



**FIRST INDIAN PRIVATE SECTOR COMPANY TO RECORD NET PROFIT OF
OVER RS 1,000 CRORES IN ONE QUARTER**

**NET PROFIT FOR THE HALF YEAR OF RS 1,920 CRORES (US\$ 397 MILLION),
AN INCREASE OF 25%**

**CASH PROFIT FOR THE HALF YEAR OF RS 3,649 CRORES (US\$ 754 MILLION)
AN INCREASE OF 8%**

**GROSS TURNOVER FOR THE HALF YEAR OF
RS 31,782 CRORES (US\$ 6,569 MILLION)**

EXPORTS AT RS 5,557 CRORES (US \$ 1,149 MILLION)

Mumbai, 31st October 2002 - Reliance Industries Ltd. has announced its unaudited results for the half-year ended September 30, 2002. **Gross Turnover of Rs. 31,782 crores** (US \$ 6,569 million). **Net Profit of Rs. 1,920 crores** (US \$ 397 million) - **the highest in the private sector.**

During the half year, the amalgamation of Reliance Petroleum Limited (RPL) with the Company has been completed, creating the only company in the world with fully integrated world scale operations in oil and gas exploration & production (E&P), refining & marketing (R&M), petrochemicals, power and textiles. The merged entity, RIL, enjoys global ranking in all major businesses and leading domestic market shares.

During the half year, the Company has also completed the acquisition of IPCL, India's second largest petrochemicals company, and the country's 19th largest company in terms of overall sales.

These mergers and acquisitions are in line with global trends of consolidation, to enhance size, scale, integration, global competitiveness and financial flexibility, and will contribute to the achievement of RIL's objectives of attaining peer group leadership, in terms of asset base, revenue, production volume, market share, and maximisation of total shareholder returns.

Based on latest available information, RIL is now expected to rank amongst the top 200 companies in terms of net profit, amongst the top 300 in terms of net worth, amongst the top 425 in terms of total assets, and amongst the top 500 in terms of sales, in the Fortune Global 500 rankings.



Media Release

Reliance

The performance highlights of Reliance Industries Limited for the half year ended 30th September 2002 are:

- **Gross Turnover (including inter divisional sales and excise duty)** of Rs. 31,782 crores (US\$ 6,569 million) against Rs. 29,987 crores for the corresponding previous half-year, **an increase of 6%**
- **Turnover (net of inter divisional sales)** of Rs 24,100 crores (US\$ 4,981 million) against Rs 23,442 crores for the corresponding previous half-year, **an increase of 3%**
- **Operating Profit (PBDIT)** increased by 3% to Rs 4,610 crores (US\$ 953 million) as against Rs 4,489 crores for the corresponding previous half-year.
- **Cash Profit** increased to Rs. 3,649 crores (US\$ 754 million) against Rs. 3,378 crores for the corresponding previous half-year, an increase of 8%.
- **Net Profit of Rs. 1,920 crores** (US\$ 397 million) against Rs. 1,536 crores for the corresponding previous half-year, an increase of 25%.
- The total paid up equity share capital (including shares allotted to erstwhile RPL shareholders on October 23, 2002) stood at Rs. 1,396 crores (US \$ 289 million).
- **Earnings Per Share (EPS) for the half-year are Rs. 13.7 (US \$ 0.28) & Cash Earnings Per Share (CEPS) for the half-year are Rs. 26.1 (US \$ 0.54).**

(Annualised Earnings Per Share (EPS) are Rs. 27.4 (US \$ 0.57) & Cash Earnings Per Share (CEPS) are Rs. 52.2 (US \$ 1.08).
- The company's contribution to the national exchequer in the form of various taxes were Rs. 6,485 crores (US \$ 1,340 million) against Rs. 5,376 crores for the corresponding previous half-year.
- **The Company's production of oil & gas and petrochemicals, including toll conversion, increased to 6.0 million tonnes during the first half of 2002-03 against 5.74 million tonnes for the first half-year of 2001-02, representing a growth of 4%.**
- **The Company's refinery operated at 110% capacity utilisation and processed 14.94 million tonnes of crude during the half-year.**
- **Exports including deemed exports increased 8% to Rs 5,557 crores (US\$ 1,149 million)** as against Rs 5,150 crores for the corresponding previous half-year.



