

RELIANCE
CHEMOTEX INDUSTRIES LIMITED



THIRTY SIXTH ANNUAL REPORT
2013-2014



BOARD OF DIRECTORS

S.L. SHROFF - Chairman

SANJIV SHROFF - Vice Chairman & Managing Director

N.G. KHAITAN

V.B.L. MATHUR

K.L. SONTHALIA

B.K. AGRAWAL

NARAYAN SHROFF

SHANKAR MENON

RAMADOSS SRINIVASAN

R.N. SHARMA - Wholetime Director

RAHUL SHROFF - Executive Director

AMEYA SHROFF - Executive Director

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

M.K. GUPTA - Upto 9th August, 2014

CHIEF FINANCIAL OFFICER

RAVINDRA KALA - From 9th August, 2014

COMPANY SECRETARY

VIMAL TANK - From 9th August, 2014

MANAGEMENT

S.L. SHROFF - Chairman

SANJIV SHROFF - Vice Chairman & Managing Director

R.N. SHARMA - Wholetime Director

RAHUL SHROFF - Executive Director

AMEYA SHROFF - Executive Director

BANKERS

STATE BANK OF INDIA

IDBI BANK LTD.

STATE BANK OF BIKANER & JAIPUR

AUDITORS

G.P. KEJRIWAL & CO.

Chartered Accountants

JAIPUR (Raj.)

SOLICITORS

KHAITAN & CO., KOLKATA

REGISTERED OFFICE & WORKS

Village - Kanpur

UDAIPUR - 313 003 (Raj.)

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd., Mumbai

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RELIANCE CHEMOTEX INDUSTRIES LIMITED will be held at Alka Hotel, Shastri Circle, Udaipur - 313 001 on Monday, the 29th Day of September, 2014 at 10.30 A.M. to transact with or without modification(s), as may be permissible, the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with reports of the Directors and Auditors thereon.
2. To declare a Final Dividend of Rs 2.50/- (in addition to the Interim Dividend of Rs 7.50/-) on 10% Cumulative Preference Shares of Rs. 100/- each.
3. To declare a Final Dividend of Rs. 0.25/- (in addition to the Interim Dividend of Rs. 0.75/-) on Equity Shares of Rs. 10/- each.
4. To appoint a Director in place of Mr. R.N Sharma, who retires by rotation, but being eligible, offers himself for re-appointment.
5. To consider and if though fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution;

“RESOLVED THAT pursuant to Section 139(6) of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. G.P Kejriwal & Co. Chartered Accountants (FRN 001036C), be and are, hereby re-appointed as Auditor of the Company to hold from the conclusion of this AGM to the conclusion of the 39th AGM, for the financial year ending 2017 (subject to ratification of the appointment by the members at every AGM held after this AGM) at the remuneration to be determined by the Board of Directors/ Audit Committee plus re-imbursment of travelling and other incidental expenses, if any incurred in connection with the Audit.”

SPECIAL BUSINESS:

6. To Appoint Mr. Ramadoss Srinivasan (DIN:00235831) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution;

“RESOLVED THAT pursuant to Sections 149, 150 & 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement,

Mr. Ramadoss Srinivasan (DIN :00235831), who was appointed as Additional Director by the Board of Directors of the company on 29.10.2013 pursuant to section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the conclusion of this AGM and in respect of whom the Company has received a notice under section 160(1) of Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company to hold office for the period of 5 (five) years from 29th September, 2014 to 28th September, 2019 not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard.”

7. To appoint Mr. Kishori Lal Sonthalia (DIN:0089958) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution;

“RESOLVED THAT pursuant to the provisions of Sections 149,150 & 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. K.L Sonthalia (DIN: 00899958) who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for the period of 5 (five) years from 29th September, 2014 to 28th September, 2019 not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard.”

8. To appoint Mr. Basant Kumar Agarwal (DIN:00520558) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution;

“RESOLVED THAT pursuant to the provisions of Sections 149,150 & 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors)

Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Basant Kumar Agarwal (DIN: 00520558)who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to office for the period of 5 (five) years from 29th September, 2014 to 28th September, 2019 not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard.”

9. To appoint Mr. Vipin Beharilal Mathur (DIN:00247388) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution;

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Vipin Beharilal Mathur (DIN: 00247388)who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for the period of 5 (five) years from 29th September, 2014 to 28th September, 2019 not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard.”

10. To appoint Mr. Narayan Shroff (DIN:05207412) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution;

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors)

Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Narayan Shroff (DIN: 05207412)who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for the period of 5 (five) years from 29th September, 2014 to 28th September, 2019 not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard.”

11. To appoint Mr. Shanker Menon (DIN:01890229) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution;

“RESOLVED THAT pursuant to the provisions of Sections 149,150 & 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Shanker Menon (DIN: 01890229)who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for the period of 5 (five) years from 29th September, 2014 to 28th September, 2019 not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard.”

12. To consider the re-appointment of Mr. Sanjiv Shroff (DIN 00296008), Managing Director of the company and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197,198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of



Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Sanjiv Shroff (DIN: 00296008) as Managing Director of the Company, for a period of 3 (three) years from 1.09.2014 to 31.08.2017 on the terms and conditions including remuneration as set out in the explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the Company and Mr. Sanjiv Shroff be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval."

"RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

13. To consider the appointment of Mr. R.N Sharma (DIN:00368947) as a Whole-time Director and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**;

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. R.N. Sharma (DIN : 00368947) as a Whole-time Director, for a period of 3 (three) years from 29th September, 2014 to 28th September, 2017 on the terms and conditions including remuneration as set out in the explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem

fit and as may be acceptable to Mr. R.N. Sharma (DIN : 00368947), subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the Company and Mr. R.N Sharma be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval."

"RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

14. To consider the approval of Related Party Transaction as per Section 188 of Companies Act, 2013 and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**;

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of Articles of Association, and applicable provisions of Listing Agreement with the Stock Exchange(s), if any, consent of the members be and is hereby accorded to the Board of Directors of the Company to enter into contracts or arrangements with the following related party, during the financial year 2014-15 or thereafter, up to the maximum amounts, as mentioned below on such terms and conditions as the Board may think proper and beneficial for the Company."

Sr. No	Name of Related party	Nature of Transaction	Value of transaction
1	A.R Commercial Private Ltd	Lease/Leave and License agreement in respect of immovable properties	Monthly rent of Rs 1,50,000/-

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary to give effect to the resolution."

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15. To consider the approval of Related Party Transaction as per Section 188 of Companies Act, 2013 and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**;

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act,2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of Articles of Association, and applicable provisions of Listing Agreement with the Stock Exchange(s), if any, consent of the members be and is hereby accorded to the Board of Directors of the Company to enter into contracts or arrangements with the following related party, during the financial year 2014-15 or thereafter, up to the maximum amounts, as mentioned below on such terms and conditions as the Board may think proper and beneficial for the Company."

Sr. No	Name of Related party	Nature of Transaction	Value of transaction
1	Indo Textile and Fibre Ltd	Lease/Leaveand License agreement in respect of immovable properties	Monthly rent of Rs 1,50,000/-

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary to give effect to the resolution."

16. To consider the approval of Related Party Transaction as per Section 188 of Companies Act, 2013 and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**;

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act,2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force)and provisions of Articles of Association, and applicable provisions of Listing Agreement with the Stock Exchange(s), if any, consent of the members be and is hereby accorded to the Board of Directors of the Company to enter into contracts or arrangements with the following related party, during the financial year 2014-15 or there after,up to the maximum amounts, as mentioned below on such terms and conditions as the Board may think proper and beneficial for the Company."

Sr. No	Name of Related party	Nature of Transaction	Value of transaction
1	Indo Textile and Fibre Ltd	Lease/Leave and License agreement in respect of immovable properties	Monthly rent of Rs 2,25,000/- with 5% increase in every two year

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary to give effect to the resolution."

17. To consider the approval of Related Party Transaction as per Section 188 of Companies Act, 2013 and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**;

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act,2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof forthe time being in force) and provisions of Articles of Association, and applicable provisions of Listing Agreement with the Stock Exchange(s), if any ,consent of the members be and is hereby accorded to the Board of Directors of the Company to enter into contracts or arrangements with the following related party, during the financial year 2014-15 or thereafter, up to the maximum amounts, as mentioned below on such terms and conditions as the Board may think proper and beneficial for the Company."

Sr. No	Name of Related party	Nature of Transaction	Value of transaction
1	A.S. Chemtoex Private Ltd	Lease/Leaveand License agreement in respect of immovable properties	Monthly rent of Rs 1,50,000/- 5%increase in every two year

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary to give effect to the resolution."

18. To consider the approval of Related Party Transaction as per Section 188 of Companies Act, 2013 and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**;

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act,2013 and



the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of Articles of Association, and applicable provisions of Listing Agreement with the Stock Exchange(s), if any, consent of the members be and is hereby accorded to the Board of Directors of the Company to enter into contracts or arrangements with the following related party, during the financial year 2014-15 or there after, up to the maximum amounts, as mentioned below on such terms and conditions as the Board may think proper and beneficial for the Company."

Sr. No	Name of Related party	Nature of Transaction	Value of transaction
1	Spell Fashions Private Limited	Lease/Leaveand License agreement in respect of immovable properties	Monthly rent of Rs. 30,000/-

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary to give effect to the resolution."

19. To consider for rectification of resolution passed in EOGM dated 20th March, 2014 for preferential issue of 1,90,000 equity shares and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**;

"RESOLVED THAT shareholders' resolution dated March 20, 2014 approving the preferential issue of 1,90,000 (one lakh ninety thousand) Equity Shares of the Company of Rs 10/- (ten) each and allotment of the aforesaid equity shares of the Company vide board resolution dated March 31, 2014, to M/s A.S. Chemotex Private Limited (which is a Promoter Group Company and in which the Managing Director and the Whole Time Director of the Company being Mr. Sanjiv Shroff and Mr. Rahul Shroff respectively are also the directors and the promoters family group is the majority shareholders), at a price of Rs 41/- (Forty One) per Equity Share (on the basis of pricing arrived at considering February 17, 2014 as the Relevant Date under the applicable pricing guidelines of SEBI) is hereby ratified and approved and all the acts, deeds, matters and things done by the Board of Directors of the Company in relation to the said preferential issue of shares be and are hereby ratified.

20. To consider the appointment of M/s. HVMN & Associates , as Cost Auditor and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution;

"RESOLVED THAT pursuant to Section 148 and all others

applicable provisions and the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s HVMN & Associates , the Cost Auditor, appointed by the Board to conduct the Audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration of Rs. 35000/- plus Service Tax as applicable and out of pocket expenses."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Place : **Mumbai**

Date : **9th August, 2014**

Registered Office:

Village- Kanpur Post Box No. 73

Udaipur- 313003

By order of the Board

M.K.GUPTA

Company Secretary

NOTES FOR MEMBERS' ATTENTION

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member.
A person can act as proxy on behalf of members not exceeding Fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights, however a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholders.
Proxies in order to be effective must reach to the Registered Office of the Company not less than 48 hours before the time fixed for the meeting. Proxies submitted on behalf of the Companies/Societies etc must be supported by an appropriate authority/resolution as applicable.
2. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of item no.,6 to 20 of the notice set out above is annexed hereto.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a duly certified true copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
4. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided as an annexure to the notice.
5. Members are informed that in case of joint holders attending the Meeting, only such Joint holder who is higher

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in the order of the names will be entitled to vote.

6. Members may now avail the facility of nomination by nominating in the prescribed form, a person to whom their shares in the Company shall vest in the event of their death. Interested Members may write to the Registrar and Share Transfer Agent for the prescribed form.
7. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
8. The Register of Contracts maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the registered office of the Company.
 The Register of Directors' and key managerial personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
9. The company is pleased to provide e-voting facility for its members to enable them to cast their votes electronically on all proposed resolution set forth in this notice.

Instruction for e-voting as per depository:-

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 22 Sept. 2014 at 10.00 am and ends on 24 of Sept. 2014 at 6.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 29th of Aug. 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	<ul style="list-style-type: none"> - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio/client id number in the PAN field. - In case the folionumber is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> - Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.

- (i) After entering these details appropriately, click on "SUBMIT" tab.
- (ii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (v) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (vii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



- (ix) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (x) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xi) Note for Non – Individual Shareholders and Custodians
1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 1. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 1. After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 1. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 1. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
1. Pursuant to Section 91 of the Companies Act, 2013, the register of members and the share transfer books of the Company will remain closed from 22nd September, 2014 to 29th Day of September, 2014 both days inclusive.
 2. If a Dividend on Share as recommended by the Directors is passed at the meeting, payment of such Dividend will be paid within statutory period of 30 days to those members whose name appears on the Register of Members of the company as on 22nd September, 2014 and in respect of shares held in dematerialized, as per list of beneficiary owners provided by the Depositories as at the end of business hours on September, 2014.
 3. The Company's Equity Shares are listed with Bombay Stock Exchange Limited, Mumbai. The Company has paid the listing fees for the year 2014-2015 to the aforesaid Stock Exchange.
4. Pursuant to Section 125 of the Companies Act, 2013, all unclaimed/unpaid dividend for a period of 7 years from the date of transfer to the 'Unpaid Dividend Account' are required to be transferred by the Company to the “Investors Education and Protection Fund” established by the Central Government. Accordingly, the unclaimed dividends upto the financial year ended 31st March, 2006, have been transferred by the Company to the said Fund on the due date. Those members who have not so far claimed their dividends for the financial years ended 31st March 2007 and the subsequent financial years are advised to claim it from the Company.
 5. Members holding Shares in physical forms are requested to notify any change in address immediately to the Share Department of the Company/Registrar & Share Transfer Agent, quoting their Folio numbers and members holding Shares in Electronic forms are requested to inform any change in address to their respective Depository Participants.
 6. M/s Bigshare Services Pvt. Ltd is the Registrar and Share Transfer Agent (R&T Agent) for physical shares and also depository interface of the Company with both NSDL and CDSL.
 7. The shareholders who have not converted their shares into demat form are requested to do so in their own interest.
 8. Shareholders who are holding Shares in Physical form are requested to furnish their Bank A/C No., name and address of their Bank to enable us to transfer their Dividend amount through electronic payment mode as required by SEBI vide its circular reference no. CIR/MRD/DP/10/2013 dated March 21, 2013.
 9. Electronic copy of Annual report 2014 and Notice of the 36th Annual General Meeting of the Company inter alia, indicating the process and manner of e-voting along with Attendance slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the Notice of the 36th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
 10. Queries on accounts and operations may please be sent to the Company 7 days in advance of the Annual General Meeting so that the answers can be made available at the meeting.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 6

Board of directors has appointed as Mr. Ramadoss Srinivasan, Additional Director of the company under the provision of sec.

161(1) of the Companies Act, 2013 with effect from 29.10.13 to hold office up to conclusion of the ensuing AGM.

Notice in writing from member under sec. 160(1) of the

Companies Act 2013 has been received along with a deposit of Rs. 1,00,000/- proposing the appointment of Mr Ramadoss Srinivasan as Independent Director. Mr Ramadoss Srinivasan ,if appointed, will not be liable to retire by rotation.

The Company has received from Mr Ramadoss Srinivasan consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub section (2) of section 164 of the Companies Act, 2013. The Company has received a declaration from, Mr. Ramadoss Srinivasan that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the Listing Agreement. In the opinion of the Board, Mr. Ramdoss Srinivasan fulfill the conditions for appointment as Independent Director as specified in the Companies Act, 2013.

Her brief resume is provided in the corporate governance report forming part of the Annual report.

The relatives of Mr Ramadoss Srinivasan may be deemed to be interested in the resolutions set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

No director, Key Managerial Personnel or their relatives, except Mr Ramadoss Srinivasan is interested or concerned in the resolution.

The Board commends the ordinary resolution set forth in Item No. 4 for the approval of the members.

Item No. 7,8,9,10&11

The Modality of appointment of Independent Directors has been introduced for the first time under the provision of Companies Act, 2013 with effect from 01.04.2014, however your company, being a listed company, by virtue of clause 49 of Listing Agreement was required to appoint requisite number of independent directors on the Board of Director of the company.

Mr. Vipin Biharilal Mathur (DIN 00247388), Mr. Basant Kumar Agarwal, (DIN:00520558), Mr. Kishori Lal Sonthalia (DIN:00899958), Mr. Narayan Shroff (DIN: 05207412), Mr. Shanker Menon (DIN : 01890229) are Non- executive Independent Directors of the Company liable to retire by rotation.

It is proposed to appoint Mr. Vipin Biharilal Mathur, Mr. Basant Kumar Agarwal, Mr. Kishori Lal Sonthalia, Mr. Narayan Shroff, and Mr. Shanker Menon as independent directors is terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for a period of five consecutive years.

Notice in writing from member under Sec. 160(1) of the Companies Act 2013 has been received along with a deposit of Rs. 1,00,000/- proposing, Mr. Vipin Biharilal Mathur, Mr. Basant Kumar Agarwal, Mr. Kishori Lal Sonthalia, Mr. Narayan Shroff, and Mr. Shanker Menon for appointment as independent directors.

The Company has received consent in writing from, Mr. Vipin

Biharilal Mathur, Mr. Basant Kumar Agarwal, Mr. Kishori Lal Sonthalia, Mr. Narayan Shroff, and Mr. Shanker Menon to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014. The Company has received a declaration from, Mr. Vipin Biharilal Mathur, Mr. Basant Kumar Agarwal, Mr. Kishori Lal Sonthalia, Mr. Narayan Shroff, and Mr. Shanker Menon that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the Listing Agreement. In the opinion of the Board Mr. Vipin Biharilal Mathur, Mr. Basant Kumar Agarwal, Mr. Kishori Lal Sonthalia, Mr. Narayan Shroff, and Mr. Shanker Menon fulfill the conditions for appointment as Independent Director as specified in the Companies Act, 2013. Mr. Vipin Biharilal Mathur, Mr. Basant Kumar Agarwal, Mr. Kishori Lal Sonthalia, Mr. Narayan Shroff, and Mr. Shanker Menon are independent of the management.

Further, Mr. Vipin Biharilal Mathur, Mr. Basant Kumar Agarwal, Mr. Kishori Lal Sonthalia, Mr. Narayan Shroff, and Mr. Shanker Menon are not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given their intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified under sub section (2) of section 164 of the Companies Act, 2013.

Copy of the draft letters for their appointment as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company between 10.00 A.M. to 04.00 P.M. on any working day upto the date of the AGM.

Mr. Vipin Biharilal Mathur, Mr. Basant Kumar Agarwal, Mr. Kishori Lal Sonthalia, Mr. Narayan Shroff, and Mr. Shanker Menon are interested in the resolutions set out respectively at Item No. 7 ,8 ,9,10 & 11 of the Notice with regard to their respective appointments.

The relatives of Mr. Vipin Biharilal Mathur, Mr. Basant Kumar Agarwal, Mr. Kishori Lal Sonthalia, Mr. Narayan Shroff, and Mr. Shanker Menon may be deemed to be interested in the resolutions set out respectively at Item Nos. 7,8,9,10 & 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Except Mr. Vipin Biharilal Mathur, Mr. Basant Kumar Agarwal, Mr. Kishori Lal Sonthalia, Mr. Narayan Shroff, and Mr. Shanker Menon none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolution for your approval.

Item No. 12 & 13

The Board of directors at their meeting held on 09th Day of August, 2014 on the recommendation of the remuneration and nomination committee has approved re-appointment of Mr. Sanjiv Shroff as Managing Director w.e.f 01st September, 2014 & Mr. R.N Sharma, Wholetime Director w.e.f from 29th September, 2014, for a period of 3 three years on such terms and conditions as detailed below :



Name	Mr. Sanjiv Shroff	Mr. R.N. Sharma
Designation	Managing Director	Executive Director
Basic Salary	Rs.1,50,000/- per month or as may be decided by the board of directors	Rs. 1,25,000/- per month or as may be decided by the board of directors
Perquisites in addition to salary	<p>Housing : Residential accommodation or in lieu thereof House Rent Allowance at the rate of 40% of the Salary and in case accommodation is provided by the Company 10% salary of the appointee shall be deducted by the Company.</p> <p>Gas, Electricity, Water and Furnishings : The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962, which will be subject to a ceiling of 10% of the Salary.</p> <p>Earned Leave: On full pay and perquisites as per the Rules of the Company but not exceeding one Month's leave for every eleven months service.</p> <p>Leave Travel Concession: For the Managing Director and his family, once in a year incurred in accordance with the Rules specified by the Company but it shall not exceeding one month Salary in a year.</p> <p>Medical Re-imburement: Expenses incurred for the Managing Director and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.</p> <p>Personal Accident/Medical Insurance : Actual premium on personal accidental insurance.</p> <p>Club Fees: Fees of Clubs subject to a maximum of two clubs; this will not include admission and life membership fees. Explanation for the purpose of the above perquisites "Family" means the spouse, the dependent children and dependent parents of the Managing Director.</p>	
Category B : In addition of the above perquisites, Managing Director/ Executive Directors shall also be entitled to the following perquisites, which shall not be included in the computation of ceiling on remuneration specified above.	<p>a) Company's contribution towards Provident Fund as per the Rules of the Company.</p> <p>(b) Company's contribution to Superannuation Fund as per the Rules of the Company's Superannuation Scheme as may be applicable from time to time provided, however, that the Company's contribution to the Superannuation Fund together with its contribution to the Provident Fund shall not exceed the limit provided under the Income Tax Act, 1961.</p> <p>Encashment of leave accumulation but not availed, at the end of the tenure as per the Rules of the Company.</p> <p>Gratuity: Gratuity payable shall not exceed half month's Salary for each completed year of service and will become payable as per the Rules of the Company.</p> <p>Exgratia in lieu of Bonus : Exgratia in lieu of Bonus not exceeding 20% of the Salary as and when become payable as per the rules of the Company.</p>	
CATEGORY-C	<p>Car with Driver for use on Company's business and telephone at residence which will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.</p> <p>Apart from the remuneration as aforesaid, Mr. Sanjiv Shroff shall also be entitled to re-imburement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.</p> <p>No sitting fee shall be paid to Mr. Sanjiv Shroff for attending the Meetings of board of Directors or any Committee thereof. He shall not be liable to retire by rotation.</p>	

Statement of Particulars pursuant to Schedule-V of The Companies Act, 2013

1. General Information

Nature of industry	Manufacturing and marketing of Synthetic Blended Yarn
Date or expected date of commencement of commercial production.	The Company has already commenced commercial production in the month of August, 1979.
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable

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Financial performance based on given indicators.	Particulars for the Financial year ended 31.03.2014	(Rs. in lacs)
	Sales including other Income	25,822.87
	Profit (before exceptional & extraordinary items & tax)	1,003.08
	Profit Before Tax	945.79
Export Performance and net foreign exchange earnings and collaborations	No such investment or collaboration except minor shareholding of Non Resident Indians, if any.	

2. Information about the appointee

Name	Mr. Sanjiv Shroff	Mr. R.N Sharma
Background Details	Mr. Sanjiv Shroff, a Science graduate aged 50 year is Managing Director of the Company since 1st September 1988. He has wide Industrial Experience spanning over 25 years in Textile Industry. The Company has progressed substantially under his leadership.	Mr. R.N.Sharma, a graduate in Textile aged about 67 year is Whole time Director of the Company since 1st November 1999. He has over 40 years of Experience in Textile Industry.
Past Remuneration paid during the year 2013-2014	Rs. 31,71,465/-	Rs. 21,56,750/-
Recognition or awards Job profile and his suitability	Mr. Sanjiv Shroff, Managing Director of the Company is responsible for Overall Management of affairs of the Company. He has vested with substantial powers of Management under the supervision control and direction of the Board of Directors. He has been instrumental in deciding Company's policy planning, long term vision and is responsible to evolve strategies to combat competition and to attain targets of the Company besides inculcating Corporate Governance and ensuring co-ordination among Board	Mr.R.N.Sharma, Wholetime Director of the Company is responsible for Overall production and day to day affairs of the Company. He has substantial powers under the supervision, control and directions of the Managing Director the Company.
Remuneration proposed	The remuneration committee at their meeting held on 09th August, 2014 approved the re-appointment of Shri Sanjiv Shroff as Vice Chairman & Managing Director for a period of 3 Years commencing from 01st September,2014 as mention above. The Board of Director also confirmed the same in their meeting held on 09th August, 2014.	The remuneration committee at their meeting held on 09th August, 2014 approved the re-appointment of Shri R.N Sharma, Whole time director for a period of 3 Years commencing from 29th September,2014 as mention above. The Board of Director also confirmed the same in their meeting held on 09th August, 2014.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	Taking into account the turnover of the Company and responsibilities of the directors, the remuneration being proposed to be paid to them is reasonable and in line with the remuneration levels in the industry across the country.	
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	Father of Mr. Rahul Shroff and Mr.Ameya Shroff, Executive Director of the company and son of Mr. Shanker Shroff, Chairman of the company and holds 83800 equity shares	Besides proposed remuneration payable to Shri R.N Sharma does not have any pecuniary relationship with the company and holds 50 equity shares.



