

TWELFTH ANNUAL REPORT 1997-98

MD	✓		BKC	✓
CS	✓		DPY	NO
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓



Reliance Capital Limited



Twelfth Annual General Meeting

on Wednesday, the 30th September, 1998 at Thakorebhai Desai Hall, Law College-Road, Near Law Gardens, Ahmedabad-380 006 at 11.30 A.M.

Board of Directors

Shri D. Chaturvedi	Chairman
Shri D.J. Kapadia	
Shri Lalit Bhasin	
Shri Mathew Panikar	
Shri J.R. Shah	
Shri Anand Jain	Managing Director

Contents	Page No.(s)
Notice of Annual General Meeting	3
Directors' Report	4
Auditor's Report	5
Balance Sheet	6
Profit and Loss Account	7
Schedules	8-17
Cash Flow Statement	18
Statement pursuant to Sec. 212	19
Subsidiaries	20-46
Proxy Form and Attendance Slip	47

Company Secretary

Shri V.R. Mohan

Solicitors

M/s Bhasin & Co.

Auditors

M/s Pathak H.D. & Associates

Bankers

Allahabad Bank
Bank of America NT & SA
Dena Bank
Punjab National Bank
State Bank of Indore
Syndicate Bank
The Vysya Bank Limited
The Karur Vysya Bank Limited

Registered Office

2nd Floor, Avdesh House,
Pritam Nagar, 1 slope,
Ellisbridge,
Ahmedabad-380 006.

Corporate Office

Mittal Chambers
Ground Floor,
228 Nariman Point,
Mumbai-400 021

Subsidiaries

Reliance Share & Stock Brokers Limited
Reliance Land Limited
Reliance Capital Asset Management Limited
Reliance Capital Trustee Co. Limited

Registrar & Transfer Agents

Spectrum Corporate Services Limited
Shree Ganesh Indl. House,
1st Floor, 'B' Wing,
Near Amar Cinema,
W.T. Patil Marg,
Chembur, Mumbai-400 071.

Notice

Notice is hereby given that the Twelfth Annual General Meeting of the Members of **Reliance Capital Limited** will be held on Wednesday, September 30, 1998 at 11.30 a.m. at Thakorebhai Desai Hall, Law College Road, Near Law Garden, Ahmedabad-380 006 to transact the following business:

Ordinary Business

1. To consider and adopt the Balance Sheet as at March 31, 1998 and the Profit and Loss Account of the Company for the year ended on March 31, 1998 and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri D. Chaturvedi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri D.J. Kapadia, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri J.R. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors.

By order of the Board of Directors

V.R. Mohan
Company Secretary

Registered Office:

Avdesh House, 2nd Floor,
Pritam Nagar, 1st Slope,
Ellisbridge
AHMEDABAD-380 006.

Mumbai, Dated: 22nd June, 1998

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays and Holidays between 11:00 A.M. and 1:00 P.M. upto the date of Annual General Meeting.
3. Dividend on shares as recommended by the Board of

Directors, if declared, as set out at item 2 of the Notice, will be paid to those shareholders whose names appear in the Register of members as on September 5, 1998.

4. Shareholders seeking any information with regard to accounts are requested to write to the Company atleast ten days in advance so as to enable the company to keep the information ready.
5. Members are requested to send to the Registrars his/her Bank Account details to ensure safe and prompt receipt of dividend warrants. This is in view of the fraudulent encashment of such warrants.
6. **MEMBERS/PROXIES SHOULD BRING THE ATTENDANCE SLIP DULY FILLED IN FOR ATTENDING THE MEETING.**
7. The Company has already transferred unclaimed dividend declared for the financial year ended 31st March, 1994 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed or collected their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, Gujarat. The unpaid dividends that are due for transfer to the Central Government are as follows:

Financial Year ended	Due for transfer on
31-03-95	20-10-1998
31-03-96	17-08-1999
31-03-97	02-11-2000

Members who have not encashed their dividend warrants for the aforesaid financial years are requested to approach the Company's Registrar and Transfer Agents, for obtaining duplicate dividend warrants.

