W H A T   T H E   C O M P A N Y   O W N E D

F I X E D   A S S E T S

	Sales	Other Income	Total Income (A)	Manuf-cturing & Other Ex-penses (B)	Operating Profit(A-B) (C)	Inter-est (D)	Cash Profit (C-D) (E)	Deprec-iation (F)	Profit After Tax(E-F)	Gross Block	Less: Deprec-iation (cumu-lative)	NetBlock	Invest-ments	Cur-rent Assets	Total
1993-94	**5345.18**	116.00	5461.78	*439692	**1064.26**	233.58	830.68	255.19	**575.49**	5132.32	1532.68	**3599.64**	1990.18	2531.64	8121.46
1992-93	**4105.54**	68.46	4173.96	*329305	**880.91**	279.35	601.56	279.81	**321.75**	4640.53	1272.69	**3367.84**	779.67	1861.64	6009.15
1991-92	**295321**	42.15	2995.36	*2420.75	**574.61**	218.65	355.96	192.64	**163.32**	4314.33	976.22	**3338.11**	61.95	1480.15	4880.21
1990-91	**2098.34**	6.55	2104.89	1617.87	**487.02**	187.05	299.97	174.42	**125.55**	2186.42	703.85	**1482.57**	69.53	1160.22	2712.32
1989-90	**1840.66**	15.64	1856.30	1432.10	**424.20**	71.73	252.47	161.97	**90.50**	1998.79	529.78	**1469.01**	58.05	026.26	2553.32
1988-89 (9Months)	**1112.45**	7.88	1120.33	862.58	**257.75**	91.58	166.17	86.80	**79.37**	1871.76	368.98	**1502.78**	58.50	849.46	2410.74
1987-88 (18Months)	**1770.74**	7.45	1778.19	1495.27	**282.92**	10.74	172.18	91.41	**80.77**	1862.66	278.58	**1584.08**	1.25	607.83	2193.16
1986	**905.48**	5.73	911.21	781.82	**129.39**	54.24	75.15	60.98	**14.17**	1137.55	188.09	**949.46**	0.37	052.83	2002.66
1985	**733.14**	4.94	738.08	604.83	**133.25**	24.45	108.80	37.46	**71.34**	735.68	128.88	**606.80**	37.30	402.10	1046.20
1984	**622.01**	7.11	629.12	511.23	**117.89**	22.61	95.28	34.18	**61.10**	530.93	104.65	**426.28**	0.17	235.41	661.86

	WHAT THE COMPANY OWNED				NET WORTH OF THE COMPANY									
	Long Term Funds	Medium/ Short Term Funds	Current Liabilities and Provisions	Total	Equity Share Capital	Preference Share Capital	Reserves and Sur-Plus	Net Worth	Earnings Per Equity Share** (Rupees)	Cash Earnings per Equity Share** (Rupees)	Net Debt : worth Per Equity Share (Rupees)	Number Equity Ratio	Number of Investors (in lakhs)	Number of Employees
1993-94	2501.64	23.07	1261.86	3786.57	**318.32**	5.50	4011.07	**4334.89**	21.18	**30.59**	136.01	0.58:1	41	11873
1992-93	2187.13	153.18	1056.07	3396.38	**245.48**	5.50	2361.79	**2612.77**	13.24	**24.79**	106.21	0.84:1	37	11836
1991-92	1794.15	176.24	966.20	2936.59	**227.08**	5.80	1710.74	**1943.62**	10.26	**22.42**	85.34	0.92:1	38	11935
1990-91	708.96	131.26	718.65	1558.87	**152.12**	5.80	995.53	**1153.45**	8.20	**19.66**	75.44	0.61:1	24	11666
1989-90	595.89	219.50	650.95	1466.34	**152.12**	5.80	929.06	**1086.98**	5.89	**16.54**	71.07	0.55:1	26	11355
1988-89 (9Months)	579.44	195.11	564.88	1339.43	**152.11**	5.80	913.40	**1071.31**	6.91	**14.52**	70.05	0.54:1	31	10983
1987-88 (18Months)	609.82	103.83	457.39	1171.04	**152.10**	5.80	864.22	**1022.12**	5.19	**11.21**	66.82	0.60:1	31	10697
1986	546.12	143.78	1001.23	1691.13	**51.61**	5.80	254.12	**311.53**	2.58	**14.39**	59.24	1.75	18	9376
1985	515.16	81.90	138.02	735.08	**51.61**	5.80	253.71	**311.12**	14.16	**21.69**	59.16	1.66:1	17	9066
1984	276.96	44.83	93.68	415.47	**46.18**	5.80	194.41	**246.39**	15.62	**24.47**	52.10	1.12:1	15	8914



The Directors have pleasure in presenting the 20th Annual Report and the audited accounts for the financial year ended 31st March, 1994.

FINANCIAL RESULTS (Rs. in crores)	**1993-94**	**1992-93**
Gross Profit before Interest and Depredation	1064.26	880.91
Less interest	233.58	279.35
Depredation	255.19	279.81
Profit for the year	**575.49**	**321.75**
Add: Balance in Profit & Loss A/c	54.40	20.02
Add: investment Allowance (utilised) Reserve written back	27.75	16.10
Surplus available for Appropriation	**657.64**	**357.87**
Appropriations:		
Capital Redemption Reserve	-	0.30
Investment Allowance Reserve	6.70	92.00
Debenture Redemption Reserve	30.50	25.50
General Reserve	419.02	100.00
Recommended Dividend on Preference and Equity Shares	139.18	85.67
Balance carried to Balance Sheet	62.24	54.40
	657.64	**357.87**

DIVIDENDS

The Directors recommend the following dividends (subject to deduction of tax at source) for the financial year ended 31st March, 1994, which if approved at the forthcoming Annual General Meeting will be paid out of profits of the Company for the said year to all those shareholders whose names appear on the Register of Members as on 21st July, 1994.

