Reliance Industries Limited

Annual Report 1994-95

Sales - Rs. 7,019 crores (US $ 2228 million)

Operating Profit (PBIDT) - Rs. 1,457 crores (US $ 463 million)

Cash Profit (PBDT) - Rs. 1,343 crores (US $ 426 million)

Net Profit - Rs. 1,065 crores (US $ 338 million)

Assets - Rs. 11,529 crores (US $ 3660 million)

2.6 million shareholders

The largest private sector enterprise in India

Board of Directors

Dhirubhai H. Ambani
Chairman

Mukesh D. Ambani
Vice Chairman & Managing Director

Anil D. Ambani
Managing Director

Nikhil R. Meswani
Executive Director

Suresh S. Betrabet
Nominee Director- ICICI

U. Mahesh Rao
Nominee Director- GIC

Ramniklal H. Ambani
Natvarlal H. Ambani
Mansingh L. Bhakta
T Ramesh U. Pai
Yogendra P. Trivedi

Vinod M. Ambani
Secretary

Kanga & Co.
Solicitors & Advocates

Auditors

Chaturvedi & Shah
Rajendra & Co.

Bankers

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

Registered Office
3rd Floor, Maker Chamber IV,
222, Narirman Point.
Bombay 400 021. India
Tel Nos.2831633/16-2826070
Fax No. 022 - 204 2268

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, Bhatha PO.
   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 Chamber IV,
   222, Nariman Point, Bombay 400 021
3. **Reliance Petroproducts Limited**
   201/202 Lalita Complex,
   Near Vijaya Bank,
   352/3 Rasala Road, Navrangpura
   Ahmedabad 380 009.

Registrars & Transfer Agent

Reliance Consultancy Services Limited
56, Mogra Village Lane,
Off. Old Nagardas Road,
Andheri (East), Bombay 400 069, India
Tel. Nos.8367015 16-17-18
Fax No 022-8367019

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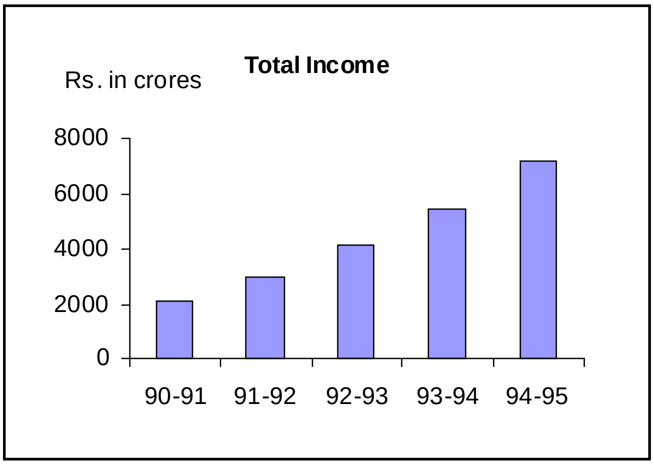
To Our Family of Shareowners......

The year 1994-95 will be remembered as a landmark in the history of Reliance Industries Ltd. The sales of Rs.7019 crores (US $ 2228 million), represented an increase of 31% over the previous year. Net profit crossed the Rs.1000 crores mark [Rs.1065 crores - US $ 338 million], unparalleled in the history of the Indian Private Sector. The taxes and duties paid to the Government of India stood at 202% of net profit (Rs.2147 crores, US $ 682 million). Earning per share was up by 29% at Rs.23 on an equity capital of Rs.456 crores (US $145 million). Net worth increased from Rs. 4335 crores (US $1376 million) to Rs.7193 crores (US $2283 million), an increase of over 66%. Return on shareholders' funds improved to 18.5% from 16.6% in 1993-94.

The financial position of the Company became stronger with both the Debt:Equity and the Gearing Ratios moving down from 0.58:1 to 0.35:1 and from 20% to 16% respectively. India's leading credit rating agency, CRISIL, has upgraded Reliance's long term debt rating from M+ to AAA, signifying the highest safety and an extremely strong financial position.



In terms of size, technology and performance in Indian Industry, Reliance rides the winds of liberalisation and opportunity.

During the year under review, Reliance invested Rs.3263 crores (US $1036 million) for the creation of new assets as against Rs.487 crores (US $1 55 million) during the previous year. Further, Reliance expects to invest about Rs.3000 crores (US $ 952 million) in the next 18-24 months period, with substantial increase in the manufacturing capacity by 300% from 1.5 million TPA to 6 million TPA.

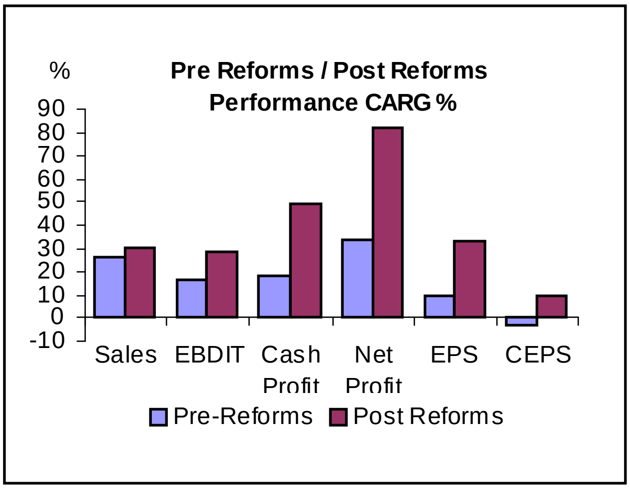
	1994-95		1994-95		Growth (%)
	Rs.(Crs)	**US $ MM**	Rs.(Crs)	US $ MM	
Sales	**7,019**	**2228**	5,345	1697	**31**
Gross Profit (PBIDT)	**1,457**	**463**	1,064	338	**37**
Cash Profit (PBDT)	**1,343**	**426**	831	264	**62**
Net Profit (PAT)	**1,065**	**338**	575	183	**85**
Shareholders' Funds (Net Worth)	**7,193**	**2283**	4,335	1376	**66**
Total Assets	**11,529**	**3660**	8,120	2578	**42**
Earning Per Share (EPS-in Rs.)	**23.4**		**18.1**		**29**
(EPS - in cents)		**0.74**		**0.57**	
Taxes/Duties paid to the Govt	**2,147**	**682**	1,391	442	**54**
Foreign Exchange Savings	**3,770**	**1197**	2,353	906	**32**
Capital Expenditure (CAPEX)	**3,263**	**1036**	487	155	**570**

Reliance accelerates performance in liberalised environment

The Government of India initiated reforms programme in 1991 to liberalise the economy, paving the way for ar intensively competitive environment. Reliance had achieve significant growth during the pre-reforms period and was thus poised to take full advantage of the opportunities ahead. The post-reforms years posed new challenges in terms of increased competition and lower tariff protection. New opportunities were being created by greater consumer awareness and increasing purchasing power of the growing middle class. The Reliance philosophy of pursuing aggressive growth plans in the core businesses to sustain long term profitability and achieve market leadership, became all the more relevant in this new environment. Reliance sharpened its business strategy of maximising long term cash flows and enhancing shareholder value. The excellent financial performance thereafter substantiates this business strategy. The above table shows three years of the pre and post-reforms growth.Sales have increased at a compounded annual rate of 31% in the post-reforms years (1992-95) as compared to 27% in the pre reforms years (1989) A growth rate of 82% in net profits compared to 34% in the pre-reforms period clearly demonstrates that Reliance has been able to successfully cope with the reduction in customs duties from a peak level of over 200% to 50%. Shareholder value has been enhanced through a compounded growth in EPS of 34% per annum, on an increased equity base, compared to 10% per annum in the pre-reforms period. The taxes and duties paid to the Government of India increased from Rs.2508 crores (US $ 796 million) for years 1989-92 to Rs.4656 crores (US $1478 million) for years 1992-95; keeping pace with its rapid growth. The total assets of Rs.11,529 crores (US $ 3660 million) as on March '95 grew at 33% in the post-reforms years, from a larger base of Rs.4880 crores (US $ 1907 million) as on March '92, in comparison with 26% in the pre-reforms years [Base Rs.2411 crores (US $ 810 million) as on March '89]. Shareholders' funds of Reliance grew at 55% per annum in the post reforms years as compared to a growth rate of 22% in the pre reforms years and are currently at Rs.7193 crores (US $ 2283 million).

	Post Reforms			Pre Reforms		
	1994-95	1992-93	CARG * %	1991-92	1989-90	CARG * %
Sales	7019	4106	30.7	2953	1841	26.6
EBDIT	1457	881	28.6	575	424	16.4
Cash profit	1343	602	49.4	356	252	18.7
Net profit	1065	322	81.9	163	91	34.3
EPS	23.4	13.1	33.5	7.2	5.9	10.0
CEPS	29.5	24.5	9.6	15.7	16.6	-2.8*

* Compounded Annual Rate of Growth



Reliance has been proactive in taking full advantage of the opportunities arising from liberalisation while facing up successfully to a far more intensive competition Reliance, which is on the threshold of rapid growth, has built a strong foundation for the post-reforms years of the future and will be able to fulfill the aspirations of shareholders, employees, customers and other partners.

Review of Operations

Fibres Business

Polyester Staple Fibre (PSF)

Reliance's Polyester Staple Fibre (PSF) division has consolidated its position during the year under review through a continued focus on customer service, supply of high premium quality fibre, exploiting new avenues of growth and creation of new market segments This has helped Reliance increase its market share and production.

Over a five year period from 1989-90 to 1994-95 Reliance has increased its production from 45,000 MT to 90,000 MT, a compounded growth rate of 15%, while the industry's production grew at the rate of 12% per annum from 127,000 MT in 1989-90 to 220,000 MT in 1994-95. During the year under review, Reliance alongwith Terene Fibres India Ltd. (TFIL) - whose entire production is available to Reliance produced over 90,000 MT which represents a growth of 23% over the previous year As a result the Company's market share improved from 33% to 40%.

Reliance has taken steps to debottleneck its existing facilities and modernise the control and automation systems so as to maintain a position of leadership both in quality as well as in productivity These measures are likely to be completed during the current year. With an eye on the potential demand. Reliance has already taken steps to set up 160,000 TPA plant at Hazira. The Company's market share will increase from 40% to over 50% by 1997.

Polyester Filament Yarn (PFY)

The fibres division has continued, till this day, to focus on providing high quality products and an excellent customer service. This has helped Reliance establish its product brand 'RECRON' amongst all segments of customers and this is reflected in-j-growing market share. The production in the industry grew at the rate of 14% compounded in the last five years from 156,000 MT to 295,000 MT per annum. During the same period Reliance's production has increased from 66,000 MT to 90,000 MT. Currently the Company enjoys a 30% market share.

In response to the needs of a niche market in fully drawn yarn, Reliance is setting up a 5000 TPA FDY plant at Patalganga during the current year. With the rationalisation of customs and excise tariffs and an increase in the per capita income, demand for polyester is expected to be strong till 2000 AD. However, polyester industry in India is likely to see excess capacity in the immediate future. With vertical integration, market leadership and economy size plants, Reliance has positioned itself as a low cost producer in the industry and is thus confident of meeting any situation which may arise from excess capacity.

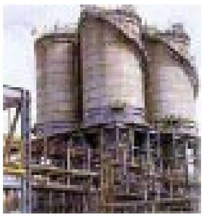
Fibre Intermediates Business

Purified Terephthalic Acid (PTA)

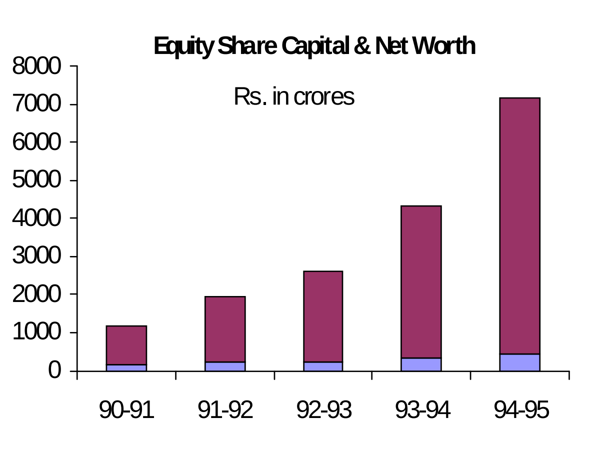
Reliance continues to be the largest producer of Purified Terephthalic Acid (PTA) and Paraxylene (PX). The PX produced is captively consumed by the Company.

It produced over 257,000 MT of PTA, achieving over 100%

capacity utilisation. As a result, Reliance strengthened its market share in the domestic DMT/PTA production to 58%. The industry consumption increased from 290,000 MT in 1989 to 550,000 MT in 1994-95 Reliance's production grew at a compounded rate of 15% from 125,000 MT in 1989-90 to 257,000 MT in 1994-95. With the continued preference for the PTA route in the manufacture of polyester, the demand for PTA is expected to grow in excess of the available production thus necessitating additional capacity.



To meet the growing demand, Reliance is already in the process of implementing a world size PTA plant of 350,000 TPA at Hazira This would primarily meet the needs of Reliance's polyester complex at Hazira In order to meet the country's requirement of filament capacity of over one million tonnes per year and fibre capacity of over half a million tonnes per year in the coming years. Reliance is planning to further increase its PTA capacity.



Mono Ethylene Glycol (MEG)

Reliance is the largest producer of MEG It has achieved a capacity utilisation of nearly 100% during the year. Much of the MEG produced at Hazira is captively consumed by the polyester facility at Patalganga. The industry capacity witnessed a phenomenal 66% compounded growth over the period 1989-95 from 20,000 MT in 1989 to 250,000 MT in 1995. As a direct result of high capacity utilisation, Reliance's market share today stands at 56%. Reliance is setting up additional polyester facilities at Hazira and it plans to increase the MEG capacity by adding another plant of 120,000 TPA at the same site.

Polymers Business

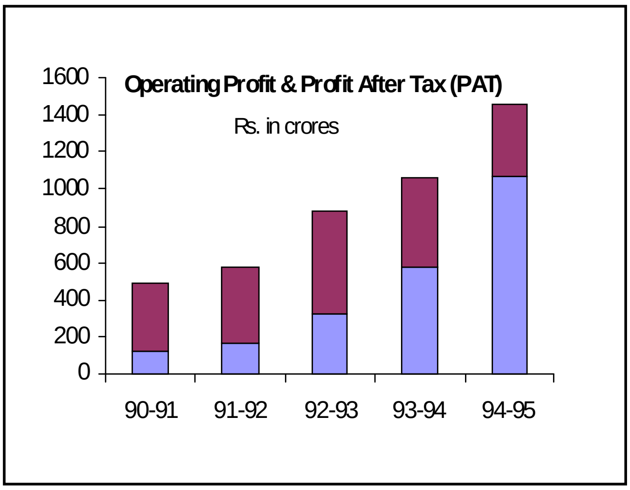
Polyvinyl Chloride (PVC)

Reliance continues to maintain its leadership position in the vibrant domestic PVC industry. While the industry recorded a compounded growth rate of 27%, from 135,000 MT in 1989-90 to 442,000 MT in 1994-95, Reliance entered this industry in 1991-92 and registered a much higher compounded rate of 36%. Reliance's production increased to 187,000 MT, an increase of 10% over that of the previous year.

Reliance's PVC, marketed under the brand name 'REON', has met with an overwhelming response not only in the

domestic market, but also in international markets. It is now popular in the Middle East, South East Asian, African and in the Latin American markets.

The year saw a very steep increase in international prices of both the raw materials Ethylene and Ethylene Di-Chloride (EDC). In fact the prices nearly doubled, resulting in price adjustments of various products to reduce the pressure on margins.



Reliance adopted a customer friendly marketing approach and received good response for its resins The market growth is slated to be in the region of 12% per annum, ensuring good demand indigenously Reliance is expanding its capacity to 300,000 TPA, work on which is well under way and will be fully operational from next year. This will further enhance Reliance's competitive edge.

Polyethylene (PE)

With 55% of industry production, Reliance is now the largest producer of High Density Polyethylene in India in just three years While the industry saw a rapid growth in production from 35,000 MT in 1989-90 to 310,000 MT in 1994-95, a compounded growth rate of 55%, Reliance's production grew from 47,000 MT in 1992-93 to 166,000MT in 1994-95.

From petrochemicals to textiles, Reliance is uniquely positioned as perhaps the only Company in the world to have a level of total integration and value addition substantially enhancing long-term profitability and shareholder value.

The increase in production over the previous year by 24% at 166,000 MT comprised of all required grades. Reliance increased its market share from 12% in 1992-93 to a healthy 40% in 1994-95.

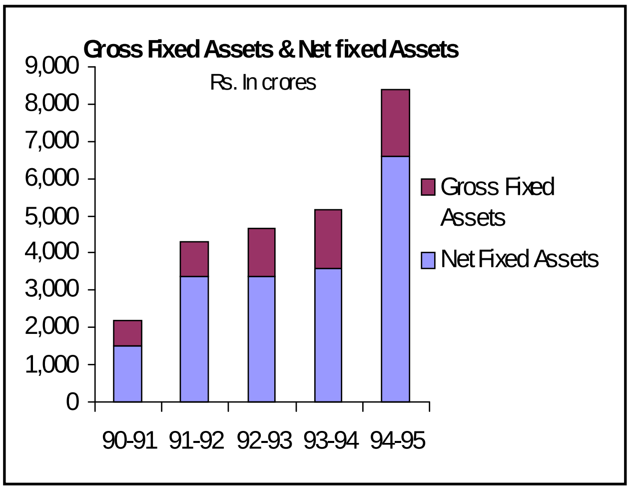
The Company introduced additional grades and captured new markets resulting in import substitution. Reliance markets various grades of polyethylene under the brand name 'RELENE' (HDPE) and 'RECLAIR' (LLDPE) which satisfied the requirements of the customers. The Company emerged as the market leader in the woven sack industry serving Fertilizer and Cement units.

One of the most significant developments during the year, was the introduction of Octene LLDPE grades; produced for the first time in the country It has been well received by the Indian industry, will replace imports and lead to savings in precious foreign exchange. With the introduction of this grade, Reliance achieved a unique distinction of being one among only six producers in the world of Octene LLDPE.

Chemicals Business

Linear Alkyl Benzene (LAB)

As a critical raw material for synthetic detergents, the consumption of LAB, depends on the increasing purchasing power and growing personal demands of the people. The industry capacity has increased from 150,000 MT in 1989 to 210,000 MT in 1995. Over the same period, consumption did not keep pace with the capacity addition which now stands at 175,000 TPA (1994-95). Reliance has achieved near 100% capacity over the last three years and has maintained a 37% market share. For the period under review, Reliance produced about 80,000 MT of LAB.



Reliance markets LAB under the brand name 'RELAB' which is used by all the leading domestic manufacturers of soaps and detergents and is exported to international leaders like Henkel, Unilever, Procter and Gamble etc. Backward integration to the stage of Normal Paraffin has further helped Reliance improve margins Reliance believes that the demand for LAB would improve during the coming years and to meet this demand, the Company plans further capacity additions.

Ethylene Oxide (EO)

Reliance continued to lead the domestic market with a 36% market share. The cost reduction programme undertaken during the year has started bringing rich dividends.

Paraffins

Reliance leads the Paraffin market in India for chlorination with a 41% market share The market for Chlorinated Paraffin is growing, led by increasing conversion of PVC into flexible products. The Company intends to increase the market share.

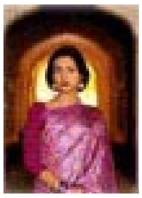
Tri Ethylene Glycol (TEG)

Reliance is setting up a production facility for TEG of 10,000 TPA which is expected to start functioning during 1995-96. This will substitute imports in the field of oil field chemicals and speciality surfactants.

Textile Business

Market Leader - 'VIMAL'

Reliance continues to lead India's premium suitings industry with its largest premium brand "VIMAL". It will also continue to play a pivotal role in the textile industry and will further improve its present market share. The Company is expanding its retail channels to strengthen the marketing network and to deliver quality fabrics all over the country.



Expansion

Reliance has successfully increased the Worsted Spinning plant capacity from 12,500 spindles to 24,000 spindles and has simultaneously enhanced the weaving capacity by nearly 7 million sq. mtrs. of high quality Worsted Suitings and balancing equipment in the processing section. This, combined with other blended suitings, has helped the Company maintain its leadership as the largest producer of premium suitings. A project initiated to manufacture Polyester/ Viscose Spun Yarn by installing 23,000 spindles was successfully commissioned during the year. This is again an exercise in backward integration, reducing the dependence on spun yarn and further adding to the profitability.

The Panna and Mukta Oil & Gas fields off Bombay High

Harmony-Furnishing Fabrics

Reliance has maintained its leading edge and has been the largest manufacturer of upmarket furnishing fabrics marketed under the brand name "Harmony". To cater to the growing demand of home textiles, the Company has increased its manufacturing capacity by over 3 million sq. mtrs per annum. This has been achieved by installing 10 highly sophisticated weaving machines and upgrading the existing jacquard machines. For intricate designing, these machines are supported by the most advanced CAD technology.