3. Other Information

Reasons of inadequate profit	Company has earned profit before tax of Rs.9.78 crores during the year ended 31.03.2014. The company has managed to increase the profit on year to year basis but still the profit is inadequate to meet the minimum payment required to retain the senior executives.
Steps taken or proposed to be taken for improvement	With a view to improve overall profitability and financial performance , the company has taken major steps which inter alia includes marketing, re-structuring , reduction in production cost through implementation of various measure.
Expected increase in the productivity and profits in measurable terms.	The Company expected with further expansion & modernisation of plant, to suitable increase in the turnover & profitability.

4. Disclosures

Information on the remuneration package of the managerial personnel	The shareholders are notified of the remuneration package of managerial personnel through abstracts of terms circulated to them as well as explanatory statement annexed to the notice of meeting in which proposal of their appointment is placed before the shareholders.
Disclosure on remuneration package and other terms of Directors under 'Corporate Governance' Report	The Corporate Governance Report forms part of the Annual Report for the year and the remuneration package and other terms applicable to the Directors have been disclosed therein.

The Board recommends the resolutions at item no. 12 and 13 for your approval.

ITEM NO. 14-15-16-17-18

Your Company has entered into various lease agreement(s) with related parties in respect of immovable properties in accordance with the applicable provisions of the Companies Act, 1956 and their present tenure have not yet expired and your Company proposes to renew the said agreements, from time to time, upon expiry of their present tenure. Considering the provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder and the revised Clause 49 of the Equity Listing Agreement which will come into effect from October 1, 2014, your Board of Directors is of the view that it would be in the best interests of the Company to seek shareholders' approval at the ensuing annual general meeting for the related party transactions/arrangements enumerated above. In keeping with these requirements of the rules framed under the Companies Act, 2013, brief particulars of the transactions are provided herein below.

Existing lease Agreement

Sr. No.	Name of Related Party with transaction is proposed	Property Address	Type of Property	Present Rent Per Month & Security Deposit	Name of Director or Key Managerial Person who is related
1	Indo Textiles & Fibres Ltd	Flat No. 92, Maker Towers 'L' Co-operative Housing Society Ltd., G. D. Somani Marg, Cuffe Parade, Colaba, Mumbai 400 005. in the building known as Maker Towers 'L' situated at Cuffe Parade, Colaba, Mumbai 400 005.	Residential	Rent Rs. 1,20,000/- Per Month & Security Deposit of Rs. 18,42,000/-	Mr. Shanker Lal Shroff Mr. Sanjiv Shroff Mr. Rahul Shroff Mr. Ameya Shroff
2	A.R Commercial Pvt Ltd	Maker Tower 'H' situated at Cuffe Parade, Colaba, Mumbai-400005	Residential	Rent Rs. 1,00,000/- Per Month & Security Deposit of Rs. 2,00,00,000/-	Mr. Shanker Lal Shroff Mr. Sanjiv Shroff Mr. Rahul Shroff Mr. Ameya Shroff

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3	A.S Chemotex Pvt Ltd	office No. 28A measuring 65 sq.mts carpet on the 2nd floor of the society's building "Jolly Maker Chambers No.2," situated at Plot No.225 Nariman Point, Mumbai- 400 021	Commercial	Rent Rs. 2,25,000/- per Month & Security Deposit of Rs. 9,00,000/-	Mr. Shanker Lal Shroff Mr. Sanjiv Shroff Mr. Rahul Shroff Mr. Ameya Shroff
4	Spell Fashions Pvt Ltd	Village Kanpur	Industrial Property	Rent of Rs. 30,000/- Per month & Security received of Rs. 51,000/-	Mr. Shanker Lal Shroff Mr. Sanjiv Shroff Mr. Rahul Shroff Mr. Ameya Shroff

Although the tenure of said agreement yet not completed, but your company want to renew lease/leave agreement with effect from 01.04.2014 for a period of 8 Years as may be deemed prudent to the board of your company.

Sr.No.	Name of Related Party with transaction is proposed	Property Address	Type of Property	Present Rent Per Month & Security Deposit	Name of Director or Key Managerial Person who is related
1	Indo Textiles & Fibres Ltd	Flat No. 92, Maker Towers 'L' Co-operative Housing Society Ltd., G. D. Somani Marg, Cuffe Parade, Colaba, Mumbai 400 005. in the building known as Maker Towers 'L' situated at Cuffe Parade, Colaba, Mumbai 400 005. office No. 27 measuring 1,200 sq.foot carpet on the 2nd floor of the society's building "Jolly Maker Chambers No.2," situated at Plot No.225 Nariman Point, Mumbai-400 021	Residential Commercial	Rent Rs. 1,50,000/- Per Month & Security Deposit of Rs. 1,00,00,000/- Rent Rs. 2,25,000/- Per Month & Security Deposit of Rs. 10,00,000/-	Mr. Shanker Lal Shroff Mr. Sanjiv Shroff Mr. Rahul Shroff Mr. Ameya Shroff
2	A.R Commercial Pvt Ltd	Maker Tower 'H' situated at Cuffe Parade, Colaba , Mumbai-400005	Residential	Rent Rs. 1,00,000/- Per Month & Security Deposit of Rs. 1,00,00,000/-	Mr. Shanker Lal Shroff Mr. Sanjiv Shroff Mr. Rahul Shroff Mr. Ameya Shroff
3	A.S Chemotex Pvt Ltd	office No. 28A measuring 65 sq.mts carpet on the 2nd floor of the society's building "Jolly Maker Chambers No.2," situated at Plot No.225 Nariman Point, Mumbai-400 021	Commercial	Rent Rs. 2,25,000/- per Month & Security Deposit of Rs. 10,00,000/-	Mr. Shanker Lal Shroff Mr. Sanjiv Shroff Mr. Rahul Shroff Mr. Ameya Shroff
4	Spell Fashions Pvt Ltd	Village Kanpur	Industrial Property	Rent of Rs. 30,000/- Per month & Security received of Rs. 51,000/-	Mr. Shanker Lal Shroff Mr. Sanjiv Shroff Mr. Rahul Shroff Mr. Ameya Shroff



Your Company has obtained Registered Valuer's Reports containing the prevailing market rent of the above properties and the same will be made available to the Members for inspection at the Registered Office of the Company on all working days.

The Board recommends the resolution for your approval.

Further Brief details of related parties are as under,

Sr. No.	Name of related parties to whom transaction is proposed	Nature of relationship with the company	Name of Directors/ related party	No. of Shares held
1	Indo textile & Fibers Ltd	Promoter Group Company	Mr. Shanker Lal Shroff Mr. Sanjiv Shroff Mr. Rahul Shroff Mr. Ameya Shroff	20800 Shares 13000 Shares Nil Nil
2	A.R Commercial Pvt Ltd	Promoter Group Company	Mr. Shanker Lal Shroff Mr. Sanjiv Shroff Mr. Rahul Shroff Mr. Ameya Shroff	Nil Nil Nil 251000 Shares
3	A.S Chemotex Private Ltd	Promoter Group Company	Mr. Shanker Lal Shroff Mr. Sanjiv Shroff Mr. Rahul Shroff Mr. Ameya Shroff	200000 Shares 305000 Shares 5000 Shares Nil
4	Spell Fashion Private Limited	Promoter Group Company	Mr. Shanker Lal Shroff Mr. Sanjiv Shroff Mr. Rahul Shroff Mr. Ameya Shroff	Nil 232000 Shares Nil Nil

None of the Directors, key managerial personnel and their relatives except [Shri S.L Shroff , Shri Sanjiv Shroff, Shri Rahul Shroff & Shri Ameya Shroff are deemed to be concerned or interested, financial or otherwise in the proposed special resolutions except to the extent of their shareholding and interest mentioned herein above, in the company.

ITEM NO. 19

Due to bona fide mistake and on account of unintentional inadvertence, the Notice of Extraordinary General Meeting dated 18th February, 2014 which was serviced on all the shareholders of the Company was non-compliant with Regulation 73(a)(e) of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 which required disclosure of the identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer, consequent to the preferential issue.

The Company had thereafter published a corrigendum in Rastradoot and Financial Express on March 15, 2014 with an intent to comply with the said Regulation 73(a)(e) of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The said corrigendum inadvertently also did not provide all the required additional information. However, the Company desires to inform and receive approval/ratification from the shareholders on the preferential allotment of 1,90,000 (one lakh ninety thousand) Equity Shares of the Company of Rs 10/- (Rupees Ten only) each (allotted vide resolution of the Board of the Directors of the Company held on March 31, 2014) to M/s A.S. Chemotex Private Limited at a price of Rs 41/- (Forty One) per Equity Share (on the basis of pricing arrived after considering February 17, 2014 to be the Relevant Date) is hereby approved.

M/s A.S. Chemotex Private Limited being the sole allottee is a Promoter Group Company and the directors of the said allottee consist of the Company's Managing Director, Mr Sanjiv Shroff and the Wholetime Director, Mr Rahul Shroff respectively. Mr Sanjiv Shroff and Mr Rahul Shroff along with their relatives are the majority shareholders of the said allottee.

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In view of Regulation 73(a)(e) of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company wishes to disclose the following to the shareholders which should be read along with the Explanatory Statement to the Notice for Extraordinary General Meeting dated 18th February, 2014.

(1) Identity of the natural persons who are the ultimate beneficial owners of the Equity Shares allotted and/or who ultimately control the allottee, the percentage of post preferential issue capital that is held by the allottee and change in control, if any, in the issuer, consequent to the preferential issue.

The identity of the natural persons who are the ultimate beneficial owners of the Equity Shares allotted and /or who ultimately control the allottee and the percentage of the post preferential issued capital that is held by the said allottee on fully diluted basis is given in the following table:

Name of the Allottee	Natural persons who are the ultimate beneficial owners	% of post preferential issue capital
A.S. Chemotex Private Limited	Name of the Natural Person	Percent of holding
	Mr. Shanker Lal Shroff	6.67
	Smt. Bimladevi Shroff	11.67
	Mr. Sanjiv Shroff	10.17
	Smt. Dipika Shroff	10.00
	Mr. Rahul Shroff	0.17
	Shanker Lal Sanjiv Shroff HUF	11.67
	Sanjiv Shroff HUF	10.00
	Total Promoters Group	60.33
	Mr. Gaurishankar Rathi	1.67
	Mr. Ankit Gupta	0.67
	Mr. Mahesh Kumar Rahul Gupta	1.33
	Smt. Suman Jain	0.50
	Shri Vivek Jain	0.50
	Smt. Anju Rastogi and Yashi Rastogi	3.33
	Smt. Anchal Rastogi and Yashi Rastogi	3.33
	M/s Anita Credit Pvt. Ltd	8.33
	M/s JDM Financial Services Ltd	8.33
	Mr. Nitin Sharma	11.67
	Smt. Rina Jain	0.01
	Total outside Promoters Group	39.67
	Total	100.00
		4.75

2. Change in control

As a result of the preferential issue of Equity Shares, there has been no change in the control of the Company.

Mr Sanjiv Shroff and Mr Rahul Shroff holding 20.17 and 0.17 per cent of the shares of the Allottee, respectively, and also Mr. Shanker Lal Shroff holding 18.34 percent in the Allottee and Mr. Amay Shroff being relatives of the directors shall be deemed to be concerned or interested in the proposed Resolution in Item No. 19 by reason of their being part of the Company as well as the Allottee.

Apart from the above, no other Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, shall be deemed to be concerned or interested in the proposed Resolution in Item No.19, except to the extent of shares held by any of them in the Company.



ITEM NO. 20

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s HMVN & Associates, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 20 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.20 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 20 of the Notice for approval by the shareholders.

By order of the Board

Place : Mumbai

Date : 9th August, 2014

Registered Office:

Village- Kanpur

Post Box No. 73

Udaipur- 313003

M.K. GUPTA
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have the pleasure of placing before you the THIRTY SIXTH Annual Report along with the Audited Accounts of the Company for the year ended 31st March 2014.

FINANCIAL RESULTS	Rs. in Lacs	
	Year ended 31.03.2014	Year ended 31.03.2013
Profit before Depreciation & amortisation, exceptional items and Tax	1564.61	1278.41
Less: Depreciation & amortisation	561.53	470.27
	<u>1003.08</u>	808.14
Less: Exceptional item	57.28	37.92
Profit before Tax	945.80	770.22
Less: Provision for Taxation		
Current year	190.00	154.00
Earlier year Tax	6.03	4.45
Deferred Tax	183.47	8.16
Wealth Tax	0.36	0.14
	<u>379.86</u>	166.75
Profit after Tax	565.94	603.47
Add: Profit brought forward from previous year	1297.59	901.55
	<u>1863.53</u>	1505.02
Out of which the following appropriations have been made		
Transfer to General Reserve	10.00	10.00
Interim / Proposed Dividend		
Preference Shares	191.57	132.71
Equity Shares	37.87	36.07
Tax on Interim / Proposed Dividend	39.04	28.65
Leaving a balance of to be carried forward	1585.05	1297.59
	<u>1863.53</u>	1505.02

INTERIM DIVIDEND ON EQUITY SHARES

Your Directors have declared an Interim Dividend of 7.50% on Equity Shares i.e. Rs. 0.75 per share of Rs. 10/- each at their Board Meeting held on 08.02.2014 which has already been distributed among the Shareholders of the Company. It has absorbed a Sum of Rs. 28.40 Lacs and Rs. 4.83 Lacs by way of Dividend Distribution Tax thereon.

FINAL DIVIDEND ON EQUITY SHARES

Your Directors propose a Dividend of 2.5% on Equity Shares i.e. Rs.0.25 per Share of Rs.10/- each as final Dividend. The Dividend, if approved by the Members at the Annual General Meeting, will absorb a sum of Rs. 9.47 Lacs and Rs. 1.61 Lacs by way of Dividend Distributions Tax thereon.

INTERIM DIVIDEND ON PREFERENCE SHARES

Your Directors have also declared an Interim Dividend of 7.50% on 10% Cumulative Redeemable Preference Shares i.e. Rs. 7.50 per share of Rs. 100/- each amounting to Rs. 143.06 Lacs and Rs. 24.31 Lacs as Dividend Tax which has also been distributed.

FINAL DIVIDEND ON PREFERENCE SHARES

The remaining Dividend @ 2.50% on 10% Cumulative Redeemable Preference shares of Rs.100/- each has to be paid as per the terms of the issue for the year, which will absorb a sum of Rs. 48.51 Lacs for such Dividend and Rs. 8.24 Lacs by way of Dividend Distribution Tax thereon.

OPERATIONS

The company has performed strongly in the past financial year despite many economic challenges on both the global and domestic front. The company has achieved its highest ever turnover on the back of continues modernisation, innovative product development and steady expansion. Over this past financial year, the company has continued to focus on enhancing its economies of scale, increasing productivity, reducing costs, shrinking delivery schedules, investing in research and development of new products and aggressively pursuing opportunities in new markets. The company has increased its yarn production, which has resulted in an increase in its revenue, cash profit and profit before depreciation, interest and taxes.

The highlights of the company's performance are shown below:

- 4 The Yarn Production has increased by 22.25% to 12,525 metric tonnes.
- 3 The Revenue from operations has increased by 20.94% to Rs. 25,552.78 Lacs.
- 4 The Cash Profit has increased by 21.51% to Rs. 1,507.33 Lacs.
- 4 The Profit before Depreciation, Interest and Taxes has increased by 16.94% to Rs. 2,021.01 Lacs.
- 4 The Net Profit has decreased by 6.22% to Rs. 565.94 Lacs.

This decrease in net profit is due to the payment of MAT. We can expect a MAT credit of Rs. 76.00 lacs in the upcoming years.

EXPORTS

Exports have always been the focus of the company. The company's exports (FOB) in the last financial year were Rs. 13,261 Lacs as against Rs. 11,591 Lacs in the previous year. This constitutes a 14.41% increase in the value of the company's exports.

CURRENT OUTLOOK

Current outlook, industry structure & development along with opportunities and threats are discussed in detail in the Management Discussion & Analysis Report, which forms part of this report.



FINANCE

During the year under review the Company has repaid Rs. 945.19 Lacs of term loans to the Financial Institutions. Disbursement totaling of Rs. 410.32 Lacs was also received from RIICO against sanctioned term loan of Rs. 10 Crores. The Company's bankers have provided need-based working capital limits during the year.

RATINGS

CRISIL has upgraded its rating on the bank facilities of the Company to "CRISIL BBB-/Stable/crisil A3" from "CRISIL BB+/Stable/CRISIL A4+'.

This upgrade reflects an improvement in the Company's overall financial risk profile, particularly its liquidity, backed by stable accruals, continued fund support from promoters, and prudent financing. The Company's successful commissioning of its enhanced capacities alongwith a stable demand from its customers will ensure that it achieves and annual topline growth of about 10% over the medium term and sustains its operating margin at 9 to 10 per cent.

FIXED DEPOSITS

The Company has not accepted any deposits during the year under review as per definitions stated in Section 58A of the Companies Act., 1956.

EXPANSION & MORDENISATION OF PLANT

In keeping with its philosophy of continuous modernisation, strict quality control and innovation the company has embarked on the expansion and modernisation of its existing plant situated in Village: Kanpur, Udaipur (Raj.) in the year under review. This project has an estimated cost of Rs. 34.70 Crores and focused on the installation of an additional 4800 Spindles and the modernisation of machines. The expansion will make the existing production plant more balanced. It will increase product flexibility and versatility, reduce delivery time, increase productivity and will allow the company to better service its customers. The company envisages that this expansion cum modernisation of machines will be completed by March 2015.

SHARE CAPITAL

During the past financial year, the Company has increased its Authorised Preference Share Capital by adding 5 Lacs Shares of Rs. 100/- each. The company has also allotted 1,90,000 Equity Shares of Rs.10/- each and 1,00,000 Preference Shares of Rs. 100/- each to its promoter group company on private placement basis. Subsequently the present issued Equity Share Capital is Rs. 4.02 Crores as against 3.83 Crores and Preference Share Capital is Rs.20.07 Crores as against Rs. 19.07 Crores of the Company in last year.

Listing Of Shares

Your Company's shares are listed at BSE Ltd. and the listing fee for the year 2014-15 has been duly paid.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts for the year ended March 31, 2014 the applicable accounting standards have been followed along with appropriate explanations relating to material departures. The notes to the accounts are self explanatory.
- (ii) Appropriate accounting policies have been selected and these have been applied consistently and that the judgements and estimates that have been made are reasonable and prudent so as to provide a true and fair view of the state of affairs of the Company.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 to safeguard the assets of the Company and to prevent or detect fraud and other irregularities;
- (iv) The annual accounts for the year ended 31st March, 2014 have been prepared on a going concern basis.

REPORT ON CORPORATE GOVERNANCE

A separate section on Corporate Governance and a certificate from Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchange form a part of the Annual Report.

DIRECTORS

Shri R.N Sharma, Whole time Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Shri Ramadoss Srinivasan, who was appointed as additional director in the board meeting held on 29th October, 2013 and holds office up to the date of ensuing annual general meeting is proposed to be appointed as Independent Director of Company at the ensuing Annual General Meeting. The Company has received necessary notice under Section 161(1) of Companies the Act, 2013 from a member proposing his appointment and the resolution for his appointment shall be placed at the annual general meeting for the approval of members

The Company has received requisite notices in writing from members proposing Shri V.B.L Mathur, Shri Shankar Menon, Shri B.K Agarwal, Shri K.L Sonthalia, and Shri Narayan Shroff, for appointment as Independent Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

Information as required pursuant to Clause 49 of the Listing Agreement with the Stock Exchange on the Directors, including those retiring by rotation is provided in the Report on Corporate Governance.

Your Directors recommends the said appointments/re-appointments as stated above.

MANAGEMENT

The tenure of Shri Sanjiv Shroff, as Managing Director of the Company is expiring on 31st August, 2014. Based on the recommendation of the Nomination and Remuneration Committee the Board has decided to re-appoint Shri Sanjiv Shroff as Managing Director of the Company for a further period of 3Years, subject to approval of the Shareholders in the ensuing Annual General Meeting.

Shri R.N Sharma, Wholetime Director of the company who retire at the ensuing annual general meeting, shall offer himself for his re-appointment. Board had decided to re-appoint him as Wholetime Director of the company for a period of three years, subject to approval of the Shareholders in the ensuing Annual General Meeting.

SUBSIDIARY COMPANY

The Company has no Subsidiaries as on 31st March, 2014.

AUDIT COMMITTEE

As per the requirement of Clause 49 of the Listing Agreements with Stock Exchange and in compliance of 292(A) of Companies Act, 1956, the Company had constituted an Audit Committee comprising the following Directors :

1. Shri V.B.L.Mathur
2. Shri N.G.Khaitan
3. Shri K.L.Sonthalia
4. Shri Shankar Menon
5. Shri Ramadoss Srinivasan

Shri V.B.L. Mathur is the Chairman of the Audit Committee.

The composition, role, functions and powers of the 'Audit Committee' are in accordance with Clause 49 of the Listing Agreement with Stock Exchange and Section 177(1) of the Companies Act, 2013.

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of your Company has renamed and reconstituted its existing 'Remuneration Committee' as 'Nomination and Remuneration Committee' and have also revised its terms of reference to make it in line with the requirements of Section 178 of the Companies Act, 2013 and clause 49 of the listing agreement. At present, the 'Nomination and Remuneration Committee' comprised of Mr. V.B.L Mathur, Mr. K.L Sonthalia, Mr. Shankar Menon and Mr. Ramadoss Srinivasan as members of the Committee. This Committee is entrusted with the power and responsibility by the Board of

identifying and recommending to the Board appointment & removal of Directors, Key Managerial Personnel and Senior Management Personnel of the Company and to formulate and monitor their Remuneration Policy.

Company Secretary of the Company acts as Secretary to all these Committee

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

In terms of requirements of Section 135 of the Companies Act, 2013 and rules issued there under, the Board of Directors of your Company has constituted a CSR Committee comprising of Shri K.L Sonthalia, Shri R.N Sharma, Shri Rahul Shroff as members of the committee. This Committee is responsible for formulating and monitoring the CSR Policy of the Company.

PERSONNEL & INDUSTRIAL RELATIONS

A detailed discussion on human resources & industrial relations is made in the "Management Discussion & Analysis Report" which forms a part of this report. The Board places on record their appreciation for the effort and contribution made by each employee and for each employee's continued high level of performance.

There are no employees of the Company in receipt of a remuneration of Rs.5,00,000/- per month or more as, required to be furnished under section 217(12A) Companies Act, 1956 read with the Companies (Particulars of Employees Rules, 1975) as amended.

AUDITORS

STATUTORY AUDITORS

M/s G.P. Kejriwal & Co. Chartered Accountants, Jaipur, the retiring Auditors, offer themselves for re-appointment. The Company has received acceptance from the Auditors to the effect that their appointment, if made, would be within the prescribed limits under 141(3)(G) of the Companies Act, 2013.