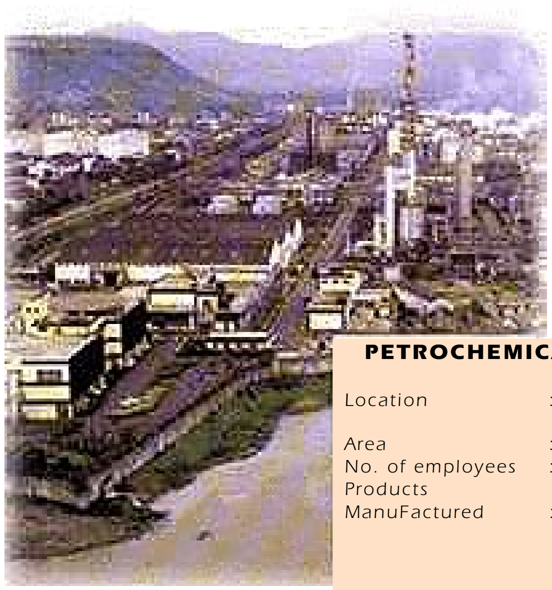
On Preference Shares		**(Rs. in crores)**
Dividend of Rs. 15 per Share on 5,50,000 Cumulative Redeemable Preference Shares of Rs.100 each fully paid up.		0.83
On Equity Shares		
i) Dividend of Rs. 5.10 per Share on 24,54,81,348 Equity Shares of Rs.10 each fully paid up.	125.20	
ii) Pro rata Dividend on 7,44,63,709 Equity Shares of Rs.10 each fully paid	13.15	138.35
		139.18

YEAR IN RETROSPECT

Your Company emerged as India's largest Corporation in terms of sales, gross profit, net profit, net worth and assets. The turnover increased to Rs. 5345 crores, recording an increase of 30% over the preceding year. The profit before tax increased by 79% to Rs. 575 crores as compared to Rs. 322 crores during the preceding year. Your Company was the second largest contributor to the national exchequer in terms of various taxes amounting to nearly Rs.1391 crores.

On the major financial parameters there has been an all round improvement during the year under review. **The debt to equity gearing ratios improved from 0.84 to 0.58 and from 42% to 20%** respectively over the previous year. Based on this debt to equity ratio, your Company has borrowing capacity of over Rs. 6000 crores. **The Company has a comfortable interest cover of 3.5 times and has achieved a compounded earnings growth of 25% over the past five years.**

Your Company has developed a comprehensive business strategy that emphasises on maximising long term cash flows and enhancing shareholders' value. This strategy focusses on continuing aggressive investment in the petrochemicals business. increasing returns on existing investments, optimising cost of capital through appropriate financial policies and continuing to remain a market leader in all its idenced by the growth in the Company's cash flows and earnings which provide fine testimony to the fundamental strengths of the Company's businesses.

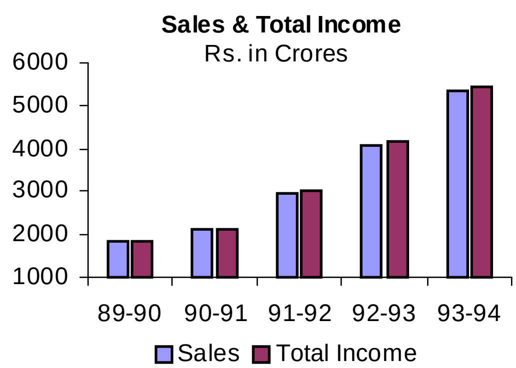


PETROCHEMICALS & FIBRES COMPLEX

Location	:	Patalganga. Maharashtra (80 kms from Bombay)
Area	:	200 acres
No. of employees	:	2862
Products ManuFactured	:	Polyster Filament Yarn Polyster Staple Fibre Polyster Chips Paraxylene Purified Terephatalic Acid Linear Alkyl Benzene Normal Paraffin
Safety	:	Completed 13.84 million man hours without a lost time accident. British Safety Council's Sword of Honour for the second year. National Safety Council USA. Award of honour. again for the second year.
Tech. Partners	:	Dupont (USA) ICI (UK) UOP Process Interenational Inc. (USA) UOP InterAmericana Inc. (USA)
No. oF Customers	:	750

OPERATIONS

FIBRES DIVISION



Polyester Staple Fibre (PSF)

Your Company's Polyester Staple Fibre facility at Patalganga continued to operate at over 100% of capacity and enjoyed the position of "Preferred Supplier" due to emphasis on consistent high quality wide product mix. addition of new products and prompt customer service. Your Company has continued its efforts to increase its production capacity by debottlenecking/ expansion. All these steps have helped your Company to maintain its position as the market leader.

Your Company entered into a strategic alliance in the Polyester Business with ICI India Ltd, (ICI), under which ICI's Polyester business located at Thane has been reconstituted into a new company called Terene Fibres India Ltd. (TFIL) which in co)operation with your Company has been managing the manufacturing operations. The raw materials are supplied by your Company and the finished products are marketed by your Company. This unit has a capacity of 30,000 MT per annum which is operating at near 100% capacity. As a result, the Company has increased its existing product mix profile which now includes speciality products. This has enhanced the market share of the Company from 33% to 40%.

Polyester Filament Yarn (PFY)

During the year 5 new Spinning machines were installed which commenced commercial production in October 1993 and operated at over 100% capacity. The Company produced about 85000 MT which constitutes almost 30% of the total industry's production of over 287,000 MT among 22 producers.

Your Company continued to accord top priority to expanding and evolving
different product mix and to improvement in quality to cater more effectively to the changing needs of the market and the customers. As a result 2 new products were introduced namely Micro and Multifilament Yarn which have received encouraging response from the market.

FIBRE INTERMEDIATES DIVISION

Purified Terephthalic Acid (PTA)

Your Company continued to be the largest producer of PTA and Paraxylene in the country the entire Paraxylene is captively consumed by the Company.

Your Company produced about 255,000 MT of PTA achieving over 100% of capacity utilisation As a result the market share in DMT/PTA products Increased from 65% to 68%. With the continued preference for the PTA route for manufacture of polyesters in India the demand for PTA is expected to grow ahead of available capacity.

Considering the long term potential you Company is in the process of implemting an additional world scale PTA plant of 350,000 TPA at the Hazira complex.

Ethylene Glycol (EG)

Your Company is the largest producer of MEG, producing about 90,000 MT of MEG The capacity utilisation during the year under review was close to 100%. Most of the MEG production at Hazira is used captively in the production of polyesters at Patalganga. The Company also sold MEG to other polyester producers who are also the consumers of PTA, Your Company achieved 50% of the market share.