SlumbeRel - New Sleep Products

In line with its strategy of value addition through integration, Reliance has diversified into marketing of sleep products. Under licence from E.I. DuPont De Nemours and Co., USA, it has introduced "SlumbeRel", Dacron I fibre-filled pillows.

Manufactured to DuPont quality standards, they are made from specially engineered hollow fibres. This is the first time that a scientifically developed pillow with unique features is released in the Indian market. This will be followed by a range of decorative cushions, comforters, quilts and mattresses.

Captive Power

Reliance has also successfully commissioned a combined cycle gas-based cogeneration Captive Power Plant at Naroda to ensure uninterrupted power and reduce overall costs.

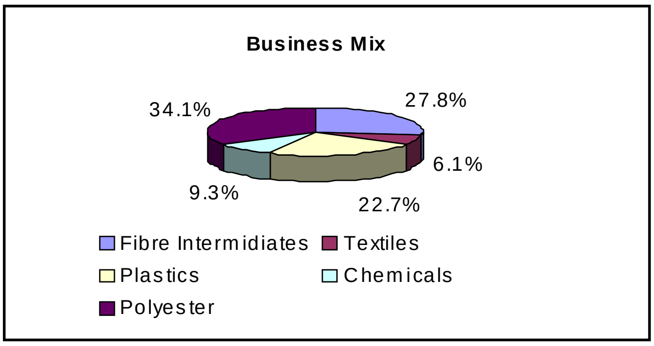
Further Expansion

Reliance has already spent over Rs. 200 crores (US $ 63 million) and plans to enhance its existing capacities for all its textile products. With this, the total capital expenditure will be Rs.300 crores (US $ 95 million), which is one of the largest investments by a single textile Company.

Oil and Gas Business

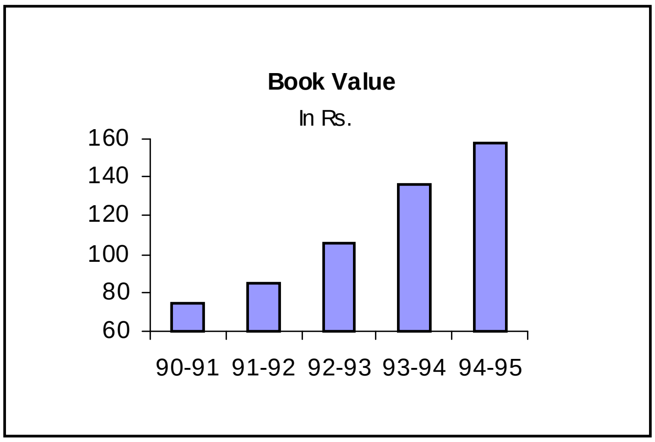
As part of the economic liberalisation programme, the Government of India (GOI) invited private sector participation in the exploration and production of Petroleum, Oil & Gas. Reliance won three of the four medium sized oil and gas offshore projects awarded to the private sector in an international competitive bidding. The project is being implemented by an unincorporated joint venture among Reliance Industries Ltd. (30% Working Interest), Enron Oil & Gas India Ltd (30% Working Interest) and Oil & Natural Gas Corporation Limited (ONGC) (40% Working Interest). Reliance has already signed the Production Sharing Contract. The development of the proven Panna, Mukta and Tapti fields will give recoverable oil reserves of 145 million barrels, condensate reserves of 12 million barrels and gas reserves of 40 billion cubic meters. Reliance is proceeding with firm plans for developing these fields.

This venture has provided Reliance with a foundation for the expansion of E & P (Exploration and Production) initiative. It has been actively evaluating opportunities in subsequent rounds of bidding initiated by the Government of India for the development of discovered oil and gas fields.



New Projects

The measures introduced in 1991 to stabilise and turn around the economy helped with a real GDP growth of 4.3% and 5.3% in the years 1994 and 1995 respectively. With fiscal deficit of only around 6% over the last three years coupled with a favourable balance of payments (BOP) position, the country is poised to enter a period of rapid growth. As a precursor to the future, industrial growth which has been above 8% in 1994 and is expected to accelerate to double digits by 1996, at par with the levels achieved in the Asian Tiger Countries. With the Government determined to control inflation, the benefits of liberalisation will eventually percolate down to all levels of our population and result in an increase in the purchasing power.



The cascading effect of the real GDP growth in developing countries immensely benefits producers of mass consumption items and Reliance is well positioned to take advantage of this situation. The Company is well entrenched in synthetic textiles, polyesters and plastics which are substitutes for conventional materials The consumption of these products goes up with the increase in real income growth. The capacity expansions of the late ’80s helped Reliance to fully exploit the growing market of the early ’90s-j-The Company has already invested Rs.3263 crores (US$ 1036 millions) during the last 12 months in fixed assets and plans to invest another Rs 3000 crores (US$ 952 million) in the next 18 to 24 months.

New Polyester Complex

Construction work at the second polyester complex at Hazira is in full swing. This is one of the world’s largest expansions involving a fully integrated manufacturing complex. New plants are being built to manufacture PTA and MEG, which are the principal raw materials for polyester. The total new polyester capacity being set up at Hazira is 360,000 TPA. The PTA and MEG capacities would primarily meet the feedstock needs of the Hazira polyester complex.

Purified Terephthalic Acid Project (PTA)

Reliance is setting up a world-scale PTA plant with a capacity of 350,000 TPA at Hazira The project is now at an advanced stage of completion.

Mono Ethylene Glycol Project (MEG)

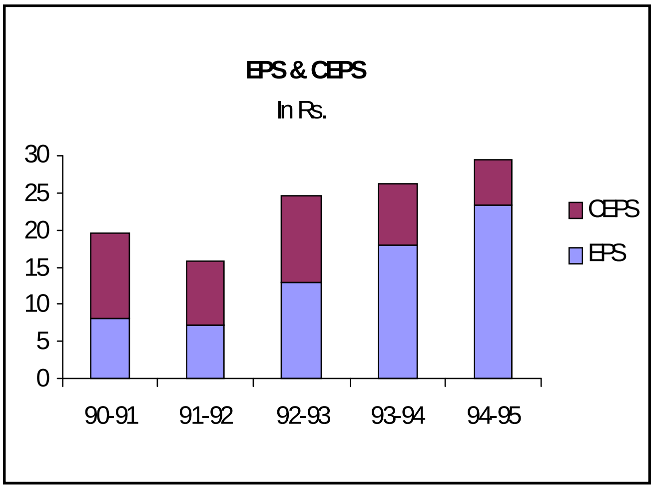
Implementation of this project is being carried out on a priority basis keeping in view the feedstock requirements of the new polyester facility at Hazira.

All critical equipment with long-delivery schedules has been ordered and piling work is in progress. With the completion of this project, Reliance will achieve self-sufficiency in raw materials for polyester.

Partially Oriented Yarn Project (POY)

Construction work and equipment installation for the country’s largest (120,000 TPA) POY plant is in an advanced stage of completion. This will be India’s first fully

automated plant, incorporating proven DuPont technology, perfected by Reliance's vast experience and state-of-the-art improvements with modern computerised controls and automation systems.



PET Polymer Project

Reliance is installing India's only grass root PET bottle grade resin plant with an installed capacity of 80,000 TPA This would be amongst the 10 largest plants in the World. It would be at least four times larger than the existing combined capacities of all the other plants in India The know-how for solid state polymerisation which is the heart of the PET plant is from SINCO plc. The modern trend is to move away from glass bottles to much more hygienic, environment friendly and less expensive PET bottles. Reliance foresees tremendous growth potential for this product.

Polyester Staple Fibre (PSF)

Project Construction work on the country's largest polyester staple fibre plant is fast progressing The plant with an installed capacity of 160,000 TPA of high tenacity polyester staple is being built with DuPont technology and mechanised by German drawing and baling equipment. In this fully automated plant, computers will control ail processes starting from feeding of raw material to the loading of final products into the trucks

NGL / Naphtha Cracker Project

Representing a crucial link in the backward integration chain of the petrochemical business is the implementation of the NGL/ Naphtha Cracker project which is fast progressing. Mechanical erection and construction activities are in full swing. When completed this will eliminate the imports of Ethylene valued at over Rs.1200 crores (US$ 375 million), required for the Polymer and MEG plants.

Captive Power Plants (CPP) Project

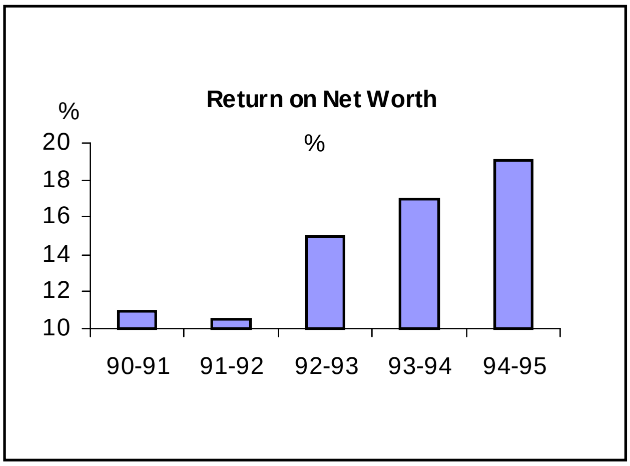
Reliance is in the process of expanding the Captive Power Capacity at Hazira and has already commissioned successfully new Captive Power Plants at Naroda and Patalganga This will ensure self-sufficiency, reliability and stability of power supply and optimum utilisation of steam

Ship at Hazira jetty

generated at low cost. It will increase the total captive power generation at Reliance to 350 MW.

Paraxylene Project-Jamnagar

Reliance has decided to build a new Paraxylene facility of 1.2 million TPA, a critical feedstock for PTA. This will be the largest in the world and will receive feedstock from Reliance Petroleum Ltd, a Company promoted by Reliance Industries Ltd. It proposes to use UOP Inter-Americana technology.



Polymer Projects

With liberalisation, there has been a strong demand heralding an era of explosive growth for all plastic products. Reliance is in the forefront to derive benefits of this growth by substantial expansion/implementation of new world class facilities. The new polymer projects being set up include 350,000 TPA polypropylene plant at Hazira, 200,000 TPA polyethylene plant at Hazira, 350,000 TPA polypropylene plant at Jamnagar and a new 300,000 TPA PVC plant. With the completion of these facilities Reliance's polymer capacity will cross 1.7 million TPA.

Polypropylene (PP) - Hazira / Jamnagar

During the year under review, Reliance achieved satisfactory progress in building the state-of-the-art world scale 350,000 TPA PP plant at Hazira. The technology is based on UNIPOL process of Union Carbide Chemicals & Plastics Company (USA) with John Brown Engineers and Constructors Ltd. (UK) as engineering contractors An important link in the Polymer group, the PP project is fast nearing completion.

Product Application and Research activities are underway to cater to different grades of PP. An exhaustive survey of all PP users has been completed and regular follow-up visits are made to ensure that our products are accepted in the very first year of production.

To maintain its leadership position Reliance plans to build an additional 350,000 TPA PP plant at Jamnagar. The plant will use Propylene as feedstock from the Reliance Petroleum refinery. With a PP capacity of 350,000 TPA at Hazira and an additional plant of same size at Jamnagar, Reliance will be one of the five largest world producers of this versatile polymer in just 3 years' time.

Polyethylene (PE) - Hazira

Reliance is implementing an additional 200,000 TPA PE plant at Hazira in order to meet the growing demand. The plant will use Sclair Tech Process for High Density Polyethylene (HDPE) and Linear Low Density Polyethylene (LLDPE). Majority of the piling work has been completed. The engineering and technical specifications for all the critical equipment with long delivery lead time have been finalised and the orders have been placed.

Polyvinyl Chloride (PVC)

The global market has recorded a strong demand and the Asia Pacific region is expected to see high growth rates for PVC. Reliance is well positioned, geographically and technologically, to meet the surging demand in this region and is planning to-j-set up a new 300,000 TPA PVC plant. With the post expansion PVC capacity of 300,000 TPA at Hazira and an additional similar size plant, Reliance will be among the top 10 PVC producers in the world with a total capacity of about 600,000 TPA

Emerging Global Ranks

With the completion of the Phase II projects at Hazira and the third petrochemicals complex at Jamnagar, Reliance will not only maintain its market leadership in each of its products but will further enhance it by creating substantial capacities. With the implementation of the projects at the Hazira and Jamnagar complexes, Reliance will emerge as a global player in a majority of its product lines.

- Reliance will be the 8th largest Polyester producer in the world, increasing its production from 200,000 TPA to 580,000 TPA.
- Reliance will be the 2nd largest Purified Terephthalic Acid producer in the world, increasing its production from 257,000 TPA to 1.6 million TPA.
- Reliance will be the 4th largest Paraxylene producer in the world, increasing its production from 150,000 TPA to 1.35 million TPA.
- The Cracker project of Reliance will be the world's largest multi-feed cracker with a capacity of 2.2 million TPA of various Petrochemical products.
- Reliance will be the 10th largest Polyethylene producer in the world, increasing its production from 166,000 TPA to 400,000 TPA.
- Reliance will be the 4th largest Polypropylene producer in the world having a total capacity of 700,000 TPA.
- Reliance will be the 10th largest Polyvinyl Chloride producer in the world, increasing its production from 187,000 TPA to 600,000 TPA.

The Hazira and Jamnagar complexes, when completed, will see Reliance emerge as a major Global player in all its products. This is truly an enviable achievement for an Indian Company within a short span of 20 years.

The World's best process technologies converge at Reliance to drive its global scale plants at peak performance year after year.

Technology Partners

Reliance has accessed the best of contemporary technologies from world over. Products manufactured by the Company in India meet the same stringent quality standards as those of its technology partners anywhere in the world.

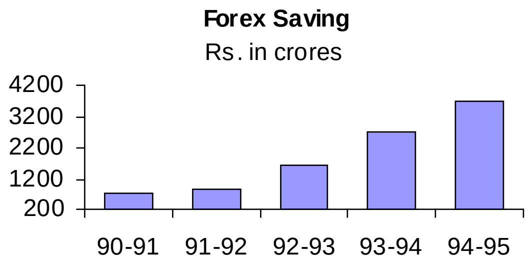
Business Groups	Technology Partners	Products
Polyester Fibre, Yarn & PET	El DuPont, USA El DuPont, USA Sinco, Italy	Polyester Staple Fibre (PSF) Partially Oriented Yarn (POY) Polyethylene Terephthalate (PET)
Fibre Intermediates	ICI, UK UOP, USA ABB Lummus Crest. Netherlands Shell Process	Purified Terephthalic Acid (PTA) Paraxylene Mono Ethylene Glycol (MEG)
Detergent Intermediates	UOP, USA	Linear Alkyl Benzene (LAB)
Polymers & Plastics	B.F. Goodrich, USA Presently Geon Company, USA DuPont, Canada Presently Novacor, Canada Novacor, Canada DuPont Process John Brown, UK UNIPOL Process	Polyvinyl Chloride (PVC) Polyethylene Plant I Polyethylene Plant II Polypropylene
Plastic Intermediates	Stone & Webster, USA .	Ethylene & co-products
Oil & Gas	Enron Oil & Gas, USA	Oil & Gas

Exports

Reliance has emerged as one of the top private sector manufacturer-exporters in India. The Company's foreign exchange earning through exports during the year 1994-95 was Rs. 174 crores (US $ 55 million), a phenomenal growth of 190% over the last year's export earning of Rs. 60 crores (US $ 19 million).

In staple fibre exports Reliance has become a force to reckon with in international markets.

In the developed world, the Company has made a mark by consistently delivering products of outstanding quality.



Reliance has developed new export markets for various products as follows.

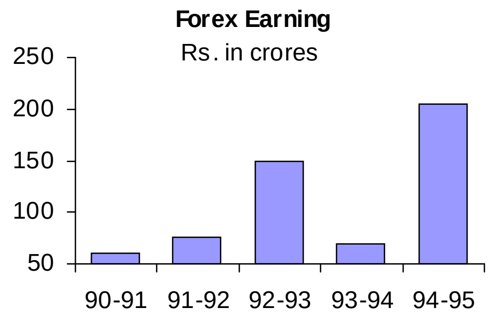
- Development of new markets such as Italy, Kenya, Malaysia, Hongkong and Brazil for marketing of 'REON' brand PVC product .
- Exports of premium quality staple fibre to USA, UK, Kenya and Indonesia.
- Exports of value added polyester yarn to UK, Spain, France and Germany.
- Exports of LAB to quality conscious customers in Netherlands, UK, Japan and Spain.
- Exports of premium brand 'VIMAL' worsted fabrics to UK, France and Netherlands.

Foreign Exchange Savings

Majority of the products produced by Reliance would have been imported to India if they were not manufactured locally. The Company commenced local production and today it retains its leadership position in foreign exchange savings through indigenous production of polyester, polymers, fibre intermediates and petrochemicals.

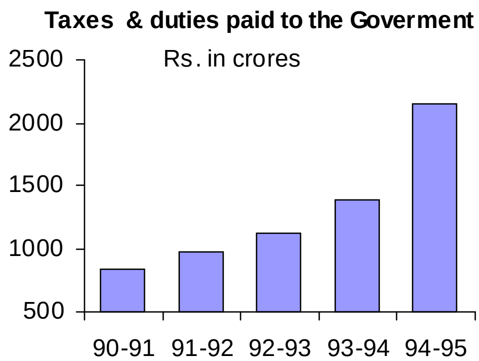
Foreign Exchange savings by the Company are the highest in the country today. Reliance's major thrust was always on building global size plants, accessing the best technology in the world, wide product range, prompt customer service and vertical integration.

The Company's operations have helped the nation save valuable foreign exchange to the tune of Rs.3770 crores (US $ 1197 million) during the year; a growth of 32% over the previous year's figure of Rs.2853 crores (US $ 906 million).



Taxes paid to Government

Reliance continues to be one of the highest contributors to the exchequer in the form of various levies like Excise duty and Customs duty etc. The Company contributed Rs.2147 crores (US $ 682 million) in the form of various taxes and duties in comparison with Rs.1391 crores (US $ 442 million) paid last year, showing a growth of 54%



Employment

Reliance is one of the biggest job creators in the country. The more we produce, the more jobs we create in ancillaries, transport, units engaged in conversion of goods i.e. plastic processors and handloom/powerloom sectors. Economists say that each ton produced by Reliance creates 10 new jobs throughout the nation - an impressive number by any standard.

Research & Development

Reliance's spirit of innovation and quest for knowledge has constantly encouraged it to explore uncharted terrains. The spirit of inquiry, research and development has helped the Company excel in pioneering internationally recognised products.

R & D facilities of the Company are recognised by the Department of Science and Technology, Government of India Reliance has the most modern well equipped R & D laboratories for all its product lines. The Company has put

up a pilot plant in Patalganga to manufacture LAB using National Chemical Laboratory (NCL) patented eco-friendly technology. This is a joint development effort with NCL The process promises to yield increased LAB production with better characteristics The present technology worldwide uses hydrofluoric acid as a catalyst, which is highly corrosive. Once proven on a commercial scale, there is excellent potential for global export of this NCL Reliance technology, besides the fact that by 2000 AD India itself is projected to be the biggest global player in LAB

R & D activity is mainly focused in the field of polyester filament yarn, polyester staple fibre, purified terephthalic acid and linear alkyl benzene. The stress has been on process development, process modification, product development, energy conservation, pollution control, import substitution and technology upgradation.

Some of the important areas in which R & D is being carried out by the Company are worth mentioning here:

- Development of new and finer deniers for better performance and improvement of fabric texture.
- Production of octene grade LLDPE having superior strength properties suited for liquid packaging for the first time in India.
- In-house process development and design for manufacture of poly-coating chemical used in PVC plant. Lab scale production was successful. Full scale erection is in progress.
- Pilot plant with non-HF alkylation catalyst for LAB production was commissioned
- Microfilament and Multifilament products are developed and commercialised.
- Dual finish system commissioned in PSF plant leading to a saving in finish consumption by 3 kgs/ton.
- Finishing of menswear leading to improved fabric hand and feel.
- Development of new anti-static finish for upholstery fabrics
- Development of various automotive textiles with high light fastness

Energy Conservation

Reliance is well aware of the fact that energy, like food and water is a basic necessity of man's very existence. For achieving greater energy conservation and higher efficiency, Reliance has used advanced technology right from its inception and has built-in energy saving concepts and schemes at the time of plant design.

The Ministry of Power, Govt of India awarded the First Prize to RIL, Patalganga, for Energy Conservation in the Petrochemical sector for the year 1994.

By using non-conventional energy and adopting measures for reduction of energy consumption, the Company will be in a position to further reduce costs.

- Due to modifications in existing machinery systems, the Yarn Division at Naroda Unit could save an overall 8 to 10% energy during the year 1994.
- Co-generation plant for power generation and steam from waste heat of Gas Turbine was commissioned in a record time of less than l 2 months.

Quality

Quality is the key word at Reliance It is reflected not only in the products but in the attitudes and operations that contribute to the success of the Company Reliance is committed to integrating 'Total Quality' in all its activities. In the year under review, the Patalganga complex became the first integrated Indian Petrochemicals and Fibres complex to be awarded seven ISO 9002 certificates. In a unique and exhaustive audit, 11 auditors worked 54 mandays at all the seven plants simultaneously, a record effort by any certifying body These ISO certificates for our processes cover largest volumes in terms of turnover

The Patalganga facility is the first integrated Indian Petrochemicals and Fibres complex to be awarded an ISO 9002 certificate.

assessed during the same period.

