
Sixth Annual Report 1996 - 97

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Reliance
Petroleum Limited



SIXTH ANNUAL GENERAL MEETING

on Thursday, the 13th November, 1997 at 10.30 a.m.
at Village Motikhavdi, P.O.Digvijay Gram, Dist.
Jamnagar, Gujarat 361 140.

CONTENTS

	<u>Page No.(s)</u>
Board of Directors, etc.	2
Notice of Annual General Meeting	3 - 4
Directors' Report	5 - 6
Auditors' Report	7
Balance Sheet	8
Schedules annexed to Balance Sheet and Notes on Accounts	9 - 14
Cash Flow Statement	15
Investors' Guide to Depositories	16 - 18
Proxy Form & Attendance Slip	19

BOARD OF DIRECTORS

Dhirubhai H. Ambani	<i>Chairman</i>
Mukesh D. Ambani	<i>Vice Chairman</i>
Anil D. Ambani	<i>Managing Director</i>
A.K.T. Chari	<i>Nominee of IDBI</i>
M.L. Bhakta	
S.R. Setlur	
K.K. Malhotra	
Nikhil R. Meswani	
Hital R. Meswani	

REGISTERED OFFICE

Village Motikhavdi
P.O. Digvijay Gram, Dist. Jamnagar
Gujarat 361 140.
Tel. No. 0288-510000
Fax No. 0288-517850

SOLICITORS & ADVOCATES

Kanga & Co.

CORPORATE OFFICE

3rd Floor, Maker Chambers IV
222, Nariman Point
Mumbai 400 021.
Tel. No. 022-2831633
Fax No. 022-2042268

AUDITORS

Chaturvedi & Shah

REFINERY COMPLEX

Dist. Jamnagar, Gujarat

BANKERS

ABN AMRO Bank
Allahabad Bank
Bank of America
Bank of Baroda
Barclays Bank
Canara Bank
Commerz Bank
Citibank N.A.
Dena Bank
Deutsche Bank
HDFC Bank
Hongkong Bank
Indian Bank
Punjab National Bank
State Bank of India
Syndicate Bank
The Chase Manhattan Bank N.A.

REGISTRAR & TRANSFER AGENT

Karvy Consultants Limited
21, Road No. 4, Street No. 1,
Banjara Hills,
Hyderabad - 500 034.
Tel.No. 040-3320666
Fax No. 040-3323058

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the Members of **Reliance Petroleum Limited** will be held on Thursday, the 13th November 1997, at 10.30 a.m. at Village Motikhavdi, P.O. Digvijay Gram, District Jamnagar, Gujarat 361 140 to transact the following business :

Ordinary Business

1. To consider and adopt the Balance Sheet as at 31st March, 1997, and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dhirubhai H. Ambani who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

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

"**RESOLVED THAT** Shri Nikhil R. Meswani, who was appointed by the Board of Directors of the Company in the casual vacancy caused by the resignation of Shri P.N. Devarajan who was appointed by the Company in general meeting and who would have held office up to the date of this annual general meeting and in respect of whom the Company has pursuant to Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"**RESOLVED THAT** Shri Hital R. Meswani, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office under Section 260 of the Companies Act, 1956, upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"**RESOLVED THAT** in accordance with the provisions of Sections 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) the consent of the Company be and is hereby accorded to the re-appointment of Shri Anil D. Ambani, as Managing Director of the Company, for a period of 5 (five) years from the expiry of his present term of office, that is on and with effect from 19th April 1998.

RESOLVED FURTHER THAT Shri Anil D. Ambani shall not receive any remuneration from the Company and that his appointment shall be on the terms and conditions as are set out in the agreement to be entered into between the Company and Shri Anil D. Ambani, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement so as to be in conformity with Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force and/or any modifications that may hereafter be made thereto by the Central Government in that behalf from time to time and the Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

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

RESOLVED THAT in accordance with the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and the provisions in the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and the prevailing guidelines of the relevant authorities in that behalf and subject to such approvals, consents, permissions and/or sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authorities while granting such approvals, consents, permissions and/or sanctions and which may be agreed to by the Board of Directors (hereinafter referred to as "the Board", which term shall include any Committee which the Board may constitute to exercise its

powers including the powers conferred by this resolution), the consent of the Company be and is hereby accorded to the Board to issue/offer, for preferential allotment, 14% Optionally Fully Convertible Debentures and/or equity linked securities (hereinafter collectively for brevity's sake referred to as "the securities"), to Reliance Industries Limited and/or its associates as promoters' contribution, which securities when issued or allotted in one or more tranches would ultimately result in an increase in the nominal value of the subscribed share capital of the Company by an amount not exceeding Rs.1400 crores;

RESOLVED FURTHER THAT the terms and conditions of issue of the securities including the number of securities to be issued, face value, calls, premium on shares, terms of redemption, the number of equity shares to be allotted on conversion or upon exercise of rights by holders of the securities, period of conversion and all other incidental matters thereto shall be determined by the Board in its absolute discretion and, where applicable, in accordance with the applicable guidelines, rules and regulations, as the case may be, and that the price of the equity shares which shall be issued on conversion shall be determined as per the norms prescribed under the applicable statutory provisions/guidelines and that the said equity shares so issued or allotted shall, subject to the provisions of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company, rank in all respects *pari passu* with the then existing equity shares of the Company except that such equity shares shall carry the right to receive dividend which may be declared for the financial year in which the allotment of equity shares shall become effective, *pro rata* from the date of allotment, proportionate to the amount paid-up on such equity shares;