Media Release

Reliance

- The Company's operations have helped the nation **save precious foreign exchange to the tune of Rs. 11,601 crores (US \$ 2,398 million).**
- **Net profit after consolidating the subsidiary companies is Rs 1,917 crores (US\$ 396 million).**

The Company has also reconciled its profits with US GAAP. Reconciliation of Net Profit as per Indian GAAP and US GAAP shows a negligible difference as under:

	<u>Indian GAAP</u>		<u>US GAAP</u>	
	Rs Cr	\$ MM	Rs Crs	\$ MM
Net Profit	1,920	397	1,937	400
Difference			17	3

Corporate Communications

Maker Chamber IV, 3rd Floor
222 Nariman Point
Mumbai 400 021 India

Internet : www.ril.com

Telephone : 283 6364

204 0304

Telefax : (+91 22) 285 2212
(+91 22) 287 0072

E-mail : ccd@ril.com



Media Release

Reliance

Commenting on the results, Mukesh D. Ambani, Chairman and Managing Director, Reliance Industries Ltd., said:

"We are delighted that Reliance Industries has become the first Indian private sector company to record a net profit of over Rs 1,000 crores in one quarter. This unique achievement is a tribute to the great vision, inspiration and dedication of our founder, Shri Dhirubhai Ambani."

Anil D. Ambani, Vice-Chairman and Managing Director, Reliance Industries Ltd., added:

"We are happy with Reliance's strong financial performance, in a period marked by a slowdown in global and domestic demand, and continued firmness in our major feedstock costs.

Reliance's consistent financial performance in this challenging industry environment once again demonstrates the strength of our market leadership, and the global competitiveness of our operations.

During the first half, we have completed the acquisition of IPCL, and the merger of Reliance Petroleum with Reliance Industries. These are significant milestones, which will provide increased benefits of scale, integration, and financial flexibility, thereby contributing to our future growth, and to enhancement of overall shareholder value."

For the 9 months ending 31st December 2002 the Company expects to announce its results in the last week of January 2003.

Corporate Communications

Maker Chamber IV, 3rd Floor
222 Nariman Point
Mumbai 400 021 India

Internet : www.ril.com

Telephone : 283 6364

204 0304

Telefax : (+91 22) 285 2212

(+91 22) 287 0072

E-mail : ccd@ril.com



Media Release

Reliance

Management Discussion & Analysis for the Half-year Ended 30th September 2002

Gross Turnover (including Inter Divisional Transfers and Excise duty) for the half-year ended 30th September 2002 was Rs. 31,782 crores (US \$ 6,569 million), **up 6% from the corresponding previous period. Net profit for the half-year increased 25% to Rs. 1,920 crores (US \$ 397 million).**

The increase in sales of 6% reflects the impact of increase of 4% in sales volume, and increase of 2% in product selling prices as compared to the corresponding previous half-year.

Exports, including deemed exports, were at Rs 5,557 crores (US\$ 1,149 million) as against Rs 5,150 crores during the corresponding previous half-year, **an increase of 8%.**

The Company's refinery operated at 110% capacity utilisation and processed 14.94 million tonnes of crude during the half-year.

During the period under review, total production volume of oil & gas and petrochemicals, including toll conversion, touched 6.0 million tonnes, an increase of 4% compared to the corresponding previous half-year.

Financial Review

Operating profit, before other income, was at Rs 4,205 crores (US \$ 869 million).

Operating margin for the half-year was stable at 13% as a result of:

- higher degree of integration and value addition;
- higher volumes;
- higher product selling prices
- greater focus on speciality products;
- continued focus on costs, productivity and efficiency;
- rationalisation of duties and rupee depreciation; **partially offset by**
- higher crude prices

Other income was Rs. 405 crores (US \$ 84 million), mainly representing interest and dividend income.