At Hazira, implementation of ISO 9002 Quality Management System is under progress and the certification by the accreditation agency is expected in the current year With the stringent quality measures, production of prime quality PVC increased to 98% and the production of MEG reached the level of 100% on specification.

The Textile Division undertook important steps to improve the quality of products as well as range with a special focus on suitings and home furnishings. As a result of the intensive product development efforts, many new high value range of products were introduced during the year and distributed through the marketing network.

Quality starts at the design stage The design studio at the Textile Division is considered to be the most modern in this part of the world. It is equipped with state-of-the-art textile CAD computers, scanners, plotters both for printed and weaving designs.

Customer Satisfaction

Reliance always tries to understand the needs of its customers and upgrades the quality of its products for increased customer satisfaction. It ensures that the customer gets the best out of its top ranking products. It is always anticipating the needs of customers and preparing to meet them.

The best test of customer satisfaction is through repeat sales to existing customers and minimising the number of lost customers. On both these benchmarks the Company has achieved more than 97% performance.

Health & Safety

Reliance is in tune with man's every need. Its main aim is to create a better and safer environment for all It has a clear and committed policy on Health & Safety. It keeps itself abreast of the latest international standards and practices in the field.

Periodic medical check-ups are carried out at all the plants and offices Efforts are being made to create awareness amongst employees about killer diseases like Cancer and AIDS.

Reliance Industries Ltd is one of the 30 safest companies in the world The Company has won many national and international awards for the safety measures taken in their industrial complexes - a record of sorts for any Indian Company.

- British Safety Council - 5 Star rating for Hazira and Patalganga sites.
- British Safety Council - Sword of Honour for Hazira and Patalganga sites.
- National Safety Council USA - Award of Honour (the highest award for safety) to Patalganga site.
- National Safety Award to Hazira complex for the longest accident free period awarded by the Ministry of Labour, Government of India.
- Gujarat State Safety Council State Factory Inspectorate Safety Award for Hazira Complex for Best Safety Performance - Petrochemicals category.

In the end, one human life is more important than all the riches of the world.

- Gujarat State Safety Award for the Naroda complex for the lowest disability injury index.
- ATMA Safety Award (Award of Honour) from the Ahmedabad Textile Mills Association for the Lowest Disabling Injury Index in August 1994. It is worthwhile to mention that we have been the sole winner of this award since 1988 when it was instituted.

Reliance's Patalganga complex has completed more than 20 million man-hours without losing time in injuries and accidents.

Environment

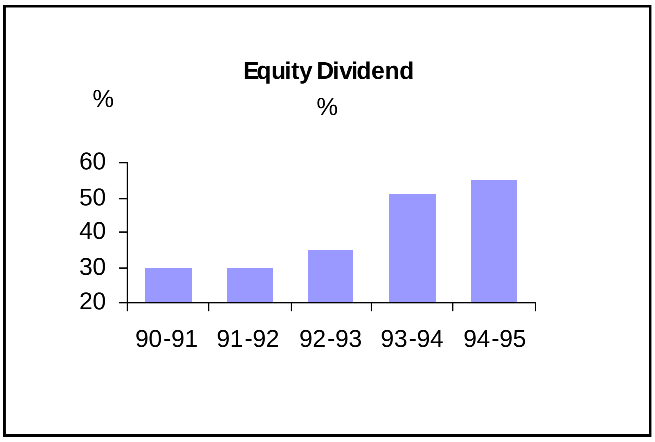
Reliance believes that man is the trustee of nature. It is our heritage and therefore it is our duty to preserve it improve it and bequeath it to our children as a treasure. The Company believes that prevention is better than cure. The Company's concern for environment is reflected in its constant endeavour to eliminate pollution and create a healthier environment. Environment protection is an integral feature in all plant designs and a comprehensive environment management includes continuous monitoring of air and water pollution noise pollution the disposal of industrial waste and the protection of local ecology

- The Hazira Manufacturing Division has been awarded the Indian Merchants' Chamber "Diamond Jubilee" Award for outstanding contribution towards Control of Air and

Water Pollution in Industry for the year 1994. Reliance is the only Company to receive this all-India award.

- Company has invested substantial resources for the pretreatment of waste water at MEG and PVC plants, leading to improved efficiency of effluent treatment operation and reduced pollution load on receiving bodies.
- All surprise sample checks done by the Pollution Control Board were found to be well within the quality standards.
- Unique Oxygen dosing system in the aeration tank to take care of effluent loads during "process upsets" was commissioned .
- Continuous efforts to conserve process water through recycling. Five percent reduction in consumption has been achieved in 1994-95.
- Changeover to improved burners for low NOX generation.

At Reliance, responsible care is a public commitment. Because the welfare of humanity concerns us all.



- Installation of Vapour Absorption Chillers (VAC) thereby achieving a significant reduction in Chlorofluoro Carbons (CFCs).
- Substitution of sulphur rich fuel with cleaner fuel in the heaters to reduce particulate matters and SO2 in gaseous effluents.
- Integrated energy management to reduce overall energy consumption leading to reduction in gaseous effluent generation .

The responsibility rests on each one of us to preserve the world for our children. And their children to follow......

- Tree plantation and development of green belt in and around Patalganga industrial area.
- Twenty percent of the treated effluents are used for horticulture.

World class eco-friendly clean technologies for each plant process incorporates features like maximum recycle, reuse and reduction of pollutants at source. This reduces pollution and helps to recover valuable raw materials. Effluents are treated through physio-chemical and biological steps and the treated water is utilized for irrigation / horticulture, thus conserving fresh water Exhaustive monitoring schedules are followed for safety, health and protection of air quality, ground water and noise level.

Citation: Indian Merchants' Chamber Award.

Reliance continues to ensure that the air, water and other environmental standards are not only achieved as per the norms but exceed prescribed norms by the State Pollution Control Boards. Monitoring of plant and ambient environment, as well as, of various effluents - liquid, gas and solid - to maintain a clean and safe environment in and around the plants is done continuously.

The Company has initiated a comprehensive, internationally renowned "Responsible Care" Programme and is committed to adhere to it.

Environment audits are being carried out at all the plants of the company on a regular basis by recognised independent agencies like NEERI. Audit process commences during the plant design stage. All these efforts lead to continuous improvements, wherever necessary to maintain some of the best environment management practices.

Social Responsibility and Community Development

Reliance is well aware of its social responsibility and devotes its resources towards the cause of community development.Reliance has created a foundation which has initiated community development programme models in rural areas through people's participation

- Community awareness programmes are organised in nearby villages based on APELL developed by UNEP in order to inculcate awareness amongst villagers on household safety electrical safety road safety and emergency preparedness.
- Drinking water is supplied in tankers to people in nearby villages.
- Training classes are conducted to improve various skills.
- A part of the road which was severely damaged by the flood has been reconstructed which not only serves Reliance employees and employees of nearby industries but also the villagers.

The Company has been helping to improve areas of health education culture environment sports etc thus raising the quality of life of its people through its Trust. Reliance has also been helping restore India's archaeological treasures in some areas. Along with other industries from public and private sectors Reliance has participated in a scheme of constructing a weir at Singanpur in Tapti. On completion of this scheme during this year the city of Surat will meet its increased requirement of drinking water. Industries will receive water from the weir which is a more reliable source than from the existing canal.

Our People

Reliance today has human resource assets of around 12 500 people; 34000 of whom constitute the scientific and technical manpower. Every year we add over 450 young professionals who include engineers chartered accountants management graduates and professionals from other disciplines The average age of our employees is 38 years.

The Reliance team is young in spirit, conscious of its responsibilities and committed to creating assets that the country can be proud of.

These motivated and well trained people are the backbone of our business success. Reliance is investing in a big way in the training and development of these strategic assets. A number of development opportunities are provided within and outside the country to ensure that our managers are prepared for more challenging tasks in our emerging complex business environment.

Today Reliance is truly considered an integrated society where people from all walks of life and from every corner of the country contribute to the Company's growth. The Company in turn nurtures and prepares them for creating further inroads into the global village. It is fast emerging as one of the best companies to work for in the country Sri Harikumar Madhusudan (a workman in the Yarn Division) received the Shram Bhushan award promoted by the Gujarat State Government comprising a Shram Bhushan Certificate and a Cash Award.

New Companies

Reliance Petroleum Ltd.

Reliance Petroleum Ltd. has already obtained Government's approval to expand the refinery capacity from the existing 9 million TPA to 15 million TPA When completed this will be the largest grassroot refinery in India and will be among the World's top 20 single stream refineries The products of this refinery will meet and supplement the feedstock requirements of Reliance Industries thus adding value to the integration chain.

Power Sector

The demand for power has been steadily increasing during the last four decades. Reliance envisages a huge potential for power generation by private sector in view of the estimated shortage of 30,000 MW of power by the year 2000. Reliance is the first Private Sector Company to be selected by the Maharashtra State Electricity Board (MSEB), for setting up a 410 MW Gas Based Power Plant on a competitive bid basis. Similarly Reliance has been shortlisted by the Delhi Electric Supply Undertaking (DESU) for implementing 400-450 MW Gas Turbine based Power Project at Bawana. Reliance has also signed a MOU with Gujarat Electricity Board (GEB) for setting up a 500 MW Power Plant at Jamnagar, Gujarat, using feedstock from Reliances's refinery - another step in integration.

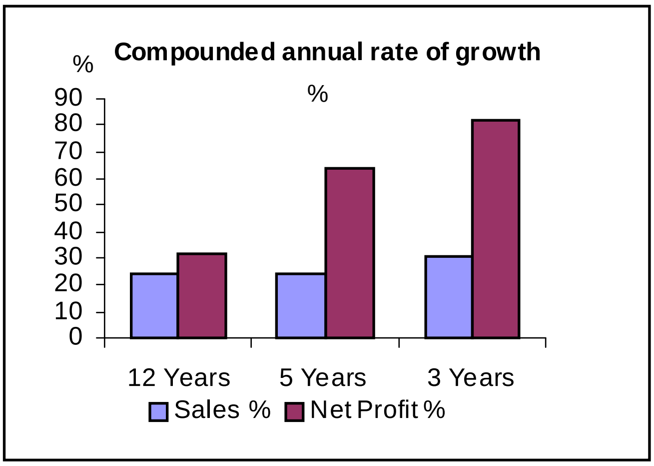
Necessary agreements with the respective State Electricity Boards and State Governments are being finalised and clearances are being obtained.

Reliance Assam Petrochemicals Ltd.

Reliance signed a Memorandum of Understanding with the Government of Assam for the implementation of the Assam Gas Cracker Project. Reliance has promoted a new Company called Reliance Assam Petrochemicals Limited (RAPL) for this. When completed it will produce 300,000 TPA of Ethylene, 300,000 TPA of Polyethylene and 65,000 TPA of Oxoalcohols, based on ethylene and propylene products from the gas cracker. The project utilises associated gas available from the oil fields in upper Assam. The availability of very competitively priced feedstock is the major criteria for locating the project in the State. The project is also eligible for a Central subsidy besides all other benefits of industrially backward areas. RAPL will also provide the group a manufacturing base in eastern India for its polyolefins business.

Reliance - Consistent Performer

Reliance enjoys a unique distinction among the Indian Corporates as a very consistent performer in terms of growth, asset creation and profitability through efficient management of the resources. The compounded annual rate of growth (CARG) of the Company over the last 12 years, 5 years and 3 years provides ample evidence of this.

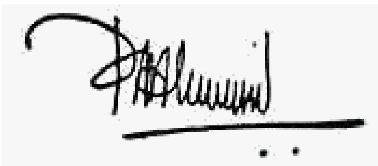


CARG	12 years	5 years	3 years
Sales %	24.0	24.0	30.7
Net Profit %	32.0	63.7	81.9

Looking ahead

When we look at the exceptional financial performance, it is apparent that Reliance's strategy of vertical integration, world size capacities and access to leading technologies is paying dividends. We must serve our customers' needs and help them succeed too. As the demand continues to grow, the four fold capacity increase in the next 2-3 years will serve us well, in terms of strong cashflow and earnings, through all phases of business cycles.

We believe that Reliance today is a Company that brings value to customers, increases the long-term networth of shareowners and respects the quality of life in all our locations. We look to the future with confidence and thank you for sharing that conviction with us. The future augurs well as the Company will scale new heights in the years to come, undoubtedly with the support and encouragement of our shareowners.



28.04.95
Bombay

Dhirubhai H. Ambani
Chairman
Reliance Industries Ltd.

Financial Highlights

Rs. in Crores

	1994-95		1993 - 94	1992 - 93	1991 - 92	1990 - 91	1989 - 90	1985	1980
	* US $	Rupees							
Sales	2228	7019	5345	4106	2953	2098	1841	733	208
Total Income	2275	7166	5461	4174	2995	2105	1856	738	210
Operating Profit	463	1457	1064	881	575	487	424	133	29
Depreciation	88	278	255	280	193	174	162	37	7
Profit After Tax	338	1065	576	322	163	126	91	71	11
Taxes & Duties Paid to the Govt	682	2147	1391	1118	984	826	698	373	74
Equity Dividend %	55	55	51	35	30	30	30	50	25
Dividend Payout	63	199	138	85	48	46	46	25	3
Equity Share Capital	145	456	318	246	227	152	152	52	12
Reserves and Surplus	2137	6731	4011	2362	1711	996	929	254	19
Net Worth	2283	7193	4335	2613	1944	1154	1087	311	32
Gross Fixed Assets	2664	8390	5132	4641	4314	2186	1999	736	75
Net Fixed Assets	2090	6585	3600	3368	3338	1483	1469	607	58
Market Capitalisation	3818	12027	10718	4388	6656	1825	997	906	78
Earning Per Share-Rs.	.74+	23.4	18.1	13.1	7.2	8.3	6.9	13.8	9.3
Cash Earning per Equity Share Rs.	.94+	29.5	26.1	24.5	15.7	19.7	16.6	21.1	15.0
Book Value - Rs.	5+	158	136	106	85	75	71	59	26
Debt: Equity Ratio	0.35:1	0.35:1	0.58:1	0.84:1	0.92:1	0.61:1	0.55:1	1.66:1	1.51:1
Number of Investors (In Lakhs)	4.3t	43	41	37	38	24	26	17	2.7
Number of Employees	12500	12500	11873	11836	11935	11666	11355	9066	6646

* US $ in Millions

+ US $. 1 US $ = Rs. 31.5 (Reserve Bank of India rate as on 31.3.95)

+ In Millions

India's Largest Selling brands in their category

Directors' Report

The Directors have pleasure in presenting the 21st Annual Report and the audited accounts for the financial year ended 31st March,1995.

Financial Results

	1994-95		1994-95	
	Rs. Crs.	**US$ Mn***	Rs. Crs.	US$ Mn*
Gross profit before interest and depreciation	**1457.41**	**462.6**	1064.26	337.9
Less: Depreciation	**278.24**	**88.3**	255.19	81.0
Interest	**114.32**	**36.3**	233.58	74.2
Profit for the year	**1064.85**	**338.0**	575.49	182.7
Add: Balance in Profit & Loss A/c.	**62.24**	**19.8**	54.40	17.3
Add: Investment Allowance (utilised) Reserve written back			27.75	8.8
Surplus available for Appropriation	**1127.09**	**357.8**	657.64	208.8
Appropriations:				
Capital Redemption Reserve	**5.50**	**1.7**	—	—
Investment Allowance Reserve	**—**	**—**	6.70	2.1
Debenture Redemption Reserve	**30.50**	**9.7**	30.50	9.7
General Reserve	**800.00**	**254.0**	419.02	133.0
Recommended Dividend on Preference and Equity Shares	**200.17**	**63.5**	139.18	44.2
Balance carried to Balance Sheet	**90.92**	**28.9**	62.24	19.8
	1127.09	**357.8**	657.64	208.8

Dividends

The Directors recommend the following dividends (Subject to deduction of tax at source) for the financial year ended 31st March,1995, 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 Preference Shareholders whose names appear on the Register of Preference Shareholders, as on 6th February, 1995 and Equity Shareholders whose names appear on the Register of Members as on 30th June, 1995.

On Preference Shares		**Rs. Crs**
Dividends Rs. CrsDividend 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. 5.50 per Share on 31,99,45,057 Equity Shares of Rs.10 each fully paid up.	175.97	
ii) Pro-rata Dividend on 14,04,16,837 Equity Shares of Rs.10 each fully paid.	23.37	
		199.34
		200.17

Private placement of equity with Indian Financial Institutions

During the year under review your Company made a private placement of equity with the three leading Indian Financial Institutions, Unit Trust of India (UTI), Life Insurance Corporation of India (LIC) & General Insurance Corporation (GIC) and its subsidiaries, to part finance your Company's share in the Oil and Gas projects of Panna, Mukta & Tapti awarded to the RIL - Enron - ONGC Consortium by the Government of India. The private placement was completed at Rs.385 per share (US $12.2 per share). The Private Placement of Rs.945 crores (US $300 million) has added Rs.24 crores (US $7.6 million) to the Equity Capital and Rs. 921 crores (US $292.4 million) to the reserves.

Amalgamation of Reliance Polypropylene Ltd. (RPPL) and Reliance Polyethylene Ltd. (RPEL) with Reliance Industries Ltd.

In November 1994, a decision was taken to amalgamate RPPL and RPEL with your Company. The Board of Directors accepted the valuation reports from two independent valuers, Messrs S.B.Billimoria & Co. Chartered Accountants, and Messrs Haribhakti & Co. Chartered Accountants. The scheme of amalgamation was approved by the shareholders and creditors of all the three companies in the month of December,1994 and was sanctioned by the Hon'ble High Court of the Judicature of Bombay in the month of January,1995.

Your Company will benefit from the two projects which are funded with equity and have a short gestation period. The amalgamation will create synergies and help maintain your Company's leading position in the polymer business. The amalgamation has resulted in increase in Equity Share Capital of your Company by Rs.99 crores (US $ 31.4 million) and increase in reserves by Rs.603 crores (US $ 191.4 million).

The commissioning of Polypropylene plant based on UNIPOL process of Union Carbide Chemicals and Plastics Company, USA and the Polyethylene plant based on Sclair Tech process of Novacor, Canada, have been synchronized with the start-up of world's largest multifeed cracker project scheduled to be commissioned in 1996.

Promise vs Performance (InTerms of Clause 43 of Listing Agreement)

Your Company has given following profitability projections in the Letter of Option dated 8th September, 1992 issued to the Debentureholders - Series F for rollover of the debentures.

Rs. Crs.

	1994 - 95	
Particulars	Projections	Actual
Sales*	6,292	7,019
Gross Profit	1,293	1,457
Wtd.Ave. Equity	301	362
EPS (Rs.)**	16.2	29.4*

* Sales includes inter-divisional transfers.

** Based on weighted average equity share capital.

Reason

EPS has improved due to better margins and reduction in interest and depreciation charges.

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, alongwith the report of the Board of Directors of Devti Fabrics Limited, Reliance Industrial Investments and Holdings Limited and Reliance Petroproducts Limited and the respective Auditors' Report thereon for the year ended 31st March, 1995, are annexed.

Fixed Deposits

Deposits of Rs.1.29 crores due for repayment on or before 31st March, 1995 were not claimed by 2140 depositors as on that date. Of these, deposits amounting to Rs.0.48 crore of 776 depositors have since been repaid.

Personnel

As required by the provisions of Section 21 7(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. However, as per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Report and Accounts is being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Secretary at the Registered Office of the Company.

Directors

Shri M.L. Bhakta, Shri.N.R.Meswani and Shri.Y.P.Trivedi 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 and Messrs Rajendra & Co. Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letters from them 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 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

Bombay
Dated: 28th April, 1995

Dhirubhai H. Ambani
Chairman

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. Reduction in boiler blow down rates.
2. Metallic fans replacement by hollow FRP blade fans for process and cooling towers.
3. Impeller tripping for pumps in prefractionation section resulted in powersaving in LAB plant. 4 Simulation package utilised for optimising distillation column operations in the petrochemical plants.
5. Replacement of LSHS with byß-ßproducts having higher calorific value as fuel for the boilers leading to higher efficiency and reduction of NOX from boiler exhaust.
6. Reorientation of steam traps to save steam.
7. Detection of faulty steam traps on line by using portable electronic device and rectifying the same.
8. Recovery of ejector condensate to dirty condensate vessel.
9. Insulation of polymeriser jacket/chilled water lines to conserve power.
10. Ethylene terminal refrigeration system installed to utilise waste cold.
11. Reduction of polymerisation cycle time to improve production rates thereby reducing specific consumption of power.
12. Debottlenecking of steam condensate tank piping system to save steam/condensate loss.
13. Optimisation of air conditioning and humidification plants during monsoon and winter, major overhauling of chilling refrigeration compressors and air washers to get designed output of refrigeration capacity.
14. Modification of dyeing cycle timing to reduce steam consumption.
15. Improvement in water management system.
16. All the steam boilers and thermopacks burners tuned to achieve best combustion and designed thermal efficiency.