8. Members are requested to note that all correspondence relating to share transfer should be addressed to its Registrar and Transfer Agents, **SPECTRUM CORPORATE SERVICES LTD. Shree Ganesh Indl. House, 1st Floor, 'B' Wing, Near Amar Cinema, W.T. Patil Marg, Chembur, Mumbai - 400 071.**

By order of the Board of Directors

V.R. Mohan
Company Secretary

Registered Office:

Avdesh House, 2nd Floor,
Pritam Nagar, 1st Slope,
Ellisbridge
AHMEDABAD-380 006.

Mumbai, Dated: 22nd June, 1998



Directors' Report

To the Members

Your Directors have pleasure in presenting the 12th Annual Report, together with the Audited Statement of Accounts of the Company for the year ended March 31, 1998.

Financial Results:

	Rs. in crores	
	Year ended 31-3-1998	Year ended 31-3-1997
Gross Income	301.33	222.86
Gross Profit	197.62	164.55
Less: Depreciation	79.81	45.98
Profit Before Tax	117.81	118.57
Provision for Taxation	11.36	17.06
Net Profit	106.45	101.51
Add : Profit brought forward from the previous year	72.89	41.86
Excess provision for previous year dividend	0.08	0.06
Profit available for Appropriation	179.42	143.43
Income Tax for earlier years	5.27	—
Proposed Dividend including Dividend Tax	38.23	38.23
Transfer to General Reserve	12.00	12.00
Transfer to Statutory Reserve Fund	21.29	20.31
Balance carried forward	102.63	72.89

Dividends :

Your Directors have recommended a dividend of 28% (previous year 28%) on 12,85,27,050 Equity shares of Rs. 10/- each (pro-rata dividend wherever applicable) aggregating to Rs. 34.75 crores (previous year Rs. 34.75 crores).

Year in Retrospect :

Your Company maintained satisfactory progress during the year under review despite continuing economic uncertainties.

Total income for the year rose to Rs. 301.33 crores, an increase of 35% over the previous year. Gross profit went up by 20% to Rs. 197.62 crores (previous year Rs. 164.55 crores). After provision of depreciation of Rs. 79.81 crores (previous year Rs. 45.98 crores), net profit was at Rs. 106.45 crores against Rs. 101.51 crores in the previous year.

Resources :

During the year, your Company mobilised resources aggregating Rs. 642 crores through issuance of bonds/debentures on private placement basis. The offerings attracted good response from a diverse range of investors, including domestic and foreign banks, foreign institutional investors and corporate bodies. The debt equity ratio of your Company stands at a conservative 0.90 to 1, leaving room for further borrowings at an appropriate time.

The Company's bond/debenture programme is rated by Credit Analysis & Research Limited as CARE "AA+", indicating that the instruments carrying this rating are judged to be of high quality by all standards, and as high investment grade.

Future Growth:

The pace of infrastructure development in the country has so far remained slow, owing to political and economic uncertainties. Your Company however continues to seek opportunities to support infrastructure projects in the fields of power, telecom, roads, ports, etc.

Subsidiaries :

As required under Section 212 of the Companies Act, 1956 the audited statements of accounts alongwith the report of the Board of Directors of Reliance Share & Stock Brokers Limited, Reliance Land Limited, Reliance Capital Asset Management Limited and Reliance Capital

Trustee Co. Limited and the respective Auditors report thereon for the year ended March 31, 1998 are annexed.

Fixed Deposits :

Your Company's fixed deposit programme continued to be accorded CARE "AAA" rating by Credit Analysis & Research Limited.

During the year, your Company suspended acceptance/renewal of fixed deposits. At the end of the financial year, there were 705 deposits aggregating Rs. 0.84 crores due for repayment but which remained unclaimed on the due dates. Till the date of this report, deposits aggregating Rs. 0.50 crores have been refunded. Your Company has intimated the deposit holders individually of their unclaimed amount with a request to return the Fixed Deposit Receipts duly discharged to enable the Company to refund the amount.

Your Company has complied with various requirements in terms of the capital adequacy and rating for fixed deposit schemes under the guidelines issued by the Reserve Bank of India for Non Banking Financial Companies.

Directors :

Dr. A.C. Shah resigned as a director and his resignation was accepted by the Board. Your Directors placed on record the valuable services rendered by him to the Company.