Media Release

Reliance

Interest expenditure decreased 18% to Rs. 820 crores (US \$ 169 million) due to repayment / pre-payment of higher cost long term debts and refinancing.

Depreciation was lower at Rs 1,303 crores (US \$ 269 million) as against Rs 1,365 crores for the corresponding previous half-year. The lower charge primarily reflects the impact of depreciation being charged on Written Down Value method on petrochemical plants.

Capital expenditure was Rs 818 crores (US \$ 169 million), primarily on account of oil and gas and normal capital expenditure.

Export revenues alone are more than adequate to cover the foreign exchange denominated interest liabilities on foreign currency debt.

Business Review

Oil & Gas (E&P)

RIL's oil and gas strategy is aimed at further enhancing the level of vertical integration in its energy business, and capturing value across the entire energy chain, while fulfilling important national priorities.

RIL is now the country's largest private sector E&P (Exploration and Production) player, with over 177,000 sq. kms. of awarded exploration acreage, in 26 offshore and onshore, deep and shallow water blocks, including one in Yemen.

12 exploration blocks were awarded through a process of competitive international bidding under the 1st round of the New Exploration Licensing Policy (NELP-I). Another 4 exploration blocks were awarded by the Government in the 2nd round, NELP II. A 10% interest in these 16 blocks is held by external partners.

Reliance has also participated in the 3rd round of NELP, and bid for 15 blocks.

The Oil and Gas division presently contributes less than 1% of RIL's revenues. Reliance sees considerable potential in the E&P business, and expects the share of oil and gas revenues, in its overall business portfolio, to increase significantly in the future.

Corporate Communications

Maker Chamber IV, 3rd Floor
222 Nariman Point
Mumbai 400 021 India

Internet : www.ril.com

Telephone : 283 6364

204 0304

Telefax : (+91 22) 285 2212
(+91 22) 287 0072

E-mail : ccd@ril.com



Media Release

Reliance

Reliance has deployed state-of-the-art technology, and is working with leading international technology and service providers for the E&P project, covering all activities, such as seismic studies, processing and interpretation of data, and drilling.

RIL also holds a 30% interest in an unincorporated Joint Venture with British Gas and ONGC, to develop the proven Panna-Mukta and Tapti oil & gas fields. British Gas has a 30% share and ONGC the balance 40% share.

Oil and gas production from the Panna-Mukta and Tapti fields is presently being sold to Indian Oil Corporation Ltd. (IOC) and Gas Authority of India Ltd. (GAIL), as nominees of the Government, under the Production Sharing Agreements signed with the Government.

The Panna-Mukta fields produced 646,000 tonnes of crude oil and 17.6 billion cubic feet of gas during the half year, and are currently producing about 25,500 barrels per day of crude oil, and around 2.8 MMSCMD of gas.

The Tapti field produced around 35 billion cubic feet of gas during the half-year, and is currently producing around 5.4 MMSCMD of gas.

Refining & Marketing (R&M)

Domestic demand for petroleum products improved during the half year, with estimated growth of about 0.4%, against a drop of 1.5% during the corresponding period last year.

Consumption of HSD, which accounts for nearly 40% of total consumption of petroleum products, registered growth of about 0.3%, compared with a drop of nearly 5.3% during the previous period. LPG and MS have again registered strong growth rates of about 9% and 11 % respectively, during the period under review. Naphtha sales declined 13%, while kerosene sales fell 4%, as availability of LPG connections increased in semi-urban and rural areas.

The period under review was characterized by volatility in crude prices, with Dubai crude fluctuating between \$ 22/bbl to \$ 27.5/bbl. However, product prices kept pace with crude prices, thereby cushioning margins.

RIL's refinery at Jamnagar maintained its capacity utilisation at a record level of 110% during the half-year, processing 14.94 million tonnes of crude. This is in sharp contrast to the capacity utilisation rates of other refineries, both in India and abroad, at 91% for North America, 84% for Europe, and 83% for the Asia Pacific region.