(b) Additional Investments and Proposals, if any, being implemented for reduction in consumption of Energy

1. Installation of a back pressure turbine.
2. Replacement of conventional shell and tube type combined feed exchanger in LAB plant by plate type exchanger.
3. Optimization of recycle paraffin pumping system.
4. Installation of advance process control system.
5. LAB plant prefractionation stripper side cut recovery operation for better heat integration.
6. Installation of air preheaters for hot oil heaters.
7. Steam condensate preheating by integration with process plants leading to reduced steam consumption in deaerators.
8. Flash steam recovery from boiler blow downs.
9. Installation of vapour absorption chiller utilising waste LP steam.
10. Lube oil recovery from gas turbine oil console vent.
11. Advanced simulation package for optimising distillation column operations.
12. Usage of low pressure steam in dehydrator reboiler of MEG plant.
13. Provision of demister pad in CO2 stripper and recycle of overhead water.
14. Provision of restriction orifice in nitrogen consumption lines to minimise LP N2 consumption.
15. Changeover from trap system to condensate pot system for product flasher reboiler.
16. Gas firing system in dryer installed.
17. Plant air compressor installation to reduce power consumption by keeping spare instrument air compressor as standby.
18. Installation of common onß-ßline gas chromatograph for four distillation columns' top/bottom product analysis so as to minimise utility consumption while maintaining product specification.
19. Installation of an onß-ßline O2 and CO analyser for EDC furnace stack which will facilitate monitoring the furnace efficiency.
20. Change in steam generation pressure in incinerator from medium pressure(16 kg/cm2(g)) to intermediate pressure (7.5 kg/cm (9)).
21. Local pneumatic controller in refrigeration compressor to be brought to DCS for optimal control.
22. FRP fans for air conditioning, air cooling and cooling towers is proposed to be installed for major power saving in addition to installation of additional air curtains for saving in electrical energy.
23. Use of flash steam in jiggers and open winches through flash vessel.
24. Inter departmental steam and water line distribution system modifications for optimum flow and minimum pressure drop.
25. Optimisation of electrical power consumption through detailed study of motors, drives and installation of capacitors to improve power factor.
26. Temperature controllers for stenters and jiggers.
27. Solar hot water system for guest house. (Utilisation of non conventional energy.)

(c) Impact of Measures at (a) and (b) above for reduction of Energy consumption and on the Cost of Production of Goods

1. Optimised boiler blow down would result in saving of Rs.30 lakhs p.a.
2. Replacement of aluminium blades by hollow FRP blades would lead to savings of Rs.40 lakhs p.a
3. Steam integration through backß-ßpressure turbine would lead to saving of Rs.560 lakhs p.a.
4. Replacement of existing combined feed exchanger in LAB plant would result in saving of Rs.220 lakhs p.a. in terms of fuel only.
5. Prefactionation stripper side cut recovery operation for better heat integration will save Rs.90 lakhs p.a.
6. The air preheater for dow heater would lead to savings of Rs.10 lakhs p.a.-j-î 7 Preheating of steam condensate by integration with process plant would save low pressure steam requirement to the tune of Rs.374 lakhs p.a.
8. Flash steam recovery from boiler blow down would result in savings of Rs.166 lakhs p.a.
9. Vapour absorption chillers using waste low pressure steam would saveRs.250 lakhs p.a. in terms of electrical power.
10. Steam saving as a result of optimal distillation columns'.operation is estimated at Rs.7 lakhs p.a.
11. Fuel gas saving as result of onß-ßline O2 and CO analyser estimated at Rs.2.5 lakhs p.a.

12. Savings due to steam generation level change in incinerator is estimated at Rs.3 lakhs p.a.
13. Insulation of polymeriser jacket/chilled water lines resulted in power savings of 2.8 lakh units p.a.
14. Recovery of waste cold in ethylene terminal results in power saving to the tune of 27 lakh units p.a.
15. Installation of new plant air compressor as substitute to the existing air compressor will result in power savings of 9.4 lakh units p.a.
16. Debottlenecking of steam condensate tank piping system resulted in saving of about 3MT/h of LP steam and 5MT/h of condensate.
17. Improvement in water management system including recover,v resulted in conserving 70 M3/Hr of water and electrical power of 50 KWh. This resulted in saving of Rs.29 lakhs p.a.

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 new and finer deniers for better performance and improve fabric texture.
ii) Development of special staple fibre with specific denier and high luster with good tensile properties.
iii) Improvement in specific consumption of catalyst, additives in petrochemicals processes.
iv) Substitution of catalysts and chemicals with new or from alternate source without affecting quality, yield and other related parameters.
v) Research and development activity is mainly focused in the field of polyester filament yarn, polyester staple fibre, purified terephthalic acid,and linear alkyl benzene. The stress has been on process development,process modification, product development, energy conservation, pollution control, import substitution and technology upgradation.
vi) Production of octene grade LLDPE having superior strength properties suited for liquid packaging for the first time in India.
vii) Production of UV stabilised injection moulding grades suitable for manufacturing crates.
viii) Production of oriented structure grade HDPE suited for monofilament applications.
ix) Superior additive package for improved HDPE processing.
x) Antiß-ßfoaming agent for emulsifier and ATSC indigenised by vendor development.
xi) Finishing of menswear leading to improved fabric hand and feel.
xii) Development of worsted fabrics with speciality fibres like Angora,Mohair and Camel Hair etc.
xiii) Development of new antiß-ßstatic finish for upholstery fabrics.
xiv) Development of various automotive textiles with high light fastness.

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

(a) Product Development improvement

i) New deniers like ß-ß 100/54/TL/BR/FLAT, 470/68/POY, 150/68/TLBX/FLAT, 155/34/SD/POY, 310/68/SD/POY, 255/34/POY, 30/27/TL/BR/FLAT, 50/27/TL/BR/FLAT have been developed for achieving better performance and modified texture of the fabric.
ii) Process developed for 260/68/POY for specific export requirement.
iii) Development of low denier per filament viz.68/68/SD/POY,115/108/SD/POY have been successfully completed. Performance at texturiser/draw twister end has been found satisfactory.
iv) Modification of spinß-ßfinish application system to optimise the finish pick up.
v) Quench system modification for better and uniform yarn properties and ultimately improving the performance of yarn runability at users end.
vi) Reduction in frictional behaviour with respect to yarn to guide friction by introducing additional 'O' guide to improve quality of polyester staple fibre.
vii) Introduction of superheated steam chest to improve crimps per centimetre property of the staple fibre.
viii) Conversion to D.C drive on feed module for consistent fibre properties.
ix) Recovery of solids from PTA mother liquor to improve effluent characteristic and recover PTA from it.
x) Pilot plant trials and studies to establish performance of ecoß-ßfriendly catalyst.
xi) Use of different spin finishes to improve polyester staple fibre quality so as to give improved performance at down stream processing in textile mills. xii) Improvement of hand and feel of menswear.
xiii) Produced high value fabrics for menswear.
xiv) Wider acceptance of automotive textiles.

(b) Import Substitution

i) Indigenous silicon spray cans for spinnerette wiping.
ii) Indigenous development of a new draw steam jet.
iii) Indigenously developed cutter blades to replace imported blades. Performance of these blades found satisfactory.

3. Future Plan of Action
Projects Proposed for the following

i) Development of fully drawn yarn for direct use in weaving or knitting.
ii) Improvement of polymer quality by introduction of continuous polymer filter.
iii) Replacement of mechanical seal .for finisher to avoid air leaks and to improve polymer quality.
iv) Development of multilobal profile filament yarn for fancy effects.
v) Modification in kerosene stripper column to improve the return kerosene quality.
vi) Increase in acid regeneration capacity to improve LAB quality.
vii) Recovery of high value normal pentane from low value byß-ßproduct of paraxylene.
viii) Pilot scale reactor installation to study oxidation reaction in PTA plant.
ix) Water recycle and recovery from treated effluent to be used in cooling tower.
x) Introduction of specially~designed quench system for filament yarn.
xi) Recycle of low value glycols to convert to high value glycols.
xii) DEG to TEG conversion scheme under implementation.

xiii) New EO column proposed for enhanced capacity of pure EO.
xiv) Debottlenecking of plant for increase in productivity.
xv) Utilisation of ethylene vent from HDPE plant as feed to oxyß-ßreactor.
xvi) Use of a new catalyst oxy-III for enhancing efficiency of EDC production.
xvii) Further reduction in EDC losses in wet and dry by-products.
xviii) Optimisation of furnace cracking severity to maximise throughput while reducing undesired by-product formation by using furnace modelling software.
xix) Using an on - line simulator-optimizer for complete plant which will maximise throughput and minimise specific consumption while taking into account the constraints in various sections.
xx) Use of frontß-ßend catalyst, injection water chilling and other debottlenecking measures to achieve higher production levels.
xxi) Optimisation of catalyst, deactivator, alumina consumption and reduction of same by using alternate co-catalyst.
xxii) Development of more efficient grades of alumina through vendors for improved product quality.
xxiii) Development of high flow HDPE grades suited for thin - walled containers for food grade packaging.
xxiv) Implementation of world class manufacturing strategies through Computer Integrated Manufacturing (CIM), Advanced Process Control (APC) etc.would result in higher productivity, improved product qualities, reduced cost of production and increased overall business efficiency.
xxv) Development of new process to produce silk - like finish on polyester dress material fabrics.
xxvi) Instrumental evaluation of menswear fabrics to improve tailoribility.
xxvii) Improvement of stability of warp knitted velours.

4.	**Expenditure on R&D**	Rs. Crs
(a)	Capital	1.42
	Recurring	27.42
	Total	28.84
(b)	Total R&D expenditure as percentage of total turnover 0.4%	

Technology absorption, adaptation and innovation

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

(i) FDY for direct use at weaving and knitting.
(ii) Continuous polymer filter introduced for better polymer quality.
(iii) Fancy effects with multilobal profile filament yarn.
(iv) New finish oils for specific end uses of PFY & PSF.
(v) Kerosene stripper column introduced to improve return stream quality.
(vi) Improvement in LAB quality through increase in acid regeneration capacity.
(vii) Installation of pilot scale reactor to study oxidation reaction in PTA plant.
(viii) Specially designed quench system to be introduced for filament yarn.
(ix) Cooling media in jackets of plant poly reactors of both the lines converted to chilled water to increase productivity.
(x) Components of slurry stripping column changed to increase the efficiency.
(xi) DEG to TEG conversion scheme being implemented.
(xii) Low value gycols for recycle to convert to high value gycols.
(xiii) New oxyß-ßIII catalyst used for enhancing production efficiency.
(xiv) Computer integrated manufacturing and advanced process control systems being implemented for higher productivity, improved product qualities, cost control and increased business efficiency.
(xv) New process being developed to produce silkß-ßlike finish on polyester dress material.

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) (Presently Geon Co., (USA)	1988	Full
High Density Polyethylene	DuPont (Canada) (Presently Novacor, Canada)	1989	Full

C. Foreign Exchange Earnings and Outgo

1. Activities relating to Exports, initiatives to increase Exports,Developments of new Exports Market for Products and Services and Export Plan.

The Company has significantly increased exports from Rs.60 crores (US $ 19 million) to Rs.174 crores (US $ 55 million) during the year by focussing on value added quality exports.

a. Development of new markets such as Italy, Kenya, Malaysia, Hongkong,Brazil for marketing of 'REON' brand PVC product
b. Exports of premium quality staple fibre to USA, UK, Kenya, Indonesia.
c. Exports of value added polyester yarn to U.K., Spain, France, Germany.
d. Exports of LAB to quality conscious customers in Netherland, U.K. Japan,Spain.
e. Export of premium brand 'VIMAL' worsted fabrics to U.K., France,Netherland.

2.	**Total Foreign Exchange used and earned.**	Rs. Crs
a)	Total foreign exchange earned	205.81
b)	Total savings in foreign exchange through products manufactured by the Company and deemed exports (US $1197 million)	3770.00
	Sub total (a+b)	**3975.81**
c)	Total foreign exchange used	1710.82

Form ‘A

’Form for disclosure of particulars with respect to Conservation of Energy.

Part ‘A’

Power & Fuel Consumption	April ’94 to March’95	April ’93 to March’94
1. Electricity		
a) Purchased Units (Lakhs)	3722.76	3621.18
Total Cost (Rs. in crores)	107.44	94.15
Rate/Unit (Rs.)	2.89	2.60
b) Own Generation		
1) Through Diesel Generator		
Units (Lakhs)	561.78	506.75
Units per Lts. of fuel	3.57	3.51
Cost/Unit (Rs.)	2.57	2.66
2) Through Steam Turbing/Generator		
Units (Lakhs)	6306.45	6487.78
Units per unit of fuel	3.78	3.63
Cost/Unit (Rs.)	1.05	1.32
2. Coal		
Quantity (tonnes)	–	–
Total Cost (Rs. in crores)	–	–
Average Rate per MT (Rs.)	–	–
3. Furnace Oil		
Quantity (K. Ltrs.)	252928.40	229437.29
Total cost (Rs. in crores)	136.97	115.34
Average Rate per Ltr. (Rs.)	5.42	5.03
4. Diesel Oil		
Quantity (K. Ltrs)	28493.81	14693.78
Total cost (Rs. in crores)	19.40	8.30
Rate/Unit per Lts. (Rs.)	6.81	5.65
5. Others		
Gas Quantity (1000M3)	192934.00	190545.00
Total cost (Rs. in crores)	36.35	32.78
Rate/Unit per 1000M3 (Rs.)	1884.31	1720.52

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)	049	1010	1309	1317	699	700	374	375	325	348	899	893	450	454	217	252
Furnace Oil (Ltrs)	6	6	138	169	155	177	28	11	115	336	–	–	–	–	–	–
Coal (Kgs)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gas (SM3)	388	406	–	–	–	–	–	–	–	–	18	18	121	126	36	41
LSHS (Kgs)	4	6	37	24	42	26	126	145	219	32	–	–	–	–	–	–

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

Auditors' Report

To the Members of Reliance Industries Limited

We have audited the attached Balance Sheet of Reliance Industries Limited as at 31st March, 1995 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) 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 Significant Accounting Policies and other 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 Balance Sheet of the state of affairs of the Company as at 31st March, 1995; 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
D. Chaturvedi
Partner

For **Rajendra & Co.**
Chartered Accountants
R.J. Shah
Partner

Bombay
Dated: 28th April, 1995

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 beenß-ßjß-ßproperly dealt with in the books of account.
6. The valuation of stocks is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year except as stated in note no. "G" of Schedule 'N' to accounts.
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 (1 B) 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 (1 B) of Section 370 of the Companies Act, 1956, except interest free loans to its subsidiary companies. Attention is invited to Note No. 10 of Schedule 'O' 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, primaßß-ßßfacie, 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 purchases of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs 50,000 (Rupees Fifty Thousand only) or more in respect of any party.
12. According to the information and explanations given to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.
13. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act,1956 and the Companies (Acceptance of Deposits) Rules,1975 with regard to the deposits accepted from the Public.
14. In our opinion reasonable records have been maintained by the Company for the sale and disposal of realisable by products and scrap wherever significant.
15. In our opinion the internal audit system of the Company is commensurate with its size and the nature of its business.
16. The Central Government has prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
17. According to the records of the Company, Provident Fund and Employees' State Insurance dues have been regularly deposited with the appropriate authorities .
18. According to information and explanations given to us no undisputed amounts payable in respect of Income tax, Wealth tax, Sales tax, Customs Duty and Excise Duty were outstanding as on 31st March,1995, 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.

For **Chaturvedi & Shah**
Chartered Accountants
D. Chaturvedi
Partner

For Rajendra & Co.
Chartered Accountants
R.J. Shah
Partner

Bombay
Dated: 28th April,1995

Balance Sheet as at 31st March, 1995

Rs. Crs

	Schedule	As at 31st March, 1995 Rs.	As at 31st March, 1995 Rs.	As at 31st March, 1994 Rs.	As at 31st March, 1994 Rs.
Sources of Funds					
Shareholders' Funds					
Share Capital	'A'	**461.36**		323.82	
Reserves and Surplus	'B'	**6,731.29**		4,011.07	
			7,192.65		4,334.89
Loan Funds	'C'	**2,117.25**		1,898.39	
Unsecured Loans	'D'	**822.67**		761.11	
			2,939.92		2,659.50
Total			**10,132.57**		6,994.39
Application of Funds					
Fixed Assets	'E'				
Gross Block		**5,315.40**		4,737.72	
Less: Depreciation		**1,805.78**		1,532.68	
Net Block		**3,509.62**		3,205.04	
Capital Work-in-Progress		**3,075.09**		394.60	
			6,584.71		3,599.64
Investments	'F'		**1,993.41**		1 ,990.18
Current Assets, Loans and Advances					
Current Assets	'G'				
Interest accrued on Investments		**8.76**		11.35	
Inventories		**662.56**		584.64	
Sundry Debtors		**541.20**		593.53	
Cash and Bank Balances		**366.79**		96.34	
		1,579.31		1,285.86	
Loans and Advances	'H'	**1,371.61**		1,244.59	
		2,950.92		2,530.45	
Less : **Current Liabilities and Provisions**	'I'				
Current Liabilities		**1,194.90**		986.25	
Provisions		**201.57**		139.63	
		1,396.47		1,125.88	
Net Current Assets			**1,554.45**		1,404.57
Total			**10,132.57**		6,994.39
Significant Accounting Policies	'N'				
Notes on Accounts	'O'				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Rajendra & Co.**
Chartered Accountants

R.J. Shah
Partner

Bombay
Dated: 28th April, 1995

For and on behalf of the Board

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

Profit and Loss Account for the year ended 31st March, 1995

Rs. Crs

	Schedule	1994-95 Rs.	1994-95 Rs.	1993-94 Rs.	1993-94 Rs.
Income					
Sales			**7,018.78**		5,345.18
Other Income	'J'		**147.40**		116.00
Variation in Stock	'K'		**4.18**		25.65
			7,170.36		5,486.83
Expenditure					
Purchases		**23.68**		53.65	
Manufacturing and Other Expenses	`M'	**5,726.16**		4,373.44	
Depreciation		**278.24**		255.19	
		6,142.40		4,915.86	
Less: Pre-operative expenses of projects under commissioning		**36.89**		4.52	
			6,105.51		4,911.34
Profit for the year			**1,064.85**		575.49
Add: Balance brought forward from last year		**62.24**		54.40	
Add: Investment Allowance (Utilised) Reserve Written Back		**—**		27.75	
			62.24		82.15
Amount available for Appropriations			**1,127.09**		657.64
Appropriations					
Capital Redemption Reserve		**5.50**		—	
Investment Allowance Reserve		**—**		6.70	
Debenture Redemption Reserve		**30.50**		30.50	
General Reserve		**800.00**		419.02	
Proposed Dividend (subject to tax):					
Preference Shares		**0.83**		0.83	
Equity Shares		**199.34**		138.35	
			1,036.17		595.40
Balance carried to Balance Sheet			**90.92**		62.24
Significant Accounting Policies	'N'				
Notes on Accounts	'O'				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Rajendra & Co.**
Chartered Accountants

R.J. Shah
Partner

Bombay
Dated: 28th April, 1995

For and on behalf of the Board

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

Schedules forming part of the Balance Sheet

Schedule'A' Rs. Crs

Share Capital		As at 31st March, 1995 Rs.	Rs.	As at 31st March, 1994 Rs.	Rs.
Authorised:					
55,00,00,000 (35,00,00,000)	Equity Shares of Rs. 10 each		**550.00**		350.00
(30,000)	11% Cumulative Redeemable Preference Shares of Rs. 100 each		**—**		0.30
5,50,000	15% Cumulative Redeemable Preference Shares of Rs. 100 each		**5.50**		5.50
3,00,00,000	Preference Shares of Rs. 100 each		**300.00**		—
14,45,00,000 (4,42,00,000)	Unclassified Shares of Rs. 10 each		**144.50**		44.20
			1 ,000.00		400.00
Issued: Equity					
46,03,69,802 (31 ,99,52,965)	Equity Shares of Rs. 10 each		**460.37**		319.95
Subscribed: Equity					
46,03,61,894	Equity Shares of Rs. 10 each fully paid up	**460.36**		319.95	
(31,99,45,057)	Less: Calls in arrears - by others	**4.50**		1.63	
		455.86		318.32	
	Add: Shares forfeited (Amount originally paid on 7,908 Equity Shares Rs. 39,540)	**—**		—	
			455.86		318.32
Issued & Subscribed:	**Preference**				
5,50,000	15% Cumulative Redeemable Preference Shares of Rs. 100 each fully paid up (Redeemed on 1st April, 1995)		**5.50**		5.50
			461.36		323.82

Of the above Equity Shares:

1. (a) 1,56,80,100 Shares were allotted as Bonus Shares by capitalisation of Premium and Reserves
   (b) 18,05,78,290 (8,10,02,375) Shares were allotted pursuant to Schemes of Amalgamation without payments being received in cash.
   (c) 20,31 ,22,664 (18,68,27,192) Shares were allotted on conversion/surrender of Debentures, conversion of Term Loans, exercise of Warrants and against Global Depository Shares (GDS).
   (d) 4,060 Shares (including 2,475 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 was amalgamated with the Company.