POLYMERS DIVISION

Polyvinyl Chloride (PVC)

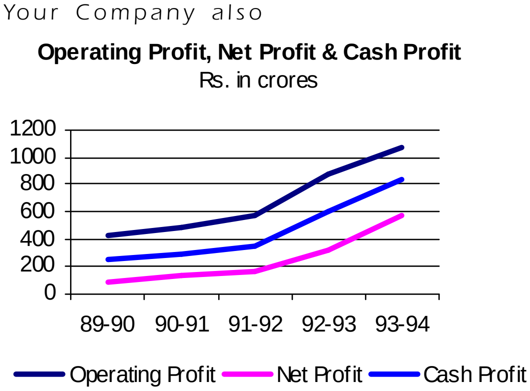
Your Company is the largest producer of PVC, **and has achieved a record production of 170,000 MT, a growth of 64% over the previous year.** Your Company also exported PVC to various Asia Pacific, South East Asian and Far East Asian markets where the Company's product was well accepted.

The process of expansion and debottlenecking has resulted in increase in PVC plant capacity and production. Your Company has undertaken expansion **to increase the existing capacity to a level of 300,000 MT per annum.**

The year saw a sharp rise in the prices of raw materials, particularly of Ethylene Di-Chloride (EDC), arising primarily on account of substantial increase in international Chlorine prices. This put pressure on margins throughout the year. However, your Company followed customer driven and customer focussed marketing resulting in the overwhelming acceptance of PVC products from all segments of processors. The demand growth is projected at 12% per annum in the total domestic PVC market of over 400,000 MT and your Company expects to maintain its leading position in the industry.

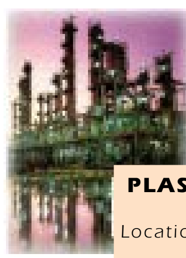
As you are aware, India is a signatory to GATT (General Agreement on Tariffs and Trade) which governs international trade. Under GATT, provision exists for dealing with unfair trade practices such as dumping by off)shore suppliers of goods. PVC has been a case where the anti)dumping provision has been invoked by the Government of India.

POLYETHYLENE (PE)



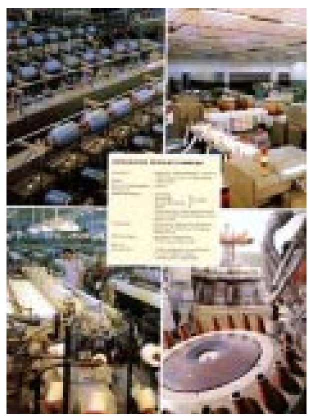
The Company produced about 135,000 MT of polyethylene during it first full year of commercial production. All the grades required by the market were produced. and the product quality was well accepted in the market.

Inspite of difficult market conditions, sales kept pace with production during the major part of the year. In a short span, your Company emerged as the market leader commanding 40% of the market share.



PLASTICS & PETROCHEMICALS COMPLEX

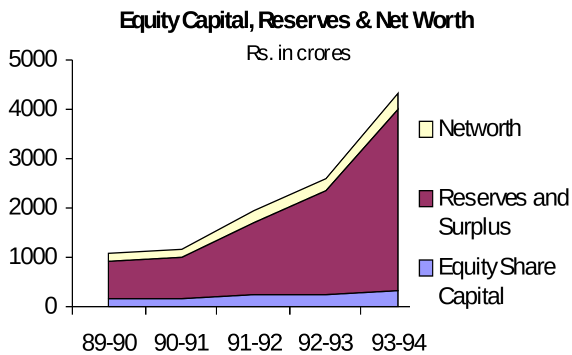
Location	:	Hazira, Gujarat (300 kms north of Bombay)
Area	:	700 acres
No. of employees	:	2862
Products Manufactured	:	Polyethylene Poly vinyl chloride Mono ethylene Glycol Ethylene Oxide Vinyl Chloride monomer
Safety	:	Completed 5.589 Million Man Hours without a lost time accident British Safety Councils Five Star rating
Tech. Partners	:	Shell (Netherlands) B.F. Goodrich (USA) Du Pont (Canada) Lummus Crest (Netherlands)
No. of Customers	:	10000



INTEGRATED TEXTILES COMPLEX

Location	:	Naroda, Ahmedabad, Gujarat (5OO kms north of Bombay)
Area	:	150 acres
No.of employees	:	6773
Products Manufactured	:	Suitings Shirtings Vimal Dress Materials Saris Furnishing Fabrics(Harmony) Texturised/Twisted/Dyed Yarn Spun Yarn
Processes	:	Spinning, Weaving, Knitting, Dyeing, Finishing, Printing, Designing
Technology	:	German, Japanese And Swiss Machines
No. of Customer	:	1500 exclusive showrooms 25,000 retail outlets 3,000 yarn customers

Margins on the sale of polyethylene during the year 1993-94 were adversely affected mainly due to large scale imports at dumped price.



An anti)dumping petition has been filed with the authorities in this regard, The misuse of the Value Based Advance Licence (VABAL) led to unfair competition in the market, with imports at nil duty versus duty paid material.Your Company introduced several new and customised product range catering to different end)uses.The new product ranges include ultra)stabilized raffia grade, high flow injection moulding grade and high ESCR blow moulding grades. All these have been very well received.To continue the thrust in the market, your Company participated in ''Plastindia '94, the major international trade fair of the plastics industry held in India, Your Company received a good response for its wide range of products, process capability and high quality from the visitors to the fair which included representatives from the industry in India and abroad as well the general public. Your Company's stall stood out for its innovative design and display of product samples.

CHEMICALS DIVISION

Linear Alkyl Benzene (LAB)

Your Company produced over 77,000 MT of LAB during the year under review, achieving a capacity utilisation of near 100%. With the completion of the vertical integration the Company's Normal Paraffin requirement was entirely met by its own production.The beginning of the current financial year has witnessed demand growth and firming up of selling prices in the domestic and international the later half of the year.

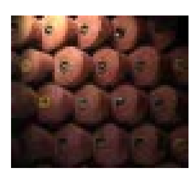
which will improve margins.Your Company believes that the demand for LAB would improve during the coming years and to meet this demand, your Company is planning **to expand its LAB capacity from 80,000 TPA to 150,000 TPA in phases.**

Ethylene Oxide (EO)

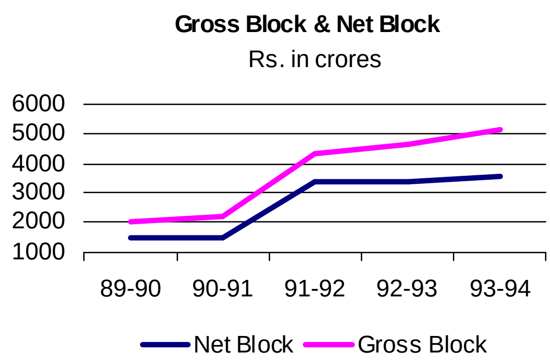
Your Company continued to lead the domestic market with a 31% share. It has undertaken a continuous cost reduction programme which is expected to yield higher contribution and improve overall performance in the current year.