RIL's high operating rates are the result of several unique capabilities, including the ability to optimise crude oil and product mix on a dynamic basis, the world class quality of its products,

Corporate Communications

Maker Chamber IV, 3rd Floor
222 Nariman Point
Mumbai 400 021 India

Internet : www.ril.com

Telephone : 283 6364

204 0304

Telefax : (+91 22) 285 2212
(+91 22) 287 0072

E-mail : ccd@ril.com



Media Release

Reliance

and its access to fully integrated logistics, enabling cost effective evacuation of products to domestic and international markets.

Exports of refined products were 3.6 million tonnes, compared to 3.5 million tonnes in the corresponding period.

During the half year, RIL finalized product off-take arrangements with the three public sector oil marketing companies, namely, IOC, HPCL and BPCL, for about 13 million tonnes per year of LPG, MS, SKO and HSD, for a period of two years beginning 1st April 2002.

With effect from 1st April 2002, the Government has also dismantled the Administered Price Mechanism (APM) in the hydrocarbon sector. The retail pricing of MS/HSD, which was earlier fixed by the Government, is thus market determined now.

RIL's proposed entry into the retail marketing of transportation fuels, in this deregulated environment, will enable it to deliver quality fuels to customers at competitive prices, achieve downstream integration and enhance overall return on capital.

RIL has received approvals, during the half year, for setting up over 5,800 retail outlets for marketing of transportation fuels, and work has commenced for setting up these outlets in a phased manner over the next 2 years.

Petrochemicals

Polyester: Reliance is the country's largest manufacturer of PFY, PSF and PET, with a market share of 54%.

RIL's production volumes of PFY, PSF and PET increased 1% to 417,000 tonnes in the first half-year. Production growth was higher than the growth rates in the industry.

Reliance continued its focus on speciality products. 62% of PSF production and 31% of PFY production represented niche products, contributing a premium of 5-25% over commodity prices.

Demand for PFY, PSF and PET, for the period under review, was 3% higher at 689,000 tonnes.

Reliance also continues to be the largest manufacturer of polyester intermediates, PX, PTA and MEG, in the country, with a market share of 78%.

Corporate Communications

Maker Chamber IV, 3rd Floor
222 Nariman Point
Mumbai 400 021 India

Internet : www.ril.com

Telephone : 283 6364

204 0304

Telefax : (+91 22) 285 2212
(+91 22) 287 0072

E-mail : ccd@ril.com



Media Release

Reliance

Production of PX, PTA and MEG increased 11% to 1,553,000 tonnes in the first half-year.

Polymers: Reliance is the largest manufacturer of PP, PE and PVC, in the country, with a market share of 50%.

Production volumes of PP, PE and PVC increased 6% to 892,000 tonnes in the first half-year.

There was an increased focus on high value premium products, with speciality grades contributing 17% of production, and generating a premium of 2-15% over commodity prices.

Domestic demand decreased by 7% during the half-year, reflecting the impact of general slowdown in the economy and price volatility.

Imports were unable to make any inroads in the polymers business, with domestic product selling prices generally remaining pegged below the landed cost of imports.

RIL operates the world's largest grassroots, multi-feed cracker at its Hazira petrochemicals complex. During the period under review, Reliance produced 395,000 tonnes of ethylene, representing growth of 1%. Propylene production touched 184,000 tonnes.

During the period under review, Linear Alkylene Benzene (LAB) production was 56,000 tonnes. Reliance has a market share of 31% in LAB.