Boards recommends their re-appointment for a period of three years from the conclusion of this AGM to the conclusion of the 39th AGM, for the financial year ending 2017 (subject to ratification of the appointment by the members at every AGM held after this AGM)

AUDITORS REPORT

The observations of the Auditors' together with the notes in Accounts they referred to in their report are self-explanatory and do not call for any further comments.

COST AUDITORS

Cost Audit Report for the year 2012-13 was filed with the MCA on 26.09.2013 before due date. The Cost Audit Report for the year 2013-14 shall become due for filling on 30th September 2014. This report is under process and will be filed before the due date.



The Company has re-appointed M/s HMVN & Associates, Cost Accountants, 31, Community Centre, Golden Palace, 2nd Floor, Ashok Vihar, Delhi-110052, as Cost Auditors of the Company for the financial year 2014-15 on such remuneration as may be determined by the Shareholders. Appointment so made would be in accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

SECRETARIAL AUDIT REPORT

As a measure of good corporate governance practice company has obtained the Secretarial Compliance Report from M/s. V.M & Associates for the financial year ended on 31st March, 2014 as annexed with the annual report.

In the line with the requirement of section 204 of the Companies Act, 2013 and as recommended by Audit Committee, the Board of Directors of the Company has appointed M/s. V.M & Associates, Company Secretaries, to conduct secretarial audit on compliances of the Company for the financial year 2014-15.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO.

The statement pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies Act (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure '1' forming part of the report.

ACKNOWLEDGMENT

The Directors express their grateful appreciation for the co-operation and continued assistance received from Financial Institutions, Banks, Government Authorities, Shareholders, Suppliers and Esteemed Customers. The Directors also wish to place on record the appreciation for the services rendered by the Employees of the Company.

On behalf of the Board

	R.N. SHARMA	SANJIV SHROFF
Place : Mumbai	Wholetime	Vice Chairman &
Dated: 09/08/2014	Director	Managing Director

Annexure '1'

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2014.

A. CONSERVATION OF ENERGY

1. Energy Conservation Measures Taken

- a) The Company is continuing with the energy conservation measures taken in earlier years.
- b) Two Pumps at Humidification Plant are replaced with Energy Efficient Pumps.
- c) V.F.D. Drive is installed at Dyeing Machine in Dye House.
- d) V.F.D. Control is installed at Humidification plant pumps to conserve energy.
- e) Control of Compressed Air Leakage in Auto corner Machines (11 Numbers)
- f) Installation of Energy Efficient Motor in carding tower supply Air Fan and one number Ring Frame main motor.

2. Additional investment and proposals, if any, being implemented for reducing the Energy Consumption.

- a) Two more pumps at Humidification Plant will be replaced by Energy Efficient pumps.
- b) Installation of Voltage stabilizer at lighting Load.
- c) Replacement of 65 Watt lights with LED lights
- d) Replacement of Old motor with Energy Efficient Motors at Humidification Plant.

FORM 'A'

Form for disclosure of particulars with respect to conservation of energy 2013-2014.

(A) Power and Fuel Consumption

	Current Year 31.03.2014	Previous Year 31.03.201
(1) Electricity		
a) Purchased Unit (KWH)	4,20,01,376	3,44,98,050
Total Amount (Rs.)	17,64,97,158	16,51,80,921
Rate/ Unit (Rs.)	4.20	4.79
b) Own Generation		
i) Through Diesel		
Generator (Unit KWH)	29,520	67,480
Units per Ltr. of Diesel oil	3.08	3.29
cost/ unit (Rs.)	15.60	11.00
ii) Through Furnace oil		
Generator (Unit KWH)	--	--
Units per Ltrs. of F.O.	--	--
Cost/ Unit (Rs.)	--	--
(2) Coal/Petcoke		
Quantity	B. Grade	B. Grade
Where used	Boiler	Boiler
Quantity (Tonnes)	1257.41	1085.59
Total cost (Rs.)	97,74,212	82,01,225
Average Rate/ Ton (Rs.)	7,773	7,555
(3) Other/ Internal Generation	NA	NA

(B) Consumption per unit of production

Product	Synthetics Blended Yarn Current Year	Synthetics Blended Yarn Current Year
Units	Per Kg.	Per Kg.
Electricity	3.26	3.28
Furnace Oil	NA	NA
Coal (Specify Quality)	NA	NA
Other (Specify)	NA	NA

B. TECHNOLOGY ABSORPTION

1. RESEARCH & DEVELOPMENT (R & D)

a) Specific Areas in which R & D carried out in the Company

Slub yarn introduced in chenille

b) Benefit derived as a result of the above R & D.

New business in Home Textile category.

c) Further plan of action.

To develop multi fold knot less industrial yarn for heavy duty Application.

d) Expenditure on R & D.

Capital : Rs. NIL

Recurring : R & D expenses can not be segregated.

2. TECHNOLOGICAL ABSORPTION, ADOPTION AND INNOVATION

Automatic doffing system at Ring Frame.

Installed Link coners on 10000 spindles.

C. FOREIGN EXCHANGE EARNINGS AND OUT GO

	(Rs. in Lacs)
1. Foreign Exchange Earnings (FOB Value of Export)	13,260.85
2. Foreign Exchange outgo	516.71

On behalf of the Board

	R.N. SHARMA	SANJIV SHROFF
Place : Mumbai	Wholetime	Vice Chairman &
09 th Aug. 2014	Director	Managing Director



REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on the Code of Governance

The Company firmly believes in following the best standards of business practices and ethics to conduct its operations and follows the principle of transparency, integrity, accountability and equity while dealing with its shareholders, lenders, employees, government, other stakeholders and society at large. The Company's philosophy on Corporate Governance is in line with the requirements of Clause 49 of the Listing Agreement with Stock Exchanges. The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

2. Code of Conduct

In tune with the corporate philosophy stated in the preceding para, the Board of Directors of the Company has laid down a Code of Conduct for all the Board Members and Senior Management of the Company in terms of the requirement placed in Clause 49 of the Listing Agreement. The Code of Conduct is displayed at Company's website www.reliancechemotex.com under the head "Code of Conduct". Affirmation regarding Compliance with the Code of Conduct has been obtained from all the Board Members and Senior Management Personnel of the Company.

3. Board of Directors

(i) Composition

The Company has a combination of Executive and Non – Executive Directors. As on 31st March, 2014 Company's Board comprises of twelve Directors. Eight Directors, including the Chairman, are Non – Executive. Though the Company has a Non – Executive Chairman but being Promoter Director of the Company he is not regarded as Independent Director of the Company. So excluding the Chairman six Directors are Independent which is sufficient compliance of listing agreement. All the Independent Directors have met the independent criteria as mentioned under clause 49 of the listing agreement.

(ii) Number of Board Meetings held and their dates of holding

Dates of Board Meeting were fixed in advance for the financial year and agenda papers were circulated to all the Directors in advance during the year 2013-14. Four Board Meetings were held at the following dates 25.05.2013, 27.07.2013, 29.10.2013 and 08.02.2014 respectively. The maximum time gap between any two consecutive meetings was less than four months. The attendance at the Board Meetings during the year, at the last Annual General Meeting and other details regarding other Directorship in Indian Public Companies etc are as follows.

Name of Director & DIN NO.	Category	No. of Board Meetings attended	Last AGM attended	No. of other Directorships and Committee Member/ Chairmanship			Shares held	
				Other Directors hip	Committee Member ship	Committee Chairman ship	Equity	Preference
Shri Shanker Lal Shroff (Chairman) DIN :00226872	Promoter Non Independent Non-Executive	-	NO	2	-	-	195650	60000
Shri Sanjiv Shroff (Vice Chairman & Managing Director) DIN : 00296008	Non Independent Executive	4	NO	2	-	-	83800	140000
Shri N.G.Khaitan DIN : 00020588	Non Independent Non-Executive	4	YES	9	8	4	100	-
Shri V.B.L. Mathur * DIN :00247388	Independent Non-Executive	1	NO	2	3	-	-	-
Shri K.L. Sonthalia * DIN : 00899958	Independent Non-Executive	4	YES	-	-	-	200	-
Shri B.K. Agrawal DIN :00520558	Independent Non-Executive	-	NO	4	-	2	-	-
Shri Narayan Shroff DIN: 05207412	Independent Non - Executive	-	NO	-	-	-	50	-
Shri Shankar Menon DIN : 01890229	Independent Non-Executive	2	NO	2	-	-	-	-
Shri Ramadoss Srinivasan DIN : 00235831	Independent Non-Executive	1	NO	2	-	-	-	-

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Shri R.N. Sharma (Wholetime Director) DIN :00368947	Not Independent Executive	2	YES	-	-	-	50	-
Shri Rahul Shroff (Executive Director) DIN: 02301693	Not Independent Executive	4	YES	2	-	-	-	-
Shri Ameya Shroff (Executive Director) DIN : 05315616	Not Independent Executive	3	NO	-	-	-	-	-

* The Audit Committee had in its meeting held on 27.07.2013 authorized Shri K. L. Sonthalia to present at the AGM as the Deemed Chairman of the Audit Committee as Shri V.B.L.Mathur was scheduled to be abroad on the said date .

4. Committees of the Board

The Board of Directors has Constituted 5 Committees of the Directors with adequate delegation of powers to discharge urgent business of the Company. These Committees are (a) Audit Committee (b) Shareholders/ Investors Grievance Committee (c) Nomination & Remuneration Committee (d) Finance Committee (e) Corporate Social Responsibility Committee.

The details of Audit Committee and Shareholder/ Investors Grievance Committee are as follows:

(a) Audit Committee

(i) Terms of reference

Audit Committee was constituted in terms of reference as contained in the Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956 and also comply with the provision of Section 177(1) of Companies Act, 2013.

The terms of reference of Audit Committee include inter-alia appointment of cost auditor, systematic review of Accounting policies & practices, financial reporting process, adequacy of internal control systems and internal audit function, quarterly/ half-yearly financial statements and risk management policies. it also recommends appointment of Statutory Auditors and Internal Auditors and fixation of audit fees and discussion on audit reports and other function are according to the Statutory and regulatory requirements. The Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board.

(ii) Composition of Audit Committee

The Committee Comprises of 5 Non-executive Directors who have requisite Financial and Management expertise. The Statutory Auditors, Internal Auditors and Cost Auditors are being invited to the meetings. Shri M.K. Gupta, Company Secretary is the Secretary of the Committee. The attendance of the members at the meeting during the year are as follows:

Names of Members	Category	No. of Meetings held during Tenure	Number of Meetings attended	Sitting Fees
Shri V.B.L.Mathur Chairman	Independent Non – Executive	4	1	5,000/-
Shri N.G.Khaitan	Not Independent Non – Executive	4	4	20,000/-
Shri Shankar Menon	Independent Non – Executive	4	2	10,000/-
Shri K.L.Sonthalia	Independent Non – Executive	4	4	20,000/-
Shri Ramadoss Srinivasan	Independent Non – Executive	1	1	5,000/-

The meetings of the Audit Committee during the year were held on the following dates: 25.05.2013, 27.07.2013, 29.10.2013 and 08.02.2014.

(b) Shareholders/ Investors Grievances Committee

(i) Terms of reference

The Committee has been constituted as per provisions as setout in the Listing Agreement and specifically look into the redressing of Shareholders and Investors complaints in respect to Transfer of Shares, Dematerialization of Shares, Issue of Duplicate Share Certificate, Non-receipt of Balance Sheet, Non-receipt of declared Dividends etc.



Minutes of meetings of the Shareholders/ Investors' Grievances Committee are circulated to members of the Committee and the Board.

(ii) Composition of Shareholders/ Investors Grievances Committee

The Committee comprises of 2 (two) Non-executive Directors, Vice Chairman & Managing Director and Whole Time Director. Shri M.K. Gupta, Company Secretary is the Compliance officer of the Committee. The Committee held four Meetings during the year and the attendance of the members at the meeting are as follows:

Names of Members	Category	No. of Meetings held during Tenure	Number of Meetings attended	Sitting Fees
Shri V.B.L.Mathur Chairman	Independent Non – Executive	4	1	1500/-
Shri K.L.Sonthalia	Independent Non – Executive	4	4	6000/-
Shri Sanjiv Shroff	Not Independent Executive	4	4	-
Shri R.N.Sharma	Not Independent Executive	4	2	-

The Committee held its meetings during the year on following dates: 25.05.2013, 27.07.2013, 29.10.2013 and 08.02.2014.

(iii) Transfer of Shares :

To expedite the process of Share transfers the power of Share transfer has been delegated to the Registrar and Share Transfer Agents. The Registrar and Share Transfer Agents are attending to Share transfer formalities at least once in a week

(iv) Investors Complaints received and resolved during the year

The Company has received 12 letters/complaints from Investors which have been resolved during the year. There was no complaint remained unresolved as on 31st March, 2014. There were no transfer of shares pending for registration for more than 15 days. The details of complaints received by the Company and Registrar & Share Transfer Agent and resolved as quarter wise during the year 2013-2014 are as under:

Quarter ended on	No. of Complaints received/resolved
30.06.2013	4
30.09.2013	2
31.12.2013	4
31.03.2014	2
Total	12

(c) Remuneration Committee

The Company has also constituted a Remuneration Committee for approval of the remuneration payable to the managerial persons with reference to provisions of Schedule XIII of the Companies Act, 1956 , Clause 49 of the listing agreement and within the ceiling Fixed by the Shareholders.

The attendance of the members at the meeting during the year are as under:

Names of Members	Category	No. of Meetings held during Tenure	Number of Meetings attended	Sitting Fees
Shri V.B.L.Mathur Chairman	Independent Non – Executive	1	-	-
Shri K.L.Sonthalia	Independent Non – Executive	1	1	1500/-
Shri Shankar Menon	Independent Non – Executive	1	1	1500/-

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The Committee held a Meeting on 27th July, 2013 to re-appoint Shri Rahul Shroff as Wholetime Director designated as an Executive Director of the Company for a further period of 3 (Three) years w.e.f. 1st August, 2013 and to appoint Shri Ameya Shroff as Wholetime Director designated as an Executive Director of the Company for a period of 3 (Three) years w.e.f. 1st August 2013, respectively.

The Company in its board meeting held on 30th May, 2014 has rename the committee as “Nomination and Remuneration Committee” instead of Remuneration Committee.

d) Finance Committee

During the year, your company has also constituted a Finance Committee comprising Shri Sanjiv Shroff, Shri Rahul Shroff, Shri Ameya Shroff & Shri R.N Sharma as members for approval of the financial decision, issue of equity and preference shares, acceptance of sanction, to execute the required documents in respect of loan / limits granted by Banks.

The Committee held meeting on 01.03.2014 & 31.03.2014 to allot 100000 Preference Shares & allotted 190000 equity shares respectively.

e) Corporate Social Responsibility

In terms of requirements of Section 135 of the Companies Act, 2013 and rules issued there under, the Board of Directors of your Company has constituted a CSR Committee comprising of Shri K.L Sonthalia, Shri R.N Sharma, Shri Rahul Shroff as members of the committee in its board meeting held on 30th May, 2014. This Committee is responsible for formulating and monitoring the CSR Policy of the Company.

5. Details of remuneration paid to Directors for the year 2013-2014

(i) Executive Directors

(Amount in Rs.)

Name of Executive Directors	Basic Salary	Exgratia	Allowances & Perquisites	Contribution to PF	Total	Service Contract (Years)	Period
Shri Sanjiv Shroff	18,00,000	3,60,000	7,95,465	2,16,000	31,71,465	3	01/09/ 11 to 31/08/14
Shri R.N.Sharma	15,00,000	2,30,000	2,46,750	1,80,000	21,56,750	3	01/11/12 to 31/10/15
Shri Rahul Shroff	14,00,000	2,40,000	4,80,250	1,68,000	22,88,250	3	01/08/13 to 31/07/16
Shri Ameya Shroff	6,00,000	-	3,50,000	72,000	10,22,000	3	01/08/13 to 31/07/16

(ii) Non-Executive Directors

The Company pays Sitting fee to Non-Executive Directors for attending Board Meeting / Committee Meeting.

The details of Sitting fees paid to Non Executive Directors during the year 2013-2014 are as follows:-

Name of Director	Sitting fee for (Amount in Rs.)	
	Board Meeting	Committee Meeting
Shri S.L. Shroff	-	-
Shri N.G. Khaitan	40000	20000
Shri V.B.L.Mathur	10000	6500
Shri K.L. Sonthalia	40000	27500
Shri Shankar Menon	20000	11500
Shri B.K.Agrawal	-	-
Shri Narayan Shroff	-	-
Shri Ramadoss Srinivasan	10000	5000

6. General Body Meetings

(i) Location, date and time of Annual General Meetings held during last three years.



Year	AGM	Location	Date	Time
2010-11	33 rd AGM	Hotel India International, Udaipur	28 th Sept. 2011	10.30AM
2011-12	34 th AGM	Alka Hotel, Udaipur	27 th Sept. 2012	10.30 AM
2012-13	35 th AGM	Alka Hotel, Udaipur	16 th Sept. 2013	10.30 AM

(ii) Extra Ordinary General Meeting

Year	EGM	Location	Date	Time
2012-13	EGM	Village : Kanpur , Udaipur	29th March 2013	10.30 AM
2013-14	EGM	Village : Kanpur , Udaipur	20th March 2014	10.30 AM

(iii) Special Resolutions passed in the previous three AGMs :

a) In the AGM held on 16th September, 2013

To re-appoint Shri Rahul Shroff as Wholetime Director designated as an Executive Director of the Company for a further period of 3 (three) year w.e.f. 1st August, 2013 and to accord consent of the Company for remuneration payable to him.

To appoint Shri Ameya Shroff as Wholetime Director designated as an Executive Director of the Company for a period of 3 (three) years w.e.f. 1st August, 2013 and to accord consent of the Company for remuneration payable to him.

To accord consent of the Company pursuant to provisions of Section 81(1A) of the Companies Act, 1956 to issue 6,00,000 (Six Lacs) 10% Cumulative Redeemable Preference Shares of Rs.100/- each at par to any person as the Board of Directors deem fit.

b) In the AGM held on 27th September, 2012

To re-appoint Shri R.N.Sharma as Wholetime Director of the Company for a further period of 3(three) years w.e.f. 1st November, 2012 and to accord consent of the Company for remuneration payable to him.

To accord consent of the Company pursuant to provisions of Section 81(1A) of the Companies Act, 1956 to issue 6,25,000 (Six Lacs Twenty Five Thousand) 10% Cumulative Redeemable Preference Shares of Rs. 100/- each at par to any person as the Board of Directors deem fit.

c) In the AGM held on 28th September, 2011

To re-appoint Shri Sanjiv Shroff as Vice Chairman & Managing Director of the Company for a further period of 3 (three) years w.e.f. 1st September, 2011 and to accord consent of the Company for remuneration payable to him.

To accord consent of the Company pursuant to provision of section 81(1A) of the Companies Act., 1956 to issue 17,00,000 (Seventeen Lacs) 10% Cumulative Redeemable Preference Shares of Rs. 100/- each at par to any person as the Board of Directors deem fit.

(iv) Special Resolutions passed in Extra Ordinary General Meetings:

(a) In the EOGM held on 20th March, 2014

To accord consent of the Company by authorizing the Board to issue and allot 1,90,000 (One Lac Ninety Thousand) Equity Shares of Rs. 10/- each at premium of Rs.23/- per Equity Shares amounting to Rs. 62,70,000/- to M/s A.S.Chemotex Pvt.Ltd., a promoter Group Company and/ or their Nominee (s) by way of Preferential allotment on such terms and conditions as may be decided by the Board.

To attend consent of the Company to issue 6,00,000 (Six Lacs) 10% cumulative Redeemable Preference Shares of Rs.100/- each at par to any person as the Board of Directors deem fit.

(b) In the EOGM held on 29th March , 2013

To accord consent of the Company, pursuant to Section 81(1A) and other applicable provisions if any , of the Companies Act., 1956 by authorizing the Board to issue and allot 1,80,000 (One Lac Eighty Thousand) Equity Shares of Rs.10/- each at a premium of Rs. 31/- per Equity Shares amounting to Rs. 73,80,000/- to M/s Sunrise Producers Pvt.Limited, a promoter Group Company and /or their Nominee(s) by way of Preferential allotment on such terms and conditions as may be decided by the Board.

To accord consent of the Company pursuant to provisions of Section 81(1A) of the Companies Act., 1956 to issue 3,00,000 (Three Lacs) 10% Cumulative Redeemable Preference Shares of Rs. 100/- each at par to any person as the Board of Directors deem fit.

(v) Postal Ballot

No Special Resolution was passed last year through postal ballot.

(vi) Presently no Special Resolution is proposed to be conducted through postal Ballot in the ensuing AGM.

(vii) Following Special Resolutions are proposed to be passed in the ensuing AGM :

To re-appoint Shri Sanjiv Shroff as Vice Chairman & Managing Director of the Company for a further period of 3 (three) years w.e.f. 1st September, 2014 and to approve the remuneration payable to him.

To re-appoint Shri R.N Sharma (DIN:00368947) as Wholetime Director for a period of 3 (three) years w.e.f 29th September,2014 to 28th September,2017 and approve the remuneration payable to him.

To approve related party transaction pursuant to Section 188 of Companies Act, 2013.

- | A.S Chemotex Private Limited
- | Indo Textile & Fibers Limited
- | Spell Fashion Private Limited
- | A.R Commercial Private Limited

7. Disclosures

- (i) During the year, there was no materially significant transactions except as set out in Note 27 of the Annual Report with the related parties viz Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have a potential conflict with the interest of the Company at large.
- (ii) There have not been any significant changes in the accounting policies during the year.
- (iii) Pecuniary relationship or transaction of the Non-Executive Directors:
There is no material transaction with any Non-Executive as well as Independent Director that require a separate disclosure.
- (iv) A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- (v) No penalties or Strictures have been imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority on any matter related to Capital Markets for non Compliance by the Company during the last three years.
- (vi) The Company does not have any Whistle Blower Policy as on now but no personnel is being denied any access to the Audit Committee.
- (vii) All the mandatory requirement have been appropriately complied with and the non-mandatory requirements are dealt with at the end of this report.

8. Means of Communication

- (i) The quarterly, half yearly financial results alongwith Statement of Assets and Liabilities and annual audited financial results of the Company have been sent to the Stock Exchange immediately after they are approved by the Board of Directors. The results are normally published in Financial Express (English) and Rashtrdoot (Hindi). However, half yearly reports are not separately sent to each of the Shareholders. Financial Results and Shareholding Pattern are also available at Company's Web Site www.reliancechemotex.com.
- (ii) Management Discussion and Analysis Report form part of this Annual Report.