TEXTILE DIVISION

The Company **continued to lead India's largest premium brand "VIMAL" in the textiles segment.** This has been achieved by focussing on high value products and the strengthening of the marketing and distribution network. Your Company embarked on an expansion and modernisation of its existing facilities by addition of 11,500 worsted spindles - increasing **the total number of worsted spindles to 24,000,** 48 high speed shuttleless looms and balancing equipment in the processing section. With this expansion. the Company will be the largest producer of premium suitings in the country.



The project to manufacture polyester/viscose spun yarn by installing 25000 spindles is on schedule and is expected to be commissioned shortly. Your Company is also setting up a combined cycle gas based 42 MW co)generation Captive Power Plant to ensure stability in operations and reduction in overall costs.With this the **total capital expenditure already incurred in the past one year is of the order of Rs. 150 crores** which is one of the largest investment by any single company in the textile sector of this country. The textile demand scenario continues to be strong and favourable in the domestic as well as in the international market. Your Company has further plans to enhance its existing capacities by augmenting the present capacity in all its product ranges. Your Company will continue to play a key role in the textile field and will further improve its market share. The overall focus. therefore, will be on high value added textiles for domestic as well as the international markets. Your Company's product range has been well accepted in several overseas markets like the U.K., South Africa and the Middle East.



PROJECTS

NEW POLYESTER COMPLEX

In order to maintain its leadership position in the Polyester and Fibre Intermediate sectors. your Company is setting up a new Polyester Complex at Hazira. The new Polyester Complex to be built over the next three years will be almost three times as large as the Company's Patalganga Complex built over the last fourteen years. This new complex will include PTA, MEG, POY, PET Chips and PSF plants All these projects will enjoy benefits of an established iNfrastructure.

Purified Terephthalic Acid (PTA)

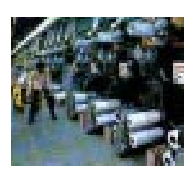
Your Company is **implementing a new 350,000 TPA PTA plant** at Hazira which will complement the feed stock requirement of the new polyester complex at Hazira and also will meet the strong domestic demand. The 3\j\nd will reap the benefits of economies of scale. The Company will emerge amongst the top five integrated PTA producers in the world.

Mono Ethylene Glycol (MEG)

The Company has plans **to set up a new 120,000 TPA MEG Project** at Hazira as part of its vertical integration strategy. Since MEG is also a feed stock for the manufacture of polyester, most of this will be captively consumed in the new polyester complex at Hazira.

POY PROJECT

The 120,000 TPA polyester yarn project at hazira has made substantial progress. Orders for all equipment have been placed, civil and mechanical construction work is in progress. Barring unforeseen circumstances. the project is likely to be completed by early 1995.



Implementation of these projects will enable your Company to further strengthen its leadership in the market and meet the growing demand of Polyester Yarn.

PET CHIPS PROJECT

The 80,000 TPA bottle grade PET Chips project at Hazira will be the largest PET plant in the part of the world. The civil and mechanical construction work is in progress, All the major equipment have been ordered. The completion of the project is being synchronised with the Company's new PTA project being implemented at Hazira. PET bottles manufactured from these PET Chips will bring about a revolution in the packaging industry.

Polyester Staple Fibre (PSF)

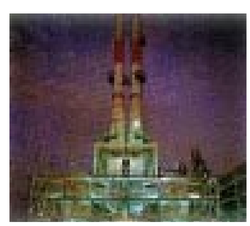
Your Company proposes to set up a new 160,000 TPA PSF plant at Hazira. The proposed project will be the largest in the country and will enjoy benefits of economies of scale. With this project, your Company will more than double its production capacity which will enable it to remain as the leading market supplier. **On completion of all the new polyester projects, your Company will have a total polyester installed capacity of over 500,000 TPA and will be among the top 5 polyester producers in the world.**

Joint Venture with Hoechst

Your Company has signed a Memorandum of Understanding (MOU) with Hoechst AG of Germany and Hoechst Celanese Corporation of USA for setting up a joint venture using Hoechst technology to manufacture Trevira polyester technical filament yarn in India. Hoechst is the world leader in this field. This product is used for tyre cords, as reinforcement for conveyor belts, other rubber goods and fabrics for industrial applications. A joint feasibility study has been initiated. Each of these Companies will have equal shareholding in the proposed joint venture.

NGL/NAPHTHA CRACKER

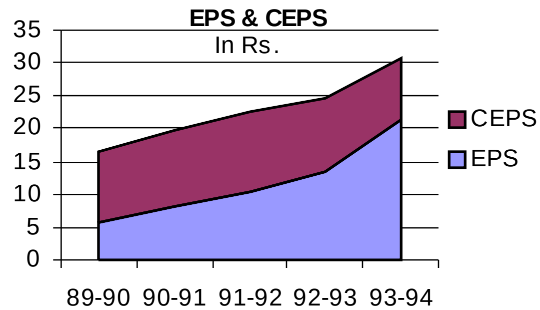
Your company is setting up the world's largest multifeed grassroot Cracker project, implementation of which is fast progressing. All long delivery equipment, both imported and indigenous have been ordered, civil and mechanical construction contracts have been entered into piling work has been completed and bulk material like cement and construction steel has been received at site. The project is expected to be completed by the first half of 1996. **The cracker project will produce 750,000 TPA of ethylene, 365,000 TPA of polypropylene,** 235,000 TPA of benzene, 197,000 TPA of toluene and 100,000 TPA of xylenes. The Cracker project will complete the Company's backward integration of its Polymer business. The entire cracker output will be captively consumed by the company and its Group Companies.