Shri D. Chaturvedi, Shri D.J. Kapadia and Shri J.R. Shah are retiring by rotation and being eligible offer themselves for re-appointment.

Auditors & Auditors' Report :

M/s. Pathak H.D. & Associates, Chartered Accountants, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. Your Company has also received a certificate from M/s. Pathak H.D. & Associates, Chartered Accountants, to the effect that the appointment, if made, would be within the prescribed limits u/s 224(1-B) of the Companies Act, 1956.

The Accounting policy A of Schedule M referred to in the Auditors' Report is self-explanatory.

Personnel :

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. However as per the provisions of Section 219(1)(b)(iv) of the Companies Act 1956, the report and the accounts are being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company at its Corporate Office.

Particulars required to be furnished by the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988:

- (1) Part A and B pertaining to conservation and technology absorption are not applicable to the Company.
- (2) Foreign Exchange earnings and outgo:

Earnings	- Nil
Outgo	- Rs. 7.72 crores

Acknowledgements :

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, depositors and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance during the year.

for and on behalf of the Board of Directors

D. CHATURVEDI
Chairman

Mumbai, Dated: June 22, 1998.

Auditor's Report

To
The Members of
Reliance Capital Limited

We have audited the attached Balance Sheet of 'Reliance Capital Limited' as at 31st March, 1998 and the Profit and Loss Account 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 Central Government in terms of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
2. Further to our comment in the Annexure referred to in paragraph (1) above:
 - (a) We have obtained all the information and explanations which is 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 it appears from our examination of those books;
 - (c) the Balance Sheet and Profit & 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 together with the notes thereon, subject to accounting policy (A) of Schedule "M" relating to interest on allotment/call money in arrears being accounted by the Company as and when received, give the information as required under the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998, and
 - (ii) in case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

for Pathak H.D. & Associates
Chartered Accountants

Virendra Garg
Partner

Mumbai, Dated: June 22, 1998

Annexure to Auditor's Report

Re: Reliance Capital Limited
(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 locations of fixed assets. Most of the fixed assets of the Company have been leased. The Assets on lease have been certified by the respective lessees as to their physical existence and good working conditions. The fixed assets other than the assets on lease have been physically verified by the management during the year. No material discrepancies were noticed on such verifications, as compared to available records.
2. None of the fixed assets has been revalued during the year.
3. As explained to us, the Stock-in-Trade (Investments) has been physically verified by the management at reasonable intervals.
4. In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
5. As explained to us, no discrepancies have been noticed on physical verification of stocks as compared to book records.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles.
7. The Company has not taken any loans, secured or unsecured from

Companies (except from the subsidiary companies) firms or other parties as listed in the register maintained under Section 301 of the Companies Act, 1956 and/or from the Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956. In our opinion, the terms and conditions of the above loans are prima-facie not prejudicial to the interest of the Company.

8. The Company has not granted any loans, secured or unsecured to Companies (except to subsidiary companies) firms or other parties as listed in the register maintained under Section 301 of the Companies Act, 1956 or from the Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956. In our opinion, the terms and conditions of the above loans are prima-facie not prejudicial to the interest of the Company.
9. In respect of loans and advances in the nature of loan given by Company to the parties other than subsidiary Companies, they are generally repaying the principal amounts as stipulated and are also regular in payment of interest, wherever applicable except the loans classified as non performing assets.
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 nature of its business for the purchase of plant and machinery, equipment and other assets.
11. According to information & explanations given to us there are no transactions of purchase of goods & material and sale of goods, materials & services made in pursuance of contracts or arrangements required to be entered in the register maintained under Section 301 of the Companies Act, 1956, aggregating during the year to Rs. 50,000/- or more in respect of each party.
12. In our opinion and according to the information and explanation given to us, the Company has complied with the directives issued by the Reserve Bank of India and 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.
13. In our opinion, the Company has an Internal Audit system commensurate with its size and nature of its business.
14. According to the records of the Company, Provident Fund and Employees State Insurance dues have been regularly deposited with the appropriate authorities.
15. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty were outstanding as at 31st March, 1998 for a period of more than six months from the date they became payable.
16. 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 practices.
17. Being a Finance Company the provisions of Section 3(1) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to the Company.
18. In our opinion and according to the information and explanations given to us, adequate documents and records have been maintained by the Company in respect of loans and advances granted on the basis of security by way of pledge of shares, debentures and other securities.
19. The provisions of any special statute applicable to chit fund, nidhi or mutual benefit society do not apply to the Company.
20. The Company has maintained proper records of transactions and contracts in respect of trading in shares, debentures and other securities and timely entries have been made therein. The Investments are held by the Company in its own name except for certain shares which are lodged for transfer or held with valid transfer forms or are pending for rectification of bad deliveries.