9. General Shareholders' Information

(a)

1	Annual General Meeting Date, Time and Venue	29th Day of September, 2014 at 10.30 A.M. at Alka Hotel, Shastri Circle Udaipur (Raj.)
2	Financial Calendar: Financial Year Quarterly Financial reporting	1st April to 31st March Within 45 days of each quarter except fourth quarter when Audited Annual Results are published within 2 Months
3	Book Closure	The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2014 to 29th September, 2014 (both days inclusive)
4	Dividend payment date	4th October, 2014



5	Listing on Stock Exchanges and Stock Code	The shares of the Company are listed at Bombay Stock Exchange Limited, Mumbai with the Code No.503162
6	Registrar and Share Transfer Agent	In terms of SEBI regulations regarding appointment of common share transfer agency, the Company has appointed M/s.Bigshares Services Pvt. Ltd., Mumbai as its Registrar & Share Transfer agent to deal with physical as well as electronic transfer of shares.
7	Dematerialization of Shares and Liquidity	As on 31st March 2014, 32,56,991 (85.44%) of the total number of shares are in dematerialized form out of the 38,11,850 listed Equity Shares of the Company. Further 1,90,000 Equity Shares allotted on 31.03.2014 are yet to be listed at Bombay Stock Exchange (BSE), however the Company has already filed an application with BSE for necessary listing of the said shares. The Company's shares are compulsorily traded at the Stock Exchange in dematerialized form. Equity Shares' International Securities Identification Number (ISIN) is INE750D01016 for dematerialization of Share with NSDL and as well as CDSL.
8	Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on equity	N.A.
9	Plant Location	The Company has its plant located at following address: Village: Kanpur, District :Udaipur - 313 003 (Raj)
10	Address for Correspondence	<p>Registered Office: Reliance Chemotex Industries Limited Post Box No. 73, Village : Kanpur Dist: Udaipur - 313 003 (Raj.) Ph.No.: 0294- 2490488, 2491489, 2491490 Fax No.: 0294- 2490067 E-mail : udaipur@reliancechemotex.com Website : www.reliancechemotex.com</p> <p>Registrar & Share Transfer Agent: M/s Bigshare Services Pvt. Ltd. E- 2 & 3 Ansa Industrial Estate, Saki Vihar Road Saki Naka, Andheri (E), Mumbai – 400 072 Ph No. 28470652, 40430200 Fax: 2847 5207 E-mail : info@bigshareonline.com</p>

(b) Distribution of Shareholding as on 31st March 2014 are as under:

(i) According to category of holding:

Category	No.of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters	12	0.11	20,08,079	50.18
FI's & Banks	1	0.01	150	-
Individuals	10483	98.11	16,87,155	42.16
Body Corporates	122	1.14	2,21,834	5.54
Trusts	1	0.01	1,000	0.03
NRI	54	0.51	55,034	1.38
Clearing Members	12	0.11	28,598	0.71
TOTAL	10,685	100.00	40,01,850	100.00

RELIANCE
CHEMOTEX INDUSTRIES LIMITED
CIN L40102RJ1977PLC 001994

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters	12	0.11	20,08,079	50.18
FI's & Banks	1	0.01	150	-
Individuals	10483	98.11	16,87,155	42.16
Body Corporates	122	1.14	2,21,834	5.54
Trusts	1	0.01	1,000	0.03
NRI	54	0.51	55,034	1.38
Clearing Members	12	0.11	28,598	0.71
TOTAL	10,685	100.00	40,01,850	100.00

(ii) According to Number of Equity Shares:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	10420	97.52	8,14,121	20.34
501-1000	154	1.44	1,22,063	3.05
1001-5000	75	0.70	1,67,042	4.18
5001-10000	14	0.13	95,657	2.39
Over 10000	22	0.21	28,02,967	70.04
TOTAL	10,685	100.00	40,01,850	100.00

(b) Market Price Data :

Monthly high/low market price of the Company's Equity Shares traded on the Stock Exchange, Mumbai and performance in Comparison to BSE Sensex are as follows:

MUMBAI STOCK EXCHANGE			BSE Sensex	
Month	High(Rs.)	Low(Rs.)	High	Low
Apr'13	34.00	27.05	19622.68	18144.22
May'13	34.25	26.95	20443.62	19451.26
Jun'13	36.75	26.50	19860.19	18467.16
Jul'13	34.75	28.00	20351.06	19126.82
Aug'13	34.55	28.25	19569.20	17448.71
Sep'13	33.20	29.00	20739.69	18166.17
Oct'13	32.85	28.55	21205.44	19264.72
Nov'13	32.00	27.80	21321.53	20137.67
Dec'13	32.50	28.25	21483.74	20568.70
Jan'14	38.20	28.10	21409.66	20348.78
Feb'14	35.95	29.00	21140.51	19963.12
Mar'14	33.55	28.60	22467.21	20920.98

Source: BSE website (bseindia.com/hisdata/stockprc2.asp)

10. Disclosures regarding Appointment or Re-appointment of Directors

The term of Shri Sanjiv Shroff, Vice Chairman & Managing Director of the Company will expire on 31st August, 2014 and his re-appointment as Vice Chairman & Managing Director of the Company for a further period of 3 years will be discussed in the coming Remuneration Committee and Board Meeting of the Company and resolution will be included in the notice convening the Annual General Meeting for obtaining necessary approval of Shareholders of the Company to re-appoint him as Vice Chairman & Managing Director of the Company for a further period of 3 Years w.e.f. 1st September, 2014.



Shri Sanjiv Shroff aged 53 years is a Science Graduate and has over 28 years of experience in Textile Industry. He is holding the position of Managing Director of the Company Since 1st September 1988 and was also appointed as Vice Chairman of the Company w.e.f. 22nd October, 2010. He looks after the over all Management and day to day affairs of the Company from last 25 years. He is also holding the position of Managing Director of Modern Fibotex India Ltd. however, he is neither holding any Directorship and nor Membership of Committees of the Board in the other Public Limited Companies.

Term of Mr. R.N Sharma, Wholetime Director who was longest in the office, are due for retirement by rotation at this Annual General Meeting and are eligible for re-appointment. The brief particulars of Mr. R.N Sharma are given below.

Mr. R.N Sharma, is a Textile graduate aged about 67 Years, Wholetime Director of the company since 01st November, 1999. He has more than 40 Years' experience in textile industry.

Mr. B.K Agarwal, aged 68 Years is a commerce graduate from Calcutta University. He is prominent and renowned Industrialist. He has over 35 year of experience in manufacturing of Packing, Steel, Iron, and Aluminum products. He is holding chairmanship in two companies of other companies and not holding any membership in any other companies.

Mr. V.B.L Mathur S/o Late Shri S.S Lal Mathur, aged 80 years is a retire I.A.S and Ex-Chief Secretary to Govt. of Rajasthan, has about 30 years of experience in the Indian Administrative Service. He is expert in long term profile and has experience in handling administrative and commercial function. Details of directorship and membership of committee of Board in other companies are given above.

Mr. K.I Sonthalia aged 76 year is a Commerce Graduate and has over 37 Year experience in Business and industry. He has also hold in past position of Wholetime Director of the company for 12 Years in strategic, planning and managing and implementation of project and overseeing business operation. Details of directorship and membership of committee of Board in other companies are given above.

Mr. Ramadoss Srinivasan aged 67 years , B.sc (AMII) chem, DFM from Business School of IMD at Lusanne at Switserzeland. He has retired from IDBI Bank as General Manager in 2005. During his tenure he has handling more than 400 Textile industries. Details of directorship and membership of committee of Board in other companies are given above .

Mr. Shanker Menon, aged 70Years, after completing his undergraduate degree in Chennai, he has done Master in Business & Hotel Administration. He has held various senior position with the Taj Group. He was involved in the expansion of the group in South India, Srilanka and Maldives as Senior Vice- President of the group. Details of directorship and membership of committee of Board in other companies are given above.

Mr. Narayan Shroff son of Late Shri Rambhallav Shroff aged 77 Years is a Commerce Graduate has over 50 Year experience in Business and Industry. Shri Narayan Shroff neither hold any directorship nor any committee membership in the company. Details of his holding are given above.

11. Code For Prevention Of Insider Trading

The Company has adopted a share dealing code for the prevention of insider trading in the shares of the company. The Share dealing code ,interalia, prohibits purchase/sale of shares of the company by employees while in possession of unpublished price sensitive information in relation to the company.

12. Non- Mandatory Requirements

The Company has not adopted any other non-mandatory requirements except the formation of Remuneration Committee & Finance Committee

Declaration regarding affirmation of Code of Conduct

In terms of the requirement of the amended Clause 49 of the Listing Agreement, Code of Conduct as approved by the Board of Directors of the Company has been displayed at Reliance Chemotex Industries Limited's website www.reliancechemotex.com under the head of Code of Conduct. All the members of the Board and the Senior Management personnel have affirmed compliance of the Code for the period ended 31st March, 2014.

Place : Mumbai
Date : 9th August, 2014

SANJIV SHROFF
Vice Chairman &
Managing Director

**AUDITORS' COMPLIANCE CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)**

To the Members of the Reliance Chemotex Industries Limited

We have examined the compliance of conditions of Corporate Governance by Reliance Chemotex Industries Limited, for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

According to the information and explanations given to us and as per the records available with the Shareholders Grievances Committee, we state that there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Above Laxmi Dharam Kanta
Hawa Sarak, 22 Godown,
Jaipur-302 006

For G.P. KEJRIWAL & Co.
Chartered Accountants
Firm Reg. No.001036C

Dated : 09th August, 2014
Camp : Mumbai

C.P. JAIN
Partner
M.N. 70156



MANAGEMENT DISCUSSION AND ANALYSIS

The Management of Reliance Chemotex Industries Limited is pleased to present its report on Management Discussions and Analysis. The company's core business is the manufacture of spun synthetic, blended yarn. This report encapsulates the management's expectations on the company's business, based on the prevailing and anticipated market conditions.

a) Industry Outlook, Structure and Developments:

The textile industry plays an integral role in the economic growth of the country. In a nutshell, the textile industry is responsible for 14% of the country's industrial production, 4% of the nation's GDP and 17% of the country's export earnings. Furthermore, the textile industry provides direct employment to over 35 million people, making it the country's second largest provider of employment, after agriculture. Consequently, India's economic growth is inextricably linked to the growth and all-round development of the textile industry.

b) Opportunities and Threats:

The outlook of the textile industry remains positive despite the prevailing inflationary conditions in the country. This is largely due to the support that the industry continues to receive from both the Union and State governments.

- 4 The Union government has extended the TUF scheme to 2017 with an allocation of 2400 crore for the current year. A Revised and Restructured TUF scheme was also announced. This provides a 2% interest subsidy for stand-alone spinning.
- 4 The Rajasthan State government has announced a new textile policy called the "Special Customized Package 2013" for the development of the textile industry in the state. This scheme will remain in force until March 31st 2020 and hopes to attract investment of Rs. 10,000 crore and provide, direct and indirect, employment to 100,000 people.

In keeping with its philosophy of continuous modernization, strict quality control and innovation the company has embarked on the expansion and modernization of its existing plant situated in Village: Kanpur, Udaipur (Raj.). The company envisages that this will be completed by March 2015.

Furthermore, in its efforts to remain ahead of the curve, the company has actively taken steps to enhance economies of scale, increase productivity, reduce costs, shrink delivery schedules, invest in the research and development of new products and aggressively pursue opportunities in new markets. The company is driven by the belief that a large product range, with ever-increasing variety and product flexibility is essential to serve its customers and survive in an increasingly transparent and competitive global market.

The following factors may effect the future of the textile industry.

- 4 Shortage of skilled labour.
- 4 Foreign exchange fluctuations.

- 4 Rise in the Interest cost for Working Capital and Term Loans.
- 4 Rise in Interest Rates on Export Packing Credit Limits in Rupees.
- 4 Cheaper imports

c) Performance Review and Analysis:

The company only business is the manufacture of spun, synthetic, blended yarn. The company has no activity outside India, apart from the export of the synthetic yarn that it manufactures in India. The company has performed well in the year under review, despite many economic challenges on both the global and domestic front. The company has increased its yarn production, which has resulted in an increase in its revenue, cash profit and profit before depreciation, interest and taxes.

The highlights of the company's performance are shown below:

- 4 The Yarn Production has increased 22.25% to 12,525 metric tonnes.
- 4 The Revenue from operations has increased by 20.94% to Rs. 25,552.78 Lacs.
- 4 The Cash Profit has increased by 21.51% to Rs. 1,507.33 Lacs.
- 4 The Profit before Depreciation, Interest and Taxes has increased by 16.94% to Rs. 2,021.01 Lacs.
- 4 The Net Profit has decreased by 6.22% to Rs. 565.94 Lacs.

This decrease in net profit is due to the provisioning of substantial amount of deferred tax.

d) Risks and Concerns:

Shortage of Skilled Labour

The textile industry is being adversely effected by the shortage of labour, the absence of skill of the available labour force and a high attrition rate. Industry-wide, in all major clusters there is a 10-15% loss of production due to labour shortage.

Foreign Exchange Risk

The domestic market for synthetic yarn is not as remunerative as the export market. Consequently, the company focuses on exports and exports constitute 53% of the company's total turnover. Although this enhances the performance of the company, it does expose the company to foreign exchange risk. The Company has a well-documented and established foreign exchange risk policy, which is regularly reviewed by the Audit Committee. In light of the volatile nature of the Foreign Exchange market, the company meticulously hedges its currency risks through forward contracts.

e) Additional Risks

The Management has reviewed the risk management policies and accordingly the Assets of the Company have been adequately covered under Insurance.

f) Internal Control System and Adequacy

The company has proper and adequate systems for Internal Control. These control systems:

- 4 Allow the management to effectively monitor the company's operations and ensure there is an optimal utilization of resources.
- 4 Ensure that all transactions are authorised, recorded and reported correctly.
- 4 Ensure that all assets are safeguarded and protected against loss from authorised use.

The management continuously reviews these control systems and ensures that they are improved and modified in order to address changes in business conditions, and, statutory and accounting requirements. Furthermore, the Audit Committee also reviews these internal control systems and suggests improvements.

g) Company's Financial Performance and Analysis:

The Operating performance of the Company has been detailed in the first two paragraphs of the Director's Report under the Operation and Finance head.

h) Developments in Human Resources and Industrial Relations:

Human resource is the driving force behind any organization and there is no doubt that this company has consistently achieved its business targets due to the hard work, dedication and diligence of its employees. This year is no exception. The

employer-employee relations have continued to remain cordial throughout this year. The management of the company is convinced that the company's vision can only be achieved by maintaining a high level of organizational vitality. The company is committed to leveraging its human resource capital to further enhance its competitiveness in the globally challenging business environment.

The employee strength at the end of the last financial year was 1429. This includes both skilled and unskilled manpower.

i) Cautionary Statement:

Certain statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward-looking statements," within the meaning of applicable laws and regulations. Forward-looking statements are identified in this report by using words like "anticipates", "believes", "expects", "intends" and other similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. Some of these risks and uncertainties have been discussed in the section on "Risk Management". The Company takes no responsibility for any consequence of decisions made, based on such statements, and holds no obligation to update these in the future.

CEO & CFO CERTIFICATION

To,
The Board of Directors

RELIANCE CHEMOTEX INDUSTRIES LTD

We, to the best of our knowledge and belief, certify that;

1. We have reviewed the financial statements and the cash flow statement for the period ended 31st march, 2014 and that of the best of our knowledge and belief;
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company and have disclosed to the auditors and the audit committee, deficiencies in the design or operations of internal controls, pertaining to financial reporting, if any, of which we are aware and the steps we have taken, propose to take to rectify these deficiencies
4. We have indicated to the auditors and the audit committee;
 - (i) Significant changes in internal controls for financial reporting, during the period;
 - (ii) Significant changes in accounting policies during the period and that the same have been disclosed in the Notes to the Financial Statements, and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management of an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : 30th May 2014

M.K. GUPTA
Company Secretary
& Chief Financial Officer

SANJIV SHROFF
Managing Director
& Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Members of Reliance Chemotex Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Chemotex Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles

generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014.
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following notes attached to the financial statements. Our opinion is not qualified in respect of these matters:

Notes 1(vi) (c), 1(xii), 6 and 8(i) (b) in Note 27 regarding the matters referred to therein and likely financial implication thereof.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us and the books and records as produced and examined by us in the normal course of audit and to the best of our knowledge and belief, we give in the attached Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by section 227(3) of the Act, 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 those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account, as submitted to us;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Above Laxmi Dharam Kanta
Hawa Sadak, 22 Godown,
JAIPUR - 302 006

For **G.P. KEJRIWAL & CO.**
Chartered Accountants
Firm Reg. No. 001036C

Dated: 30th May, 2014
Camp: Mumbai

(C.P. JAIN)
Partner
M.No. 70156

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in above Paragraph (1) on Report on Other Legal and Regulatory Requirements of our Report of even date of RELIANCE CHEMOTEX INDUSTRIES LIMITED as at and for the year ended 31st March, 2014)

- (i) (a) The Company is in our opinion maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) In accordance with the programme of verifying the fixed assets once in three years fixed assets have been physically verified by the management at the year end. The periodicity of physical verification in our opinion is reasonable having regard to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us the fixed assets disposed off during the year were not substantial part of fixed assets so as to effect the going concern status of the Company.
 - (ii) (a) The inventories lying with the Company have been physically verified by the management at the year end.
 - (b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion the Company is maintaining proper records of inventories and according to the records of the Company the discrepancies noticed on physical verification of stocks as compared to books records, which in our opinion were not material in relation to the operation of the Company have been properly dealt with in the books of accounts.
 - (iii) (a) According to the information and explanations given to us the Company has not during the year granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and accordingly clauses (iii) (b) to (iii) (d) of paragraph 4 of the aforesaid order are not applicable to the Company.
 - (b) According to the information and explanations given to us, the Company has not taken any fresh loans, secured or unsecured during the year from Companies, firms or other parties covered in the register maintained under section 301 of the Act except unsecured loans of Rs.10,00,000/- from two Directors of the Company. However, unsecured loans of Rs.5,53,00,000/- taken from Companies, firms or other parties covered in the register maintained under such section till previous year are continuing as on 31.03.2014.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of unsecured loans as referred to under clause (b) above, taken by the Company during the year are not, prima-facie, prejudicial to the interest of the Company.
 - (d) In absence of stipulations for repayment of unsecured loans, as referred to under clause (b) above, we have no comments to make as to whether or not the Company is repaying the principal amount as stipulated and is also regular in payment of interest.
- (iv) In our opinion and according to the information and explanations given to us and on the basis of test checks carried out by us, and considering the explanations given by the management that alternative sources not being available for certain OEM and other purchases, it appears that there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to major purchases of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have we been informed by the management and or the internal auditors of the Company of any instance of major weakness in the aforesaid internal control procedures, which would require major corrective action.
 - (v) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, we are of the opinion that the contracts or arrangements that need to be entered in the register maintained in pursuance of section 301 of the Companies Act 1956 have been entered in the said register.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts and agreements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the Information and



explanations given to us, the Company has not accepted any deposits from the public during the year under the provisions of section 58 A and 58AA or any other relevant provisions of the Act.

- (vii) In our opinion, the internal audit system is by and large commensurate with the size of the Company and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act and are of the opinion that prima-facie, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of the said records and accounts.
- (ix) (a) According to the records of the Company, the Company has generally regularly deposited during the year undisputed statutory dues (to the extent applicable) including provident fund, investor education and protection fund, Employees state insurance, income tax, VAT (Sales Tax), wealth tax, service tax, custom duty, Excise Duty, Cess, and other statutory dues with the appropriate authorities though there has been slight delays in a few cases in depositing dues of works contract tax and tax deducted at source. According to the information and explanations given to us there are no arrears of such outstanding dues which have remained outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (b) On the basis of our examination of the documents produced to us and according to the information and explanation given to us, the dues (to the extent applicable) of income tax, sales tax, wealth tax, service tax, custom duty, excise duty / cess which have not been deposited on account of dispute and the forum where the dispute is pending are as under.

Nature of the statute	Nature of dues	Amount Involved Rs.	Period to which it relates to (Years ended)	Forum Where Dispute Is pending
Income Tax Act, 1961	Income Tax	1,62,59,210	31-03-2011	The Commissioner of Income Tax, Appeals, Kolkata
Central Excise Act	Excise Duty	23,567	31.03.80 to 31.03.92	The Asst. Commissioner Central Excise, Udaipur
Service Tax Act.	Service tax	47,63,158	31.03.2003 to 31.03.2007	The Asst. Commissioner(Appeals) Central Excise Jaipur
	Total	2,10,77,175		

We have been informed that except as stated above there are no other amounts which have not been deposited on account of disputes.

- (x) The Company has no accumulated losses as on 31-03-2014 and has not incurred cash loss in the financial year ended on that date and in the immediately preceding financial year.

- (xi) According to the records of the Company and as per the information and explanations given to us the Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) According to the information and explanations given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the provisions of any special statute applicable to chit fund, nidhi / mutual benefit fund / societies are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debenture and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- (xvi) On the basis of review of utilization of Term Loans on overall basis as on 31.03.2014, related information, explanations and statements as made available to us and as represented to us by the management, the term loans were applied for the purpose for which the loans were obtained.
- (xvii) On the basis of review of utilization of funds on overall basis as on 31.03.2014, related information, explanations and statements as made available to us and as represented to us by the management, funds available as short term has not been used for long term application.
- (xviii) During the year the Company has made preferential allotment of Equity and Preference Shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 at the price which is not prejudicial to the interest of the Company.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management and or the internal auditors of the Company.

Above Laxmi Dharm Kanta,
Hawa Sadak, 22 Godown,
Jaipur – 302 006

For: **G.P. Kejriwal & Co.**
Chartered Accountants
Firm Reg. No. 001036 C

(C.P. JAIN)

Partner

M.N. 70156

Dated : 30th May, 2014
Camp : Mumbai

RELIANCE
CHEMOTEX INDUSTRIES LIMITED
CIN L40102RJ1977PLC 001994

BALANCE SHEET
AS AT 31ST MARCH 2014

PARTICULARS	NOTE NO.	31 st March 2014		31 st March 2013	
		Rs	Rs	Rs	Rs
I EQUITY AND LIABILITIES :					
(1) Shareholders' Funds					
a Share Capital	1	24,06,98,375		22,87,98,375	
b Reserves and Surplus	2	<u>28,57,28,257</u>	52,64,26,632	<u>25,16,11,066</u>	48,04,09,441
(2) Non-current Liabilities					
a Long-Term Borrowings	3	43,13,00,844		46,14,18,292	
b Deferred Tax Liabilities (Net)	4	3,19,22,161		1,35,75,072	
c Other Long Term Liabilities	5	2,35,81,866		2,11,12,931	
d Long Term Provisions	6	<u>95,97,049</u>	49,64,01,920	<u>1,10,66,329</u>	50,71,72,624
(3) Current Liabilities					
a Short-Term Borrowings	7	11,40,87,378		14,07,68,017	
b Trade Payables	8	18,84,36,127		12,14,45,267	
c Other Current Liabilities	9	19,00,69,393		19,53,73,980	
d Short-Term Provisions	10	<u>2,57,82,908</u>	51,83,75,806	<u>3,59,20,190</u>	49,35,07,454
TOTAL			<u>1,54,12,04,358</u>		<u>1,48,10,89,519</u>
II ASSETS :					
(1) Non-current Assets					
a Fixed Assets					
(i) Tangible assets	11	82,06,63,816		66,00,97,763	
(ii) Intangible assets	11	36,04,522		14,69,736	
(iii) Capital work-in-progress	27(8v)	2,25,63,396		16,63,22,185	
b Non-current Investments	12	3,16,03,480		3,16,03,480	
c Long-term loans and advances	13	3,05,43,060		2,07,60,619	
d Other non-current assets	14	-	90,89,78,274	-	88,02,53,783
(2) Current Assets					
(a) Inventories	15	23,15,98,262		23,08,53,133	
(b) Trade Receivables	16	17,72,84,768		11,09,98,144	
(c) Cash and cash equivalents	17	3,17,27,919		4,93,28,811	
(d) Short-term loans and advances	18	13,32,86,576		15,31,50,729	
(e) Other current assets	19	<u>5,83,28,559</u>	63,22,26,084	<u>5,65,04,919</u>	60,08,35,736
TOTAL			<u>1,54,12,04,358</u>		<u>1,48,10,89,519</u>
Significant Accounting Policies and Notes on Financial Statements	27				

As per our attached Report of even date.