Captive Power Plants (CPP)

Your Company is in the process of expanding the captive power capacity at Hazira as well as setting up new captive power plants at Naroda and

Patalganga. This will ensure self sufficiency, reliable & stable supply of energy requirement and optimum utilisation of generated steam at low cost. On completion, these plants will add a total of 150 MW of power, **increasing the total installed captive power plant capacity to 250 MW.** All major orders have been placed and civil construction work has commenced. The entire 250 MW will become operational in the year 1994/1995.



Caustic Chlorine ProJect

Your Company proposes **to set up India's largest Caustic Chlorine plant with a capacity of 198,000 TPA chlorine and 234,000 TPA caustic soda plant at Hazira** for the manufacture of Ethylene Di)Chloride (EDC). a feed stock for its existing PVC manufacturing facility at Hazira. With this project, your Company will complete the backward integration and avoid dependence on imported EDC, The entire chlorine production will be captively consumed and the by product caustic will be sold in the market. This production of chlorine will be used with ethylene to produce EDC. Effective steps have been taken for implementation of this project.

OIL & GAS DIVISION

Your Company is the first private sector company to be awarded the medium sized discovered oil and gas fields for exploration and production. The oil and gas reserves in these fields as estimated by the Ministry of Petroleum & Natural Gas are **265 million barrels and 67 million cubic meters.** The contract for oil exploration for the proven Panna & Mukta oil reserves and Tapti gas reserve has been given by the Government of India to an unincorporated joint venture between your Company, Enron and ONGC, wherein your Company will have a 30% share. This business will be run as an independent division of the Company. This venture is estimated to cost Rs. 3800 crores, and the share of your Company will be Rs.1140 crores. Necessary agreements with the Government of India and among the partners themselves are expected to be finalised shortly.

NEW COMPANIES

Reliance Petroleum Ltd.

Your Company promoted Reliance Petroleum Ltd. which successfully completed its Rs. 2172 crore public issue of Triple Option Convertible Debenture (TOCDs). The project was appraised by IDBI for its techno-commercial viability. The entire means of finance for the project of Rs. 5142 crores has been completely tied up.

Your Company has made further progress towards implementation of its 9 million TPA refinery. Your Company has already acquired 2200 acres of land. All suitable arrangements for water and power for the project are in place.

Project implementation is as scheduled. **On commissioning, it will be\j\h is expected to save precious foreign exchange to the tune of Rs. 6600 crores per annum on the import of refinery products.**

International Issues

In May '92 your Company pioneered the country's first International Offering in the form of Global Depository Receipts (GDR). The issue was for USD 150 million (Rs. 457 crores). In Nov. '93 your Company made the first ever largest private sector Euro Convertible Issue aggregating to USD 140 million (Rs. 440 crores). The convertible issue was primarily used for pre payment/repayment of the Company's high cost debt. The equity share capital and share premium will stand increased by Rs. 15 crores & Rs. 424 crores respectively in the event of the Euro bonds shareholders opting for conversion. **In Feb '94 the Company made the single largest GDR issue of 12,766,000 GDRs aggregating to USD 300 million (Rs. 941 crores).Your Company has till now raised USD 590 million (Rs. 1837 crores) in 3 international offerings, the largest total by any single company.** The market capitalisation of the GDRs and Euro Convertible Bonds, as on date. is of the order of Rs. 2123 crores. This is by far the highest among all the Euro Issues from India.

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 Particular 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, alongwith the report of the Board of Directors of Devti Fabrics Limited, Reliance Industrial Investments & Holdings Limited (formerly known as Trishna Investments and Leasings Limited) and Reliance Petroproducts Limited and the respective Auditors Report thereon for the year ended 31st March, 1994, are annexed.

Redwood Investments Ltd., a subsidiary of the Company, amalgamated with effect from 1st January, 1994 with Sandoz Textiles and Trading Limited. The amalgamation scheme has since been approved by the Hon'ble Bombay High Court.

FIXED DEPOSITS

Deposits of Rs. 1.02 crores due for repayment on or before 31st March, 1994 were not claimed by I,716 depositors as on that date. Of these, deposits amounting to Rs. 0.46 crore of 754 depositors have since been repaid/renewed.

PERSONNEL

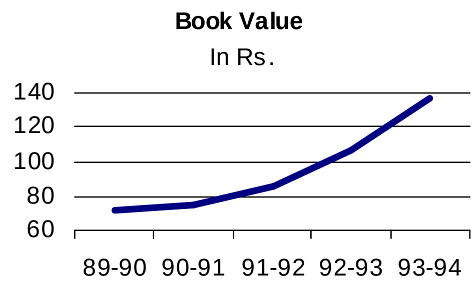
As required by the provisions of section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended. the names and other particulars of the employees are set out in the Annexure to the Directors' Report in the full Balance Sheet and Profit and Loss Account.

DIRECTORS

Shri Dhirubhai H. Ambani, Shri Ramnikbhai H. Ambani and Shri Natubhai H. Ambani 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 organisation.



AUDITORS AND 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 letters only from two of them, namely Messrs Chaturvedi & Shah and Messrs Rajendra & Co.. to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1)B) of the Companies Act, 1956.

Accordingly, the said two auditors will be appointed as auditors of the Company at the ensuing Annual General Meeting. The notes to the accounts referred to in the Auditors' Report are self explanatory and, therefore do not call for any further comments.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co operation received from the Financial Institutions and the 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: 11th July. 1994

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 PTA Plant excess steam utilisation in PFY and LAB Plants.
2 Cooling tower makeup directly being done avoiding double pumping cost within the plant.
3 Integration of fuel gas system for the entire complex resulting in saving of 5000 tons of fuel.
4 Utilisation of low pressure steam into vapor absorption chiller for refrigeration purpose.
5 PLC based auto start/stop implemented for cooling tower fans thereby optimising energy usage.
6 Parex Unit zone ratio adjustments to reduce energy consumption and / or desorbent losses.
7 Reorientation of steam traps to save steam in PVC plant.
8 Utilisation of LP steam in dirty condensate drum for impurities removal in MEG plant.
9 Oxy Reactor and incinerator blowdown recycled with condensate in VCM plant.
10 Use of byproduct Butene)II as fuel in fired heaters thereby reducing fuel gas consumption.
11 Use of pressure pumping trap for recovering.

steam condensate from reslurry water heater in HDPE plant.