for Pathak H.D. & Associates
Chartered Accountants

Virendra Garg
Partner

Mumbai, Dated: June 22, 1998



Balance Sheet as at 31st March, 1998

(Rs. in Crores)

	Schedule	31st March 1998	31st March 1997
Sources of Funds:			
Shareholders' Funds			
(a) Share Capital	A	123.97	123.95
(b) Reserves & Surplus	B	989.11	925.90
		<u>1,113.08</u>	<u>1,049.85</u>
Loan Funds			
(a) Secured Loans	C	679.32	53.97
(b) Unsecured Loans	D	318.71	399.55
		<u>998.03</u>	<u>453.52</u>
Total		<u><u>2,111.11</u></u>	<u><u>1,503.37</u></u>
Application of Funds:			
Fixed Assets			
(a) Gross Block	E	725.31	655.16
(b) Less: Depreciation		205.58	129.76
(c) Lease Adjustment A/c		(28.93)	(44.33)
(d) Net Block		<u>490.80</u>	<u>481.07</u>
(e) Capital Work-in-Progress		85.83	56.80
		<u>576.63</u>	<u>537.87</u>
Investments	F	<u>882.10</u>	<u>295.50</u>
Current Assets, Loans & Advances			
(a) Current Assets	G	274.16	421.46
(b) Loans & Advances		475.31	323.33
		<u>749.47</u>	<u>744.79</u>
Less: Current Liabilities & Provisions			
(a) Current Liabilities	H	47.16	32.35
(b) Provisions		49.93	42.44
		<u>97.09</u>	<u>74.79</u>
Net Current Assets		<u>652.38</u>	<u>670.00</u>
Total		<u><u>2,111.11</u></u>	<u><u>1,503.37</u></u>
Accounting Policies	M		
Notes to the Accounts	N		

As per our report of even date
For Pathak H.D. & Associates
Chartered Accountants
Virendra Garg
Partner

For and on behalf of the Board
Chairman
Managing Director
Directors

: D. Chaturvedi
: Anand Jain
: D.J. Kapadia
: J.R. Shah
: V.R. Mohan

Company Secretary

Mumbai, Dated: June 22, 1998

Mumbai, Dated: June 22, 1998


Profit & Loss Account for the year ended 31st March, 1998

(Rs. in Crores)

	Schedule	31st March 1998	31st March 1997
Income			
Lease Income	I	129.86	93.69
Bills Discounting		13.14	2.42
Other Income	J	158.33	126.75
		<u>301.33</u>	<u>222.86</u>
Expenditure			
Interest and Finance Charges	K	87.31	31.37
Administrative and Other Expenses	L	16.40	26.94
Depreciation		79.81	45.98
		<u>183.52</u>	<u>104.29</u>
Profit before tax		117.81	118.57
Provision for Taxation-Income Tax		11.30	17.00
Provision for Taxation-Wealth Tax		0.06	0.06
Profit after tax		106.45	101.51
Balance Brought Forward		72.89	41.86
Excess/Short Provision for Dividend (Previous Year)		0.08	0.06
Profit available for appropriations		179.42	143.43
Appropriations			
Income Tax for earlier year		5.27	—
Proposed Dividend		34.75	34.75
Dividend Tax		3.48	3.48
Transfer to Statutory Reserve Fund		21.29	20.31
Transfer to General Reserve		12.00	12.00
Balance carried to Balance Sheet		102.63	72.89
		<u>179.42</u>	<u>143.43</u>
Accounting Policies	M		
Notes to the Accounts	N		