Above Laxmi Dharam Kanta,
Hawa Sadak, 22 Godown,
Jaipur - 302 006

For **G.P.KEJRIWAL & CO.**
Chartered Accountants
Firm Registration No. 001036C

On behalf of the Board of Directors

Camp : Mumbai
Dated : 30th May, 2014

C.P.JAIN
Partner
M.No. 70156

M.K.GUPTA
Company Secretary
& Chief Financial Officer

R.N.SHARMA
Wholetime Director

SANJIV SHROFF
Vice Chairman &
Managing Director



**STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31st MARCH 2014**

PARTICULARS	NOTE NO.	31 st March 2014		31 st March 2013	
		Rs	Rs	Rs	Rs
I Revenue from operations	20		2,55,52,78,238		2,11,28,69,100
Less : Excise Duty			<u>5,60,63,797</u>		<u>6,98,90,649</u>
			2,49,92,14,441		2,04,29,78,451
II Other Income	21		2,70,08,487		3,34,08,466
III Total Revenue (I+II)			<u>2,52,62,22,928</u>		<u>2,07,63,86,917</u>
IV EXPENSES :					
Cost of Materials Consumed	22		1,48,18,74,795		1,15,65,05,337
Changes in Inventories of Finished Goods and Work in Progress	23		(2,91,44,875)		3,63,92,616
Employee Benefits Expense	24		24,81,59,542		20,41,90,185
Finance Costs	25		10,76,32,326		9,34,15,622
Depreciation and amortisation Expense	11		5,61,53,154		4,70,27,368
Other Expenses	26		56,12,39,836		45,80,41,900
Total Expenses			<u>2,42,59,14,778</u>		<u>1,99,55,73,028</u>
V Profit before exceptional and extraordinary items and Tax (III-IV)			<u>10,03,08,150</u>		<u>8,08,13,889</u>
VI Exceptional Items			<u>57,28,524</u>		<u>37,92,486</u>
VII Profit before extraordinary items and tax (V-VI)			9,45,79,626		7,70,21,403
VIII Extra Ordinary Items			-		-
IX Profit before tax (VII - VIII)			9,45,79,626		7,70,21,403
X Tax Expense :					
1. Income Tax					
Current tax		1,90,00,000		1,54,00,000	
Earlier Year Tax		6,03,099		4,45,253	
2. Deferred Tax		1,83,47,089		8,16,154	
3. Wealth Tax		<u>35,300</u>		<u>13,400</u>	
			<u>3,79,85,488</u>		<u>1,66,74,807</u>
XI Profit for the Year (IX-X)			5,65,94,138		6,03,46,596
XII Earnings per equity share (Basic and Diluted) (refer note 10 in Note 27)			9.03		12.42
Significant Accounting Policies and Notes on Financial Statements	27				

As per our attached Report of even date.

Above Laxmi Dharam Kanta,
Hawa Sadak, 22 Godown,
Jaipur - 302 006

For **G.P.KEJRIWAL & CO.**
Chartered Accountants
Firm Registration No. 001036C

On behalf of the Board of Directors

Camp : Mumbai
Dated : 30th May, 2014

C.P.JAIN
Partner
M.No. 70156

M.K.GUPTA
Company Secretary
& Chief Financial Officer

R.N.SHARMA
Wholetime Director

SANJIV SHROFF
Vice Chairman &
Managing Director

RELIANCE
CHEMOTEX INDUSTRIES LIMITED
CIN L40102RJ1977PLC 001994

NOTES

Notes "1" to "27" Annexed to and forming part of the Company's Balance Sheet as at 31.03.2014 and Statement of Profit and Loss for the year ended on that date.

	31 st March 2014		31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
1 SHARE CAPITAL				
Authorised :				
1,35,00,000 Equity Shares of Rs.10/- each	13,50,00,000		13,50,00,000	
30,25,000 (P.Y. 25,25,000) Preference Shares of Rs.100/- each	30,25,00,000	43,75,00,000	<u>25,25,00,000</u>	<u>38,75,00,000</u>
Issued :				
40,22,100 (P.Y. 38,32,100) Equity Shares of Rs.10/- each	4,02,21,000 (a)		3,83,21,000 (a)	
20,07,500 (P.Y. 19,07,500) 10% Cumulative Redeemable Preference Shares of Rs.100/- each	20,07,50,000 (b)	24,09,71,000	<u>19,07,50,000</u>	<u>22,90,71,000</u>
Subscribed and Fully Paid :				
39,76,650 (P.Y. 37,86,650) Equity Shares of Rs.10/- each	3,97,66,500 (a)		3,78,66,500 (a)	
Subscribed but not fully paid :				
25200 Equity Shares of Rs.10/- each	2,52,000		2,52,000	
Less : Calls unpaid (Other than Directors and Officers)	(1,26,000)		(1,26,000)	
Forfeited	55,875 #	3,99,48,375	<u>55,875 #</u>	3,80,48,375
20,07,500 (P.Y. 19,07,500) 10% Cumulative Redeemable Preference Shares of Rs.100/- each		20,07,50,000 (b)		19,07,50,000 (b)
Total Subscribed and Paid up Capital		24,06,98,375		<u>22,87,98,375</u>
#	Amount originally paid on 20,250 Equity Shares forfeited during an earlier year			
(l) (a)	Includes 1,90,000 (P.Y. 1,80,000) Equity Shares allotted on 31.03.2014 (P.Y. 30.03.2013) ranking pari-passu with the existing Equity Shares of the Company. Such equity shares issued during the year are pending for listing on BSE Ltd., where the Company's shares are listed.			
(b)	No. of Preference Share Allotted	Dates of Allotment		
	2,16,000	28.03.2002 (A)		
	16,000	31.10.2002 (A)		
	11,000	31.01.2003 (A)		
	82,000	29.04.2006 (B)		
	2,75,000	28.01.2011 (C)		
	72,000	24.03.2011 (C)		
	1,33,000	26.03.2011 (C)		
	5,00,000	31.03.2011 (C)		
	3,25,000	07.03.2013 (C)(D)		
	2,77,500	30.03.2013 (C)(D)		
	1,00,000	01.03.2014 (C)(D)		
	<u>20,07,500 (E)</u>			

- (A) These shares are redeemable at par on expiry of 13 years from the respective dates of allotment.
(B) These shares are redeemable at par on expiry of 14 years from the respective dates of allotment.
(C) These shares are redeemable at par on expiry of 20 years from the respective dates of allotment.
(D) However, redemption of these shares can also be done before maturity by the Board of Directors.
(E) The consent letters of financial institutions for such issues were not available for auditor's inspection.



(II) As stated under Note 1(c) in Note 3 of Long Term Borrowings Term Loans of Rs.1,919 Lacs sanctioned by IDBI (now IDBI Bank Ltd.), the Company had agreed that unsecured loans of Rs.4,00,00,000/- (included in Long Term Borrowings in Note 3) were to be converted into equity capital as per SEBI formula within 6 months from date of first disbursement. Accordingly the Company had converted till 31.03.2009 unsecured loans of Rs.44,44,200/- into Equity Capital. Further during the year the Company issued 1,90,000 Equity Shares of Rs. 10/- each at a premium of Rs. 23/- aggregating to Rs. 62,70,000/- (Previous Year 1,80,000 Equity Shares of Rs.10/- each at a premium of Rs. 31/- aggregating to Rs. 73,80,000/-) on Preferential Placement basis to Promoter Group Companies . IDBI Bank Ltd. vide their letter dated 09.04.2014 has agreed to allow the company to convert 50% of unsecured loan (i.e. 4,00,00,000/- out of Rs.8,00,00,000) into Equity Share capital by Financial year 2018, as per SEBI guidelines.

(III) Terms/ rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. 1,90,000 (P.Y. 1,80,000) Equity Shares issued on 31.03.2014 (P.Y. 30.03.2013)(refer Note II above) have a lock-in period of 3 years from the respective dates of issue.

(IV) Terms/ rights attached to Preference Shares

- (a) The shares shall carry a right to a cumulative preference dividend of 10% per annum in relation to the capital paid up on them.
- (b) The holders of the said shares shall have a right to attend General Meetings of the Company and vote on resolutions directly affecting their interest or where the dividends in respect thereof are in arrear for not less than two years on the date of meeting, on all resolutions at every meeting of the Company.
- (c) In case of winding up, the holders of the said shares shall be entitled to a preferential right of return of the amount paid up on the shares together with arrears of cumulative preferential dividend due on the date of winding up but shall not have any further right or claim over the surplus assets of the Company.

(V) Details of Share Holders, holding more than 5% shares in the Company's Equity Shares of Rs.10/- each fully paid up.

Name of Shareholders	No. of Shares (a)	% Held (a)	No. of Shares	% Held
1. M/s. Modern Fibotex India Ltd.	10,51,179	26.27	10,51,179	27.58
2. Shri Shanker Lal Shroff	1,95,650	4.89	1,95,650	5.13

(a) Subject to Note 1(a) above.

Details of Share Holders, holding more than 5% shares in the Company's 10% Cumulative Redemable Preference Shares of Rs.100/- each fully paid up.

Name of Shareholders	No. of Shares	% Held	No. of Shares	% Held
1. M/s. Modern Fibotex India Ltd.	14,24,500	70.96	13,24,500	69.44
2. M/s. A.R.Fibtex Pvt.Ltd.	1,95,000	9.71	1,95,000	10.22
3. Shri Sanjiv Shroff	1,40,000	6.98	1,40,000	7.34

RELIANCE
CHEMOTEX INDUSTRIES LIMITED
CIN L40102RJ1977PLC 001994

(VI) Reconciliation of the number of Shares outstanding at the beginning and at the end of the reporting period as under :

PARTICULARS	AS AT 31.03.2014		AS AT 31.03.2013	
	No. of Shares	Amount	No. of Shares	Amount
EQUITY SHARES				
Shares at the beginning of the year	38,32,100	3,83,21,000	36,52,100	3,65,21,000
Add: Issued during the year	1,90,000	19,00,000	1,80,000	18,00,000
Shares at the end of the year	40,22,100	4,02,21,000	38,32,100	3,83,21,000
PREFERENCE SHARES				
Shares at the beginning of the year	19,07,500	19,07,50,000	13,05,000	13,05,00,000
Add: Issued during the year	1,00,000	1,00,00,000	6,02,500	6,02,50,000
Shares at the end of the year	20,07,500	20,07,50,000	19,07,500	19,07,50,000
2 RESERVES AND SURPLUS		31st March 2014		31st March 2013
	Rs.	Rs.	Rs.	Rs.
Capital Reserves :				
Central Cash Subsidy				
As per last account		15,00,000		15,00,000
Securities Premium Reserve				
Share Premium Account				
As per last account	5,82,51,138		5,26,71,138	
Additions during the year	43,70,000		55,80,000	
	6,26,21,138		5,82,51,138	
Less : Amount Unpaid	3,78,000	6,22,43,138	3,78,000	5,78,73,138
Other Reserves :				
General Reserve				
As per Last Account	6,24,79,390		6,14,79,390	
Add Transfer from Statement of Profit & Loss	10,00,000	6,34,79,390	10,00,000	6,24,79,390
Surplus :				
As per last Statement of Profit & Loss	12,97,58,538		9,01,55,082	
Add : Profit for the year	5,65,94,138		6,03,46,596	
	18,63,52,676		15,05,01,678	
Less Appropriations :				
Transfer to General Reserve	10,00,000		10,00,000	
Interim Dividend :				
On Equity Shares	28,39,988		-	
[Dividend per Share Rs. 0.75 (P.Y. Nil)]				
On Cumulative Redemable Preference Shares	1,43,06,250		-	
[Dividend per Share Rs. 7.50 (P.Y. Nil)]				
Tax on Interim Dividend	29,14,004		-	
Proposed Dividend :				
On Equity Shares	9,46,662		36,07,143	
[Dividend per Share Rs. 0.25 (P.Y Rs. 1/-)]				
On Cumulative Redemable Preference Shares	48,50,942		1,32,71,302	
[Dividend per Share Rs. 2.50 (P.Y Rs. 10/-)]				
Tax on proposed Dividend	9,89,101 (a)	15,85,05,729	28,64,695	12,97,58,538
		28,57,28,257		25,16,11,066
(a) Including Rs. 3,797/- For earlier year.				
3 LONG TERM BORROWINGS				
(i) Term Loans from Banks (Secured)				
(a) IDBI Bank Limited (IDBI)	7,19,62,521 (1)		10,14,00,017 (1)	
(b) State Bank of India (SBI)	15,99,46,572 (2)		20,98,06,572 (2)	
(c) ICICI Bank Ltd. (ICICI)	44,96,598 (4)		- (4)	
(d) HDFC Bank Ltd. (HDFC)	18,27,153 (5)	23,82,32,844	15,10,123 (5)	31,27,16,712
(ii) Term Loan from Others Parties - RIICO (Secured)		6,66,68,000 (3)		4,23,01,580 (3)
(iii) Loans and Advances (Unsecured)				
Loans from related parties (Bodies Corporate)	5,52,00,000		5,52,00,000	
Loans from other parties (Bodies Corporate)	7,11,00,000		5,11,00,000	
Loans from Directors	1,00,000		1,00,000	
		12,64,00,000		10,64,00,000
		43,13,00,844		46,14,18,292



REMARKS :

1 Term Loans from IDBI Bank Limited

- a) Term Loan of Rs. 7,50,00,000/-, outstanding Rs. 54,50,000/- as on 31.03.14 (P.Y. 1,61,50,000/-) including Rs. 54,50,000/- (P.Y. Rs. 1,07,00,000/-) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured by hypothecation by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future including movable (save and except book debts) machinery, spares, tools and accessories, present and future, subject to prior charges created in favour of Bankers for working capital facilities. As per Certificate of the Management, the above loan of Rs.7,50,00,000/- has also been guaranteed by the Managing Director and one other Director of the Company and are also secured by way of extension of pledge of 5,86,400 Equity Shares of the Company in the names of Directors and their relatives.

This loan is repayable in 28 quarterly Instalments commencing from 01.10.2007 and last instalment is payable by 01.07.2014 and carry floating interest rate at base rate + 4.5%.

- b) Term Loan of Rs. 19,19,00,000/- , outstanding Rs. 9,59,50,000/- as on 31.03.14 (P.Y. 11,99,38,000/-) including Rs. 2,39,87,000/- (P.Y. Rs. 2,39,87,000/-) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured by hypothecation by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future including movable (save and except book debts) machinery, spares, tools and accessories, present and future, subject to prior charges created in favour of Bankers for working capital facilities. As per Certificate of the Management, the above loan of Rs.19,19,00,000/- has also been guaranteed by the Managing Director and one other Director of the Company and are also secured by way of extension of pledge of 5,86,400 Equity Shares of the Company in the names of Directors and their relatives.

This loan is repayable in 96 monthly Instalments commencing from 01.04.2010 and last instalment is payable by 31.03.2017 and carry floating interest rate at base rate + 4%.

- c) In respect of Term Loan of Rs. 19,19,00,000/- as stated under para (b) above, the company has agreed that :
- The Company shall deploy 50% of total promoter's contribution i.e. Rs.6,42,00,000/- in the Project upfront. The unsecured Loans brought in would be sub-ordinated to this loan and the Company would seek approval from the leading institution for payment of interest, if any, on the unsecured loans and
 - Rs. 4,00,00,000/- to be converted into equity capital as per SEBI formula within 6 months from date of first disbursement. Also refer Note (II) in Note 1.

2 Term Loan from State Bank of India

- a) Term Loan of Rs. 19,64,00,000/-, outstanding Rs. 9,06,50,000/- as on 31.03.14 (P.Y. 11,88,50,000/-) including Rs. 2,82,00,000/- (P.Y. Rs. 2,82,00,000/-) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured by hypothecation by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future including movable (save and except book debts) machinery, spares, tools and accessories, present and future, subject to prior charges created in favour of Bankers for working capital facilities. As per Certificate of the Management, the above loans of Rs.19,64,00,000/- have also been guaranteed by the Managing Director and one other Director of the Company and are also secured by way of extension of pledge of Preference Shares of the face value of Rs. 1,75,00,000/- of the Company belonging to Directors and pledge of Preference Shares of the face value of Rs. 1,50,00,000/- belonging to a Promoter Company. This loan is repayable in 84 monthly Instalments commencing from July 2010 and the last instalment is payable by 30th June 2017 and carry floating interest rate at base rate + 4.25% till 07.01.2014 and base rate+ 3.70% thereafter.

- b) Term Loan of Rs.13,00,00,000/-, Outstanding Rs. 11,91,56,000/- (P.Y. 12,99,86,000/- including Rs. 2,16,60,000/- (P.Y. 1,08,30,000/-) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured by hypothecation by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future including movable (save and except book debts) machinery, spares, tools and accessories, present and future, subject to prior charges created in favour of Bankers for working capital facilities. As per Certificate of the Management, the above loans of Rs.13,00,00,000/- have also been guaranteed by the Managing Director and one other Director of the Company and are also secured by way of extension of pledge of Preference Shares of the face value of Rs. 1,75,00,000/- of the Company belonging to Directors and pledge of Preference Shares of the face value of Rs. 1,50,00,000/- belonging to a Promoter Company. This loan is repayable in 72 instalments from oct.2013 and last instalment is payable by September 2019 and carry floating interest rate at base rate + 4.25% till 07.01.2014 and base rate+ 3.70% thereafter.

3 Term Loan from other parties (RIICO)

- a) Term Loan of Rs.10,00,00,000/-, Outstanding Rs. 8,33,34,000/- (P.Y. 5,89,68,000/-) including Rs. 1,66,66,000/- (P.Y. 1,66,66,000/-) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured by hypothecation by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future including movable (save and except book debts) machinery, spares, tools and accessories, present and future, Finished and semi finished products, other goods and uncalled capital, subject to prior charges created in favour of Bankers for working capital facilities. As per Certificate of the Management, the above loans of Rs.10,00,00,000/- have also been guaranteed by

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Managing Director and one other Director of the Company. This loan is repayable in 24 quarterly equal installments from May 2013 and last installment is payable by 15th February 2019. The above term loan carry interest @ 13% p.a. with 2% LD in case of default.

4 Term Loans (Vehicle Loans) from ICICI Bank Limited

- (A) Vehicle Loan from ICICI Bank Ltd. of Rs. 53,00,000/- outstanding Rs. 43,68,593/- as on 31.03.2014 (P.Y. Nil) including 17,00,573/- (P.Y. Rs. Nil) shown under the head Other Current Liability for Current maturity of Long Term debts is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from 01.09.2013 along with interest @ 8.65% per annum and the last instalment is payable by 01.08.2016. Evidences in respect of filing of charge documents were not available for Auditors' inspection.
- (B) Vehicle Loan from ICICI Bank Ltd. of Rs. 46,98,000/- outstanding Rs. 33,79,926/- as on 31.03.2014 (P.Y. Nil) including 15,51,348/- (P.Y. Rs. Nil) shown under the head Other Current Liability for Current maturity of Long Term debts is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from 15.05.2013 along with interest @ 9% per annum and the last instalment is payable by 15.04.2016. Evidences in respect of filing of charge documents were not available for Auditors' inspection.

5 Term Loans (Vehicle Loans) from HDFC Bank Limited

- (a) Vehicle Loan from HDFC Bank Ltd. of Rs. 10,80,000/- outstanding Rs. 6,39,552/- as on 31.03.2014 (P.Y. 9,75,310/-) including 3,70,927/- (P.Y. Rs. 3,35,758/-) shown under the head Other Current Liability for Current maturity of Long Term debts is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from 05.12.2012 along with flat interest @ 5.39% per annum and the last instalment is payable by 05.11.2015. Evidences in respect of filing of charge documents were not available for Auditors' inspection.
- (b) Vehicle Loan from HDFC Bank Ltd. of Rs. 12,00,000/- outstanding Rs. 8,70,571/- as on 31.03.2014 (P.Y. 12,00,000/-) including 3,95,386/- (P.Y. Rs. 3,29,429/-) shown under the head Other Current Liability for Current maturity of Long Term debts is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from 05.05.2013 along with interest @ 10% per annum and the last instalments is payable by 05.04.2016. Evidences in respect of filing of charge documents were not available for Auditors' inspection.
- (C) Vehicle Loan from HDFC Bank Ltd. of Rs. 9,25,000/- outstanding Rs. 9,03,284/- as on 31.03.2014 (P.Y. Nil) including Rs. 2,77,052/- (P.Y. Rs. Nil) shown under the head Other Current Liability for Current maturity of Long Term debts is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from 05.03.2014 along with interest @ 11.40% per annum and the last instalment is payable by 05.02.2017. Evidences in respect of filing of charge documents were not available for Auditors' inspection.
- (D) Vehicle Loan from HDFC Bank Ltd. of Rs. 6,50,000/- outstanding Rs. 6,50,000/- as on 31.03.2014 (P.Y. Nil) including Rs. 1,92,889/- (P.Y. Rs. Nil) shown under the head Other Current Liability for Current maturity of Long Term debts is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from 05.04.2014 along with interest @ 11.40% per annum and the last instalment is payable by 05.03.2017. Evidences in respect of filing of charge documents were not available for Auditors' inspection.

6 Terms of Repayment of Unsecured Loans

Aggregate Amount outstanding	Rate of Interest	Maturity Terms
Rs.12,64,00,000/- (P.Y. Rs.10,64,00,000/-)	11 to 11.5 %	There are no Stipulations for Repayments. However the Company has obtained letters/ undertakings from lenders that they will seek repayments of their outstanding Loans as on 31.03.2014, only after 31.03.2015. (P.Y. as on 31.03.2013, only after 31.03.2014)

7 The nature of securities, guarantees and other terms as stated, above, under Remarks 1 to 6 and status of compliance of terms & conditions in respect of such loans, are subject to confirmations of the respective lenders.

4 DEFERRED TAX LIABILITIES (NET)

	31 st March 2014		31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Liability				
Timing Difference of Depreciation	5,37,86,763		3,34,52,503	
Deferred Tax Assets				
Expenditure u/s 43B of IT Act 1961	(2,18,64,602)	3,19,22,161	(19877431)	1,35,75,072
5 OTHER LONG TERM LIABILITIES				
OTHERS				
(a) Security Deposits	20,69,394		18,12,319	
(b) Statutory Dues	1,61,30,994		1,49,05,875	
(c) Other Payables for Expenses	53,81,478	2,35,81,866	43,94,737	2,11,12,931
6 LONG TERM PROVISIONS				
Provision for Employee Benefits		95,97,049		1,10,66,329



	31 st March 2014		31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
7 SHORT TERM BORROWINGS				
Loans repayable on Demand				
From Banks (Secured)(a)(b)		11,30,87,378		13,07,68,017
From other parties (unsecured)		-		1,00,00,000
Loans from Directors		10,00,000		-
		11,40,87,378		14,07,68,017

- (a) Borrowings of Rs. 11,30,87,378/- (P.Y.13,07,68,017/-) from SBI and IDBI Bank Ltd. for working capital are secured by hypothecation by way of joint first charge on entire inventories, trade receivables and other current assets present and future charges on pari-passu basis and are reported to have also been guaranteed to the extent of Rs. 21,00,00,000/- (P.Y. Rs. 21,00,00,000/-) by the Managing Director and one other Director of the Company. Such borrowings are also secured by second pari-passu charge on fixed assets of the Company.
- b) The nature of securities, guarantees and other information as stated, above and status of compliance of terms and conditions, are subject to confirmations of respective lenders / others.

8 TRADE PAYABLES	18,84,36,127	12,14,45,267
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9 OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debt	10,04,51,670	9,10,48,682
Interest accrued and due on borrowings	1,17,71,636	43,03,754
Interest accrued but not due on borrowings	19,22,502	11,68,418
Advances from Customers	37,76,636	49,40,607
Advances against sale of Machinery	-	2,25,00,000
Statutory Dues	54,84,000	44,32,982
Unpaid Dividend Accounts (as per Contra)	37,31,760 (a)	29,21,011 (a)
Other Payables :		
For Expenses	6,29,31,189	6,40,58,526
	19,00,69,393	19,53,73,980

(a) The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

10 SHORT TERM PROVISIONS

Proposed Dividend				
On Equity Shares	9,46,662		36,07,143	
On Preference Shares	48,50,942	57,97,604	1,32,71,302	1,68,78,445
Tax on Proposed Dividend		9,85,304		28,64,695
Provision for Tax		1,90,00,000		1,61,77,050
		2,57,82,908		3,59,20,190

11. FIXED ASSETS

Figure in Rupees.