12 Detection of faulty team traps on line by using portable electronic device and rectifying the same.

13 Condensate and flash steam of VAC units used as feed water to Boilers.

14 DM Water drained from water jet looms recovered, treated and used as Boiler feed.

15 Procured one number highly efficient, modulating gas cum oil fired Combimax steam boiler and commissioned the same in place of existing old package boiler.

16 Replacement of old inefficient refrigeration and air conditioning plants by new efficient plants for spinning & sulzer departments.

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

1 Installation of additional vapour absorption chiller for low pressure steam utilisation in fibre plants.

2 Trials with XRG fuel additives for ensuring optimum efficiency of LAB furnaces.

3 Replacement of air preheater in LAB hot oil heater.

4 Replacement of combined feed exchanger in LAB Pacol Unit by efficient plate type exchanger.

5 Optimisation of recycle paraffin pumping system.

6 Advanced simulation package for optimizing distillation column operations for Petrochemical Plants.

7 Impeller trimming in hydrocarbon section pumps will result in substantial energy saving.

8 Conversion of existing totally condensing type steam turbine to extraction type.

9 Utilisation of lighter fuel than LSHS/FO having higher calorific value and lesser pollutants in exhaust gases.

10 Integration of steam at all levels across the RIL Complex.

11 Recovery of steam condensate in PVC plant.

12 Modifications for utilising LP steam in dehydrator reboiler of MEG plant.

13 Utilising the waste cold in ethylene terminal by generation of chilled water for use In PVC plant.

14 Project work for installation of 42 MW gas based combined cycle co-generation power plant is in full swing.

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

1 By utilising excess steam from PTA Plant resulting in saving of Rs. 182 lakhs per year in terms of fuel oil.

2 The use of XRG fuel additive will result in saving of Rs. 25 90 lakhs per annum in terms of fuel oil.

3 By replacing existing Combined Feed Exchanger in LAB Pacol Unit will result in saving of Rs.220 lakhs per annum in terms of fuel oil.

4 By changing recycle paraffin overhead pumping system will result in saving of Rs.7.68 lakhs per annum in terms of power only.

5 Rerun column optimization will result in saving of utilities worth Rs. 128 lakhs per annum.

6 Vapor Absorption Chiller installation in PTA will result in saving Rs.55 lakhs in power.

7 Impeller trimming for hydrocarbon service pump can save Rs. 5 lakhs per annum worth of electrical power.

8 Parex Unit zone ratio adjustment will ensure saving of desorbent worth Rs. 136 lakhs per annum with the same energy requirements.

9 Specific consumption of steam reduced significantly (0.97 to 0.92 MT/MT PVC) in PVC plant.

10 Reduction in consumption of HP steam by 6 TPH and utilisation of waste/vented steam in MEG plant.

11 VCM plant effected 1.8 TPH of DM water savings and 0.13 MM KCal/hr of energy savings due to blowdown recovery.

12 Use of Butene)II is expected to result in fuel gas saving to the extent of 500 KSM^3 per year.

13 Utilising waste cold from ethylene terminal to generate chilled water will result in a net saving in electrical energy by about 27 lakh units per annum.

14 Consumption of coal is totally stopped from 3080 MT in 92) 93 to nil in 93 94 due to installation of gas fire thermopacks in place of coal fired ones.

15 Power consumption for refrigeration and airconditioning is reduced due to installation of (a) steam operated vapour absorption chiller of 380 TR in place of electrical operated compressor in water jet looms and (b) new efficient chilling plants in place of old ones in spinning / sulzer departments.

FORM 'A

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

PART 'A'

Power & Fuel Consumption	April '93 to March'94	April '92 to March'93
1. Electricity		
a) Purchased Units (Lacs)	3621.18	3518.14
Total Cost (Rs. in crores)	94.15	81.11
Rate/Unit (Rs.)	2.60	2.31
b) Own Generation		
1) Through Diesel Generator		
Units (Lacs)	506.75	414.89
Units per Ltr of Fuel	3.51	3.47
Cost/Unit (Rs.)	2.66	1.94
2) Through Steam Turbine/Generator		
Units (Lacs)	6487.78	6270.94
Units per unit of Fueloil/gas	3.63	3.07
Cost/Unit (Rs.)	1.32	1.18
2. COAL		
Quantity (Tonnes))	–	3083.00
Total Cost (Rs.in crores))	–	0.55
Average Rate per MT (Rs.))	–	1780.08
3. FURNACE OIL		
Quantity (K Ltrs.)	229437.29	219078.07
Total Cost (Rs. in crores)	115.34	101.84
Average Rate per Ltr. (Rs.)	5.03	4.65
4. LDO		
Quantity (K Ltrs.)	14693.78	79.00
Total Cost (Rs. in crores)	8.30	0.04
Rate/Unit per Ltr. (Rs.)	5.65	4.86
5. OTHERS		
GAS		
Quantity (1000 M^3)	54105.00	41612.00
Total Cost (Rs. in crores)	10.79	8.48
Rate/Unit per 1000 M^3 (Rs.)	1994.21	2038.86

Part 'B'

Consumption per Unit of Production

	FABRICS Per 1000 Mtrs.		PFY Per MT		PSF Per MT		PTA Per MT		LAB Per MT		MEG Per MT		PVC Per MT		HDPE Per MT	
	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)	1010	954	1317	1446	700	709	375	405	348	373	893	1244	454	602	252	Being
Furnace Oil (Ltrs)	6	7	169	110	177	108	11	126	336	140	–	–	–	–	–	Comm.
Coal (Kgs)	–	63	–	–	–	–	–	–	–	–	–	–	–	–	–	
Gas (SM^3)	406	343	–	–	–	–	–	–	–	–	18	1	126	124	41	
LSHS (Kgs)	6	4	24	100	26	99	145	32	32	240	–	–	–	–	–	

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

B. TECHNOLOGY ABSORPTION

FORM "B"

Form for disclosure of particulars with respect to:

Research and Development (R&D)

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

i) Development of low denier per filament polyester yarn to perform better alt texturiser/ Draw twister end.

ii) Development of special grade polyester staple fibre with improved dyeability and better processability.

iII) Reduction in the consumption of chemicals / additives / catalyst in Petrochemical Processes.

iv) Research and Development activity is mainly concentrated in the field of Polyester Filament Yarn. Polyester Staple Fibre. Purified Terephthalic Acid and Linear Alkyl Benzene. The stress has been on process modification, process development, product development, energy conservation, import substitution and technology upgradation.

v) Development of deionisation process for purifying residue stream in MEG plant.

vi) Improvement in flow behaviour for injection moulding grades of HDPE.

vii) Development of low MFI pipe grades meeting IS requirement of HDPE.

viii) Development of supergloss high ESCR and GP blow moulding grades of HDPE.

ix) Improvement of solvent recovery from finishing areas in HDPE plant.

x) Development of upholstery fabrics using polypropylene fibres in the pile.

xi) Development of menswear and furnishing fabric using jute fibre as one of the components in the blended yarn.

xii) Processing of low denier per filament micro)filament yarn and subsequent development of the fabrics made out of such yarn.