As per our report of even date
For Pathak H.D. & Associates
Chartered Accountants
Virendra Garg
Partner

Mumbai, Dated: June 22, 1998

For and on behalf of the Board
Chairman
Managing Director

Directors

Company Secretary

Mumbai, Dated: June 22, 1998

: D. Chaturvedi
: Anand Jain
} D.J. Kapadia
} J.R. Shah
: V.R. Mohan



Schedules forming part of the Balance Sheet as at 31st March, 1998

(Rs. in Crores)

	31st March 1998	31st March 1997
Schedule "A"		
Share Capital		
Authorised:		
20,00,00,000 Equity Shares of Rs. 10 each	200.00	200.00
1,00,00,000 Preference Shares of Rs. 100 each.	100.00	100.00
10,00,00,000 Unclassified Shares of Rs. 10 each.	100.00	100.00
	<u>400.00</u>	<u>400.00</u>
Issued and Subscribed		
12,86,50,450 Equity Shares of Rs. 10 each	<u>128.65</u>	<u>128.65</u>
Paid up		
12,85,27,050 Equity Shares of Rs. 10 each	128.53	128.53
Less: Unpaid Allotment/Call Money-By Others	4.60	4.62
Add: Forfeited Shares (Amount originally paid up on 1,23,400 Equity Shares)	0.04	0.04
	<u>123.97</u>	<u>123.95</u>
Of the above 18,70,000 Equity shares were allotted as fully paid-up pursuant to the Scheme of Amalgamation without payment being received in cash.		
Schedule "B"		
Reserves and Surplus		
Capital Reserve		
As per last Balance Sheet	0.07	—
Add: Amount transferred from Share Premium account on 1,23,400 shares forfeited	—	0.07
	<u>0.07</u>	<u>0.07</u>
Share Premium Account		
As per last Balance Sheet	778.43	778.61
Add: Received during the year	—	0.15
Less: Amount on forfeited shares	—	(0.27)
	<u>778.43</u>	<u>778.49</u>
Less: Preliminary and issue expenses	—	0.06
	<u>778.43</u>	<u>778.43</u>
Less: Allotment/Calls in arrears	58.62	58.80
	<u>719.81</u>	<u>719.63</u>
Statutory Reserve Fund*		
As per last Balance Sheet	20.31	—
Add: Amount transferred from Profit & Loss Account	21.29	20.31
	<u>41.60</u>	<u>20.31</u>
General Reserve		
As per last Balance Sheet	113.00	101.00
Add: Amount transferred from Profit & Loss Account	12.00	12.00
	<u>125.00</u>	<u>113.00</u>
Profit & Loss Account		
	<u>102.63</u>	<u>72.89</u>
	<u>989.11</u>	<u>925.90</u>
* Created pursuant to Reserve Bank of India (Amendment) Act, 1997.		
Schedule "C"		
Secured Loans		
Term Loan From a Financial Institution	—	0.32
Working Capital Loans from Banks	0.10	53.65
Discount Bonds & Debentures		
Secured Redeemable Discount Bonds	926.48	—
Less: Discount not written off	456.46	—
	<u>470.02</u>	<u>—</u>
Secured Redeemable Non Convertible Debentures	209.20	—
	<u>679.32</u>	<u>53.97</u>

NOTES:

- Term Loan is secured by hypothecation of Leased Assets and guaranteed by a Body Corporate.
- Working Capital Loans from Banks are secured by hypothecation of all Movable Assets, Leased Assets, book debts and lease rent receivables both present and future on pari-passu basis.
- Debentures/Bonds referred to in above are secured/to be secured by way of mortgage of immovable properties and hypothecation of movable assets.
- Discount Bonds referred to above consists of:
 - Non interest bearing Discount Bonds of the face value of Rs. 13,60,489 each aggregating to Rs. 104.48 crores issued at Rs. 6,30,170 each redeemable on May 10, 2002 with a Put option on May 10, 2000.
 - Non interest bearing Discount Bonds of the face value of Rs. 10 lacs each aggregating to Rs. 52 crores issued at Rs. 6,36,774 each redeemable on May 26, 2000.
 - Non interest bearing Discount Bonds of the face value of Rs. 1 crore each aggregating to Rs. 110 crores issued at Rs. 45,63,927 each redeemable on October 3, 2002 with a Put option on October 3, 2000.
 - Non interest bearing Discount Bonds of the face value of Rs. 1 crore each aggregating to Rs. 110 crores issued at Rs. 45,62,040 each redeemable on October 20, 2002 with a Put option on October 20, 2000.
 - Non interest bearing Discount Bonds of the face value of Rs. 1 crore each aggregating to Rs. 110 crores issued at Rs. 45,63,923 each redeemable on October 21, 2002 with a Put option on October 20, 2000.