2. Refer Note 2(c)(vii) of Schedule C and Note 1 of Schedule D in respect of option on unissued share capital.

Schedules forming part of the Balance Sheet

Schedule 'B' Rs. Crs

Reserves & Surplus	**As at 31st March, 1995 Rs.**	**Rs.**	As at 31st March, 1994 Rs.	Rs.
Capital Reserve				
As per last Balance Sheet	**0.24**		0.24	
Add: On Redemption of Debentures	**0.34**		—	
		0.58		0.24
Capital Redemption Reserve				
As per last Balance Sheet	**0.30**		0.30	
Add: Transferred from Profit and Loss Account	**5.50**		—	
		5.80		0.30
Amalgamation Reserve				
As per last Balance Sheet	**674.47**		674.47	
Add: Net Surplus resulting from amalgamation of Reliance Polyethylene Limited (RPEL) and Reliance Polypropylene Limited (RPPL)	**244.78**		—	
	919.25		674.47	
Less: Transferred to Share Premium Account	**919.25**		—	
		—		674.47
Share Premium Account				
As per last Balance Sheet	**2,312.62**		1,088.25	
Add:Received during the year	**1,266.42**		1,253.30	
Acquired on Amalgamation of RPEL and RPPL	**325.42**		—	
Transferred from Amalgamation Reserve	**919.25**		—	
	4,823.71		2,341.55	
Less: GDS Issue Expenses	**—**		28.93	
	4,823.71		2,312.62	
Less: Calls in arrears	**25.31**		11.40	
		4,798.40		2,301.22
Debenture Redemption Reserve				
As per last Balance Sheet	**111.25**		80.75	
Add: Transferred from Profit and Loss Account	**30.50**		30.50	
		141.75		111.25
Investment Allowance Reserve				
As per last Balance Sheet	**6.70**		92.00	
Add: Transferred from Profit and Loss Account	**—**		6.70	
	6.70		98.70	
Less: Utilised for purchase of machinery during the year and transferred to Investment Allowance (Utilised) Reserve	**6.70**		92.00	
		—		6.70
Investment Allowance (Utilised) Reserve				
As per last Balance Sheet	**294.65**		230.40	
Add: Transferred from Investment Allowance Reserve	**6.70**		92.00	
	301.35		322.40	
Less: Transferred to Profit and Loss Account	**—**		27.75	
		301.35		294.65
Taxation Reserve				
As per last Balance Sheet		**10.00**		10.00
General Reserve				
As per last Balance Sheet	**550.00**		130.98	
Add:Acquired on Amalgamation of RPEL and RPPL	**32.49**		—	
Transferred from Profit and Loss Account	**800.00**		419.02	
		1,382.49		550.00
Profit and Loss Account		**90.92**		62.24
		6,731.29		4,011.07

Schedules forming part of the Balance Sheet

Schedule 'C' Rs. Crs

Secured Loans	As at 31st March, 1995 Rs.	Rs.	As at 31st March, 1994 Rs.	Rs.
A) Debentures				
1. Convertible Debentures	**—**		1.13	
2. Non-Convertible Debentures	**1,273.04**		1,220.98	
	1,273.04		1,222.11	
Less Calls in arrears	**6,48**		18,61	
		1,266.56		1,203.50
B) Term Loans				
1. From 8anks				
a) Foreign Currency Loans	**17.47**		26.53	
b) Rupee Loans	**142.80**		—	
	1 60.27		26.53	
2. From Financial Instutions				
a) Foreign Currency Loans	**275.43**		515.28	
b) Rupee Loans	**9.36**		11.44	
	284.79		526.72	
		445.06		553.25
C) Working Capital Loans				
From Banks		**405.63**		134.79
D) Deferred Payment Liabilities		**—**		685
		2,117.25		1,898.39

Notes :

1. (a) Term Loans referred to in B(2) (a) to the extent of Rs 92.33 crores are secured/to be secured by mortgage of deposits of title deeds on the properties situated in naroda, District Ahmedabad in the State of Gujarat and at Patalganga, District Raigad in the State of Maharashtra.
   (b) Term Loans referred to in B(2)(a) to the extent of Rs 52.67 crores and term loans referred to in B(2)(b) are secured by mortgage a deposit of the title deeds on the properties situated at Patalganga, District Raighad in the State of Maharashtra and are to be secured by mortgage of deposit of the title deeds on the properties situated at Naroda, District Ahmedabad in the State of Gujarat.
   (c) Term Loans referred to in B(1)(a) are secured by guarantee issued by one of the Bankers of the Company against hypothecation of all movable assets both present and future situated at Naroda and Patalganga and B(1)(b) are secured by pledge of units.
   (d) Term Loans referred to in B(2)(a) to the event of Rs 13.16 crores are secured by an exclusive charge by way of hypothecation of specific items of machinery (e) Term Loans referred to in B(2) (a) to the extent of Rs 117.27 crores are secured by first charge by way of hypothecation of movable assets and first mortgage / charge on all the immovable assets of the Plastics and Petrochemicals Division of the Company situated at Hazira, District Surat, in the State of Gujarat .
2. (a) Debentures referred to in A(2) to the extent of Rs 1,219.71 crores are secured/to be secured on the properties of the Company situated at Naroda, District Ahmedabad in the State of Gujarat and at Patalganga, District Raigad in the State of Maharashtra.
   (b) Debentures referred to in A(2) to the extent of Rs 53.33 crores are secured by way of second and subsequent charge created by legal mortgage in English form on the properties situated at Naroda, District Ahmedabad in the State of Gujarat.
   (c) Debentures referred to in A(2) consists as under: (i) 15% Debentures of Rs. 100 each aggregating Rs 269.75 crores are redeemable at par on 31st August 1999. (ii) 13.5% Debentures of Rs 100 each aggregating Rs 53.33 crores are redeemable at par on 10th December 1996 (iii) 14% Debentures of Rs 100 each aggregating Rs 11.50 crores are redeemable at a premium of 5% of the face value of the said debentures on 19th June, 1995 (iv) 14% Debentures of Rs.100 each aggregating Rs.82.50 crores are redeemable at a premium of 5% on the face value of Debentures between sixth and eighth year from the date of allotment in equal instalments. The redemption will commence from March,1997 (v) 12.5% Debentures of Rs.95 each aggregating Rs. 345.12 crores, 14%Debentures of Rs.150 each aggregating Rs. 130 67 crores and 17.5% Debentures of Rs. 100 each aggregating Rs. 132.67 crores will be redeemed at the expiry of 10 years from the date of allotment i.e. 2002 with an option to the Board to redeem at anyß-ßjß-ßtime after 26th February 1999. (vi) 18% Debentures of Rs.100 each aggregating Rs. 60 crores will be redeemed in 3 equal annual instalments on the expiry of sixth, seventh and eighth year from the date of allotment. The redemption will commence from July, 1999. (vii) 14%Debentures of Rs.100 each, aggregating Rs 75 crores will be redeemed on the expiry of sixth year from the date of allotment i.e. on 11th January, 2000.Warrants issued with the debentures entitle the holders thereof to apply at the option of the warrant holders for six crores Equity Shares of Rs.10 each of the Company. (viii) 14.08% Debentures of Rs.100 each, aggregating Rs.112.50 crores will be redeemed in three equal instalments, commencing from the expiry of fifth year from the date of allotment i.e. 24th February, 2000. (ix) Debentures of Rs. 0.11 crore held by Directors.
3. The Debentures referred to in Note 2(a) and Loans referred to in Notes 1(a) (b) and (c) above, are also to be secured by mortgage/charge on movable/immovable properties of the Company situated at Hazira, District Surat in the State of Gujarat. The charges created/ to be created on the debentures referred to in Note 2 (a) and term loans referred to in Notes 1(a) (b) and (c) above, rank pari passu, inter-se.
4. (a) Working Capital Loans from Banks referred to in C are secured by hypothecation of present and future stock of raw materials, stockßß-ßßinßß-ßßprocess, stores and spares, book debts, outstanding monies, receivable claims, trust receipts etc. (b) Secured Loans include, loans of Rs.118.14 crores and debentures of Rs. 11.50 crores repayable/redeemable within one year.

Schedules forming part of the Balance Sheet

Schedule 'D' Rs. Crs

Unsecured Loans

		31st March, 1995		31st March, 1994	
		Rs.	**Rs.**	Rs.	Rs.
A)	**3.5% Euro Convertible Bonds due 1999**		**442.43**		439.57
B)	**16% Nonß-ßConvertible Redeemable Debentures of Rs. 16,040 each, Rs. 4,010 paid up**		**—**		74 99
C)	**Fixed Deposit** (including Cash Certificates of Rs.0.06 crore; Previous Year Rs. O.O9 crore)		**8.04**		23.07
D)	**Short Term Loans** Banks [includes commercial paper Rs. NIL (Previous Year Rs.NIL), maximum amount outstanding at any time during the year Rs. 300 crores (Previous Year Rs. 172.50 crores)]		**137.16**		—
E)	**Interestß-ßfree Loans under Salesß-ßtax Deferral Scheme**		**235.04**		223.48
			822.67		761.11

Notes

1. The Bonds referred to in (A) are convertible into 1,52,49,305 Equity Shares of Rs. 10 each of the Company at the option of the bondholders.
2. The Debentures referred to in (B) have been redeemed on 10th March, 1995.
3. Fixed Deposits include Rs. 6.75 crores repayable within one year.

Schedule 'E'

Fixed Assets **Rs. Crs**

	Gross Block				Depreciation				Net Block	
Description			As At 01 . 04.94 Rs .	Assets Acquired on Amalgamation Rs .	Additions Rs .	Deductions Rs.	**As At 31.03.95 Rs.**	Upto 31 .03 .95 Rs .	**As At 31.03.95 Rs.**	As At 31 .03 .94 Rs.
Goodwill			1.23	–	–	1.23	**–**	–	**–**	1.23
Leasehold Lands			46.00	3.34	4.39	1.29	**52.44**	0.95	**51.49**	46.00
Freehold Lands			0.57	0.15	0.27	—	**0.99**	—	**0.99**	0.57
Development Rights			—	—	38.65	—	**38.65**	O.12	**38.53**	—
Buildings			320.11	8.80	28.60	0.60	**356.91**	40.54	**316.37**	288.12
Plant & Machinery			3,979.78	—	441.45	4.86	**4,416.37**	1,675.43	**2,740.94**	2,543.95
Electrical Installations			141.02	—	1.69	—	**142.71**	31.98	**110.73**	1 15.75
Factory Equipments			13.75	—	18.64	—	**32.39**	4.70	**27.69**	9.92
Furniture.& Fixtures			52.84	0.14	17.68	0.55	**70.11**	20.63	**49.48**	37.70
Vehicles			15.82	2.52	10.29	2.00	**26.63**	4.63	**22.00**	12.47
Ships			150.78	—	2.01	—	**152.79**	25.09	**127.70**	133.52
Aircraft & Helicopter			15.82	—	15.24	5.65	**25.41**	1.71	**23.70**	15.81
Total			**4,737.72**	**14.95**	**578.91**	**16.18**	**5,315.40**	**1,805.78**	**3,509.62**	**3,205.04**
Previous Year			3,961.26		778.29	1.83	**4,737.72**	1,532.68	**3,205.04**	
Capital Workß-in-Progress									**3,075.09**	394.60

Notes :

(a) Buildings include cost of shares in Coß-ßoperative Societies Rs. 44,150 (Previous Year Rs. 1,250).

(b) Capital Work-in-Progress includes:

(i) Rs. 195.40 crores on account of preß-ßoperative expenses (Previous Year Rs. 82.65 crores).

(ii) Rs. 148.22 crores on account of cost of construction materials at site (Previous Year Rs. 60.72 crores).

(iii) Rs. 1432.66 crores on account of advance against Capital Workß-ßinß-ßProgress (Previous Year Rs. 65.58 crores).

(iv) Rs. 77.27 crores acquired on amalgamation of RPEL and RPPL.

(c) Goodwill has been written off against Amalgamation Reserve.

Schedules forming part of the Balance Sheet

Schedule 'F'

Investments		As at 31st March, 1995 Rs.	As at 31st March, 1995 Rs.	As at 31st March, 1994 Rs.	As at 31st March, 1994 Rs.
					Rs. Crs
Government and other Securities					
Quoted					
	6.25% Government of India Loan, 1995 (Previous Year Rs. 38,766, Face Value Rs. 40,000)	**–**		–	
		–		–	
Unquoted					
	7 Years National Savings Certificates (Face Value Rs.5,000) (Deposited with Sales Tax Dept) (Previous Year Rs.5,000)	**–**		–	
	Post Office Time Deposit	**0.20**		0.20	
	Government of India Zero Coupon Bonds, 1999 (Previous Year; Face Value Rs.10 crores)	**–**		5.39	
		0.20		5.59	
			0.20		5.59
Trade Investments					
In Equity Shares					
Quoted, fully paid up					
5,30,55,150 (83,31,500)	Reliance Capital Ltd. of Rs. 10 each	**443.95 ***		34.84	
69,80,000 (–)	Reliance Industrial Infrastructure Ltd. of Rs. 10 each	**16.58**		–	
(2,10,00,000)	Reliance Polyethylene Ltd. of Rs.10 each	**–**		21.00	
(2,10,00,000)	Reliance Polypropylene Ltd. of Rs.10 each	**–**		21.00	
		460.53		76.84	
Quoted, partly paid up					
– (76,92,000)	Reliance Polyethylene Ltd. of Rs.10 each, Rs. 5 paid up	**–**		34.15	
– (76,92,000)	Reliance Polypropylene Ltd. of Rs. 10 each, Rs. 5 paid up	**–**		34.15	
		–		68.30	
Unquoted, fully paid up					
60 (60)	New Piece Goods Bazar Co. Ltd. of Rs.100 each, (Rs.17,000; Previous Year Rs.17,000)	**–**		–	
5 (5)	Bombay Gujarat Art Silk Vepari Mahajan Co-operative Shops & Warehouse Society Ltd. of Rs. 200 each, (Rs.1,000; Previous Year Rs.1,000)	**–**		–	
165 (165)	The Art Silk Co-operative Society Ltd. of Rs. 100 each, (Rs.16,500; Previous Year Rs.16,500)	**–**		–	
20 (20)	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 (11,08,500)	Reliance Europe Ltd. of Sterling Pound 1 each	**3.93**		3.93	
		3.93		3.93	
Unquoted, partly paid up					
225 (225)	Crimpers Industrial Co-operative Society Ltd. of Rs.100 each, Rs. 25 paid up (Rs.5,625; Previous Year Rs. 5,625)	**–**		–	
73,82,781 (–)	Reliance Capital Ltd. of Rs.10 each, Rs.5 paid up	**21.71**		–	
		21.71		–	
In Preferences Shares					
Unquoted, fully paid up					
86,00,000 (86,00,000)	6% Cumulative Redeemable Preference Shares of Reliance Enterprises Limited of Rs. 100 each	**86.00**		86.00	
		86.00		86.00	
In Debentures					
Quoted, fully paid up					
– (75,00,000)	16% Optionally Fully Convertible Debentures of Reliance Polyethylene Ltd. of Rs. 50 each	**–**		37.50	
16% (1,00,00,000)	Optionally Fully Convertible Debentures of Reliance Polypropylene Ltd. of Rs. 50 each	**–**		50.00	
		–		87.50	
			572.17		322.57

Schedules forming part of the Balance Sheet

Schedule 'F' (Contd.)

		As at 31st March, 1995 Rs.	As at 31st March, 1995 Rs.	As at 31st March, 1994 Rs.	As at 31st March, 1994 Rs.
					Rs. Crs
In Equity Shares of Subsidiary Companies					
Unquoted, fully paid up					
2,10,070	Devti Fabrics Ltd. of Rs.10 each	**0.21**		0.21	
(2,10 070)	1,300 Reliance Petroproducts Ltd. of Rs.10 each				
(1,300)	(Rs.13,000; Previous Year Rs.13,000)	**–**		–	
14,75,04,400	Reliance Industrial Investments and Holdings Ltd.				
(14,75,04,400)	of Rs.10 each	**147.50**		147.50	
			147.71		147.71
Other Investments					
In Equity Shares					
Quoted, fully paid up					
14,86,700	BSES Ltd. of Rs.10 each	**32.28**		–	
(–)					
11,000	Delta Industries Ltd. of Rs.10 each	**0.08**		–	
(–)					
5,98,250	Larsen & Toubro Ltd. of Rs.10 each	**14.98**		–	
54,980	Industrial Credit and Investment Corporation of India Ltd.				
(3,798)	of Rs.10 each	**0.17**		0.06	
–	Bharat Petroleum Corporation Ltd. of Rs.10 each	**–**		1.99	
(15,000)					
–	Bongaigaon Refineries & Petrochemicals Ltd. of Rs.10 each	**–**		2.50	
(6,25,000)					
–	Hindustan Petroleum Corporation Ltd. of Rs.10 each	**–**		1.23	
(1 0,000)					
2,75,000	State Bank of India of Rs.10 each	**6.30**		22.88	
(10,00,000)					
		53.81		28.66	
Unquoted, fully paid up					
–	Equity Shares of Sandoz Textiles and Trading Ltd. of				
(2 90 000)	Rs.10 each	**–**		0.01	
34,42,600	Equity Shares of Container Corporation of India Ltd.				
–	of Rs.10 each	**25.13**		–	
4,80,000	Equity Shares of Him Teknoforge Ltd. of Rs.10 each	**1.20**		–	
(–)					
1 000	Air Control & Chemical Engineering Co. Ltd. of Rs.100 each	**0.01**		0.01	
(1,000)					
		26.34		0.02	
In Debentures					
Quoted, fully paid up					
624	12.5% Fully Convertible Debentures of Industrial Credit and				
(624)	Investment Corporation of India Ltd. of Rs.450 each	**0.03**		0.03	
(–)	14% Fully Convertible Debentures of Industrial Credit and				
(2,550)	Investment Corporation of India Ltd. of Rs.400 each	**–**		0.10	
17%	Secured Redeemable Nonß-ßConvertible Debentures of				
(83,525)	ITC Hotels Ltd. of Rs.250 each	**–**		1.92	
		0.03		2.05	
Unquoted, fully paid up					
–	16% Secured Redeemable Non-Convertible Debentures				
(2,38,839)	of CESC Ltd. of Rs.100 each	**–**		2.34	
–	17.5% Secured Redeemable Non-Convertible Debentures of				
(18,50,000)	Synthetics & Chemicals Ltd. of Rs.100 each	**–**		16.53	
		–		18.87	
In Bonds					
Taxfree, quoted, fully paid up					
–	9% Secured Redeemable, Indian Railway Finance				
(5,14,000)	Corporation Ltd. of Rs.1,000 each	**–**		43.05	
9%	Secured Reedemable, Power Finance Corporation Ltd.				
	(Previous Year: Face Value Rs. 2 crores)	**–**		1.67	
–	9% Secured Redeemable, Neyveli Lignite Corporation Ltd.				
(1,40,000)	of Rs.1,000 each	**–**		11.20	
–	9% Secured Redeemable, National Hydroelectric Power				
(50,000)	Corporation Ltd. of Rs.1,000 each	**–**		4.00	
–	9% Secured Redeemable, Housing and Urban Development				
(1,10,000)	Corporation Ltd. of Rs.1,000 each	**–**		8.87	
–	9% Secured Redeemable, Rural Electrification CorporationLtd.				
	(Previous Year: Face Value Rs.2 crores)	**–**		1.68	
		–		70.47	

Schedules forming part of the Balance Sheet

Schedule 'F' (Contd.)