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

a) Product Development/Improvement

i) New low denier per filament yarns have been developed viz., 68/68/POY. 86/47/POY, 110/68/POY, 50/27/TLBR/FLAT and 50/27/TLBR/POY. Better performance at Texturiser/Draw twisters has been achieved

ii) Process developed for 115/34/POY with radial quench unit for draw texturising end use.

iii) New products like 155/34/SD/POY. 310/68/SD/POY 255/34/SD/POY developed and bulk production of 155/34/SD/POY and 310/68/POY established.

iv) A special denier 260/68/POY developed for export.

v) Development of micro denier staple fibre.

vi) Production of special dyeing grade fibre ('Z' merge) to get higher packing density in dye vessel in the textile mill.

vii) Improvement in quenching system thereby reducing the variation in Polyester Yarn Quality.

viii) Development of new configuration for spinnerettes for 2.5 Denier Trilobal to achieve better utilisation of polymer.

ix) Improvement of LAB quality in terms of acid wash colour, n)LAB content and bromine index.

x) Improvement of heavy kerosene quality by treatment with Fuller's earth.

xi) Development of solid catalyst for alkylation reactions.

xii) Recycle of water in PTA purification section.

xiii) Quality improvement of HDPE IM grades to suit moulded luggage market.

xiv) Marketing of tailor made supergloss high ESCR and GP moulding grade of HDPE.

xv) Marketing of HDPE pipe grade meeting IS requirement.

xvi) Improved solvent recovery by providing settling tanks / coalescer in recirculation loop in HDPE plant.

xvii) Developed new range of upholstery fabrics.

xviii) Improved feel, handle drape and appearance of 100 polyester dress materials and sarees.

(b) Import Substitution

i) Indigenisation of spares / chemicals / additives for the Petrochemical and Fibre Division.

ii) Indigenous Silicons Spray and jet development.

iii) Use of coating agent prepared in)house, in place of imported variety in PVC production.

iv) Indigenisation of solvent successfully accomplished by VCM plant.

v) Incinerator expansion bellow indigenised in VCM plant.

vi) Use of indigenous Silica MB for LD films in HDPE plant

vii) Indigenisation of CAST MB in HDPE plant.

3. Future Plan of Action:

Projects are proposed for the following :

i) Development of speciality micro denier filament yarn.

ii) Development of octolobal profile filament yarn for special effects.

iii) Development of process for various chips source suitable for spin draw yarni

iv) Development of new spin finish for better performance.

v) Modification in TiO2 slurry preparation to improve TiO2 dispersion in yarn.

vi) On line Tension (OLT) measurement system for monitoring texturising tensions.

vii) Installation of mechanical seal on finisher to minimise air leaks and to improve polymer quality.

viii) Better processability by introducing continuous polymer filter device.

ix) Installation of doff timer for uniform package weight:

x) Auto doffing system and bobbin handling system for POY.

xi) Installation of 20 kg package winder on spinning machine.

xii) Recovery of flash steam presently being vented in PVC plant.

xiii) Recovery of ethylene from process vent gas of MEG plant.

xiv) Debottlenecking of VCM/PVC plants being executed

xv) Advanced control for plant automation for the above.

xvi) Increase in EDC cracking furnace run length in VCM plant.

xvii) Increasing byproduct aqueous Hcl concentration from 18% to 33% and anhydrous quality.

xviii) Parallel decoking of EDC cracking furnaces.

xix) Reuse of waste water going from VCM Plant to Effluent Treatment Plant

xx) Utilisation of ethylene vent from HDPE plant for use as fuel in EDC cracking furnaces

xxi) Use of new catalyst Oxy-VIII for enhancing efficiency of EDC production.

xxii) Use of NGL in place of HSD as fuel in Gas Turbines resulting in reduction of power generation cost.

xxiii) Recovery of lube oil from the oil console vent of gas turbines in HDPE plant.

xxiv) Use of more economical TIBA catalyst as substitute.

xxv) In-house development of Silica / CAST MB.

xxvi) Establishment of Polymer Centre for application testing on site.

xxvii) Debottlenecking of solvent loop of HDPE plant has been done for stability of system & IPS overhead system is being debottlenecked for capacity enhancement.

xxviii) Development of the total manufacturing process of fit dyed polyester- cotton menswear suiting using indigenous cotton.

xxix) Finishing of menswear leading to improved fabric hand and better international acceptance

xxx) Development of new finish for upholstery generating static charge.

xxxi) Developing fire)retardant furnishing fabrics including upholstery and aviation seat cover.

4. Expenditure on R & D (Rs. in Crs.)

(a)	Capital	0.28
(b)	Recurring	10.67
(c)	Total	10.95
(d)	Total R & D expenditure as 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 result there of:

1 Microdeniers in filament yarn for special fabric feel.

ii Polyester Staple Fibre for higher dyeability and ease of processing.

iii Reduction in specific consumption of catalyst and additives in petrochemical and fibre area,

iv New spin finishes for specific end use of polyester staple fibre and polyester filament yarn.

v Reduction in DM Water consumption in PTA Plant by recycling water stream.

vi Utilization of low pressure steam for vapour absorption chiller.

vii Consistency in G Monomer Injection rate.

viii Improvement in Titanium dioxide distribution in polymer, fibre and filament.

ix EO Column debottlenecked to produce higher EO production.

x Cooling medium in jackets of PVC plant poly reaction of one line changed over from cooling water to chilled water to increase productivity. Additional refrigeration units installed to make similar change in second line.

xi New EO column being put to enhance EO capacity.

xii DEG to TEG conversion scheme under implementation.

xiii PVC System - II Pneumatic Conveying System debottlenecked.

xiv Internals of PVC slurry stripping column being changed to increase the capacity.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

i Activities relating to exports.initiatives to increase exports, developments of new exports market for products and services and export plan.

ii Total foreign exchange used and earned.