Schedules forming part of the Balance Sheet as at 31st March, 1998

- (vi) Non interest bearing Discount Bonds of the face value of Rs. 1 crore each aggregating to Rs. 110 crores issued at Rs. 45,63,926 each redeemable on October 24, 2002 with a Put option on October 24, 2000.
- (vii) Non interest bearing Discount Bonds of the face value of Rs. 1 crore each aggregating to Rs. 110 crores issued at Rs. 45,62,042 each redeemable on October 27, 2002 with a Put option on October 27, 2000.
- (viii) Non interest bearing Discount Bonds of the face value of Rs. 1 crore each aggregating to Rs. 110 crores issued at Rs. 45,63,926 each redeemable on October 28, 2002 with a Put option on October 28, 2000.
- (ix) Non interest bearing Discount Bonds of the face value of Rs. 1 crore each aggregating to Rs. 110 crores issued at Rs. 45,63,926 each redeemable on October 29, 2002 with a Put option on October 29, 2000.
5. Debentures referred to above consists of (i) 16% Debentures of Rs. 10,00,000 each aggregating Rs. 40 crores redeemable at par on May 21, 2002. (ii) 15.75% Debentures of Rs. 10,00,000 each aggregating Rs. 33 crores redeemable at par on, May 21, 2000. (iii) 15.75% Debentures of Rs. 10,00,000 each aggregating Rs. 16.70 crores redeemable at par on May 31, 2002. (iv) 15.50% Debentures of Rs. 10,00,000 each aggregating Rs. 101.50 crores redeemable at par on May 31, 2000. (v) 15.50% Debentures of Rs. 10,00,000 each aggregating Rs. 18 crores redeemable at par on June 16, 2000.

(Rs. in Crores)

31st March 1998

31st March 1997

Schedule "D"

Unsecured Loans

Fixed Deposits	40.87	57.34
From Subsidiary Company	2.42	2.23
From Bodies Corporate	57.80	45.70
Non Convertible Debentures	16.45	10.03
Discount Bonds	—	21.32
Deferred Credit	—	64.00
Security Deposit Received-Lease	136.56	142.89
Assigned Liabilities (Refer Note No. 4 of Schedule "N")	64.17	55.80
Interest accrued and due	0.44	0.24
	318.71	399.55

Notes:

- Amount payable within one year is Rs. 84.23 crores.
- Non Convertible Debentures referred to above consists of:
 - 16% Debentures of face value of Rs 100 each aggregating to Rs 10 crores, redeemable at par after 18 months from the date of allotment i.e. February 24, 1997.
 - 18% Debentures of face value of Rs 100 each aggregating to Rs. 0.02 crores redeemable at par on August 7, 1998 with a Put option on or after August 6, 1997 and Call option on or after February 6, 1997.
 - 17.5% Debentures of face value of Rs. 100 each aggregating to Rs. 0.01 crores redeemable at par on May 21, 1998.
 - 15% Debentures of face value of Rs. 100 each aggregating to Rs. 6.35 crores received from a subsidiary company are redeemable at par on November 20, 1998 Rs. 1.50 crores, on March 14, 1999 Rs. 1.05 crores and on September 22, 1999 Rs. 3.80 crores.
 - 14% Debentures of face value of Rs. 100 each aggregating to Rs. 0.07 crores redeemable at par on March 8, 1999.