		As at 31st March, 1995 Rs.	Rs.	As at 31st March, 1994 Rs.	Rs.
Taxfree, unquoted, fully paid up					
	9.5% India Development Bonds (Face Value US $1,39,72,000; Previous Year US $14,65,000)	**54.16**		5.39	
		54.16		5.39	
Taxable, quoted, fully paid up					
— (5,30,000)	13% Secured Redeemable, Hindustan Zinc Ltd. of Rs. 1,000 each	–		51.44	
— (3,40,000)	13% Secured Redeemable, National Thermal Power Corporation Ltd. of Rs.1,000 each	–		32.76	
13% (4,50,000)	Secured Redeemable, National Hydroelectric Power Corporation Ltd. of Rs. 1,000 each	–		43.23	
— (2,70,000)	13% Secured Redeemable, Neyveli Lignite Corporation Ltd. of Rs. 1,000 each	–		26.57	
— (2,50,000)	15.5% Secured Redeemable, Nuclear Power Corporation of India Ltd. of Rs. 1,000 each	–		25.00	
— (9,00,000)	17.5% Secured Redeemable, Nuclear Power Corporation of India Ltd. of Rs. 1,000 each	—		98.98	
		—		277.98	
Taxable, unquoted, fully paid up					
—	15% Unsecured, The Industrial Credit & Investment Corpn. of India Ltd. (Previous year: Face Value Rs.5 crs.)	–		5.35	
1,00,000 (—)	15% Secured, Redeemable Bonds of Steel Authority of India Limited of Rs.1,000 each	**10.53**		—	
20,000 (5,68,000)	17% Secured, Redeemable Bonds of Mahanagar Telephone Nigam Limited of Rs.1,000 each	**2.32**		52.47	
10,000 (10,000)	Unsecured Redeemable Floating Interest Rate, State Bank of India of Rs. 1,000 each	**1.00**		1.00	
		13.85		58.82	
Taxable, unquoted, partly paid up					
— (10,000)	17.5% Secured Redeemable, Sardar Sarovar Narmada Nigam Ltd. of Rs.5,000 each, Rs.2,500 paid up	–		2.63	
		–		2.63	
In Units					
Quoted					
— (6,25,000)	Master Plus 1991, Unit Trust o.f India of Rs. 10 each	–		0.97	
— (50,00,000)	Master Gain '92, Unit Trust of India of Rs. 10 each	–		5.20	
— (2,40.000)	Master Share, Unit Trust of India of Rs. 10 each	–		0.59	
— (50,00,000)	Morgan Stanley Growth Fund of Rs. 10 each	–		4.36	
70,00,000 (70,00,000)	Kothari Bluechip Fund of Rs.10 each	**7.00**		7.00	
3,65,800 (—)	SBI Magnum Multiplier Plus of Rs. 10 each	**0.40**		—	
3,75,00,000 (2,50,00,000)	GIC RISE-II of Rs.10 each	**40.17**		38.25	
52,34,25,310 (28,03,74,240)	Units (1964 scheme), Unit Trust of India of Rs. 10 each	**834.91**		449.41	
		882.48		505.78	
Unquoted					
50,00,000 (—)	The Alliance '95 Fund of Rs.10 each	**5.00**		—	
(—)	2,00,00,000 JM Mutual Fund (Liquid Fund) of Rs.10 each	**18.98**		—	
(—)	10,00,000 Units of Unit Scheme 1995, Unit Trust of India of Rs.100 each	**10.00**		—	
— (1 ,00,00,000)	Taurus The Star Share, Taurus Mutual Fund of Rs. 10 each	–		10.00	
15,79,57,680 (10,64,72,353)	Kothari Pioneer Prima Fund of Rs.10 each	**208.68**		108.68	
		242.66		118.68	

Rs. Crs

Schedules forming part of the Balance Sheet

Schedule 'F' (Contd.)

	As at 31st March, 1995 Rs.	As at 31st March, 1995 Rs.	As at 31st March, 1994 Rs.	As at 31st March, 1994 Rs.
				Rs. Crs
In Certificate Of Deposits				
Unquoted				
– The Industrial Finance Corporation of India Ltd. (Previous Year: Face Value Rs.25 crores)	–		22.41	
	–		22.41	
In Asset Management Scheme				
– With Union Bank of Switzerland	–		402.55	
	–		402.55	
		1,273.33		1,514.31
		1,993.41		1,990.18

* Includes 2,57,12,100 shares having a lock-in period up to 5 years.

Aggregate Value of	**Book Value**	**Market Value**	Book Value	Market Value
Quoted Investments	**1396.85**	**1738.56**	1117.58	1387.96
Unquoted Investments	**596.56**	**–**	872.60	–

Movements during the year (Purchased & Sold)	**Face Value Rs.**	**Nos.**	**Cost Rs.Crs**
Government Securities			
Treasury Bills	**375.00**	**–**	**343.80**
Bonds			
9% Housing & Urban Development Corporation Ltd.	**1000**	**110000**	**9.19**
13% Housing & Urban Development Corporation Ltd.	**1000**	**10000**	**0.99**
14% Housing & Urban Development Corporation Ltd.	**1000**	**32500**	**3.50**
11.5% The Industrial Credit & Investment Corporation of India Ltd.	**1.00 ***	**–**	**0.99**
13% The Industrial Credit & Investment Corporation of India Ltd.	**50.00 ***	**–**	**50.00**
13.5% The Industrial Credit & Investment Corporation of India Ltd.	**1000**	**1000000**	**100.00**
15% The Industrial Credit & Investment Corporation of India Ltd.	**6.50**	**–**	**6.87**
The Industrial Development Bank of India Ltd. (Floating Rate Bonds)	**100000**	**3500**	**35.89**
13% The Industrial Development Bank of India Ltd.	**150.00 ***	**–**	**150.00**
9% Indian Railway Finance Corporation Ltd.	**1000**	**430000**	**39.17**
13% Mahanagar Telephone Nigam Ltd.	**1000**	**650000**	**66.55**
17% Mahanagar Telephone Nigam Ltd.	**1000**	**560000**	**64.17**
9% National Hydroelectric Power Corporation Ltd.	**1000**	**40000**	**3.39**
13% National Hydroelectric Power Corporation Ltd.	**1000**	**1050000**	**105.62**
13% Neyveli Lignite Corporation Ltd.	**1000**	**490000**	**48.49**
13% Nuclear Power Corporation of India Ltd.	**1000**	**295000**	**30.10**
17.5% Nuclear Power Corporation of India Ltd.	**1000**	**1240000**	**148.59**
13% National Thermal Power Corporation Ltd.	**1000**	**970000**	**98.43**
17% National Thermal Power Corporation Ltd.	**1000**	**100000**	**12.01**
17% Power Finance Corporation Ltd.	**1000**	**250000**	**28.96**
12.5% Small Industries Development Bank of India Ltd.	**1000**	**10000**	**1.00**
Certificate of Deposits			
The Industrial Development Bank of India Ltd.	**55.50 ***		**49.97**
The Industrial Finance Corporation of India Ltd.	**9.25 ***		**8.49**
Debentures			
BSES Ltd.	**70**	**4098750**	**86.76**
Reliance Filaments Ltd.	**100**	**30000000**	**339.35**
17% Synthetic & Chemicals Ltd.	**100**	**150000**	**1.38**
Reliance Petroleum Ltd. (Triple Option Convertible Debentures)	**50**	**196200**	**0.19**

Schedules forming part of the Balance Sheet

Schedule 'F' (Contd.)

	Face Value Rs.	Nos.	Cost Rs.Crs
Shares			
State Bank of India Ltd.	10	579500	12.59
Delta Industries Ltd.	10	50400	0.38
Global Trust Bank Ltd.	10	34500	0.03
Padmini Polymers Ltd.	10	100000	4.85
Indian Petrochemicals Corporation Ltd.	10	1377000	25.14
BSES Ltd.	10	2292700	51.58
Larsen & Toubro Ltd.	10	5956850	174.71
Reliance Capital Ltd.	10	500000	8.00
Ashoka Mills Ltd.	10	4190	0.04
Mutual Fund Units			
CRB Arihant Mangal	10	20000000	20.00
GIC Fortune '94	10	5000100	5.00
LIC Dhansamridhi	10	10000000	10.00
Units'64	10	601896400	1033.99
UTI Master Growth 1993	10	2299500	3.13
UTI Grand Master 1993	10	34700	0.05 *

* Represents Rs. in crores

Schedule 'G'

Current Assets	**As at 31st March, 1995** Rs.	Rs.	As at 31st March, 1994 (Rs. Crs) Rs.	Rs.
Interest accrued on Investments		8.76		11.35
Inventories				
(Certified and Valued by the Management)				
Stores. spares, dyes, chemicals, etc.	168.48		173.13	
Raw Materials	222.17		143.78	
Stock-in-Process	48.42		41.65	
Finished Goods	223.49		226.08	
		662.56		584.64
Sundry Debtors (Unsecured)				
Over six months				
Considered good	83.67		82.47	
Considered doubtful	6.66		6.66	
	90.33		89.13	
Less: Provision for doubtful debts	6.66		6.66	
	83.67		82.47	
Others, considered good	457.53		511.06	
		541.20		593.53
Cash and Bank Balances				
Cash on hand	0.38		0.25	
Balance with Scheduled Banks				
In Current Accounts	139.93		18.84	
In Fixed Deposit Accounts	2.41		3.68	
	142.72		22.77	
In Asset Management Scheme with a Non Scheduled Bank	224.07 *		73.57	
		366.79		96.34
		1,579.31		1,285.86

* With Union Bank of Switzerland (Maximum amount outstanding at any time during the year Rs 224.07 crores).

Schedules forming part of the Balance Sheet

Schedule 'H'

Loans and Advances	As at 31st March, 1995 Rs.	Rs.	As at 31st March, 1994 Rs.	Rs. Crs Rs.
Unsecured - (Considered Good)				
Loans to subsidiary companies		**592.64**		322.09
Advances recoverable in cash or in kind or for value to be received		**568.95 ***		837.49
Deposits		**125.18**		69.89
Balance with Customs, Central Excise Authorities, etc.		**84.84**		15.12
		1,371.61		1,244.59

Includes Rs. 0.22 crore from Officers (Maximum amount outstanding at any time during the year Rs. 0.22 crore).

Schedule 'I'

Current Liabilities and Provisions

	As at 31st March, 1995 Rs.	Rs.	As at 31st March, 1994 Rs.	Rs.
Current Liabilities				
Sundry Creditors	**1,118.23 ***		940.01	
Unclaimed Dividends	**10.74**		0.03	
Excess Debentures Application monies refundable/adjustable	**3.07**		0.35	
Interest accrued but not due on loans	**62.86**		45.86	
		1,194.90		986.25
Provisions				
Provision for Wealth Tax (includes acquired on amalgamation of RPEL and RPPL)	**1.40**		0.45	
Proposed Dividend	**200.17**		139.18	
		201.57		139.63
		1,396.47		1,125.88

* Includes for capital expenditure Rs. 286.34 crores (Previous Year Rs. 26.82 crores) and Acceptances of Rs. 91.31 crores (Previous Year Rs. 3.40 crores).

Schedules forming part of the Profit and Loss Account

Schedule 'J'

Other Income	1994-1995 Rs.	Rs.	1993-1994 Rs.	Rs. Crs Rs.
Export Incentives		**0.27**		0.01
Dividends:				
From Subsidiaries	**4.79**		3 39	
From Others	**79.20**		35.15	
		83.99		38.54
[Tax Deducted at Source Rs.7.37 crores (Previous Year Rs.9.58 crores)]				
Profit on Sale of Investments (net)		**56.05**		70.29
Profit on Sale of Assets (net)		**0.24**		—
Miscellaneous Income		**6.85**		7.16
		147.40		116.00

Schedules forming part of the Profit and Loss Account

Schedule 'K'

Rs. Crs

	1994-1995 Rs.	Rs.	1993-1994 Rs.	Rs.
Variation In Stock				
Stock-In-Trade (at close)				
Finished goods	**223.49**		226.08	
Stock-in-process	**48.42**		41.652	
		271.91		267.73
Stock-In-Trade (at commencement)				
Finished goods	**226.08**		210.64	
Stock-in-ßprocess	**41.65**		31.44	
		267.73		242.08
		4.18		25.65

Schedule 'L'

	1994-1995 Rs.	Rs.	1993-1994 Rs.	Rs.
Manufacturing 8 Other Expenses				
Raw Materials Consumed				
Stock at commencement	**143.78**		122.96	
Add: Purchases	**1,275.93**		1,083.07	
	1,419.71		1,206.03	
Less:Stock at close	**222.17**		143.78	
		1,197.54		1,062.25
Inter-Divisional Transfers		**1,630.63**		1,167.20
Manufacturing Expenses				
Stores and Spare Parts	**107.72**		105.04	
Dyes and Chemicals	**137.01**		126.73	
Electric Power, Fuel and Water	**289.59**		236.23	
Machinery Repairs	**14.18**		17.83	
Building Repairs	**10.84**		5.19	
Labour, Processing and Machinery Hire Charges	**92.96**		36.43	
Excise Duty	**1,517.13**		1,090.78	
Lease Rent	**142.97**		80.23	
		2,312.40		1,698.46
Payments to and Provisions for Employees				
Salaries, Wages and Bonus	**95.22**		75.53	
Contribution to Provident Fund, Gratuity Fund, Superannuation Fund, Employees' State Insurance Scheme, Pension Scheme, Labour Welfare Fund etc.	**12.37**		8.83	
Employees' Welfare and other amenities	**29.22**		22.00	
		136.81		106.36
Sales & Distribution Expenses				
Samples, Sales Promotion and Advertisement Expenses	**27.39**		21.55	
Brokerage and Commission	**57.56**		37.90	
Packing Expenses	**67.26**		58.21	
Warehousing Charges	**2.92**		1.78	
Freight and Forwarding Charges	**48.52**		13.04	
Octroi Expenses	**4.33**		6.00	
Sales Tax	**7.38**		37.70	
		215.36		176.18
Establishment Expenses				
Insurance	**27.53**		30.87	
Rent	**15.23**		12.72	
Rates and Taxes	**29.66**		0.65	
Other Repairs	**12.65**		8.02	
Travelling Expenses	**22.05**		8.91	
Payment to Auditors	**0.72**		0.63	
General Expenses	**120.81**		95.37	
Wealth Tax	**0.60**		0.20	
Charity & Donations	**4.17**		3.60	
Loss on Sale of Assets (Net)	**–**		0.02	
Provision for Doubtful Debts	**–**		2.00	
		233.42		162.99
		5,726.16		4.373.44

Schedule 'M'

	1994-1995 Rs.	1993-1994 Rs.
Interest		
Debentures	**183.26**	158.29
Fixed Loans	**21.24**	141.26
Others (Net)	**(90.18)**	(65.97)
	114.32	233.58

Significant Accounting Policies

Schedule 'N'

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) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

B. Fixed Assets and Depreciation

a) Fixed Assets are stated at cost, net of Modvat, 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 borrowings attributable to the fixed assets are capitalised.

b) Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except, depreciation on incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets, which has been amortised over the residual life of the respective assets and depreciation on development rights which has been provided in proportion of oil production achieved.

c) During the year, the Company has amortised the premium on leasehold lands over the remaining life of the lease, hence depreciation for the year is higher by Rs. 0.49 crore.

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) 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. Gains and losses on foreign exchange transactions/ translations other than those relating to fixed assets and investments are recognised 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

Inventories are valued at cost except for finished goods and byß-ßproducts. Finished goods are valued at lower of cost or market value and byß-ßproducts are valued at net realisable value.

F. Sales

Sales include, inter-divisional transfers, sales during trial-run and are net of discounts.

G. Excise Duty

Excise Duty has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in bonded warehouses. Although, in the past, such provision was not made in the accounts, the change in accounting treatment is consistent with the guidelines issued by the Institute of Chartered Accountants of India and has no impact on the profits for the year and net current assets of the Company.

H. Employee Retirement Benefits

Company's contributions to Provident Fund and Superannuation Fund are charged to Profit and Loss Account. Gratuity is charged to Profit and Loss Account on the basis of actuarial valuation.

I. Research and Development Expenses

Expenditure relating 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.

J. Leases

Lease rentals are expensed with reference to lease terms and other considerations, except for rentals pertaining to the period up to the date of commissioning of the assets which are capitalised.

K. Accounting for Oil and Gas Activity

Assets and Liabilities as well as income and expenditure in respect of the joint venture with Oil and Natural Gas Commission Ltd. and Enron Oil and Gas Ltd. are accounted, on the basis of available information, on line by line basis with similar items in the Company's financial statements, according to the participating interest of the Company.

L. Issue Expenses

Issue Expenses pertaining to the projects are capitalised.

Notes on Accounts

Schedule 'O'

Notes on Accounts

1. (a) The previous year's figures have been reworked, regrouped and reclassfied wherever necessary.

   (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.

2. As in the past, sales include interß-ßdivisional transfers of Rs 1630.63 crores (Previous Year Rs 1167.20 crores)

3. (a) In terms a Schemes of Amalgamation and Orders passed by the Hon'ble Bombay High Court, Reliance Polyethylene Limited (RPEL) and Reliance Polypropylene Limited (RPPL) have been amalgamated with the Company with effect from 1st January, 1995 Pursuant to the said Scheme, the Company has taken over all the assets, liabilities and obligations of both the amalgating companies.

   (b) Pursuant to above 9,95,75,915 Equity Shares of Rs. 10/ß-ß each are to be issued to the shareholders of RPEL and RPPLwithout payment being received in cash.

   (c) The excess of value of the assets (including calls in arrears) over liabilities of RPEL and RPPL as appearing in the books of account of those two amalgamating companies over the paid-up value of the shares of the Company issued to the shareholders of those two companies has been accounted as under : The amount standing to the credit of Share Premium and General Reserve in the books of RPEL and RPPL as on 31st December 1994 has been credited to the respective accounts in the books of the Company and the balance has been transferred to Amalgamation Reserve.

4. Interest - Others (net) is arrived at after deducting interest received/receivable of Rs 165.19 crores (Previous Year Rs 94.33) crores L Tax Deducted at Source of As 9 88 crores (Previous Year Rs 8 28 crores).

5. A sum of Rs 0.14 crore (net) included in 'Manufacturing and Other Expenses' represents net prior period adjustments

6. (a) Auditors' Remuneration :

		Rs. Crs
	1994-95	1993-94
i) Audit Fees	**0.45**	0.36
ii) Tax Audit Fees	**0.14**	0.09
iii) For Certification and Consultation in finance and tax matters	**0.08**	0.16
iv) Expenses reimbursed	**0.05**	0.02
	0.72	0.63

   (b) Cost AuditorAudit Fees Rs 0.02 crore (Previous Year Rs 0 02 crore).

7. (a) The Company has been advised that the computation of net profits for the purpose of Directors' remuneration under Section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to the Directors. Fixed monthly remuneration has been paid to the Directors as per Schedule XIII to the Companies Act 1956.

   (b) Directors' Remuneration.

		Rs. Crs
	1994-95	1993-94
i) Salaries	**0.35**	0.12
ii) Contribution to Provident Fund and Superannuation Fund	**0.02**	0.02
iii) Provision for Gratuity (as per Actuarial Valuation) (Previous Year Rs 37,400)	**0.06**	–
iv) Perquisites	**0.03**	0.02
	0.46	0.16

8. The Incomeß-ßtax assessments of the Company have been completed up to Assessment Year 1992-93. The total demandraised by the Income-Tax Department up to the said Assessment Year is Rs 160 66 crores which is disputed. Based on the decisions of the Appellate Orders and the interpretations of other relevant provisions, the Company has been legallyadvised that the Taxation Reserve created in the past 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.

Notes on Accounts

Schedule 'O' (Contd)

9. Preß-ßOperative Expenses
(in respect of Projects up to 31st March, 1995, to be capitalised)

	Total up to 31st March, 1995	Total up to 31st March, 1994
		Rs Crs
Pre-operative expenditure of projects under commissioning, transfered from Profit and Loss Account	**41.41**	4.52
Net pre-operative expenditure of RPEL and RPPL	**31.20**	—
Lease Expenses	**4.56**	16.30
Insurance	**0.27**	1.27
Travelling Expenses	**3.15**	3.49
General Expenses	**37.67**	64.18
Interest	**114.52**	26.34
Depreciation	**13.10**	17.43
Debenture Issue Expenses	**8.00**	8.00
	253.88	141.53
Less: Income		
Income from funds placed under Portfolio Management Scheme	**0.03**	0.03
Other Income	**0.02**	0.03
Capitalised by allocating to Buildings and Plant & Machinery	**58.43**	58.82
	195.40	82.65

10. 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. 1.96 crores from Devti Fabrics Ltd (DFL), a wholly owned subsidiary company and furnished guarantees to Banks of Rs 3 00 crores on behalf of DFL. The losses of DFL exceeds its paidß-ßup Capital and Reserves as on 31st March, 1995 In view of the long term involvement of the Company in the said Company, no provision has been made in the accounts for the probable loss that may arise.