RESOLVED FURTHER THAT the consent of the Company be and is hereby also granted in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals of the appropriate authorities, as may be necessary, to the Board to secure, if necessary, the entire or any part or parts of the said securities by creation of a mortgage and/or charge on all or any of the Company's immovable and/or movable assets, both present and future, such charge to rank second, subservient and subordinate to all the mortgages/charges created/to be created by the Company for all existing and future borrowings and facilities whatsoever as may be deemed fit and proper by the Board;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary proper or desirable or as may be incidental or ancillary and to settle all questions, difficulties or doubts that may arise in regard to such issue or allotment as it may in its absolute discretion deem fit in order to give effect to this resolution without being required to obtain any further consent or approval of the members or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

By Order of the Board

K. Sethuraman

Vice President - Corporate Secretarial & Legal

Mumbai

Dated: October 15, 1997

Notes

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The Explanatory Statement setting out the material facts in respect of the special business under Item Nos. 4 to 7 is annexed hereto.
3. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and holidays, between 11.00 a.m. and 1.00 p.m., upto the date of the Annual General Meeting.
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting. The Register of Members shall remain closed from **Wednesday, November 12, 1997 to Tuesday, November 18, 1997 (both days inclusive)**.
5. Shareholders seeking any information with regard to accounts are requested to write to the Company at the earliest so as to enable the management to keep the information ready.

DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting the Sixth Annual Report and the Audited Statement of Accounts of the Company for the financial year ended 31st March, 1997.

ACCOUNTS

Since there were no manufacturing activities during the financial year ended on 31st March, 1997, no profit & loss account has been prepared for the above period. All pre-operative and other miscellaneous expenses shall be capitalised or written off, as appropriate, at a later date.

PROJECT

Your Company is currently implementing a project for the construction of a 15 million metric tonnes per annum oil refinery for crude processing in District Jamnagar, Gujarat. The project cost has been updated by the Industrial Development Bank of India (IDBI) at Rs. 9,236 crores. The Company has entered into contracts with Bechtel, the world renowned engineering construction company for Engineering, Procurement, Construction and Project management Services. The refinery complex will be based on technology from UOP (USA), the world leaders in refinery technologies. The technology is to be provided by Bechtel.

Orders for most of the equipments and bulk items have been placed. Construction contracts for civil, mechanical, piping works have been finalised. Township facility for 2000 persons are under various stages of completion and are expected to be completed in next three months. Construction power and construction water are made available to contractors. Construction of various non-process buildings is in progress and Material Management Centre and Engineering Maintenance Building are nearing completion. Early site infrastructure works like labour colonies, batching plants and laydown areas have been constructed. Necessary telecommunication link between various project offices and corporate office has been established.

The progress achieved in implementation of the project is satisfactory. Barring unforeseen circumstances, based on the plan detailed by engineering contractors, the project is expected to be completed in 1999.

Funds to the extent of Rs. 3039 crores were utilised for the project upto 31st March, 1997, as against Rs. 5142 crores projected in the Company's Prospectus dated 26th August, 1993. The variation is due to the change in capacity and configuration and the legal cases pertaining to environment and land.

ALLOTMENT OF SECOND EQUITY SHARES

Your Company made further allotment of 881900 Equity Shares (2nd Equity), after 31st March, 1997 in response to exercise of option attached to the first call, by the Triple Option Convertible Debenture holders. These shares have already been listed in the Stock Exchanges at Rajkot, Mumbai, Ahmedabad and National Stock Exchange.

SECOND / THIRD & FINAL CALL

During the year under review, your Company made the Second/ Third & Final Calls of Rs. 10 and Rs. 15 respectively making the Triple Option Convertible Debentures (TOCDs) fully paid up at Rs. 40/- upon receipt of the said call monies. Similarly, the 2nd Equity Shares of Rs. 10 each of the Company would also stand fully paid upon payment of second call money.

Your directors thank the TOCDholders/Shareholders for their overwhelming response in effecting the call money payments and appreciate the trust/confidence reposed in the Company.

EURO ISSUES

As a green field Company implementing the grass root refinery, your Company has successfully made an issue of US \$ 100 million, 7.84% Convertible Bonds in August, 1996. These bonds are convertible into Equity Shares or Global Depository Receipts (GDRs) at the option of the bondholders. Your directors take this opportunity to thank the Bondholders for their encouraging response and appreciate the trust and confidence reposed in the Company.

FURTHER ISSUE OF SECURITIES

Your Directors have proposed to issue/offer 14% Optionally Fully Convertible Debentures and/or equity linked instruments to Reliance Industries Limited and/or its associates as promoters' contribution, to part finance cost of the project as per means of finance approved by IDBI, subject to necessary approvals. Accordingly, suitable resolution has been set out for shareholders' approval at the ensuing annual general meeting for issuing the securities.

MARKETING

With a view to developing the market for end products of the refinery, as reported last year, your Company has taken further steps in identifying potential purchasers of the goods. Marketing personnel of your Company have rendered services to Reliance Industries Limited in importing and marketing over 1,70,000 MT of Kerosene as compared to 50,000 MT in the previous year. In the process, your Company has also been able to identify suppliers of raw material required for the refinery and has established a base globally as a potential importer of petroleum crude.

FIXED DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

DEMATERIALISATION

Your Company has already joined the depository to enable commencement of paperless trading. The Company is in the process of approaching all the large holders of equity shares to enable dematerialisation of the shares held by them.