Schedule "E"

Fixed Assets

(Rs. in Crores)

Assets	Gross Block			Depreciation		Lease Adjust-ment	Net Block		
	As at 01.04.97	Addition	Deduction	As at 31.03.98	For the year		Upto 31.03.98	As at 31.03.98	As at 31.03.97
Assets on Lease									
Plant & Machinery	628.52	15.55	2.07	642.00	48.03	170.72	(58.00)	413.28	459.49
Temporary Erections	—	60.45	—	60.45	30.22	30.22	29.20	59.43	—
Furniture & Fittings	1.07	—	—	1.07	0.07	0.18	(0.04)	0.85	0.95
Office & Other Equipments	4.87	—	4.48	0.39	0.56	0.10	(0.09)	0.20	3.43
Motor Vehicles	0.04	—	0.04	0.00	0.00	—	—	0.00	0.04
Sub-total	634.50	76.00	6.59	703.91	78.88	201.22	(28.93)	473.76	463.91
Assets for own use									
Buildings	15.17	0.64	—	15.81	0.25	1.31	—	14.50	14.11
Furniture & Fittings	2.22	0.02	—	2.24	0.26	1.08	—	1.16	1.41
Office & Other Equipments	2.65	0.12	—	2.77	0.34	1.62	—	1.15	1.37
Motor Vehicles	0.62	0.06	0.10	0.58	0.08	0.35	—	0.23	0.27
Sub-total	20.66	0.84	0.10	21.40	0.93	4.36	—	17.04	17.16
Grand Total	655.16	76.84	6.69	725.31	79.81	205.58	(28.93)	490.80	481.07
Previous Year	599.20	111.02	55.06	655.16	45.98	129.76	(44.33)	481.07	—
Capital work-in-progress									
Assets to be Leased	—	—	—	—	—	—	—	—	9.82
Assets For Own use	—	—	—	—	—	—	—	85.83	46.98
Total								85.83	56.80

Notes :—

- Buildings include cost of shares in Co-operative Societies Rs. 2,500 (Previous Year Rs. 2,500).
- Capital work in progress includes :
 - Advance for Capital Expenditure for assets to be leased Rs. nil (Previous year Rs. 3.01 crores), and
 - Advances of Rs. 51.47 crores paid towards Purchase/acquisition of 1,081 Equity Shares of Rs. 1 each, and 1,30,800 Optionally Convertible Debentures of face value of Rs. 1,000 each of M/s. Mature Trading & Investments P. Ltd. with a right of occupancy of certain area in a commercial premise under construction.
 - Advances of Rs. 6.65 crore paid towards Purchase/acquisition of 50,000 Equity shares of Rs. 10 each of M/s. Legend Housing P. Ltd. and Rs. 6.40 crores paid towards building fund with a right of occupancy of certain area in a commercial/residential premises under construction.
- Additions and Capital work in progress includes Rs. nil (Previous Year Rs. 0.38 crores) on account of exchange difference.



Schedules forming part of the Balance Sheet as at 31st March, 1998

(Rs. in Crores)