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2013	Additions	Disposals/ Adjustments	As at 31.03.2014	Upto 31.03.2013	For the year	Disposals/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets										
(a) Land										
Free Hold	8,01,041	-	-	8,01,041	-	-	-	-	8,01,041	8,01,041
Lease Hold	10,68,421	-	-	10,68,421	3,76,079	10,792	-	3,86,871	6,81,550	6,92,342
(b) Buildings	24,60,98,118	2,18,52,027	-	26,79,50,145	5,32,27,065	83,12,305	-	6,15,39,370	20,64,10,775	19,28,71,053
(C) Plant and Equipment	74,18,05,210	17,83,13,883	7,36,200	91,93,82,893	28,92,05,527	4,46,25,524	3,55,313	33,34,75,738	58,59,07,155	45,25,99,683
(d) Furniture and Fixture	97,91,636	14,76,721	1,15,370	1,11,52,987	54,41,060	6,51,740	69,249	60,23,551	51,29,435	43,50,575
(e) Vehicles	1,20,70,551	1,43,31,038	17,60,159	2,46,41,430	46,53,383	19,86,014	12,15,701	54,23,696	1,92,17,734	74,17,168
(f) Office Equipment	33,57,889	13,92,507	16,286	47,34,110	19,91,988	2,41,412	15,416	22,17,984	25,16,126	13,65,901
Sub Total	1,01,49,92,866	21,73,66,176	26,28,015	1,22,97,31,027	35,48,95,102	5,58,27,787	16,55,679	40,90,67,210	82,06,63,816	66,00,97,763
(Previous Year)	(1,01,65,06,877)	(6,98,69,148)	(7,13,83,159)	(1,01,49,92,866)	(35,22,87,204)	(4,67,99,617)	(4,41,91,719)	(35,48,95,102)	(66,00,97,763)	(66,42,19,673)
Intangible assets										
Computer Software	5,64,081	7,74,754	-	13,38,835	4,17,945	72,185	-	4,90,130	8,48,705	1,46,136
Corporate Club Membership	16,54,500	16,85,400	-	33,39,900	3,30,900	2,53,183	-	5,84,083	27,55,817	13,23,600
Sub Total	22,18,581	24,60,154	-	46,78,735	7,48,845	3,25,368	-	10,74,213	36,04,522	14,69,736
(Previous Year)	(21,49,248)	(69,333)	-	(22,18,581)	(5,21,094)	(2,27,751)	-	(7,48,845)	(14,69,736)	(16,28,154)
As at 31.03.2014	1,01,72,11,447	21,98,26,330	26,28,015	1,23,44,09,762	35,56,43,947	5,61,53,155	16,55,679	41,01,41,423	82,42,68,338	66,15,67,499
As at 31.03.2013	1,01,86,56,125	6,99,38,481	7,13,83,159	1,01,72,11,447	35,28,08,298	4,70,27,368	4,41,91,719	35,56,43,947	66,15,67,500	

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	31 st March 2014		31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
NON CURRENT ASSETS				
12 NON CURRENT INVESTMENTS (AT COST) (LONG TERM)				
Trade Investments : (Fully paid, unquoted) ("Class A" Shares of M/s V S Lignite Power Pvt.Ltd.)				
16,74,719 Equity Shares of Rs.10/- each	1,67,47,190		1,67,47,190	
1485629, 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each	1,48,56,290	3,16,03,480 (a)	1,48,56,290	31603480 (a)
		3,16,03,480		31603480
Aggregate amount of unquoted Investments		3,16,03,480 (b)		31603480 (b)
(a) Refer Note 11 in Note 27 (b) Refer Note 1(vi) in Note 27.				
13 LONG TERM LOANS AND ADVANCES (Unsecured ,considered good by the Management)				
Capital Advances		1,49,40,371		85,75,939
Security Deposits		73,52,149		66,30,880
Other Loans and Advances To Employees		82,50,540 (a)		55,53,800 (a)
		3,05,43,060		2,07,60,619
(a) Includes Rs. 1,87,990/- (P.Y. 5,60,000/-) due by an officer of the Company.				
14 OTHER NON CURRENT ASSETS				
Long Term Trade Receivables (Unsecured, considered Doubtful by the management)	7,30,780		7,30,780	
Less : Provision for Doubtful	7,30,780	-	7,30,780	-
15 INVENTORIES				
(a) Raw Materials		5,57,96,121		8,49,05,298
(b) Work in Progress		6,43,33,214 (a)		4,79,94,573 (a)
(c) Finished Goods		9,63,16,678 (b)		8,36,56,983 (b)
(d) Stores and Spares		1,40,09,768		1,33,00,337
(e) Waste		1,04,40,06		7,50,064
(f) Scrap and residual materials		98,475		2,45,878
		23,15,98,262 (c)(d)		23,08,53,133 (c) (d)
(a) Details of Work in Process : Fibre in Process Rs. 3,44,18,712/- (P.Y. 3,23,09,610/-) and Yarn in Process Rs. 2,99,14,502/- (P.Y. Rs.1,56,84,963/-)				
(b) Includes stock of value of RS. 10,56,702/- (P.Y. Rs.29,40,864/-) lying with outside Parties. (Un confirmed)				
(c) Includes Stock items of the value of Raw Materials Rs. 38,96,262/-, Finished Goods RS.1,09,54,559/- Stores and spares Rs.8,23,530/- in transit (Previous year Raw Materials Rs.NIL, Finished Goods Rs. 1,39,54,799/- , Stores and Spares Rs.9,59,596/-)				
(d) Refer Note 1 (vii) In Note 27 for Mode of Valuation.				
16 TRADE RECEIVABLES (Unsecured, considered good by the management) Outstanding for a period exceeding six months	51,349		1,00,000	
Others	17,72,33,419 (a)		11,08,98,144	
		17,72,84,768		11,09,98,144
(a) Includes Rs. 1,31,460/- due by a Private Limited Company in which any of the Directors are Directors and or members.				
17 CASH AND CASH EQUIVALENTS				
Balances with Banks :				
- On current Accounts	32,53,778		2,38,02,578	
- On Savings Accounts	5,44,095		5,61,245	
-On Unpaid Dividend Accounts (as per contra)	37,31,760		29,21,011	
Fixed Deposits with Banks	2,34,97,805 (a)(b)(c)		2,05,83,925 (a)(b)(c)	
Cash on hand (as certified)	7,00,481		14,60,052	
		3,17,27,919		4,93,28,811



	31 st March 2014		31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
(a) Includes Ear-marked deposits Rs. 15,73,811/- (Previous year Rs. 15,56,270/-) and Fixed Deposit Receipts of Rs. 2,21,92,433/- (P.Y. 1,93,29,435/-) deposited with banks under lien of Bank against Guarantees and letters of Credit.				
(b) Include interest accrued Rs.2,75,656/- (Previous year Rs.2,59,365/-)				
(c) Include Rs. 1,19,91,508/- (P.Y. 1,07,89,836/-) with more than 12 months maturity.				
18 SHORT TERM LOANS AND ADVANCES				
(Unsecured, considered good by the management)				
Loans and advances to others :				
Loans		-		3,30,00,000
Interest receivable on Loans and advances		85,35,142 (a)		59,98,380 (a)
Advances				
Balance with Excise Department		5,829		5,829
Payments of Taxes and Tax Deducted at Source		2,24,70,066		1,31,57,801
Cenvat and Service Tax Receivable		2,55,32,476 (b)		3,48,03,304 (b)
Excise duty Rebate Receivable		2,82,37,159 (b)		2,65,55,547 (b)
Vat Credit Receivable		36,37,306		1,19,889
Advances to employees		51,94,266		70,18,968
Advances to suppliers				
Considered Good	39,91,216		31,36,272	
Considered Doubtful	45,000		45,000	
	40,36,216		31,81,272	
Less : Provision for Doubtful	45,000	39,91,216	45,000	31,36,272
Advances for Expenses				
Considered Good	1,29,41,116		93,54,739	
Considered Doubtful	34,500		-	
	1,29,75,616		93,54,739	
Less : Provision for Doubtful	34,500	1,29,41,116 (c)	-	93,54,739
Security deposits for rented premises		2,27,42,000 (d)		2,00,00,000 (d)
		13,32,86,576		15,31,50,729
(a) Interest receivable on loans already received back by the company and, includes Rs. 22,91,478/- brought forward from previous year. Since not realised and not provided for.(also refer Note 8(i)(b) in Note 27)				
(b) Refer Note 8(i)(b) in Note 27				
(c) Includes Rs. 10,00,000 paid to SBI Life Insurance Company Ltd. as SBI Life Premium for Sri Rahul Shroff and Sri Ameya Shroff,Whole Time Directors-Designated as Executive Directors,of the Company (refer Note 8(x) in Note 27)				
(d) Includes Rs. 2,09,00,000/- (P.Y. Rs. 2,00,00,000/-) due by private companies in which any of the Directors are Directors and or Members.				
19 OTHER CURRENT ASSETS				
(Unsecured, considered good by the management)				
Duty drawback benefits and other Export				
Incentives Receivable	3,36,99,435		1,94,04,229	
Fixed Assets held for disposal	-		2,50,00,000	
Interest Subsidy Receivable	1,46,51,344 (a)		1,18,21,939	
Interest on Security Deposit Receivable	2,45,107		2,78,751	
Net Premium on Forward Exchange Contracts				
Receivable	97,32,673 (b)	5,83,28,559	-	5,65,04,919
(a) Includes Rs.55,39,003/- for the year for which applications are still to be made to the concerned authority (also refer Note 8(i)(b) In Note 27)				
(b) Refer Note 1(xii) (B)(c) in Note 27.				
20 REVENUE FROM OPERATIONS				
(a) Sale of Products				
Yarn	2,47,06,70,020		2,05,12,01,489	
Waste	74,26,578	2,47,80,96,598	42,70,438	2,05,54,71,927
(b) Other Operating Revenues				
DEPB licence benefits	-		2,61,233	
Duty Drawback benefits	4,79,22,396		5,35,19,491	
Premium for transfer of Duty credit scrips under Focus Product / Market Schemes	2,52,15,810 (a)		-	
Scrap and Residual Materials	40,43,434	7,71,81,640	36,16,449	5,73,97,173
		2,55,52,78,238		2,11,28,69,100
Less : Excise Duty		5,60,63,797		6,98,90,649
		2,49,92,14,441		2,04,29,78,451
(a) Refer Note 8(i)(b) in Note 27.				

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	31 st March 2014		31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
21 OTHER INCOME				
a) Interest Income		2,49,26,769		1,65,85,512
b) Dividend Income		-		1,69,245
c) Net gain on Foreign Currency Transactions and Translation		-		34,05,277
d) Other Non Operating Income				
(i) Miscellaneous Sales, Receipts and Realisations		1,56,286 (b)		64,616 (b)
(ii) Excess Provisions and Liabilities no longer required written back		8,92,994		1,28,23,816 (a)
(iii) Lease Rent		3,60,000		3,60,000
(iv) Insurance Claims		5,65,747		-
e) Insurance (Less Payments of Rs. 29,23,783/-)		1,06,691		-
		<u>2,70,08,487</u>		<u>3,34,08,466</u>
(a) Also refer note 6 in Note 27				
(b) Net of expenses Rs. 11,725/- (P.Y. Rs. 16,400/-)				
22 COST OF MATERIALS CONSUMED (FIBRES)				
Opening Stock	8,49,05,298		52,865,270	
Add : Purchases and Incidental Expenses	<u>1,45,27,65,618</u>	<u>1,53,76,70,916</u>	<u>1,18,85,45,365</u>	1,24,14,10,635
Less : Closing Stock		<u>5,57,96,121</u>		<u>8,49,05,298</u>
		<u>1,48,18,74,795</u>		<u>1,15,65,05,337</u>
23 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK -IN-PROGRESS				
Inventories (At Close)				
Finished Goods	9,63,16,678		8,36,56,983	
Work-in-Progress	6,43,33,214		4,79,94,573	
Waste	10,44,006		7,50,064	
Scrap and Residual Materials	<u>98,475</u>	<u>16,17,92,373</u>	<u>2,45,878</u>	13,26,47,498
Less : Inventories (At Comencement)				
Finished Goods	8,36,56,983		10,62,78,826	
Work-in-Progress	4,79,94,573		6,22,24,852	
Waste	7,50,064		4,07,903	
Scrap and Residual Materials	<u>2,45,878</u>	<u>13,26,47,498</u>	<u>1,28,533</u>	<u>16,90,40,114</u>
		<u>2,91,44,875</u>		<u>(3,63,92,616)</u>
24 EMPLOYEE BENEFITS EXPENSE				
Salaries and Wages etc.		22,06,10,113 (a)(c)		17,62,56,451 (a)(c)
Contribution to Provident and Other Funds		2,24,50,246 (c)		2,30,18,934 (c)
Staff Welfare Expenses		50,99,183 (b)		49,14,800 (b)
		<u>24,81,59,542</u>		<u>20,41,90,185</u>
(a) Includes provision for Bonus Rs.32,50,000/- (P.Y.34,25,000/-)				
(b) Includes Insurance Premium RS. 7,63,917/- (P.Y.Rs 7,35,586/-) for Employees Deposit Linked Insurance to LIC.				
(c) Also refer note 9 in Note 27 for managerial remuneration.				
25 FINANCE COSTS				
a) Interest Expense		5,13,67,757 (a,b)		4,87,70,331 (a,b)
b) Other Borrowing Costs		5,62,64,569		4,46,45,291
		<u>10,76,32,326</u>		<u>9,34,15,622</u>



	Rs.	31 st March 2014	Rs.	31 st March 2013	Rs.
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- (a) After adjustments of Rs. 3,58,47,355/- (Previous year Rs. 1,42,64,772/-) towards interest subsidies under TUFs/ State schemes. (refer Note (a) in Note 19 and Note 1(xvii) In Note 27)
- (b) Refer note 8(iv) in Note 27.

26 OTHER EXPENSES

Consumption of Stores and Spare Parts etc.	16,44,25,924	12,84,71,184
Power and Fuel	17,69,57,769 (a)	16,59,23,136 (a)
Rent (Net of realisations Rs. 2,68,825/- (P.Y. 2,28,380/-)	84,99,076	26,52,760
Repairs to Buildings	91,49,989	34,65,366
Repairs to Machinery	68,21,541	38,60,354
Insurance	-	54,769
(Less realisations Rs.24,05,604/-)		
Rates and Taxes	13,76,420	10,17,689
Miscellaneous Expenses	4,74,24,605	3,76,90,975
Payments to Auditors	12,40,462 (c)	11,65,305 (c)
Commission and Brokerage	5,38,76,839	4,58,31,598
Freight & octroi expenses (Less realisations Rs 13,67,585/- (P.Y. Rs. 5,03,565/-)	5,64,61,870	5,84,76,370
Loss on Sale of Fixed Assets	1,13,905	16,12,205
Net Loss on Foreign currency transactions and translation	2,91,93,975 (b)	-
Bad Debts and sundry balances written off	12,82,980	16,13,394
Fixed Assets Written-off	3,81,796	2,76,401
Excise Duty on Closing Stock	40,32,685	59,30,394
	<u>56,12,39,836</u>	<u>45,80,41,900</u>

(a) Refer Note 6 in Note 27

(b) Refer note 1(xii)(B)(c) in Note 27.

(c) Refer note 7 in Note 27.

27 Significant Accounting Policies and Notes on Financial Statements:

1. Significant Accounting Policies:

(i) Basis of Preparation of Financial Statements:

The Financial Statements are prepared on going concern assumption and under the historical cost convention, in accordance with generally accepted Accounting principles in India and the provisions of the Companies Act 1956.

All assets and liabilities have been classified as current and non – current as per normal operating cycle of the Company and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Based on nature of products/ services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(ii) Use of Estimates:

The preparation of financial statements requires estimates and assumption to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/ materialized.

(iii) Fixed Assets

- (a) Fixed Assets are stated at cost less accumulated depreciation. Cost (net of Cenvat credit) is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use. Interest and other borrowing costs on borrowed funds used to finance the acquisition of fixed assets, upto the date the assets are ready for use, are estimated and capitalised and included in the cost of the asset.

- (b) Fixed assets retired/discarded and held for disposal are shown at realizable value.

(iv) Depreciation:

(A) On Tangible Assets:

- (a) (i) Depreciation on tangible assets is provided pro-rata to the period of use on straight line method in the manner and at the rates specified in schedule XIV to the Companies Act, 1956

- (ii) The Company is providing, (since 1st April,1993) depreciation on Plant and Machinery (including machineries related to utilities), considering the same as continuous process plant, which is required and designed to operate 24 hours

a day, on the basis of technical opinion obtained by the Company in an earlier year, in this regard. This being a technical matter, has been relied upon by the auditors.

- (b) Value of lease hold land is amortized over the period of lease
- (c) Assets of value not exceeding Rs.5,000/- are fully depreciated in the year of purchase (Subject to Note 8 (ix) below)

(B) On Intangible Assets :

- (a) Computer Software is amortized over a period of five years.
- (b) Corporate Club Memberships are amortized over a period of ten years from respective dates.

(v) Lease Rentals:

As no assets were taken on lease after 1st April, 2001, the Accounting Standard (AS-19) 'Accounting for Leases' issued by The Institute of Chartered Accountants of India, is not applicable.

(vi) Non-Current Investments :

- (a) Non-current investments are stated at cost.
- (b) Dividend income is recognized when right to receive is established.
- (c) Provision for Diminution in the value of Long Term (Non-Current) Investments is made only if such a decline is in the opinion of the management other than temporary. However the break up value of Equity Shares of M/s V.S.Lignite Pvt.Ltd. in which the Company has made such investments is Rs. Nil as per the said Company's Balance Sheet as at 31.03.2013 against cost of Rs.1,67,47,190/- for which no provision has been made in Accounts, as the investment is made for purchase of power at cheaper rate on Long Term basis and plant for power generation is fully operational, and that power plants take longer time to be profitable.

(vii) Valuation of Inventories:

Inventories are valued at lower of cost (net of Cenvat / VAT credits) and net estimated realizable value, as certified by the management. Cost has been arrived at as follows :

- (a) (i) Cost of Stores and Spares has been computed on the basis of weighted average method (Subject to Note (e) below)
- (ii) There are no significant machinery spares lying in stock which can be directly used in connection with Plant & Machinery and whose life is expected to be irregular.
- (b) Cost of Raw Materials has been computed on the basis of first in first out method.
- (c) Cost of Work in process and Finished goods (also refer note (viii) below) has been computed on the basis of estimated cost of materials, cost of labor, cost of conversion and other costs incurred for bringing the inventories to their present location and condition
- (d) Waste and scrap and residual materials are computed on the basis of estimated market value.
- (e) Provision of Rs. 13,96,887/- (P.Y. Rs.12,99,916/- has been made in respect slow moving items of stores and raw materials. The management has confirmed that there are no other obsolete/ slow moving stocks for which further provision need to be made in Accounts.

(viii) Excise Duty and Cenvat/VAT/ Service Tax Credits:

- (a) The value of closing stock of finished goods lying in factory premises (except goods meant for export) are inclusive of excise duty (also refer note 1(x) (b) below)
- (b) Benefits of Cenvat/VAT/Service Tax Credits to the extent claimed/ availed are accounted for by adjusting to the cost of relative materials/ fixed assets / expenses.

(ix) Revenue/Income Recognition:

- (a) Income and Expenses considered receivable and payable respectively, are accounted for on accrual and prudent basis (Subject to Notes below).
- (b) (i) Interest receivable on refunds of Sales Tax / VAT, Income Tax and Excise duty are intended to be accounted as and when the amounts are finally determined or settled.
- (ii) The sale value, the amount whereof is not presently ascertainable and hence not stated, in respect of fixed Assets of Rs. 3,81,796/- (P.Y. Rs.2,76,401/-) (WDV) written off during the year is intended to be accounted for only as and when such fixed assets are disposed off.
- (c) Claims of Rs.23,07,672/- raised by the Company on a party in an earlier year had been settled by the Bombay High Court and the company had been granted a decree for recovery of such amount along with interest etc. As the whereabouts of the party are not known, the sum of Rs.13,67,265/- payable to the said party as per accounts had been written back to the Profit and Loss Account during the year ended 31.03.2011. The balance amount, recoverable Rs.9,40,407/- from the party along with accrued interest, the amount whereof is not presently ascertainable and hence not stated, is intended to be accounted for in Statement of Profit and Loss, when the same are actually recovered.
- (d) Remissions, if any, receivable against Rs.1,61,58,983/- (P.Y. Rs.1,49,05,875/-) charged in accounts under respective heads of expenditure, for Entry Tax for the period after July, 2006 till the year ended 31.03.2014, the deposits of which have been



stayed by the Rajasthan High Court, are intended to be accounted for as and when the respective matters are settled by the Court. The concerned authority have passed assessment orders for the years 2007-2008 to 2010-2011 raising demands of Rs.86,61,030/- (P.Y. Rs. 85,88,676/-) in respect of tax, interest and penalty and such amount is included in above amount.

(e) Service Tax payments relating to expenses for Exports were debited by the company to relative expenses heads of account up to 31st March 2010. In view of certain notifications issued by concerned Authority, the Company filed claims for refunds of Rs. 31,06,451/- (P.Y. Rs. 31,06,451/-) but such refund claims were rejected by the authorities. Company had filed appeals before CEGAT against such rejections in earlier years. Such claims are intended to be accounted for as and when settled and or received.

(f) Also refer Notes 1(vi) above, 1(xii), 6 and 8(i) (b) below.

(x) Turnover/Sales:

(a) Local sales are recognized on dispatch of goods and are inclusive of Excise Duty collected but excluding sales tax/VAT

(b) Export sales are recognized on basis of dates of Bills of lading and are exclusive of Excise Duty except to the extent clearance made on payment / adjustment of excise duty.

(xi) Retirement benefits/gratuity and leave encashment benefits:

(a) The liability for gratuity is covered under the Group Gratuity Scheme with Life Insurance Corporation of India. Annual Contribution/Premium made to the Scheme including Rs. 3,51,807/- (P.Y. Rs. 3,62,787/-) for OYGTA Risk Premium is charged to Statement of Profit and Loss.

(b) Liability for Leave encashment benefits is accounted for on basis of actuarial valuation.

(c) The disclosures required under AS-15 (Revised) are set out in Note 14 below.

(xii) A. Foreign Currency Transactions:

(a) Transactions arising in foreign currency for exports/ imports of goods are accounted for at rates of exchange prevailing on the dates of transactions

(b) Foreign currency monetary items at the Balance Sheet date are translated at the exchange rates prevailing on the date of the Balance Sheet

(c) Exchange rate differences resulting from foreign exchange transactions on revenue account, settled during the year, including on year end translation of monetary items, are recognized in Statement of Profit & Loss.

(d) There were no Exchange rate differences resulting on Capital account

B. Exchange Forward Contracts:

(a) The company uses Exchange Forward Contracts to hedge its risks associated with foreign currency related to firm commitments and highly probable forecasted transactions. The management has certified that the company has not entered into any forward contracts which are intended for trading or speculation purposes.

(b) Profit/ Loss on cancellation or renewal of forward Exchange contracts accounted for as income/ Expense for the period.

(c) Premium/discount i.e. the difference between the forward exchange contract rates and the rates on the dates of transactions being not gain were not recognized during the year ended 31.03.2013, in respect of outstanding portfolio of exchange forward contracts as on 31.03.2013. However, the Company has this year accounted for Mark to Market (MTM) gain (net) of Rs. 97,32,676/- as per Bank Statement dt. 31.03.2014. MTM net gain includes also component of premium/discount in respect of the aforesaid outstanding forward exchange contracts. Due to aforesaid change in the method of accounting the profit for this year is increased by Rs. 97,32,676/- with resultant effect on Reserves and Surplus and Liabilities and Assets of the Company.

(xiii) Export Benefits:

(a) Duty Drawback benefits are accounted for on accrual basis.

(b) Premium for transfer of Duty credit scripts under Focus Product/ Market Schemes and Premium in respect of such entitlements of Rs.1,47,27,004/- (P.Y. Nil) in hand as on the close of the year and or entitlements to be received are accounted for on accrual basis, which is being valued at net estimated realizable value.

(xiv) Borrowing Costs:

Interest and other costs on borrowing funds used to finance the acquisition of fixed assets, up to the dates the assets are ready for use, are estimated and capitalized under respective fixed assets. Other interest and costs incurred by the Company in connection with the borrowing of funds are recognized as expenses in the period in which they are incurred.