Corporate Communications

Maker Chamber IV, 3rd Floor
222 Nariman Point
Mumbai 400 021 India

Internet : www.ril.com

Telephone : 283 6364

204 0304

Telefax : (+91 22) 285 2212

(+91 22) 287 0072

E-mail : ccd@ril.com



Media Release

Reliance

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/HALF-YEAR ENDED 30th SEPTEMBER 2002

(Rs. in crores, except per share data)

Sr. No.	Particulars	Quarter Ended 30 th September		Half-year Ended 30 th September		Year ended 31 st March
		2002	2001	2002	2001	2002 (Audited)
1.	Gross Turnover	16,206	14,712	31,782	29,987	57,120
	Less: Inter Divisional Transfers	3,699	3,201	7,682	6,545	11,716
	Turnover	12,507	11,511	24,100	23,442	45,404
	Less: Excise Duty Recovered on Sales	988	787	1,931	1,612	3,315
2.	Net Turnover	11,519	10,724	22,169	21,830	42,089
3.	Other Income	204	260	405	393	782
4.	Total Expenditure					
	(a) (Increase)/decrease in stock in trade	(174)	327	(897)	67	908
	(b) Consumption of raw materials	8,235	7,123	16,166	15,076	28,187
	(c) Staff cost	154	153	301	290	569
	(d) Other expenditure	1,151	1,085	2,394	2,301	4,549
5.	Interest	413	501	820	1,001	1,825
6.	Depreciation	657	701	1,303	1,365	2,816
7.	Profit before extra-ordinary items	1,287	1,094	2,487	2,123	4,017
8.	Extra-ordinary Income	-	-	-	-	412
9.	Profit before tax	1,287	1,094	2,487	2,123	4,429
10.	Provision for Current Tax	72	55	141	110	190
11.	Provision for Deferred Tax	213	238	426	477	996
12.	Net Profit	1,002	801	1,920	1,536	3,243
13.	Paid-up equity share capital	1054	1,054	1,054	1,054	1,054
14.	Equity Share Suspense (Representing 34,26,20,509 shares allotted to share-holders of erstwhile RPL on 23 rd October 2002.)	342	342	342	342	342
15.	Reserves excluding revaluation reserves (as per balance sheet) of previous accounting year	-	-	-	-	23,741
16.	Earnings per share (of Rs. 10)					
	Basic	7.1	5.7	13.7	11.0	23.4
	Diluted	7.1	5.7	13.7	11.0	23.4
17.	Aggregate of non-promoter shareholding (Excluding shares allotted to erstwhile RPL share-holders on 23rd October 2002)					
	- Number of Shares (in crores)			59.31	59.76	59.25
	- Percentage of Shareholding (%)			56.29%	56.71%	56.23%



Media Release

Reliance

Notes:

1. The figures for the corresponding periods have been restated, wherever necessary, to make them comparable.
2. The financial results are in accordance with the standard accounting practices followed by the company in preparation of its statutory accounts, and have been subjected to a "Limited Review" by the auditors of the Company.
3. In terms of the Scheme of Amalgamation (Scheme) sanctioned by the order dated 7th June 2002 of Hon'ble High Court of Bombay and the order dated 13th September 2002 of the Hon'ble High Court of Gujarat, Reliance Petroleum Limited (RPL) (whose core business is refining of crude oil) has been amalgamated with the Company with effect from 1st April 2001.

Consequently:

- (a) The figures for the corresponding previous periods have been restated to include the effect of the amalgamation of RPL with the Company with effect from 1st April 2001.
 - (b) The paid up share capital of the Company has increased to Rs 1,396 crores on allotment of shares on 23rd October 2002, to the shareholders of erstwhile RPL.
4. The Company had revalued its Plant and Machinery located at Patalganga and Naroda during the financial year 1997-98. Consequent to the revaluation, there is an additional charge for depreciation of Rs 58 crores (US \$ 12 million) for the half-year ended 30th September 2002 and an equivalent amount has been withdrawn from General Reserve. **This has no impact on profit for the period.**
 5. Reliance Petroinvest Limited (RPiL), in which the Company holds 50% equity through its wholly-owned subsidiary, Reliance Ventures Limited, holds 11.41 crore shares, representing 46% equity holding in Indian Petrochemicals Corporation Limited, in terms of the divestment of IPCL at a price of Rs 231 per share by payment in cash.
 6. This statement along with the segment information has been placed before the Board at its meeting held on 31st October 2002 and approved for its release.