	Face Value/ Maturity Value	Quantity		Value	
		As at 31.3.98	As at 31.3.97	As at 31.3.98	As at 31.3.97
Schedule "F" - Investments					
Long term investments					
Government Securities - Unquoted					
Gold Bond 1998	Gms	169,285	169,285	6.30	6.30
11.19% Government of India - 2005	Rs. 100	88,000	—	0.93	—
				7.23	6.30
PSU Bonds - Quoted (Government Guaranteed)					
17% Mahanagar Telephone Nigam Ltd Bonds	Rs 100000	712	1,191	7.65	12.80
15% Mahanagar Telephone Nigam Ltd Bonds	Rs 100	1,400,000	—	14.80	—
13.5% Mahanagar Telephone Nigam Ltd Bonds	Rs 100	300,000	—	3.12	—
11.5% ICICI Bonds-2009	Rs 100	80,000	—	0.78	—
14% Maharashtra State Road Dev. Corp. Bonds	Rs 100	600,000	—	6.00	—
				32.35	12.80
Trade Investments					
In Equity Shares - Unquoted, Fully Paid Up					
Reliance Europe Ltd.	1£	554,250	554,250	1.97	1.97
Reliance Enterprises Ltd.	Rs 10	11,279	11,279	—	—
Reliance Research & Management Pvt. Ltd.	Rs 10	19,670	19,670	0.02	0.02
Reliance Safe Vaults & Sec. Pvt. Ltd. (Rs 48,700, Previous Year Rs 48,700)	Rs 10	4,870	4,870	0.00	0.00
Reliance Stock Holding Pvt. Ltd. (Rs 48,700, Previous Year Rs 48,700)	Rs 10	4,870	4,870	0.00	0.00
				2.00	2.00
In Subsidiary Companies - Unquoted, Fully Paid Up					
In Equity Shares.					
Reliance Land Ltd.	10	10,000,000	10,000,000	10.00	10.00
Reliance Share & Stock Brokers Ltd.	10	10,000,000	10,000,000	10.00	10.00
Reliance Capital Asset Management Ltd.	10	7,500,700	7,500,700	7.50	7.50
Reliance Capital Trustee Co. Ltd.	10	50,700	50,700	0.05	0.05
In Preference Shares					
12% Cumulative Redeemable Preference Shares of Reliance Share & Stock Brokers Ltd.	100	400,000	400,000	4.00	4.00
5% Cumulative Redeemable Preference Shares of Reliance Capital Asset Management Ltd.	100	350,000	—	3.50	—
				35.05	31.55
Equity Shares - Unquoted, Fully Paid Up					
Associated Hotels Ltd.	10	—	12,500	—	0.05
Comart Lithographers Ltd.	10	687,500	687,500	5.50	5.50
Him Tekno Forge Ltd.	10	1,300,000	1,300,000	3.25	3.25
Observer (India) Ltd.	10	23,200	23,200	0.02	0.02
Padmalaya Telefilms Ltd.	10	1,500,000	1,500,000	1.50	1.50
Reliance Telecom Ltd. (Rs. 1,000)	10	100	—	0.00	—
Roots Industries Ltd.	10	400,000	400,000	4.00	4.00
Shiraz Photo Films Ltd.	10	540,000	540,000	2.70	2.70
Taj Kerala Hotels & Resorts Ltd.	10	—	500,000	—	2.01
				16.97	19.03
Preference Shares - Unquoted, Fully Paid Up					
10% Cumulative Redeemable Preference Shares of Reliance Telecom Ltd.	10	13,400	—	0.01	—
14% Cumulative Redeemable Preference Shares of Reliance Ports & Terminals Ltd.	100	9,000,000	—	90.00	—
				90.01	—
Debentures - Unquoted, Fully Paid Up					
21% Optionally Convertible Debentures of Padmalaya Telefilms Ltd.	100	400,000	250,000	4.35	2.57
18% Secured Redeemable Non-Convertible Debentures of Countrywide Consumer Financial Services Ltd.	25000	—	800	—	2.00
15% Unsecured Non-Convertible Debentures of Reliance Research & Mgmt Pvt. Ltd.	100	7,300,000	—	73.00	—
15% Unsecured Non-Convertible Debentures of Reliance Safe Vaults & Securities Pvt. Ltd.	100	7,300,000	—	73.00	—
15% Unsecured Non-Convertible Debentures of Reliance Stock Holding Pvt. Ltd.	100	7,325,000	—	73.25	—
4.75% Unsecured Fully Convertible Debentures of Reliance Research & Mgmt Pvt. Ltd.	100	—	7,300,000	—	73.00
4.75% Unsecured Fully Convertible Debentures of Reliance Safe Vaults & Securities Pvt. Ltd.	100	—	7,300,000	—	73.00
4.75% Unsecured Fully Convertible Debentures of Reliance Stock Holding Pvt. Ltd.	100	—	7,325,000	—	73.25
Zero Coupon Optionally Convertible Unsecured Debentures of Reliance Petro Products Pvt. Ltd.	100	10,000,000	—	115.00	—
Unsecured Deep Discount Bonds of Reliance Elastomers Pvt. Ltd.	226100	5,057	—	50.57	—
Unsecured Deep Discount Bonds of Reliance Petrosynth Pvt. Ltd.	226100	1,392	—	13.92	—
Unsecured Deep Discount Bonds of Reliance Chemicals Pvt. Ltd.	226100	7,660	—	76.60	—
Secured Redeemable Non-Convertible Debentures of Reliance Utilities & Power Ltd.	1000000	1,842	—	80.96	—
				560.65	223.82