(xv) Research and Development:

Routine research and development expenditure considered as of revenue nature are recognized as an expense in the period in which it is incurred. Such expenditure are included under various accounts in Notes 24 to 26, the amount whereof cannot be separately ascertained and stated. The expenditure of capital nature, if any, is capitalized as fixed assets

(xvi) Provision for taxation:

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(A) Current Tax :

- (a) Provision for current tax of Rs. 1,90,00,000/- (MAT) (P.Y. Rs. 1,54,00,000/-) is made after taking into consideration benefits admissible under the provisions of the Income Tax Act., 1961, and is as estimated and certified by the management.
- (b) The Company is entitled to credit of Rs.76,28,713/- as on 31.03.2014, in respect of Minimum Alternate Tax (MAT) under the provisions of Income Tax Act, 1961, which will be accounted for as and when credit is adjusted.
- (c) Also refer Note 3(v) (a) below.

(B) Deferred Tax :

The deferred tax liabilities and assets are recognized using current tax rates, to the extent the management feels that there is virtual certainty that sufficient future taxable income will be available, against which such deferred tax assets/ liabilities can be realized / adjusted. Such assets / liabilities are reviewed as at each Balance Sheet date, to re-assess realizations / liabilities.

(xvii) Government Grant/ Interest Subsidy:

Interest subsidy received under Technology Upgradation Fund Scheme and under Rajasthan Investment Promotion Scheme, 2003 are being adjusted with interest paid on Term Loans to Banks in Note 25 of Finance Costs.

(xviii) Impairment of Assets:

As required by AS-28 "Impairment of Assets" issued by the Institute of Chartered Accountants of India, no provision for impairment loss of assets is required to be made as in view of the management the estimated realizable value of such assets will be more or equal to the carrying amount stated in the Balance Sheet. The Auditors have relied on the Certificate of the Management in this regard. (Subject to Note (ix) above and sub-notes referred therein)

(xix) Provisions, Contingent Liabilities and Contingent Assets:

- (a) Provisions are recognized in respect of obligations where, based on the evidences available, and their existence at the Balance Sheet date, are considered probable.
- (b) Contingent Liabilities are shown by way of Notes on accounts (refer note 3 below) in respect of obligations where, based on the evidences available, their existence at the Balance Sheet are considered not probable.
- (c) Contingent Assets are neither recognized nor disclosed in accounts.

	31st March, 2014 Rs.	31st March, 2013 Rs.
2 Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances of Rs.1,49,40,371/- (Previous year Rs. 85,75,939/-)	2,60,65,855	3,07,45,961
3 Contingent Liabilities are not provided for in respect of		
i) Bonds executed in favour of Customs and Excise Authorities	1,00,00,000	1,04,00,000
ii) Unredeemed Bank Guarantees	1,55,00,000	1,55,00,000
iii) Unexpired letters of credit	17,55,35,631	15,14,89,053
iv) Foreign Bills discounted with Banks	23,56,38,164	28,32,92,396
v) Claims not acknowledged as debts (Disputed by the Company and or appealed against);		
a) Demand of Income Tax	1,62,59,210	7,20,58,480*
* Assessing officer's order pending for giving appeals effect.		
b) Demands by Excise department (including for Service Tax)	47,86,725	47,86,725
c) Demands of Sales Tax.	31,240	31,240
d) Demands of workers	6,01,069	5,26,385
Except as stated above, there are no other pending cases and or claims against the Company, as certified by the management.		
vi) Custom duty along with applicable amount of interest payable for non- fulfilment of export obligations of Rs. 1,21,28,62,000 within allowed time of eight years (upto 31-03-2020) for import of Capital goods under EPCG scheme	20,53,382	20,53,382



- 4 In the opinion of the Board of Directors, the Assets (other than Fixed Assets and non-current Investments), Trade Receivables, Loans, Advances and Deposits are approximately of the value stated, if realized in the ordinary course of business, unless otherwise stated. The provisions for liabilities except as stated above are adequate and not in excess of the amount reasonably necessary.
- 5 Company has been giving loans to other bodies corporate (this year as well as in previous years) in spite of borrowings from Banks and others. The Company has been advised by the Company's Solicitors that the aforesaid activity does not come within the purview of Section 149(2A) of the Companies Act, 1956.
- 6 M/s V.S. Lignite Power Pvt. Ltd., from whom company is purchasing power, was raising bills up to 31.03.2012 part of which was disputed by the company, though being charged under the head Power and Fuel Account in Note 26. The dispute was referred to arbitration during the previous year and the arbitrators settled the dispute in favour of the company. Accordingly, a sum of Rs.1,26,83,136/- charged to Power and Fuel Account till 31.03.2012 but remaining unpaid had been written back and was included under the head Liability no longer required written back as per Note 21 of statement of profit and loss for the year ended 31.03.2013. Accordingly the company has also not provided for disputed amount of Rs.3,02,99,129/- (P.Y. Rs.2,05,71,494/-) (including Rs.97,27,635/- (P.Y. Rs.78,88,358/-) for the year for bills raised by M/S V.S. Lignite Power Pvt. Ltd. for the period from 04.07.2010 to 31.03.2014. M/S V.S. Lignite Power Pvt. Ltd. had filed an appeal in Session Court in earlier year and the Session Court had also decided the matter in favour of the Company. But the said company filed further appeal with Honorable Rajasthan High Court at Jaipur Bench and such case for Rs.3,02,99,129/- is still pending in Rajasthan High Court at Jaipur Bench. Liability, if any, arising on such appeal is intended to be provided as and when the case is decided.

7	Amount Paid/Payable to Auditors:	31st March 2014	31 st March 2013
		Rs.	Rs.
a)	Statutory Audit Fee	6,50,000	5,00,000
b)	Tax Audit Fee	2,15,000	1,50,000
c)	Limited Review of Quartely un-audited results	54,000	54,000
d)	Certification for Corporate Governance and others	1,34,500	69,000
e)	For Reimbursement of Expenses for Audit and other matters	50,006	72,715
f)	Gratuity Trust Audit Fee	6,000	6,000
g)	Service Tax/ Education Cess	1,30,956	1,20,190
h)	Income Tax Matters	-	78,400
i)	Company Law Matters	-	1,15,000
		<u>12,40,462</u>	<u>11,65,305</u>

Miscellaneous Expenses as per Note 26 includes Rs. 49,439/- (Previous year Rs. 33,090/-) paid for taxation matters to a firm in which any of the partners of the firm of Auditors are partners/ proprietor.

- 8(i)** (a) Accounts in respect of Current and Non-Current Liabilities, Trade Receivables, Other Current Assets, Loans and Advances and Deposits are subject to confirmations of respective parties.
- (b) The management has considered the following amounts outstanding as on 31-03-2014 as good and fully recoverable. Adjustments for non-recovery and or for short realisations, if any, the amount whereof is not presently ascertainable are intended to be made in accounts as and when such outstandings are realised.

	31st March 2014
	Rs.
(i) Cenvat and Service Tax Receivables	85,35,142
(ii) Additional Excise Duty refundable (Brought forward from earlier year(s))	11,36,107
(iii) Interest Receivable on Loans (including Rs. 22,91,478/- brought forward from earlier year)	85,35,142
(iv) Excise Duty Rebate Receivable	2,82,37,159
(v) Export Incentives Receivable (including applications for such entitlements of Rs. 67,65,388/- still to be filed to concerned authorities and entitlements of Rs. 32,77,606/- still to be received)	1,00,42,994
(vi) Interest Subsidy Receivable (applications for which are still to be made to concerned authorities)	55,39,003

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	31 st March 2014		31 st March 2013																																																																		
	Rs.	Rs.	Rs.	Rs.																																																																	
ii)	<p>The management has certified that the Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures, if any, relating to total outstanding dues of Micro Enterprises and Small Enterprises and the Principal amount and Interest due thereon remaining unpaid and the amount of Interest paid/ payable as required under amended Schedule VI of the Companies Act.1956 could not be compiled and disclosed. The Auditors have relied on the certificate of the management in this regard.Copies of letters written to the suppliers seeking information regarding their status were also not available for Auditors verification.</p>																																																																				
iii)	<p>Prior period items adjusted under respective account heads in the Statement of Profit & Loss</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Debit (Rs.)</th> <th>Credit (Rs.)</th> <th>Debit (Rs.)</th> <th>Credit (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Interest paid/ received</td> <td>-</td> <td>1,80,672</td> <td>-</td> <td>1,57,089</td> </tr> <tr> <td>Interest Subsidy Received</td> <td>-</td> <td>1,32,53,524</td> <td>49,548</td> <td>-</td> </tr> <tr> <td>Consideration (Including Premium/ Discount) for transfer of DEPB Licence benefits</td> <td>-</td> <td>-</td> <td>-</td> <td>2,61,233</td> </tr> <tr> <td>Salary & Wages</td> <td>97,553</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Miscellaneous Expenses (net)</td> <td>20,362</td> <td>-</td> <td>12,272</td> <td>-</td> </tr> <tr> <td>Bills Discounting Charges</td> <td>-</td> <td>-</td> <td>1,92,409</td> <td>-</td> </tr> <tr> <td>Commission & Brokerage</td> <td>1,55,280</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Bank Charges</td> <td>2,29,944</td> <td>-</td> <td>-</td> <td>49,907</td> </tr> <tr> <td>Insurance Premium (EDLI)</td> <td>-</td> <td>-</td> <td>36,424</td> <td>-</td> </tr> <tr> <td>Rates & Taxes</td> <td>10,269</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Excise Duty on Others</td> <td>-</td> <td>-</td> <td>139,540</td> <td>-</td> </tr> <tr> <td></td> <td><u>5,13,408</u></td> <td><u>1,34,34,196</u></td> <td><u>4,30,193</u></td> <td><u>4,68,229</u></td> </tr> </tbody> </table>				Particulars	Debit (Rs.)	Credit (Rs.)	Debit (Rs.)	Credit (Rs.)	Interest paid/ received	-	1,80,672	-	1,57,089	Interest Subsidy Received	-	1,32,53,524	49,548	-	Consideration (Including Premium/ Discount) for transfer of DEPB Licence benefits	-	-	-	2,61,233	Salary & Wages	97,553	-	-	-	Miscellaneous Expenses (net)	20,362	-	12,272	-	Bills Discounting Charges	-	-	1,92,409	-	Commission & Brokerage	1,55,280	-	-	-	Bank Charges	2,29,944	-	-	49,907	Insurance Premium (EDLI)	-	-	36,424	-	Rates & Taxes	10,269	-	-	-	Excise Duty on Others	-	-	139,540	-		<u>5,13,408</u>	<u>1,34,34,196</u>	<u>4,30,193</u>	<u>4,68,229</u>
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Excise Duty on Others	-	-	139,540	-																																																																	
	<u>5,13,408</u>	<u>1,34,34,196</u>	<u>4,30,193</u>	<u>4,68,229</u>																																																																	
iv)	<p>(a) Interest Expenses as per Note 25 for finance cost includes interest of Rs. 17,64,476/- (P.Y. Rs. 17,18,977/-) relating to purchases of Raw Materials.</p> <p>(b) As referred to under Note No.1(c) of Long Term Borrowings in Note 3, the company is still to seek approval from IDBI Bank Ltd.for payment of interest on Unsecured Loans. The company had provided interest this year as well as in earlier years on Unsecured Loans (including funds to be deployed as promoter's contribution in the project up front and amount to be converted Rs.400 lacs into Equity Capital as per SEBI formula within 6 months from date of first disbursement (also refer note II in note 1). Interest so provided (amount not ascertained and stated) is included under the head " Interest Expense" in note 25 of " Finance Costs". The Company had been advised by the solicitors that no approval of IDBI Bank Ltd. is necessary for making only provisions for interest in accounts. But, the company has also made payments (amount not ascertained and stated) during this year and in previous year out of such provisions for Interest. However, the company has applied to IDBI Bank Ltd. for relaxation of certain terms and conditions as per sanction letter for Term Loans and one of the terms for which relaxation has been sought is regarding payments of interest on Unsecured Loans brought in to meet the terms and conditions prescribed by IDBI Bank Ltd. Payment of interest as aforesaid are subject to above refered relaxation by and or approval of IDBI Bank Ltd. in this regard. Such correspondence by the Company with IDBI Bank Ltd. could not be made available for Auditors inspection and therefore they have relied on the Certificate of the management in this regard.</p>																																																																				
v)	<p>Details of Capital work in progress</p> <table border="1"> <tbody> <tr> <td>1</td> <td>Plant and Equipment under installation and Buildings under construction (including materials at site)</td> <td>2,24,33,396</td> <td></td> <td>13,25,47,167</td> </tr> <tr> <td>2</td> <td>Plant and Equipment in Transit</td> <td>-</td> <td></td> <td>2,52,22,058</td> </tr> <tr> <td>3</td> <td>Expenses considered by the Company as incidental expenses on Expansion (Pending allocation to Fixed Assets)</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Legal and Professional Fees and expenses</td> <td>4,05,991</td> <td>4,86,800</td> <td></td> </tr> <tr> <td></td> <td>Upfront Fees</td> <td>30,48,274</td> <td>36,55,004</td> <td></td> </tr> <tr> <td></td> <td>Filing and other fees for increase of Authorised Share Capital</td> <td>6,29,122</td> <td>7,54,450</td> <td></td> </tr> <tr> <td></td> <td>Interest on Term Loans</td> <td>63,50,488</td> <td>52,15,708</td> <td></td> </tr> <tr> <td></td> <td>Others Miscellaneous Expenses</td> <td>2,48,996</td> <td>1,42,681</td> <td></td> </tr> <tr> <td></td> <td></td> <td><u>1,06,82,871</u></td> <td><u>1,02,54,643</u></td> <td></td> </tr> <tr> <td></td> <td>Less : Allocated by the Mangement to Fixed Assets</td> <td><u>1,05,52,871</u></td> <td><u>17,01,683</u></td> <td><u>85,52,960</u></td> </tr> <tr> <td></td> <td></td> <td><u>2,25,63,396</u></td> <td></td> <td><u>16,63,22,185</u></td> </tr> </tbody> </table>				1	Plant and Equipment under installation and Buildings under construction (including materials at site)	2,24,33,396		13,25,47,167	2	Plant and Equipment in Transit	-		2,52,22,058	3	Expenses considered by the Company as incidental expenses on Expansion (Pending allocation to Fixed Assets)					Legal and Professional Fees and expenses	4,05,991	4,86,800			Upfront Fees	30,48,274	36,55,004			Filing and other fees for increase of Authorised Share Capital	6,29,122	7,54,450			Interest on Term Loans	63,50,488	52,15,708			Others Miscellaneous Expenses	2,48,996	1,42,681				<u>1,06,82,871</u>	<u>1,02,54,643</u>			Less : Allocated by the Mangement to Fixed Assets	<u>1,05,52,871</u>	<u>17,01,683</u>	<u>85,52,960</u>			<u>2,25,63,396</u>		<u>16,63,22,185</u>										
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		31 st March 2014			31 st March 2013		
		Rs.		Rs.	Rs.		Rs.
vi)	Disclosures in terms of Accounting Standard -29 on Provisions, Contingent Liabilities and Contingent Assets:						
			Rs.			Rs.	
			Doubtful Debts and advances			Doubtful Debts and advances	
(a)	Movement for Provisions for Liabilities						
	Balance as on 01.04.2013 / 01.04.2012		7,75,780			22,66,698	
	Provided during the year		34,500			7,30,780	
	Amount used during the year		-			22,21,698	
	Balance as at 31.03.2014 / 31.03.2013		8,10,280			7,75,780	
			Rs.			Rs.	
			Leave Encashment Benefits			Leave Encashment Benefits	
(a)	Movement for Provisions for Liabilities						
	Balance as on 01.04.2013 / 01.04.2012		58,09,300			44,31,957	
	Provided during the year		11,92,055			15,54,666	
	Amount used during the year		3,23,680			1,77,323	
	Balance as at 31.03.2014 / 31.03.2013		66,77,675			58,09,300	
			Rs.			Rs.	
			Bonus			Bonus	
(a)	Movement for Provisions for Liabilities						
	Balance as on 01.04.2013 / 01.04.2012		34,25,000			38,60,000	
	Provided during the year		32,50,000			34,25,000	
	Amount used during the year		34,25,000			38,60,000	
	Balance as at 31.03.2014 / 31.03.2013		32,50,000			34,25,000	
			Rs.			Rs.	
			Gratuity			Gratuity	
(a)	Movement for Provisions for Liabilities						
	Balance as on 01.04.2013 / 01.04.2012		52,57,029			42,84,393	
	Provided during the year		36,62,345			69,72,636	
	Amount used during the year		60,00,000			60,00,000	
	Balance as at 31.03.2014 / 31.03.2013		29,19,374			52,57,029	
(b)	No reimbursement is expected in the case of Contingent Liabilities and Liabilities shown respectively under note no. 3 above.						
vii)	Expenses as per Note 22 of 'Cost of materials consumed' and Note 26 of "Other Expenses" includes :						
	(i) Octroi etc.in cases levied (amounts not separately ascertained and stated (P.Y. Same)						
	(ii) Service Tax on expenses in respect of which Cenvat credits have not been claimed/availed (amounts not separately ascertained and stated (P.Y. Same)						
viii)	Disclosure of Foreign Currency Exposure as on 31.03.2014 (P.Y. 31.03.2013)						
	a. Foreign Currency Exposure hedged and Forward booking outstanding as on 31.03.2014 (P.Y. 31.03.2013)						
		Currency				Currency	
		Rupees	USD	Euro	Rupees	USD	Euro
	1 Exports (USD)	20,40,67,572	35,25,820	-	22,96,50,849	40,55,799	-
	2 Exports (Euro)	26,36,84,324	-	30,99,638	12,39,80,750	-	16,71,774
	b. Foreign Currency Exposure not hedged and outstanding as on 31.03.2014 (P.Y. 31.03.2013)						
		Currency				Currency	
		Rupees	USD	Euro	Rupees	USD	Euro
	1 Export Debtors	5,64,67,014	3,84,585	3,18,957	1,52,24,615	2,10,931	55,338
	2 Bank Balances	-	-	-	-	-	-
	3 Advances from overseas customers	36,94,261	22,200	58,460	46,77,925	41,511	33,962

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The particulars as stated above regarding hedged/not hedged currencies are as per certificate of the management and relied upon by the Auditors.

- ix) "Other Expenses " as per Note '26' includes Rs. 6,16,565/-, (P.Y. Rs.4,59,300/-) cost of capital assets/ equipments as under :
- (a) Assets not exceeding cost of Rs.5000/- for each item Rs. 96,580/- (P.Y. Rs.1,50,660/-).Such accounting in respect of cost of capital assets / vastu equipments (not exceeding cost of Rs. 5000/- for each item) has not affected materially the results of the Company, as after capitalisation of such assets/ equipments , 100% depreciation is claimable thereon.
- (b) Vastu equipments exceeding cost of Rs.5,000/- for each item, Rs. 5,19,985/- (P.Y. Rs. 3,08,640/-) considered being for uninterrupted working of the Factory.
- x) Advances of Rs. 10,00,000/- as referred to under (c) in Note 18 are for payments to SBI Life Insurance Company Ltd. towards Life Insurance Premium against SBI Life-Flexi Smart Plus Policies dated 31.03.2014 on Life of Sri Rahul Shroff and Sri Ameya Shroff,Whole Time Directors -Designated as Executive Directors , of the Company. Maturity amount alongwith bonus and other benefits, if any, will be received by the Company on the maturity of the Policies. The above Policies are endorsed and assigned with effect from 23.04.2014 in favour of Sri Rahul Shroff and Sri Ameya Shroff respectively, which will be effective in case of the death of the life assured or if company achieves yearly turnover growth of 30% for five years.Yearly premium of Rs. 500000/- in respect of each of the policies is payable by the Company upto 31-03-2019.

9 Related Party Disclosures

(A) List of Related Parties

- (i) Enterprises over which Key Management Personnel/ Directors/ relatives have control or significant influence.
- Modern Fibotex India Limited
 - Indo Textiles & Fibres Limited
 - Spell Fashions Pvt.Ltd.
 - A.R.Fibtex Pvt. Ltd.
 - Khaitan & Co.
 - Khaitan & Co. LLP
 - Khaitan & Co. AOP
 - A.R. Commercial Private Limited
 - A.S. Chemotex pvt. Ltd.
 - Sunrise Producers Pvt. Ltd.
 - Sunrise Cotton Industries Limited
- (ii) Key Management Personnel and Relatives of Key Management Personnel
- Mr. Sanjiv Shroff (Managing Director)
 - Mr. R.N.Sharma (Wholetime Director)
 - Mr. Shanker Lal Shroff, Chairman (Father of Mr. Sanjiv Shroff)
 - Mrs. Bimla Devi Shroff (Mother of Mr. Sanjiv Shroff)
 - Mrs. Dipika Shroff (Wife of Mr. Sanjiv Shroff)
 - Mr. Rahul Shroff (Wholetime Director Designated as Executive Director)
 - Mr. Ameya Shroff (Wholetime Director Designated as Executive Director)
 - Mr. N.G.Khaitan (Director) Partner in Solicitor Firms

DETAILS OF RELATED PARTY TRANSACTIONS

Amount in Rupees

Name	31.03.2014		31.03.2013	
	Amount	Amount due Outstanding as on 31.03.14	Amount	Amount due Outstanding as on 31.03.13
Deposits (Against Rent) taken Spell Fashions Pvt.Ltd.	-	51,000	-	51,000
Allotment of Equity Shares A.S.Chemotex Pvt.Ltd. Sunrise Producers Pvt.Ltd.	19,00,000 -	- -	- 18,00,000	- -
Allotment of Preference Shares Modern Fibotex India Ltd.	1,00,00,000	-	6,02,50,000	-



	31 st March 2014		31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
Guarantee Commission Paid				
Modern Fibotex India Ltd.	-	-	1,50,000	1,35,000
Legal & Professional Expenses Paid				
M/s Khaitan & Co. LLP	2,57,650	-	6,63,200	-
Directors Sitting Fees				
Shri N.G. Khaitan	60,000	-	45,000	-
Dividend paid on equity Shares				
Shri N.G. Khaitan	100	-	100	-
Modern Fibotex India Ltd.	10,51,179	-	10,51,179	-
Shri Shanker Lal Shroff	1,95,650	-	1,95,650	-
Shri Sanjiv Shroff	83,800	-	83,800	-
Shri R.N. Sharma	50	-	50	-
Smt. Bimla Devi Shroff	1,57,800	-	1,57,800	-
Smt. Dipika Shroff	1,49,150	-	1,49,150	-
Dividend paid on Preference Shares				
Modern Fibotex India Ltd.	74,41,302	-	72,20,000	-
Shri Shanker Lal Shroff	6,00,000	-	6,00,000	-
Shri Sanjiv Shroff	14,00,000	-	14,00,000	-
Smt. Bimla Devi Shroff	1,00,000	-	1,00,000	-
Smt. Dipika Shroff	80,000	-	80,000	-
A.S.Chemotex Pvt.Ltd.	7,50,000	-	7,50,000	-
A.R.Fibtex Pvt.Ltd.	19,50,000	-	19,50,000	-
Sunrise Producers Pvt.Ltd.	7,50,000	-	7,50,000	-
Shri Rahul Shroff	2,00,000	-	2,00,000	-
Electricity Charges Reimbursed				
Indo Textiles & Fibres Ltd	-	-	1,05,805	-
Sale of Products				
Spell Fashions Pvt.Ltd.	1,31,460	1,31,460	-	-
Interest paid/ payable on Loans taken				
Modern Fibotex India Ltd.	-	-	72,48,664	-
A.R.Commercial Pvt.Ltd.	29,92,000	26,92,355	18,52,248	18,52,248
Sunrise Producers Pvt.Ltd.	11,00,000	9,90,000	48,280	48,280
A.R.Fibtex Pvt.Ltd.	19,80,000	17,82,000	4,39,397	4,39,397
Shri Sanjiv Shroff	11,000	19,800	3,61,251	3,61,251
Shri Rahul Shroff	1,055	1,055	-	-
Shri Ameya Shroff	814	814	-	-
Interim Dividend Paid on Equity Shares				
Sunrise Producers Pvt.Ltd.	1,35,000	-	-	-
Shri N.G. Khaitan	75	-	-	-
Modern Fibotex India Ltd.	7,88,384	-	-	-
Shri Shanker Lal Shroff	1,46,737	-	-	-
Shri Sanjiv Shroff	62,850	-	-	-
Shri R.N. Sharma	38	-	-	-
Smt. Bimla Devi Shroff	1,18,350	-	-	-
Smt. Dipika Shroff	1,11,862	-	-	-