11. The Department of Company Affairs Government of India vide its Order No 46/34/95-CL-III dated 30-03-1995 & issued under Section 211(4) of the Companies Act, 1956 has exempted the Company from publication of certain information in the Profit and Loss Account under paras 3(i)(a) 3(ii)(a) and 3(ii)(b) of Schedule VI to the Companies Act, 1956

12. Contingent Liabilities

	As at 31st March, 1995	As at 31st March, 1994
		Rs Crs
(a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	**706.73**	1,047.18
(b) Outstanding guarantees furnished to Banks and Financial Institutions including in respect of Letters of Credit opened by Bankers	**1342.09**	483.24
(c) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties	**14.27**	120.60
(d) Liability in respect of bills discounted with Banks	**14.27**	42.00
(e) Uncalled liability on partly paid Shares/Debentures	**15.60**	10.19
(f) Claims against the Company/disputed liabilities not acknowledged as debts	**37.71**	38.81

Notes on Accounts

13. Licensed and Installed Capacity

		UNIT	Licensed Capacity 1994-95	Licensed Capacity 1993-94	Installed Capacity 1994-95	Installed Capacity 1993-94
(a)	Polyester Filament Yarn/Polyester Chips	M.T.	**N.A.**	N.A.	**32,300+**	25,125+
(b)	Polyester Staple Fibre/Polyester Chips	M.T.	**N.A.**	N.A.	**45,000**	45,000
(c)	Manß-ßmade Fibre spun yarn on worsted system (Spindles)	Nos.	**N.A.**	N.A.	**24,094**	12,494
(d)	Man-made Fibre on cotton system (Spindles)	Nos.	**N.A.**	N.A.	**23,040**	—
(e)	(i) Man-made Fabrics (Looms)	Nos.	**N.A.**	N.A.	**712**	450
	(ii) Knitting M/c	Nos.	**N.A.**	N.A.	**28**	20
(f)	Purified Terephthalic Acid	M.T.	**N.A.**	N.A.	**200,000**	200,000
(g)	Linear Alkyl Benzene	M.T.	**N.A.**	N.A.	**80,000**	80,000
(h)	(i) Ethylene	M.T.	**750,000**	750,000	**U.I.**	U.I.
	(ii) Propylene	M.T.	**365,000**	365,000	**U.I.**	U.I.
	(iii) Butadiene & Other C4s	M.T.	**225,000**	225,000	**U.I.**	U.I.
	(iv) Benzene	M.T.	**235,000**	235,000	**U.I.**	—
	(v) Toluene	M.T.	**197,000**	197,000	**U.I.**	—
	(vi) Xylene	M.T.	**165,000**	165,000	**U.I.**	—
(i)	(i) Mono Ethylene Glycol	M.T.	**100,000**	100,000	**60,000**	60,000
	(ii) Ethylene Oxide	M.T.	**10,000**	10,000	**10,000**	10,000
	(iii) Higher Ethylene Glycol (By-product)	M.T.	**12,500**	12,500	**5,000**	5,000
(j)	(i) Ethylene Oxide	M.T.	**100,000**	100,000	–	—
	(ii) Ethylene Glycol (Non-Fibre)	M.T.	**18,000**	18,000	–	—
	(iii) Carbon Dioxide	M.T.	**30,000**	30,000	–	—
(k)	High/Linear Low Density Polyethylene (Swing Plant)	M.T.	**N.A.**	N.A.	**160,000**	160,000
(l)	Poly Vinyl Chloride	M.T.	**N.A.**	N.A.	**135,000**	100,000
(m)	(i) Chlorine	M.T.	**396,000**	198,000	**U.I.**	U.I.
	(ii) Caustic Soda (By product)	M.T.	**468,000**	234,000	**U.I.**	U.I.
	(iii) Hydrogen (By Product)	M.T.	**11,700**	5,850	**U.I.**	U.I.
(n)	(i) Paraxylene	M.T.	**600,000**	—	–	—
	(ii) Benzene (By Product)	M.T.	**24,000**	—	–	—
(o)	(i) Mono Ethylene Glycol	M.T.	**100,000**	—	–	—
	(ii) Higher Ethylene Glycol (By Product)	M.T.	**12,500**	—	–	—
(p)	(i) Mono Ethylene Glycol	M.T.	**200,000**	—	–	—
	(ii) Ethylene Oxide	M.T.	**25,000**	—	–	—
	(iii) Higher Ethylene Glycol (By Product)	M.T.	**25,000**	—	–	—
(q)	(i) Ethylene	M.T.	**800,000**	—	–	—
	(ii) Propylene	M.T.	**390,000**	—	–	—
	(iii) Butadiene & Other C4s	M.T.	**240,000**	—	–	—
(r)	(i) Paraxylene	M.T.	**800,000**	—	–	—
	(ii) Benzene	M.T.	**32,000**	—	–	—

N.A. ß-ß Delicensed vide Notification No.477 (E) Dated 27th July, 1991.
+ Based on average Denier of 40. Installed Capacities are based on Certificate of the Management.
U.I. - Under implementation.

14. Production of Finished Products Meant For Sale

	Unit	1994-95	993-94
Fabrics	Mtrs. in Lacs	**474.95**	448.76
Polyester Filament Yarn	M.T.	**94380**	93397
Polyester Staple Fibres	M.T.	**92556**	76484
PTA	M.T.	**86335**	106380
LAB	M.T.	**80508**	77004
Ethylene Glycol	M.T.	**54811**	62972
PVC M .T. 186597 170304 PE	M .T.	**166250**	132496
Crude Oil	M.T.	**43719**	—

Rs.Crs

		1994-95	1993-94
15. Value of Imports on C.I.F. basis in respect of			
(a)	Raw Materials	**808.58**	553.18
(b)	Dyes and Chemicals, Catalysts, Stores and Spare parts	**67.80**	57.31
(c)	Capital goods	**386.30**	121.20

Notes on Accounts

16. Expenditure in Foreign Currency on Account of

	1994-95	1993-94
		Rs.Crs
Interest in rupees on foreign currency loans	**54.38**	64.36
Interest on Debentures held by Non-residents on repatriation basis (Gross)	**2.64**	9.02
Technical Knowß-ßhow & Engineering Fees	**318.62**	30.51
FCCB expenses and other matters	**53.97**	50.41

17. Value of raw materials consumed

	1994-95 Rs.in Crores	1994-95 % of total Consumption	1993-94 Rs.in Crores	1993-94 % of total Consumption
Imported	**885.76**	**73.96**	676.43	63.68
Indigenous	**311.78**	**26.04**	385.82	36.32
	1.197.54	**100.00**	1,062.25	100.00

18. Value of dyes, chemicals, catalysts, stores and spare parts consumed

	1994-95 Rs.in Crores	1994-95 % of total Consumption	1993-94 Rs.in Crores	1993-94 % of total Consumption
Imported	**83.08**	**33.95**	107.96	46.58
Indigenous	**161.65**	**66.05**	123.81	53.42
	244.73	**100.00**	231.77	100.00

19. Earnings in Foreign Exchange

	1994-95	1993-94
		Rs.Crs
Export of goods on FOB basis	**174.45**	59.91
Interest	**24.62**	16.91
Others	**6.74**	0.29

20. Remittance in Foreign Currency on Account of Dividend

The Company has paid dividend in respect of shares held by Non-residents on repatriation basis. This interalia includes portfolio investment and direct investment, where the amount is also credited to Nonß-ßResident 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:

	1994-95	1993-94
		Rs.Crs
(a) Number of Non-resident shareholders	**19,726**	21,481
(b) Number of Equity Shares held by them	**5,95,82,568**	2,72,11,983
(c) (i) Amount of dividend paid (Gross) Tax deducted at source: Rs.2.51 crores (Previous Year: Rs.1.20 crores)	**18.53**	8.53
(ii) Year to which dividend relates	**1993-94**	1992-93

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Rajendra & Co.**
Chartered Accountants

R.J. Shah
Partner

For and on behalf of the Board

D.H. Ambani Chairman
M.D. Ambani Vice Chairman & Managing Director
A.D. Ambani Managing Director
N.R. Meswani Executive Director
S.S. Betrabet, **U. Mahesh Rao** Nominee Directors
R.H. Ambani, **N.H. Ambani**, M.L. Bhakta, **T. Ramesh U. Pai**, **Y.P. Trivedi** Directors

Bombay
Dated: 28th April, 1995

V.M. Ambani Secretary

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Company's Interest in the Subsidiary Companies

	Name of Subsidiary Company	Devti Fabrics Ltd.	Reliance Industrial Investments and Holdings Ltd.	Reliance Petroproducts Limited
1.	The financial year of the Subsidiary Companies ended on	31st March, 1995	31st March, 1995	31st March, 1995
2.	Date from which they become subsidiary companies	30th September, 1985	30th December, 1988	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	14,75,04,400 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%
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, 1995	Rs.78.03 Lakhs	Rs.587.16 Lakhs	Rs.20,626
	ii) For the previous financial years of the subsidiary companies since they became the holding Company's subsidiaries.	(Rs.834.13 Lakhs)	Rs.172.31 Lakhs	(Rs.30,682)
	b. Dealt with in the holding Company's accounts:			
	i) For the financial year ended 31st March, 1995	Nil	Nil	Nil
	ii) For the previous financial years of the subsidiary companies since they became the holding Company's subsidiaries.	Nil	Nil	Nil

For and on behalf of the Board

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

Bombay
Dated: 28th April, 1995

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 Eleventh Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31st March, 1995.

Operations
The Company has earned a profit of Rs.78.03 lacs during the year under review as against loss of Rs.13.69 lacs in the previous year. Sales decreased to Rs.314.42 lacs as against Rs.1176.13 lacs for the previous year.

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

Directors
As per the provisions of the Companies Act, 1956, Shri V.M. Ambani and Shri N.M.Sanghvi retire by rotation and being eligible offer themselves for re-appointment.
During the year Shri H.N.Arora resigned from the Board. The Board acknowledges the support and guidance provided by Shri H.N. Arora to the Company during his tenure as Director.

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(1 -B) of the Companies Act,1956, furnished a certificate of their eligibility for re-appointment.

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

Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo
The particulars as prescribed under Sub-section(e) of Section 217(1) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules,1988 are given in the Annexure which forms part of the Directors' Report.

Personnel
Information as per Section 217(2A) of the Companies Act,1956, read with the Companies (Particulars of Employees) Rules,1975, is not given as no employee is drawing more than Rs.25,000/- 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

V.M. Ambani

Bombay
Directors

N.M. Sanghavi

Dated: 25th April, 1995

J.B. Dholakia

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
The Company continued the energy conservation measures undertaken in the past, and tried to explore possibility of further energy conservation measures.

Form - A
(Form for disclosure of particulars with respect to Conservation of Energy)

Part - A
A. Power and Fuel Consumption

	Current Year 1994-95	Previous Year 1993-943.
1. Electricity		
a. PurchasedUnits	24,18,600	61,95,240
Total Amount (Rs)	72,28,609	1,63,06,926
Rate/Unit (Rs)	2.99	2.63
b. Own Generation		
i. **Through Diesel Generator**		
Units	––	––
Units per Ltr. of Diesel	––	––
Cost/Unit (Rs)	––	––
ii. **Through Steam Turbine/Generator**		
Units	––	––
Unit per Ltr. of Fuel Oil/Gas cost/unit	––	––
2. Coal		
Quantity(Tonnes)	**352**	393
Total Cost (Rs)	**7,16,290**	5,96,112
Average Rate (Rs)	**2,034.91**	1,516.82

	Current Year 1994-95	Previous Year 1993-943.
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

	Current Year 1994 - 95		Previous Year 1993 - 94	
	Yarn (Kgs)	**Fabrics (P.MTR)**	Yarn (Kgs)	Fabrics (P.MTR)
Electricity (Units)	**8.63**	––	5.46	––
Furnace Oil	––	––	––	––
Coal **	––	––	––	––
Others	––	––	––	––

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

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

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

C. Foreign Exchange Earning and Outgo
   i. 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,1995 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 in agreement with the books of account.
   (d) Although the Company had incurred substantial losses in the past resulting in the erosion of its net worth, the accounts of the Company are prepared on going concern basis. 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,1995
      (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

Bombay
Dated: 25th April,1995

H. P. Chaturvedi
Partner

R.J. Shah
Partner

Annexure to Auditors' Report

Referred to in Paragraph 1 of our Report of even date

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. We are informed that most of the assets have been physically verified by the management during the 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(1 B) 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 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 Section 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 Employees' 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,1995 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 specific system of 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.

	For **Chaturvedi & Shah** Chartered Accountants	For **Rajendra & Co.** Chartered Accountants
Bombay Dated: 25th April,1995	**H. P. Chaturvedi** Partner	**R.J. Shah** Partner

Balance Sheet as at 31st March, 1995

(Rs. in Lacs)

	Schedule	1994 - 95		1993 - 94	
		Rs.	**Rs.**	Rs.	Rs.
Sources of Funds:					
Shareholders' Funds					
Share Capital	'A'		**21.01**		21.0
Loan Funds					
Secured Loans	`B'	—		157.91	
Unsecured Loans (From Holding Company)		**676.00**		676.00	
			676.00		833.91
Total			**697.01**		854.9
Application of Funds:					
Fixed Assets					
Gross Block		**226.50**		559.44	
Less: Depreciation		**160.70**		401.55	
Net Block	'C'		**65.80**		157.89
Current Assets, Loans and Advances					
Current Assets	`D'				
Inventories		**40.97**		74.74	
Sundry Debtors		**13.09**		48.73	
Cash and Bank Balances		**29.15**		8.30	
		83.21		131.77	
Loans and Advances	'E'	**17.21**		22.86	
		100.42		154.63	
Less: **Current Liabilities and Provisions**	'F'				
Current Liabilities		**225.31**		285.26	
Provisions		—		6.49	
		225.31		291.75	
			(124.89)		(137.12)
Miscellaneous Expenditure (to the extent not written off or adjusted)			—		0.02
Profit & Loss Account			**756.10**		834.13
Total			**697.01**		854.92
Notes on Accounts	'K'				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

For **Rajendra & Co.**
Chartered Accountants

H.P. Chaturvedi
Partner

R.J. Shah
Partner

Bombay
Dated: 25th April, 1995

For and on behalf of the Board

V.M. Ambani
N.M. Sanghavi
J.B. Dholakia
Directors

Profit and Loss Account for the year ended 31st March, 1995

	Schedule	1994 - 95 Rs.	Rs.	1993 - 94 Rs.	Rs.
					(Rs. in Lacs)
Incom					
Sales (Net)		**314.42**		1176.13	
Other Income	'G'	**466.30**		75.47	
Variation in Stock	'H'	**(13.71)**		(57.78)	
			767.01		11 93.82
Expenditure					
Manufacturing and Other Expenses	'I'	**648.81**		1125.13	
Interest	'J'	**1 0.66**		23.26	
Depreciation		**29.51**		59.12	
			688.98		1207.51
Profit/(Loss) for the year			**78.03**		(13.69)
Add: Balance brought forward from last year			**(834.13)**		(820.44)
Balance carried to Balance Sheet			**(756.10)**		(834.13)
Notes on Accounts	'K'				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

For **Rajendra & Co.**
Chartered Accountants

Directors

H.P. Chaturvedi
Partner

R.J. Shah
Partner

Bombay
Dated: 25th April, 1995

For and on behalf of the Board

V.M. Ambani

N.M. Sanghavi

J.B. Dholakia

Schedules forming part of the Balance Sheet

Schedule 'A'

(Rs. in Lacs)

		As at 31st March,1995 Rs.	As at 31st March, 1994 Rs.
Share Capital			
Authorised:			
2,50,000	Equity Shares of Rs. 10/- each	**25.00**	25.00
Issued & Subscribed:			
2,10,070	Equity Shares of Rs. 10/- each fully paid-up (Held by Reliance Industries Limited, the Holding Company)	**21.01**	21.01
		21.01	21.01

Schedule 'B'

(Rs. in Lacs)

Secured Loans	As at 31st March,1995 Rs.	As at 31st March, 1994 Rs.
Working Capital Loan from a Bank	—	89.15
Term Loans from Financial Institutions	—	68.76
	—	1 57.91

Note:
Working Capital Loans from a scheduled Bank are secured against Hypothecation of present and future stock of the materials, stock-in-process, finished goods, book debts, movable machineries including all stock and spare parts belonging to the Company at Sidhpur in the State of Gujarat, and are further guaranteed by Reliance Industries Limited, the Holding Company.

Schedule 'C'

Fixed Assets (Rs. in Lacs)

	Gross Block (At Cost)				Depreciation	Net Block	
Description	As at 1.4.94 Rs.	Additions Rs.	Deductions Rs.	**As at 31.3.95 Rs.**	Total up to 31.3.95 Rs.	**As at 31.3.95 Rs.**	As at 31.3.94 Rs.
Buildings	27.48	–	–	**27.48**	6.86	**20.62**	21.54
Plant & Machinery	504.58	–	329.99	**174.59**	144.77	**29.82**	117.83
Electric Installation	17.99	–	0.76	**17.23**	6.16	**11.07**	12.13
Factory Equipment	2.97	–	0.08	**2.89**	1.41	**1.48**	1.67
Furniture & Fixture	4.30	–	–	**4.30**	1.50	**2.80**	3.04
Vehicles	2.12	–	2.11	**0.01**	0.00	**0.01**	1.68
	559.44	0.00	332.94	**226.50**	1 60.70	**65.80**	157.89
Previous Year	560.51	0.34	1.41	**559.44**	401.55	**157.89**	

Schedule 'D'

(Rs. in Lacs)

	As at 31st March,1995 Rs.	Rs.	As at 31st March, 1994 Rs.	Rs.
Current Assets				
Inventories (at cost or market value whicheve is lower except otherwise stated)				
Stores, spares, dyes & chemicals	**8.19**		16.06	
Raw materials	**1.92**		14.11	
Stock-in-process	**7.75**		15.78	
Finished goods	**23.00**		27.79	
Others	**0.11**		1.00	
Carried Forward		**40.97**		74.74

Schedules forming part of the Balance Sheet

Schedule 'D' (Contd)

(Rs. in Lacs)

	As at 31st March,1995 Rs.	Rs.	As at 31st March, 1994 Rs.	Rs.
Brought forward		**40.97**		74.74
Sundry Debtors (Unsecured)				
Over six Months:				
Considered doubtful	**—**		7.82	
Others: Considered good	**13.09**		48.73	
	13.09		56.55	
Less: Provision for doubtful debts	**—**		7.82	
		13.09		48.73
Cash and Bank balances				
Cash on hand	**1.49**		1.13	
Balance with Scheduled Banks:				
In Current Accounts	**26.76**		3.75	
In Fixed Deposit Accounts	**0.90**		3.42	
		29.15		8.30
		83.21		131.77

Schedule 'E'

(Rs. in Lacs)

Loans and Advances (Unsecured, Considered Good)	As at 31st March,1995 Rs.	As at 31st March, 1994 Rs.
Advances recoverable in cash or in kind or for value to be received	**3.57**	6.09
Deposits	**12.82**	12.82
Prepaid expenses	**0.53**	0.58
Balance with Customs, Central Excise Authorities, etc.	**0.29**	3.37
	17.21	22.86

Schedule 'F' (Contd)

(Rs. in Lacs)

Current Liabilities & Provisions	As at 31st March,1995 Rs.	Rs.	As at 31st March, 1994 Rs.	Rs.
Current Liabilities				
Sundry Creditors	**225.26**		284.41	
Interest accrued but not due on loans	**0.05**		0.85	
		225.31		285.26
Provisions				
Gratuity, Superannuation and Provident Funds		**—**		6.49
		225.31		291.75

Schedules forming part Of the Profit and Loss Account

Schedule 'G'

(Rs. in Lacs)

Other Income	1994 - 95 Rs.	1993 - 94 Rs.
Processing charges	**18.75**	58.10
Profit on sale of assets	**434.41**	2.10
Miscellaneous Income	**8.73**	15.03
Excess provision for expenses no longer required	**4.41**	0.24
	466.30	75.47

Schedules forming part of the Profit and Loss Account

Schedule 'H'

	1994 - 95		1993 - 94 (Rs. in Lacs)	
	Rs.	**Rs.**	Rs.	Rs.
Variation in Stock				
Stock-in-Trade (at close)				
Finished goods	**23.00**		27.79	
Stock-in-process	**7.75**		15.78	
Others	**0.11**		1.00	
		30.86		44.57
Stock-in-Trade (at commencement)				
Finished goods	**27.79**		72.60	
Stock-in-process	**15.78**		28.87	
Others	**1.00**		0.88	
		44.57		102.35
		(13.71)		(57.78)

Schedule 'I'

Manufacturing and other Expenses	1994 - 95 **Rs.**	**Rs.**	1993 - 94 (Rs. in Lacs) Rs.	Rs.
Raw material consumed				
Stock at commencement	**14.11**		64.78	
Add: Purchases	**178.68**		582.45	
	192.79		647.23	
Less: Stock at close	**1.92**		14.11	
		190.87		633.12
Manufacturing Expenses				
Carriage inward	**0.06**		0.26	
Stores and spare parts	**5.42**		31.10	
Dyes & Chemicals	**0.11**		0.32	
Electric Power, fuel and water	**79.67**		169.06	
Machinery repairs	**0.11**		0.76	
Labour, Processing and machinery hire charges	**2.29**		13.00	
		87.66		214.50
Payment to and Provisions for employees				
Salaries, Wages and Bonus	**195.27**		167.14	
Contribution to Provident Fund, Gratuity Fund, Superannuation Fund, Employees' State Insurance Scheme, Pension Scheme, Labour Welfare Fund etc.	**61.23**		16.13	
Employees' Welfare and other amenities	**18.33**		12.22	
Retrenchment Compensation	**54.79**		7.78	
		329.62		203.27
Sales and Distribution Expenses				
Samples. Sales Promotion and Advertisement Expenses	**0.05**		0.01	
Brokerage and Commission	**3.03**		9.62	
Packing Expenses	**6.02**		21.98	
Freight and forwarding charges	**2.63**		4.77	
Octroi Expenses	—		0.10	
Sales Tax	**13.75**		10.75	
		25.48		47.23
Establishment Expenses				
Insurance	**3.59**		3.40	
Rent	**1.10**		5.00	
Rates and taxes	**0.54**		0 75	
Other repairs	**0.44**		1.07	
Travelling expenses	**0.25**		0.44	
Payment to Auditors	**0.35**		0 35	
General Expenses	**8.91**		8.73	
Provision for Doubtful debts	—		7.27	
		15.18		27.01
		648.81		1125.13

Schedule 'J'

	1994 - 95 **Rs.**	1993 - 94 (Rs. Lacs) Rs.
Interest		
Fixed Loans	**5.86**	11.53
Others (Net)	**4.80**	11.73
	10.66	23.26

Schedule 'K'

Notes on Accounts

1. Significant Accounting Policies

A. Basis of preparation of Financial Statements

i) 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.

ii) The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

B. Fixed Assets and Depreciation

i) Fixed assets are stated at acquisition cost less accumulated depreciation.

ii) Depreciation on fixed assets is provided under the straight line method at the rates and in the manner prescribed by Schedule XIV to the Companies Act, 1956.