		(Rs.in Crs)
a)	Total foreign exchange earned	77.11
b)	Total savings in foreign exchange through products manufactured by the Company and deeme dexports	2852.89
	Sub Total (a+b)	**2930.00**
c)	Total foreign exchange used	894.52

To the Members of RELIANCE INDUSTRIES LIMITED

We have audited the attached Balance Sheet of RELIANCE INDUSTRIES LIMITED as at 31st March, 1994 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 we give in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account, as required by law have been kept by the Company, so far as appears from our examination of such books.

   c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.

   d) 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, 1994 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
Partner

For **RAJAGOPALAN & CO.**
Chartered Accountants

DR. R. RAJAGOPALAN
Partner

Bombay
Dated: **11th July, 1994**

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph I 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 as 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 such 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 register 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, primafacie, 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 mate rials 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 record of the Company, Provident Funds 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, 1994 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 (I) 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.

For **CHATURVEDI & SHAH**
Chartered Accountants

D. CHATURVEDI
Partner

For **RAJENDRA & CO.**
Chartered Accountants

R.J. SHAH
Partner

For **RAJAGOPALAN & CO.**
Chartered Accountants

DR. R. RAJAGOPALAN
Partner

Bombay
Dated: **11th July, 1994**

(Rs. in crores)

	Schedule	As at 31st March, 1994 Rs.	As at 31st March, 1994 Rs.	As at 31st March, 1993 Rs.	As at 31st March, 1993 Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	'A'	**323.82**		250.98	
Reserves and Surplus	'8'	**4,011.07**		2,361.79	
			4,334.89		2,612.77
Loan Funds					
Secured Loans	'C'	**1,898.39**		2,315.01	
Unsecured)Loans	'D'	**761.11**		305.47	
			2,659.50		2,620.48
TOTAL			**6,994.39**		5,233.25
APPLICATION OF FUNDS					
Fixed Assets	'E'				
Gross Block		**4,737.72**		3,961.26	
Less: Depreciation		**1,532.68**		1,272.69	
Net Block		**3,205.04**		2,688.57	
Capital Work-in-Progress		**394.60**		679.27	
			3,599.64		3,367.84
Investments	'F'		**1,990.18**		779.67
Current Assets, Loans and Advances					
Current Assets	'G'				
Interest Accrued on investments		**11.35**		10.52	
Inventories		**584.64**		523.10	
Sundry Debtors		**593.53**		487.53	
Cash and Bank Balances		**97.93**		232.42	
		1,287.45		1,253.57	
Loans and Advances	'H'	**1,244.19**		608.07	
		2,531.64		1,861.64	
Less: **Current Liabilities and Provisions**	'I'				
Current Liabilities		**986.25**		686.48	
Provisions		**140.82**		89.42	
		1,127.07		775.90	
Net Current Assets			**1,404.57**		1,085.74
TOTAL			**6,994.39**		5,233.25
Notes on Accounts	'N'				

As per Report of even date

For **CHATURVEDI & SHAH**
Chartered Accountants

D Chaturvedi
Partner

For **RAJENDRA & CO.**
Chartered Accountants

R.J. Shah
Partner

For **RAJAGOPALAN & Co.**
Chartered Accountants

Dr. R. Rajagopalan
Partner

Bombay
Dated: **11th July, 1994**

For and on behalf the Board

D.H. Ambani	Chairman & Managing Director
M D Ambani	Vice Chairman & Jt Managing Director
A.D. Ambani	Joint Managing Director
N.R. Meswani	Executive Director
S.S. Betrabet **B.D. Shah**	Nominee Directors
N.H. Ambani **M.L. Bhakta** **T. Ramesh U. Pai** **Y.P. Trivedi**	Directors
V.M.Ambani	Secretary

PROFIT & L0SS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1994

(Rs. in crores)

	Schedule	1993-94 Rs.	1993-94 Rs.	1992-93 Rs.	1992-93 Rs.
INCOME					
Sales and inter)divisional Transfers			**5,345.18**		4,105.50
Sales		**4,177.98**		3,107.88	
Inter-divisional Transfers (as per Contra)		**1,167.20**		997.62	
Other Income	'J'		**116.00**		68.46
Variation in Stock	'K'		**8.49**		34.12
			5,469.67		4,208.08
EXPENDITURE					
Purchases		**53.65**		33.96	
Inter)divisional Transfers (as per Contra)		**1,167.20**		997.62	
Manufacturing and Other Expenses	'L'	**3,189.08**		2,333.83	
Interest	'M'	**233.58**		279.35	
Depreciation		**255.19**		279.81	
		4,898.70		3,924.57	
Less: Pre operative expenses of projects under commissioning		**4.52**		38.24	
			4,894.18		3,886.33
Profit for the year			**575.49**		321.75
Add: Balance brought forward from last year		**54.40**		20.02	
Add: Investment Allowance (Utilised) Reserve written back		**27.75**		16.10	
			82.15		36.12
Amount Available For Appropriations			**657.64**		357.87
APPROPRIATIONS					
Capital Redemption Reserve		**–**		0.30	
Investment Allowance Reserve		**6.70**		92.00	
Debenture Redemption Reserve		**30.50**		25.50	
General Reserve		**419.02**		100.00	
Proposed Dividend (subject to tax):					
Preference Shares		**0.83**		0.86	
Equity Shares		**138.35**		84.81	
			595.40		303.47
Balance carried to Balance Sheet			**62.24**		54 40
Notes on Accounts	'N'				

As per Report of even date

For **CHATURVEDI & SHAH**
Chartered Accountants

D Chaturvedi
Partner

For **RAJENDRA & CO.**
Chartered Accountants

R.J. Shah
Partner

For **RAJAGOPALAN & Co.**
Chartered Accountants

Dr. R. Rajagopalan
Partner

Bombay
Dated: **11th July, 1994**

For and on behalf the Board

D.H. Ambani Chairman & Managing Director
M D Ambani Vice Chairman & Jt Managing Director
A.D. Ambani Joint Managing Director
N.R. Meswani Executive Director

S.S. Betrabet
B.D. Shah
Nominee Directors

N.H. Ambani
M.L. Bhakta
T. Ramesh U. Pai
Y.P. Trivedi
Directors

V.M.Ambani Secretary