Corporate Communications

Maker Chamber IV, 3rd Floor
222 Nariman Point
Mumbai 400 021 India

Internet : www.ril.com

Telephone : 283 6364

204 0304

Telefax : (+91 22) 285 2212
(+91 22) 287 0072

E-mail : ccd@ril.com

Page 11 of 13



Media Release

Reliance

UNAUDITED SEGMENT INFORMATION FOR THE QUARTER/ HALF-YEAR ENDED 30TH SEPTEMBER 2002

		Quarter Ended 30 th September		Half Year Ended 30 th September		Year ended 31 st March
		2002	2001	2002	2001	2002 (Audited)
1.	Segment Revenue					
	- Petrochemicals	7,208	6,392	13,774	12,687	24,594
	- Refining	8,752	7,869	17,449	16,576	31,164
	- Others	246	451	559	724	1,369
	Gross Turnover	16,206	14,712	31,782	29,987	57,127
	Less: Inter Segment / Intra Segment Transfers	3,699	3,201	7,682	6,545	11,716
	Turnover	12,507	11,511	24,100	23,442	45,411
	Less: Excise Duty Recovered on Sales	988	787	1,931	1,612	3,315
	Net Turnover	11,519	10,724	22,169	21,830	42,096
2.	Segment Results					
	- Petrochemicals	846	701	1,658	1,358	2,483
	- Refining	573	516	1,008	1,125	2,128
	- Others	116	264	253	428	796
	Total Segment Profit before Interest and Tax	1,535	1,481	2,919	2,911	5,407
	(i) Interest Expense	(413)	(501)	(820)	(1,001)	(1,828)
	(ii) Interest Income	151	133	300	248	518
	(iii) Other Unallocable Income Net of Expenditure	14	(19)	88	(35)	(44)
	Profit Before Tax and Extra- ordinary Items	1,287	1,094	2,487	2,123	4,053
	Extra-ordinary Income	-	-	-	-	412
	Profit Before Tax	1,287	1,094	2,487	2,123	4,465
	(i) Provision for Current Tax	(72)	(55)	(141)	(110)	(190)
	(ii) Provision for Deferred Tax	(213)	(238)	(426)	(477)	(996)
	Profit after Tax	1,002	801	1,920	1,536	3,279
3.	Capital Employed					
	- Petrochemicals	13,389	15,472	13,389	15,472	14,271
	- Refining	22,761	20,543	22,761	20,543	21,425
	- Others	2,270	1,786	2,270	1,786	1,903
	- Unallocated Corporate	14,910	11,377	14,910	11,377	11,368
	Total Capital Employed	53,330	49,178	53,330	49,178	48,987



Media Release

Reliance

Notes to Segment Information for the half-year ended 30th September 2002:

1. As per Accounting Standard 17 on Segment Reporting (AS 17), the Company has reported segments information as described below:
 - a) The **petrochemicals** segment includes production and marketing operations of petrochemical products namely, High and Low density Polyethylene, Polypropylene, Polyvinyl Chloride, Polyester Yarn, Polyester Fibres, Purified Terephthalic Acid, Paraxylene, Ethylene Glycol, Olefins, Aromatics, Linear Alkyl Benzene and Polyethylene Terephthalate.
 - b) The **refining** segment includes production and marketing operations of the petroleum refinery.
 - c) The businesses, which were not reportable segments for financial disclosure purposes during the year, have been grouped under the “**others**” segment. This comprises of the following:
 - Oil and Gas business;
 - Textile Business;
2. Income from investments other than interest income has been considered as unallocable income.

Corporate Communications

Maker Chamber IV, 3rd Floor
222 Nariman Point
Mumbai 400 021 India

Internet : www.ril.com

Telephone : 283 6364

204 0304

Telefax : (+91 22) 285 2212
(+91 22) 287 0072

E-mail : ccd@ril.com