C. Inventories

i) Raw Materials, Stores, Spares, Dyes & Chemicals are valued at cost.

ii) Stock-in-process is valued at cost including related overheads.

iii) Finished Goods are valued at cost or market value, whichever is lower. Costs includes cost of production and expenses incurred in putting the inventories in their present location and condition.

D. Sales

Sales is net of excise & sales tax collected from customers.

E. Employee/Retirement Benefits

i) Company's contributions to Provident Fund, Superannuation Fund and other funds for the year are charged to Profit and Loss Account.

ii) Gratuity is charged to Profit and Loss Account on the basis of actuarial valuation.

2. Figures of the previous year have been regrouped/rearranged wherever necessary.

3. Auditors' Remuneration:

		Rs. Lacs
	1994 - 95	1993 - 94
	Rs.	Rs.
(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.4.09 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 profits for the year.

5. Contingent Liabilities

		Rs. Lacs
	As at 31st March, 1995	As at 31st March, 1994
Claims against the Company not acknowledged as debts	**1.50**	6.10

6. Licensed & Installed Capacity

	Licensed Capacity		**Installed Capacity**	
	31.3.95	31.3.94	**31.3.95**	31.3.94
Spindles	**N.A.**	N.A.	**11816**	23336

	Unit		
7. Production of finished products meant for sale	Unit	**1994-1995**	1993-1994
Blended Yarn	M.T.	**243**	973
8. Value of imports on CIF basis		**—**	–
9. Expenditure in-foreign currency		**—**	–

Schedule 'K' (Contd)

10. Quantitative Information

	Unit	**1994 - 95** Quantity	**1994 - 95** Rs. Lacs	1993 - 94 Quantity	1993 - 94 Rs. Lacs
a) Opening stock					
i) Finished Stock					
Yarn	M.T.	**26**	**27.79**	69	72.60
ii) Stock in process (Yarn)			**15.78**	28.87	
iii) Others			**1.00**		0.88
b) Closing stock					
i) Finished stock (Yarn)	M.T.	**18**	**23.00**	26	27.79
ii) Stock in process (Yarn)			**7.75**		15.78
iii) Others			**0.11**		1.00
c) Sales					
Yarn		M.T.	**251**	**314.42**	1016
1176.13					
d) Raw Material Consumed					
Cotton	M.T.	**104**	**55.23**	206	67.75
Fibre	M.T.	**142**	**119.36**	517	377.57
Viscose	M.T.	**32**	**16.28**	319	187.80

11. Value of Raw Material Consumed

	1994 - 95 Rs. Lacs	**1994 - 95** % of total Consumption	1993 - 94 Rs. Lacs	1993 - 94 % of total Consumption
Indigenous	**190.87**	**100.00**	633.12	100.00

12. Value of stores, spare parts dyes & chemicals

	1994 - 95 Rs. Lacs	**1994 - 95** % of total Consumption	1993 - 94 Rs. Lacs	1993 - 94 % of total Consumption
Indigenous	**5.53**	**100.00**	31.42	100.00

13. Earnings in foreign exchange

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

For **Rajendra & Co.**
Chartered Accountants

Directors
H.P. Chaturvedi
Partner

R.J. Shah
Partner

Bombay
Dated: 25th April, 1995

For and on behalf of the Board

V.M. Ambani

N.M. Sanghavi

J.B. Dholakia

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 Ninth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1995.

Financial Results

		1994 - 95		Rs. Lacs 1993 - 94
Profit before tax		**647.16**		879.03
Less: Provision for taxation		**60.00**		152.00
Profit after tax		**587.16**		727.03
Less: Short provision of tax for the earlier year		**4.01**		3.34
		583.15		723.69
Add: Balance in Profit & Loss Account		**172.31**		0.72
		755.46		724.41
Less: a. Transfer to General Reserve	**60.00**		72.70	
b. Proposed Dividend	**545.77**		479.40	
		605.77		552.10
Balance carried forward to Balance Sheet		**149.69**		172.31

Income

During the year, the Company received dividend income of Rs.535.37 lacs from investments.

Dividend

Your Directors are pleased to recommend a dividend of Re.0.37 per share on 14,75,04,400 Equity Shares of Rs.10/- each (subject to deduction of tax at source) for the financial year ended 31st March, 1995 aggregating to Rs. 545.77 lacs.

Directors

Shri Sandeep Junnarkar was appointed as an Additional Director of the Company on 5.10.1994. He holds office of Director up to the date of the ensuing Annual General Meeting and is eligible for re-appointment. Shri Satish Seth retires by rotation and being eligible offers himself for re appointment

Shri Manoj H. Modi resigned from the Board of Directors of the Company on 5.10.1994 The Directors record their appreciation for the valuable services rendered by Shri Manoj H. Modi during his tenure as Director.

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.

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.

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 these Auditors to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

For and on behalf of the Board Alok Agarwal Satish Seth Directors Bombay Dated: 25th April, 1995 Sandeep Junnarkar -

For and on behalf of the Board

Alok Agarwal
Satish Seth — Directors
Sandeep Junnarkar

Bombay
Dated: 25th April, 1995

Auditors' Report

To
The Members of Reliance Industrial Investments and Holdings Limited,

We have audited the attached Balance Sheet of RELIANCE INDUSTRIAL INVESTMENTS AND HOLDINGS LIMITED as at 31st March, 1995, 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,1995 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

Bombay
Dated: 25th April,1995

Rajesh D. Chaturvedi
Partner

R.J. Shah
Partner

Annexure to Auditors' Report

Referred to in Paragraph 1 of our Report of even date

1. As the Company had no Fixed Assets during the year, Clauses 4(A)(i) and (ii) of the said Order are not applicable.
2. Since the Company has not commenced any manufacturing and/or trading activity, items (iii), (iv), (v), (vi), (x), (xi), (xii), (xiv) and (xvi) of the Clause A of paragraph 4 of the aforesaid Order are not applicable.
3. The Company had received an interest free unsecured loan from the holding Company. It has not taken any other loan, secured or unsecured, from companies, firms and 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(1 B) 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.
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 (1 B) of the Companies Act,1956.
5. In respect of the loans and advances in the nature of loans given by the Company, parties are generally repaying the principal amounts as stipulated and are also regular in the payment of interest.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
7. In our opinion the Company has an internal audit system commensurate with its size and the nature of its business.
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,1995 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. Adequate documents and records are maintained by the Company for the loans and advances granted 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, save and except, those in the process of being transferred in its name.

For **Chaturvedi & Shah**
Chartered Accountants

For **Rajendra & Co.**
Chartered Accountants

Bombay
Dated: 25th April,1995

Rajesh D. Chaturvedi
Partner

R.J. Shah
Partner

Balance Sheet as at 31st March, 1995

	Schedule	1994 - 95 Rs.	1994 - 95 Rs.	1993 - 94 Rs.	1993 - 94 Rs.
					(Rs. in Lacs)
Sources of Funds					
Shareholders' Funds					
Capital	'A'		**14750.44**		14750.44
Reserves & Surplus					
General Reserve					
As per last Balance Sheet			**265.16**		192.46
Add: Transferred from Profit and Loss Account		**60.00**		72.70	
		325.16		265.16	
Profit and Loss Account		**149.69**		172.31	
			474.85		437.47
Loan Funds					
Unsecured Loans (From Holding Company)			**28130.35**		31533.00
Total			**43355.64**		46720.91
Application of Funds					
Investments 'B'			**42442.64**		42310.98
Current Assets, Loans and Advances	`C'				
Current Assets					
Sundry Debtors		—		1835.26	
Cash and Bank Balances		**1194.16**		2982.87	
		1194.16		4818.13	
Loans and Advances		**331.29**		256.21	
		1525.45		5074.34	
Less: **Current Liabilities and Provisions**	'D'				
Current Liabilities		**5.64**		31.97	
Provisions		**606.81**		632.44	
		612.45		664.41	
Net Current Assets			**913.00**		4409.93
Total			**43355.64**		46720.91
Notes on Accounts	'F'				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Rajesh D. Chaturvedi
Partner

For **Rajendra & Co.**
Chartered Accountants

R.J. Shah
Partner

Bombay
Dated: 25th April, 1995

For and on behalf of the Board

Alok Agarwal
Satish Seth
Sandeep Junnarkar
Directors

Profit and Loss Account for the Year ended 31st March, 1995

(Rs. in Lacs)

	Schedule	1994 - 95		1993 - 94	
		Rs.	Rs.	Rs.	Rs.
Income					
Dividend Income (Tax deducted at source Rs.132.32 lacs Previous year Rs.118.22 lacs)			**535.37**		478.13
Interest Received (Tax deducted at source Rs.NIL previous year Rs.32.88 lacs)			**74.73**		162.59
Commission & Brokerage			**3.81**		–
Profit on Sale of Investments (Net)			**38.32**		317.33
			652.23		958.05
Expenditure					
Establishment & Other Expenses	'E'		**5.07**		79.02
Profit before tax				**647.16**	
879.03					
Less: Provision for taxation			**60.00**		152.00
Profit after tax			**587.16**		727.03
Less: Short provision of tax for the earlier year			**4.01**		3.34
			583.15		723.69
Add: Balance brought forward from last year			**172.31**		0.72
Amount available for appropriation			**755.46**		724.41
Appropriations					
General Reserve		**60.00**		72.70	
Proposed Dividend		**545.77**		479.40	
(Subject to Tax)			**605.77**		552.10
Balance carried to Balance Sheet			**149.69**		172.31
Notes on Accounts	'F'				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Rajesh D. Chaturvedi
Partner

For **Rajendra & Co.**
Chartered Accountants

R.J. Shah
Partner

Bombay
Dated: 25th April, 1995

For and on behalf of the Board

Alok Agarwal
Satish Seth — Directors
Sandeep Junnarkar

Schedules forming part of the Balance Sheet

Schedule 'C'

		As at	(Rs. in Lacs) As at
			31st March,1995
31st March, 1994			
		Rs.	Rs.
Share Capital			
Authorised			
149990000	Equity Shares of Rs.10/- each	**14999.00**	14999.00
10000	11 % Non-Cumulative Redeemable Preference Shares of Rs.10/- each	**1.00**	1.00
		15000.00	15000.00
Issued & Subscribed			
147504400	Equity Shares of Rs.10/- each fully paid up (held by Reliance Industries Limited, the holding Company)	**14750.44**	14750.44
		14750.44	14750.44

Schedule 'B'
(Rs. Lacs)

		As at 31st March, 1995 Rs.	As at 31st March,1994 Rs.
Investments (Valued, Verified & Certified by Management)			
(A) Quoted			
Equity Shares - Fully Paid-up			
13067712	Larsen & Toubro Ltd. of Rs.10/- each	**13139.72**	13139.72
882370	Kothari Sugars and Chemicals Ltd. of Rs.10/- each	**337.30**	337.30
* 95796000	Reliance Petroleum Ltd. of Rs.10/- each	**9579.60**	9579.60
17800	Nirma Ltd. of Rs.10/- each	**19.58**	19.58
34500 (–)	Global Trust Bank Ltd. of Rs.10/- each	**3.45**	–
Debentures - Partly Paid-up			
– (235400)	16% Secured Optionally fully Convertible Debentures of Reliance Polypropylene Ltd. of Rs.50/- each	**—**	40.02
– (183600)	16 % Secured Optionally fully Convertible Debentures of Reliance Polyetheylene Ltd. of Rs.50/- each	**—**	31.21
* 95796000	Secured Tripal Option Convertible Debentures (TOCDS) of Reliance Petroleum Ltd. of Rs.50/- each	**9579.60**	9579.60
(B) Unquoted			
Equity Shares - Fully Paid-up			
22900 (26400)	Observer (India) Ltd. of Rs.10/- each	**3.79**	4.35
(C) Share Application Money			
	Pending Adjustment towards Shares/TOCDS of Reliance Petroleum Ltd.	**9579.60**	9579.60
	HDFC Bank Ltd. 2000000 Equity Shares of Rs.10/- each	**200.00**	–
		42442.64	42310.98
Quoted Investments - Book Value		**32659.25**	32707.45
Market Value		**86780.10**	59316.65

*The Company's investment in Reliance Petroleum Ltd. is towards promoters contribution . This is subject to lock in period of five years from the date of commercial production, that is till 30th June, 2001.

Schedules forming part of the Balance Sheet

Schedule 'C'

(Rs. in Lacs)

	As at 31st March,1995		As at 31st March, 1994	
	Rs.	**Rs.**	Rs.	Rs.
Current Assets, Loans and Advances				
Current Assets				
Sundry Debtors				
(Unsecured, considered good subject to confirmation)				
Over six months	**—**		36.05	
Others	**—**		1799.21	
		—		1835.26
Cash and Bank Balances:				
Cash on hand	**0.07**		0.01	
Balance with a Scheduled Bank:				
In Current Account	**1194.09**		375.18	
In Fixed Deposit Account	**—**		2607.68 #	
		1194.16		2982.87
Loans and Advances				
Advances recoverable in cash or in kind or for value to be received	**35.67**		41.81	
Deposit	**100.00**		–	
Advance Payment of Taxes	**195.62**		214.40	
		331.29		256.21
		1525.45		5074.34

Utilised to acquire stockinvest instrument.

Schedule 'D'

(Rs. in Lacs)

	As at 31st March,1995		As at 31st March, 1994	
	Rs.	**Rs.**	Rs.	Rs.
Current Liabilities and Provisions				
Current Liabilities				
Sundry Creditors	**—**		2.46	
Other Liabilities	**5.64**		29.51	
		5.64		31.97
Provisions				
For Taxation	**61.04**		153.04	
Proposed Dividend	**545.77**		479.40	
		606.81		632.44
		612.45		664.41

Schedule Forming part of the Profit & Loss Account

Schedule 'E'

(Rs. in Lacs)

	As at 31st March,1995 Rs.	As at 31st March,1995 Rs.	As at 31st March, 1994 Rs.	As at 31st March, 1994 Rs.
Establishment & other Expenses				
Salary, Wages and Bonus		**1.28**		0.75
Legal & Professional Charges		**—**		1.24
Filing Fees		**0.01**		75.01
Miscellaneous Expenses:				
Interest Tax	**—**		0.05	
Brokerage Paid	**0.06**		–	
Other Administrative Expenses	**2.22**		0.47	
		2.28		0.52
Auditors' Remuneration:				
Audit Fees	**1.00**		1.00	
Tax Audit Fees	**0-50**		0.50	
		1.50		1.50
		5.07		79.02

Schedule 'F'

Notes on Accounts

1. 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) Investments are stated at cost.

2. Previous year's figures have been regrouped and/or rearranged wherever necessary.

		As at 31st March,1995 Rs. Lacs	As at 31st March,1994 Rs. Lacs
3.	Contingent Liabilities		
	Uncalled liabilities on partly paid shares/debentures	**28738.80**	28843.55

4. As the Company is not a manufacturing company, information required under paragraphs 3 and 4 of Schedule VI of the Companies Act,1956 is not given.

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Rajesh D. Chaturvedi
Partner

For **Rajendra & Co.**
Chartered Accountants

R.J. Shah
Partner

Bombay
Dated: 25th April, 1995

For and on behalf of the Board

Alok Agarwal
Satish Seth
Sandeep Junnarkar

Directors

Reliance Petroproducts Limited

Regd. Office:
201/202, Lalita Complex,
Near Vijaya Bank,
352/3, Rasala Road,
Navrangpura,
Ahmedabad 380 009.

Directors' Report

To the Members

Your Directors present the Fifth Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31st March, 1995.

Financial Results

The Company made a profit of Rs.0.21 lac during the year under review as against loss of Rs.0.12 lac for the previous year.

Dividend

In view of the accumulated losses of previous years, the Board of Directors has not recommended any dividend for the financial year under review.

Directors

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

Deposit

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 21 7(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 certificate from the Auditors to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act,1956

For and on behalf of the Board

J.S. Bakshi
K.K. Seth
Directors

Bombay
Dated: 25th April, 1995

Auditors' Report

To
The Members of Reliance Petroproducts Limited

We have audited the attached Balance Sheet of Reliance Petroproducts Limited as at 31st March,1995 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 opinions 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 1995, 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

Devanand Chaturvedi
Partner

R.J. Shah
Partner

Bombay
Dated: 25th April,1995

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 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(1 B) 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.
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 Section-j-(1 B) of Section 370 of the Companies Act,1956.
5. In respect of loans and advances in the nature of loans given by the Company, free of interest, parties are generally repaying the principal amounts as stipulated.
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 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 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,1995 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

Devanand Chaturvedi
Partner

R.J. Shah
Partner

Bombay
Dated: 25th April,1995

Balance Sheet as at 31st March, 1995

(Rs. in Lacs)

	Schedule	As at 31st March,1995 Rs.	As at 31st March,1995 Rs.	As at 31st March, 1994 Rs.	As at 31st March, 1994 Rs.
Sources of Funds					
Shareholders' Funds					
Share Capital	'A'		**0.13**		0.13
Loan Funds					
Unsecured Loans			**30457.60**		0.10
(From Holding Company) Total			**30457.73**		0.23
Application of Funds					
Current Assets, Loans and Advances	'B'				
Cash and Bank Balances		**0.80**		0.08	
Loans & Advances		**30457.04**		–	
		30457.84		0.08	
Less: Current Liabilities and Provisions	'C'				
Liabilities		**0.10**		0.20	
Provisions		**0.14**		–	
		0.24		0.20	
			30457.60		(0.12)
Miscellaneous Expenditure (To the extent not written off or adjusted)			**0.03**		0.04
Profit and Loss Account			**0.10**		0.31
Total			**30457.73**		0.23
Notes on Accounts:	'D'				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Devanand Chaturvedi
Partner

For **Rajendra & Co.**
Chartered Accountants

R.J. Shah
Partner

Bombay
Dated: 25th April, 1995

For and on behalf of the Board

J.S. Bakshi
K.K. Sheth
Directors

Profit and Loss Account for the year ended 31st March, 1995

(Rs. in Lacs)

	Schedule	As at 31st March,1995 Rs.	As at 31st March,1995 Rs.	As at 31st March, 1994 Rs.	As at 31st March, 1994 Rs.
Income					
Commission		**0.46**		–	
			0.46		–
Expenditure					
Audit Fees		**0.10**		0.10	
General Expenses		—		0.01	
Miscellaneous Expenditure written off		**0.01**		0.01	
			0.11		0.12
Profit before tax/(Loss)			**0.35**		(0.12)
Less: Provision for taxation			**0.14**		–
Profit after tax/(Loss)			**0.21**		(0.12)
Add: Balance brought forward from the last year			**(0.31)**		(0.19)
Balance carried to Balance Sheet			**(0.10)**		(0 31)
Notes on Accounts:	‘D’				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Devanand Chaturvedi
Partner

For **Rajendra & Co.**
Chartered Accountants

R.J. Shah
Partner

Bombay
Dated: 25th April, 1995

For and on behalf of the Board

J.S. Bakshi
K.K. Sheth
Directors

Schedules forming part of the Balance Sheet

Schedule 'A'

(Rs. in Lacs)

		As at 31st March,1995 Rs.	As at 31st March, 1994 Rs.
Share Capital			
Authorised:			
50,000	Equity Shares of Rs.10/- each	**5.00**	5.00
Issued & Subscribed:			
1,300	Equity Shares of Rs.10/- each fully paid up (held by Reliance Industries Limited, the Holding Company)	**0.13**	0.13
		0.13	0.13

Schedule 'B'

(Rs. in Lacs)

	As at 31st March,1995 Rs.	Rs.	As at 31st March, 1994 Rs.	Rs.
Current Assets				
Cash and Bank Balances				
Balance with a Scheduled Bank				
In Current Account		**0.80**		0.08
Loans and Advances				
Unsecured - (Considered Good)				
Advances recoverable in cash or in kind or for value to be received	**28955.00**		–	
Deposits	**1502.04**		–	
		30457.04		–
		30457.84		0.08

Schedule 'C'

(Rs. in Lacs)

Current Liabilities and Provisions	As at 31st March,1995 Rs.	Rs.	As at 31st March, 1994 Rs.	Rs.
Current Liabilities				
Sundry Creditors	**0.10**		0.20	
Provisions				
Provision for taxation	**0.14**		–	
		0.24		0.20
		0.24		0.20

Schedule 'D'

Notes on Accounts

1) As no Manufacturing and/or Trading activities were carried out during the year, information required under paragraphs 3 and 4 ofSchedule VI of the Companies Act, 1956 are not applicable.
2) Figures of the previous year have been regrouped/rearranged wherever necessary.
3) Basis of Preparation of Financial Statements:
   a) The financial statements have been prepared under the historical cost conventions, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
   b) The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Devanand Chaturvedi
Partner

For **Rajendra & Co.**
Chartered Accountants

R.J. Shah
Partner

For and on behalf of the Board

J.S. Bakshi
K.K. Sheth
Directors

Bombay
Dated: 25th April, 1995

Reliance

Industries Limited

Where growth is a way of life

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