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	31 st March 2014		31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
Interim Dividend Paid on Preference Shares				
Shri Sanjiv Shroff	10,50,000	-	-	-
Modern Fibotex India Ltd.	99,33,750	-	-	-
A.R.Fibtex Pvt.Ltd.	14,62,500	-	-	-
A.S.Chemotex Pvt.Ltd.	5,62,500	-	-	-
Sunrise Producers Pvt.Ltd.	5,62,500	-	-	-
Shri Shanker Lal Shroff	4,50,000	-	-	-
Shri Rahul Shroff	1,50,000	-	-	-
Smt. Bimla Devi Shroff	75,000	-	-	-
Smt. Dipika Shroff	60,000	-	-	-
Lease Rent Received				
Spell Fashions Pvt.Ltd.	3,60,000	-	3,60,000	-
Loans Received				
Shri Sanjiv Shroff	-	1,00,000	-	1,00,000
A.R.Fibtex Pvt.Ltd.	-	1,80,00,000	-	1,80,00,000
A.R.Commercial Pvt.Ltd.	-	2,72,00,000	-	2,72,00,000
Sunrise Producers Pvt.Ltd.	-	1,00,00,000	-	1,00,00,000
Shri Rahul Shroff	5,00,000	5,00,000	-	-
Shri Ameya Shroff	5,00,000	5,00,000	-	-
Repayment of Loans Received				
Modern Fibotex India Ltd.	-	-	2,77,50,000	-
Shri Rahul Shroff	-	-	50,000	-
Pledge of Equity Shares of Rs.10/- each (a)				
Shri Shanker Lal Shroff	-	19,56,500	-	19,56,500
Smt. Bimla Devi Shroff	-	15,78,000	-	15,78,000
Smt. Dipika Shroff	-	14,91,500	-	14,91,500
Shri Sanjiv Shroff	-	8,38,000	-	8,38,000
Pledge of Preference Shares of Rs.100/- each (a)				
Modern Fibotex India Ltd.	-	1,50,00,000	-	1,50,00,000
Shri Shanker Lal Shroff	-	60,00,000	-	60,00,000
Shri Sanjiv Shroff	-	1,15,00,000	-	1,15,00,000
Reimbursement of Expenses				
Modern Fibotex India Ltd.	3,675	-	11,430	-
Reimbursement of Medical Expenses				
Shri Shanker Lal Shroff	-	-	4,49,280	-
Managerial Remuneration				
Shri Sanjiv Shroff	31,71,465	-	32,53,575	-
Shri R.N. Sharma	21,56,750	-	17,63,388	-
Shri Rahul Shroff	22,88,250 (b)	-	21,42,000	-
Shri Ameya Shroff	10,22,000 (b)	-	-	-
Rent paid				
Indo Textiles & Fibres Ltd	24,40,000	-	8,70,000	-
A.S.Chemotex Pvt.Ltd.	27,00,000	-	-	-
A.R.Commercial Pvt.Ltd.	12,00,000	-	3,00,000	-
Security deposit (Paid)				
Indo Textiles & Fibres Ltd	18,42,000	18,42,000	-	-
A.S.Chemotex Pvt.Ltd.	9,00,000	9,00,000	-	-
A.R.Commercial Pvt.Ltd.	-	2,00,00,000	2,00,00,000	2,00,00,000
Telephone Charges recovered				
Shri Sanjiv Shroff	36,000	-	36,000	-



	31 st March 2014		31 st March 2013	
	Rs.	Rs.	Rs.	Rs.

- (a) For financial accommodation by the banks to the Company.
 (b) Subject to Note 8(x) above.
 (c) No amounts were written off or written back during the period in respect of debts due from or to related parties.

Note : The above particulars and information have been identified by the Company on the basis of information available with the Company and certified by the Management and have been relied upon by the Auditors

10 Earnings Per Share (EPS)

The numerators and denominators used to calculate Basic and Diluted Earnings Per Share:

i) Profit (after tax and dividend on Preference Shares) attributable to the Equity Shareholders (A)	3,41,81,180	4,48,22,822
ii) Basic/Weighted average number of Equity Shares outstanding during the year (B)	37,86,650 (a)	36,06,650 (a)
iii) Nominal value of Equity shares (Rs.)	10	10
iv) Basic/Diluted Earnings per Share (Rs.) (A) / (B)	9.03	12.42
(a) Excluding 1,90,000 equity shares (P.Y.180000 Equity Shares) allotted on 31.03.14 (P.Y. 30.03.13) on which pro-rata dividend provided		

- 11 The Company had entered into an agreement dated 22.02.07 (as amended by agreement dt. 01.07.2008) with M/s Marudhar Power Private Limited (Subsequently name changed to VS Lignite Power Private Limited), setting up a Group Captive Power Plant, at Bikaner in the State of Rajasthan, for supply of 8MW of Power also to the Company and in pursuance to such agreements, the Company had subscribed for 16,74,719 Class "A" Equity Shares of Rs.10/- each fully paid at a total value of Rs. 1,67,47,190/- and for 14,85,629 Class "A" 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each fully paid at a total value of Rs.1,48,56,290/- and the same have been classified as "Non- Current Investments" in Note "12" as "Trade Investments"
 Further , the Company had agreed to create lien on the aforesaid Shares at appropriate time in favour of M/s VS Lignite Power Private Limited (Formerly known as Marudhar Power Private Limited), as per terms of the Charter Documents as security towards its obligation under the Power delivery Agreement dated 22.02.2007 and as amended by agreement dt. 01.07.2008 (also refer Note 1(vi)(c) above)

12 Segment Reporting Policies

(a) Identification of Segments:

(i) Primary Segment - Business Segment -

The Company's operation predominantly comprises of only one segment i.e. Manufacturing of Synthetic Blended Yarn. In view of the same, separate segmental information is not required to be given as per the requirements of Accounting Standard 17 - "Segment Reporting" issued by The Institute of Chartered Accountants of India.

(ii) Secondary Segment - Geographical Segment -

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

Sales within India include sales to customers located within India

Sales outside India include sales to customers located outside India

(b) Information pertaining to Secondary Segment

(i) Gross Revenue as per Geographical Locations

Within India	1,10,34,41,060	82,01,94,715
Outside India	1,37,46,55,538 (a)	1,23,52,77,212 (a)
Total	<u>2,47,80,96,598</u>	<u>2,05,54,71,927</u>

(a) Includes Rs. 1,71,67,396/- (P.Y. Rs. 4,22,69,355/-) Exports through Export House/ Merchant Exporters.

(ii) Fixed Assets as per Geographical Locations

The entire activity pertaining to sales outside India is carried out from Fixed Assets in India and there are no Fixed Assets outside India.

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	31 st March 2014		31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
13 ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF SCHEDULE VI OF THE COMPANIES ACT, 1956				
(i) C.I.F. Value of Imports:				
Raw Materials	1,81,111		-	
Capital Goods	3,58,086		7,32,14,166	
Stores & Spare parts	<u>11,81,415</u>	<u>17,20,612</u>	<u>5,46,575</u>	<u>7,37,60,741</u>
(ii) Expenditure in Foreign Currency:				
Travel (Purchase of travellers cheques / foreign exchange / currencies)	35,24,845		46,20,570	
Commission (on remittance basis)	4,55,10,908		2,98,84,330	
Others	<u>9,14,977</u>	<u>4,99,50,730</u>	<u>7,18,052</u>	<u>3,52,22,952</u>
(iii) Value of Raw Materials, Stores and Spare Parts & components consumed:	Rs.	%age	Rs.	%age
a) Raw Materials				
Indigenous	1,48,18,55,400	100	1,15,65,05,337	100
Imported	<u>19,395</u>	<u>0</u>	<u>-</u>	<u>0</u>
	<u>1,48,18,74,795</u>	<u>100</u>	<u>1,15,65,05,337</u>	<u>100</u>
b) Stores, Spares Parts and Components etc				
Indigenous	16,32,06,694	99	12,76,59,122	99
Imported	<u>12,19,230</u>	<u>1</u>	<u>8,12,062</u>	<u>1</u>
	<u>16,44,25,924</u>	<u>100</u>	<u>12,84,71,184</u>	<u>100</u>
(iv) Amount remitted during the year in foreign currency on account of Dividend				
	Final Dividend	Interim Dividend	Final Dividend	Interim Dividend
a) Amount remitted	58,237 (a)	55,034 (a)	57,576 (a)	-
b) Year to which Dividend relates.	2012-13	2013-14	2011-12	-
c) Number of non-resident shareholders	57	54	52	-
d) Number of equity shares held by non-resident shareholders on which the Dividend are remitted	58,237	41,275	57,576	-
(a) No amount paid in foreign currency but deposited in non resident rupee account.				
(v) Earnings in Foreign Exchange:				
Exports of Goods				
Direct exports calculated on FOB basis		<u>1,32,60,85,338 (a)</u>		<u>1,15,91,38,177 (a)</u>
(a) Excluding Rs. 1,71,67,396/- (P.Y. Rs. 4,22,69,355/-) through export houses/ merchant exporters.				

14. The disclosures required as per the revised Accounting Standards (AS-15- Employee Benefits) notified under the Companies (Accounting Standards) Rules, 2006 are as under :

Defined - Contribution Plans : The Company offers its employees defined contribution plan in the form of provident fund(PF), family pensions fund (FPF) and Employees Insurance Scheme (ESI). Provident Fund, Family Pension Fund Employees State Insurance Scheme cover substantially all regular employees. Contribution are paid during the year into separate funds under certain fiduciary-type arrangements. Both the employees and the company pay predetermined contribution into the provident funds, family pension fund and the Employees State Insurance Scheme. The Contributions are normally based on a certain proportion of the employee's salary. Contribution to Defined Benefit Plan, recognized and charged off for the year are as under (excluding for on contracts payments)

	Rs.	Rs.
Provident Fund	52,55,254	43,22,953
Family Pension Fund	63,64,855	57,59,583
Employees State Insurance Scheme	59,29,507	49,07,868



	31 st March 2014		31 st March 2013	
	Rs.	Rs.	Rs.	Rs.

Defined - Benefit Plans

The Company offers its employees defined- benefit Plans in the form of a Gratuity Scheme. Benefits under the defined benefit plan is typically based either on years of service and the employee's compensation (generally immediately before retirement). The Gratuity scheme covers substantially all regular employees. The Company contributes funds to Life Insurance Corporation of India, which is irrevocable. Commitments are actuarially determined at year end. The actuarial valuation is done based on "Projected Unit Credit" method. Gains & Losses of changed actuarial assumptions are charged to the profit and loss account. The obligations for leave encashment is recognised in the same manner as gratuity.

	Gratuity (Funded) Rs.	Leave Encashment (Unfunded) Rs.	Gratuity (Funded) Rs.	Leave Encashment (Unfunded) Rs.
a. Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit obligation at beginning of the year	3,67,16,247	58,09,300	2,94,53,079	44,31,957
Current Service Cost	35,49,557	22,00,174	35,49,642	29,79,607
Interest Cost	27,08,041	4,54,621	23,39,864	3,69,180
Actuarial (gain)/ Loss	(4,01,158)	(14,62,740)	52,24,191	(17,94,121)
Benefits paid	(61,51,981)	(3,23,680)	(38,50,529)	(1,77,323)
Defined Benefit Obligation at year end	3,64,20,706	66,77,675	3,67,16,247	58,09,300
b. Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at beginning of the year	1,57,29,609	-	1,25,84,343	-
Expected return on plan assets	13,54,300	-	12,46,700	-
Actuarial gain/ (Loss)	1,70,545	-	1,11,882	-
Employer contribution	56,48,193	3,23,680	56,37,213	1,77,323
Benefits Paid	(61,51,981)	(3,23,680)	(38,50,529)	1,77,323
Fair Value of plan assets at year end	1,67,50,666	-	1,57,29,609	-
The Plan Assets of the Company are managed by the LIC and the composition of investments relating to these assets are not available with the Company.				
c. Reconciliation of fair value of Assets and obligations				
Fair value of Plan assets as at 31st March 2013/2014	1,67,50,666	-	1,57,29,609	-
Present value of obligation as at 31st March 2013/2014	1,96,70,040	66,77,675	2,09,86,638	58,09,300
Amount recognised in Balance Sheet	29,19,374	66,77,675	52,57,029	58,09,300
d. Expenses recognised during the year (Under the head Employee Benefit Expenses - Note - 25)				
Current Service Cost	35,49,557	22,00,174	35,49,642	29,79,607
Interest Cost	27,08,041	4,54,621	23,39,864	3,69,180
Expected return on Plan Assets	(13,54,300)	-	(12,46,700)	-
Actuarial (gain)/ Loss	(5,71,703)	(14,62,740)	51,12,309	(17,94,121)
Net Cost	43,31,595 (A)	11,92,055	97,55,115 (A)	15,54,666

(A) These figures are pending reconciliation by the management with the relative figures as per "Employee Benefits Expense" in Note 24. The likely impact, after such reconciliation on the results for the year/ earlier years and on the year end Assets/ Liabilities, could not be ascertained and stated.

e. The actuarial calculations used for estimated defined benefit commitments and expenses are based on the following assumptions, which, if changed, would affect the defined benefit commitment's size, funding requirements.

RELIANCE
CHEMOTEX INDUSTRIES LIMITED
CIN L40102RJ1977PLC 001994

Particulars	31 st March 2014		31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
Discount Rates	9.20%	9.20%	8.05%	8.50%
Salary Escalation	4.00%	4.00%	4.00%	4.00%
Expected Rate of return on Plan Assets	8.75%		9.25%	
Mortality Rates	LIC (1994-96) Ultimate		LIC (1994-96) Ultimate	

The estimates of future salary increases, considered in actuarial Valuation, take account of inflation, seniority, promotion, and other relevant factors such as demand and supply in the employment market. The above information is as submitted and or obtained from Actuaries and relied upon by the Auditors.

The estimated contribution expected to be made by the Company for the year ending 31.03.2015 is not readily ascertainable and therefore could not be disclosed.

15 Previous Year, figures have been regrouped / rearranged, wherever necessary.

As per our attached Report of even date.

Above Laxmi Dharam Kanta,
Hawa Sadak, 22 Godown,
Jaipur - 302 006

For **G.P.KEJRIWAL & CO.**
Chartered Accountants
Firm Registration No. 001036C

On behalf of the Board of Directors

Camp : Mumbai
Dated : 30th May, 2014

C.P.JAIN
Partner
M.No. 70156

M.K.GUPTA
Company Secretary
& Chief Financial Officer

R.N.SHARMA
Wholetime Director

SANJIV SHROFF
Vice Chairman &
Managing Director



CASH FLOW STATEMENT

Cash flows from operating activities

	Current Year 31.03.2014	(Amount in Rs.) Previous Year 31.03.2013
Net Profit before tax and Extraordinary items	9,45,79,626	7,70,08,003
Adjustments for:		
Depreciation	5,61,53,154	4,70,27,368
Interest Income	(2,49,26,769)	(1,65,85,512)
Dividend Income	-	(1,69,245)
Interest Expense	5,13,67,757	4,87,70,331
Foreign Exchange Loss (Gain)	2,91,93,975	(34,05,277)
Loss (Profit) on sale of tangible assets	1,13,905	16,12,205
Fixed assets discarded	3,81,796	2,76,401
Operating Profit before Working Capital changes	20,68,63,444	15,45,34,274
(Increase)/ Decrease in current investment	-	6,00,35,541
(Increase)/ Decrease in trade receivable	(6,62,86,624)	99,10,549
(Increase)/ Decrease in inventories	(7,45,129)	60,02,295
(Increase)/ Decrease in Short Term Loans and advances	2,91,76,418	(9,57,21,382)
(Increase)/ Decrease in other current assets	(18,57,284)	(3,13,45,121)
(Increase)/ Decrease in other non-current assets*	0	-
(Increase)/ Decrease in Long Term Loans and advances	(97,82,441)	23,51,622
Increase/ (Decrease) in trade payables	6,69,90,860	(4,37,83,394)
Increase/ (Decrease) in provisions	(14,69,280)	23,49,979
Increase/ (Decrease) in other current liabilities *	(2,37,40,290)	2,00,42,075
Working Capital Changes	(77,13,770)	(7,01,57,836)
Cash generated from operations	19,91,49,674	8,43,76,438
Income Taxes paid	(2,61,31,510)	(1,34,25,738)
Cash flow before extraordinary item	17,30,18,164	7,09,50,700
Extraordinary items (Specifying nature)	-	-
Net cash from investing activities (A)	17,30,18,164	7,09,50,700
Cash flows from investing activities		
Purchase of tangible fixed assets	(7,36,07,387)	(21,35,46,095)
Purchase of intangible fixed assets	(24,60,154)	(69,333)
Purchase of long term investments	-	(90,43,480)
Sale of tangible fixed assets	4,76,635	2,53,02,834
Sale of long term investments	-	-
Increase/ (Decrease) in Long Term Liabilities	24,68,935	-
Interest Received	2,49,60,413	1,65,85,512
Dividend Received	-	1,69,245
Net cash from investing activities (B)	(4,81,61,558)	(18,06,01,317)
Cash Flows from financing activities		
Proceeds from issuance of Share Capital	1,19,00,000	6,20,50,000
Proceeds from Premium on issue of Shares	43,70,000	55,80,000
Proceeds from long term borrowings	5,26,05,019	19,12,33,916
Repayment of long - term borrowings	(9,33,19,479)	(5,84,77,791)
	2,00,00,000	3,28,50,000
Increase/ (Decrease) in Unsecured loans	-	-
Increase/ (Decrease) in Short Term Borrowing	(2,66,80,639)	(6,71,81,221)
Interest paid	(4,31,45,791)	(5,00,81,917)
Dividend paid	(3,40,24,683)	(1,66,56,650)
Dividend distribution tax	(57,78,699)	(27,02,127)
Foreign Exchange Gain(Loss)	(2,91,93,975)	34,05,277
Net cash used in financing activities (C)	(14,32,68,247)	10,00,19,487
Net increase in cash and cash equivalents (A)+(B)+(C)	(1,84,11,641)	(96,31,130)
Cash & Cash equivalents at beginning of period	4,64,07,800	5,60,38,930
Cash and cash equivalents at end of period	2,79,96,159	4,64,07,800

- Notes:** (1) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India
- (2) The above statement is also subject to and read together with the notes and observations on Accounts and Schedules attached thereto.
As per our report of even date

Above Laxmi Dharam Kanta,
Hawa Sadak, 22 Godown,
Jaipur - 302 006

For **G.P.KEJRIWAL & CO.**
Chartered Accountants
Firm Reg. No. 001036C

On behalf of the Board of Directors

Camp : Mumbai
Dated : 30.05.2014

C.P.JAIN
Partner
M.No. 70156

M.K.GUPTA
Company Secretary
& Chief Financial Officer

R.N.SHARMA
Wholtime Director

SANJIV SHROFF
Vice Chairman &
Managing Director



RELIANCE CHEMOTEX INDUSTRIES LIMITED

Registered Office: Village Kanpur, Udaipur-313003 (Raj)

CIN: L40102RJ1977PLC001994 Contact: 0294-2490488, Fax No. : 0294 -2490067

Email: udaipur@reliancechemotex.com Website: www.reliancechemotex.com

PROXY FORM

Name of the member (s):	E-mail Id:
	No. of shares held
Registered address:	Folio No.
	DP ID*.
	Client ID*.

* Applicable for investors holding shares in electronic form.

I/We being the member(s) of the above named Company hereby appoint:

S.No.	Name	Address	Email address	
1				or failing him
2				or failing him
3				

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company to be held on Monday, 29th day of September, 2014 at 10.30 A.M at Alka Hotel, Shastri Circle, Udaipur-313 001, Rajasthan and at any adjournment hereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

S.No.	Resolution	For	Against
1	Adoption of Audited Financial Statement of the company for the year ended 31.03.2014 together with the report of the Board of Directors and Auditors.		
2.	To declare a final dividend Rs 2.50/- (in addition to the interim dividend of Rs 7.5/-) per 10% Cumulative Preference Shares of Rs. 100/- each.		
3	To declare a final dividend Rs. 0.25/- (in addition to the interim dividend of Rs. 0.75) on Equity Shares of Rs. 10/- each.		
4	To appoint Director in place of Mr. R.N Sharma, who retire by rotation in ensuing annual general meeting, offer himself for re-appointment		
5	Appointment of G.P Kejriwal & Co. Chartered Accountant (FRN No. 001036C) as Statutory Auditor of the company.		
6	Appointment of Mr. Ramadoss Srinivasan (DIN: 00235831) as an Independent Director.		
7	Appointment of Mr. Kishori Lal Sonthlia (DIN :0089958) as an Independent Director.		
8	Appointment of Mr. Basant Kumar Agarwal (DIN:00520558) as an Independent Director.		
9	Appointment of Mr. Vipin Beharilal Mathur (DIN 00247388) as an Independent Director.		
10	Appointment of Mr. Narayan Shroff (DIN:05207412) as an Independent Director.		
11	Appointment of Mr. Shanker Menon (DIN:01890229) as an Independent Director.		
12	Re-Appointment of Mr. Sanjiv Shroff (DIN:00296008) as Vice Chairman & Managing Director for a period of 3 Years.		
13	Re-Appointment of Mr. R.N Sharma (DIN:00368947) as Wholetime Director for a period of 3 Years.		
14.	To approve lease/leave and licensee agreement with M/s. A.R Commercial Private Limited as per Section 188 of Companies Act, 2013.		
15.	To approve lease/leave and licensee agreement with M/s. Indo Textile Fibre Limited as per Section 188 of Companies Act, 2013.		
16.	To approve lease/leave and licensee agreement with M/s. Indo Textile Fibre Limited as per Section 188 of Companies Act, 2013.		
17.	To approve lease/leave and licensee agreement with M/s. A.S Chemotex Pvt Limited as per Section 188 of Companies Act, 2013.		
18.	To approve lease/leave and licensee agreement with M/s. Spell Fashions Private Limited as per Section 188 of Companies Act, 2013.		
19	To consider rectification of resolution passed in EOGM for allotment of Preferential Issue of 190000 Equity Shares.		
20	To approve the remuneration of Cost Auditor of the company M/s. HMVN & Associates.		

** It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Affix Revenue Stamp

Signed this day of..... 2014

Signature of shareholder.....

Signature of Proxy holder(s) (1).....

Signature of Proxy holder(s) (2).....

Signature of Proxy holder(s) (3).....



Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
5. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 34th Annual General Meeting.
6. Please complete all details including details of member(s) in above box before submission.



**RELIANCE
CHEMOTEX INDUSTRIES LIMITED**

Registered Office: Village Kanpur, Udaipur-313003 (Raj)

CIN: L40102RJ1977PLC001994 Contact: 0294-2490488, Fax No. : 0294 -2490067

Email: udaipur@reliancechemotex.com Website: www.reliancechemotex.com

ATTENDANCESLIP

I/We.....R/o hereby record my/our presence at the 36th Annual General Meeting of the Company to be held on Monday, 29th day of September, 2014 at 10.30 A.M at Alka Hotel, Shastri Circle, Udaipur-313 001, Rajasthan.

DPID * :	Folio No. :
Client Id * :	No. of Shares :

* Applicable for investors holding shares in electronic form.

Signature of shareholder(s)/ proxy

Note:

1. Please fill this attendance slip and hand it over at the entrance of the hall.
2. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
3. Electronic copy of the Annual Report for 2013 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
4. Physical copy of the Annual Report for 2013 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

