

**RELIANCE**  
CHEMOTEX INDUSTRIES LIMITED



**THIRTY NINETH ANNUAL REPORT**  
**2016-2017**



S.L. SHROFF - Chairman Emeritus

## BOARD OF DIRECTORS

RAMADOSS SRINIVASAN - Chairman  
SANJIV SHROFF - Managing Director  
RAHUL SHROFF - Executive Director  
AMEYA SHROFF - Executive Director  
N.G. KHAITAN - Non- Executive Director  
DIPIKA SHROFF - Non- Executive Director  
K.L. SONTHALIA - Independent Director  
NARAYAN SHROFF - Independent Director  
R.N. SHARMA - Non- Executive Director

### CHIEF FINANCIAL OFFICER

KIRAN FIRODIYA

### COMPANY SECRETARY

VIMAL TANK

### BANKERS

STATE BANK OF INDIA  
IDBI BANK LTD  
ICICI BANK LTD  
EXIM BANK LTD  
RIICO LTD

### SOLICITORS

Khaitan & Co., LLP, Kolkata

### AUDITORS

G.P. KEJRIWAL & CO.  
Chartered Accountants  
Jaipur (Raj.)

### SECRETARIAL AUDITORS

V.M. & ASSOCIATES  
Practicing Company Secretaries  
Jaipur (Raj.)

### REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt Ltd, Mumbai

### REGISTERED OFFICE & WORKS

Village Kanpur, Udaipur -313 003 (Raj.)

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## 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

### NOTICE OF THIRTY NINTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE THIRTY NINTH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF RELIANCE CHEMOTEX INDUSTRIES LIMITED** will be held at Alka Hotel, Near Shastri Circle, Udaipur on Monday, the 28<sup>th</sup> Day of August, 2017 at 10.30 A.M to transact the following business :-

#### ORDINARY BUSINESS:

1. To, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2017, together with reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend of Rs.10/- per 10% Cumulative Preference Shares of Rs. 100/- each.
3. To declare a final dividend of Rs. 1/- per Equity Shares of Rs. 10/- each.
4. To appoint a Director in place of Mr. N.G Khaitan, (DIN : 0020588) who retires by rotation, and being eligible, offers himself for re-appointment.
5. **TO APPOINT STATUTORY AUDITORS OF THE COMPANY**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**;

"**RESOLVED THAT**" pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s Jain Pramod Jain & Co (FRN : 016746N) Chartered Accountants, New Delhi be and are hereby appointed as Statutory Auditors of the Company (in place of M/s. G.P Kejriwal & Co, Chartered Accountants, the retiring Auditors) for a term of 5 years commencing from 1<sup>st</sup> April 2017 to hold office from the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 44<sup>th</sup> Annual General Meeting (subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting) on such remuneration plus service tax, out-of-pocket expenses, as shall be fixed by the Board of Directors on recommendations of audit committee;

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

#### SPECIAL BUSINESS:

6. **TO RE-APPOINT MR. SANJIV SHROFF (DIN: 00296008 ) AS MANAGING DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel ) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and provisions of the Article of Association ,and subject to all other requisite approvals, permissions and sanctions and subject to other requirements under the Act, if any and based on the recommendation of Nomination and Remuneration Committee, approval of the members of the company be and is here by accorded for the re-appointment of Mr. Sanjiv Shroff (DIN: 00296008) as the Managing Director of the Company with effect from 1<sup>st</sup> September, 2017 for three years at a remuneration up to Rs. 10.00 Lakhs per month inclusive of all allowances and perquisites, as may be decided by the Board and on such other terms and conditions, set out in the explanatory statement annexed here to which shall be deemed to form part hereof, 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 of the Companies Act, 2013 and / or any statutory modification(s) or re-enactment(s) thereof.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V of 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 terms of agreement between the Company and Mr. Sanjiv Shroff, Managing Director 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 of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. **TO RATIFY THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2017-18.**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**;

"**RESOLVED THAT** pursuant to provisions of Section 148 and all other applicable provisions, if any, of The Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force)and pursuant to the recommendation of the Audit Committee, the payment of the remuneration of Rs. 60,000/- (Rupees Sixty Thousand Only) plus applicable Service Tax and reimbursement of out of pocket expenses at actual to M/s. HVMN & Associates, Cost



Accountants (Firm Registration No.000290) who were appointed by the Board of Directors of the Company, as "Cost Auditors" to conduct the audit of the cost records maintained by the Company for Financial Year ending March 31, 2018, be and is hereby ratified and approved.

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

Place : **Mumbai** By order of the Board  
Date : **27<sup>th</sup> May, 2017** For Reliance Chemotex Industries Limited

**Registered Office:**  
Village- Kanpur Post Box No. 73  
Udaipur- 313003

**Sd/-**  
**Vimal Tank**  
Company Secretary  
M.No. 22370

#### **NOTES FOR MEMBERS' ATTENTION**

1. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of special business set out in the notice is annexed here to.
2. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting/ AGM") is entitled to appoint a proxy to attend and vote on a poll instead of himself and a proxy need not be a Member of the Company. 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 shareholder/s.  
The instrument appointing the proxy in order to be effective must be deposited at the Registered Office of the Company, duly stamped, completed and signed, not less than 48 hours before the commencement for the meeting. Proxies submitted on behalf of the companies / Societies etc. must be supported by an appropriate authority/resolution as applicable.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 days of notice in writing is given to the Company.
4. The details of Proposed Appointment/Re-appointment of Directors as per Regulation 36(3) of SEBI (Listing Regulation), 2015 are provided in Annexure to the notice.
5. Members may now avail the facility of nomination as permitted under Section 72 of the Companies Act, 2013 in respect of physical shares held by them in the Company, by nominating in the prescribed form SH-13 which can be procured from Registered Share Transfer Agent (Big Shares Services Private Limited) a person to whom their shares in the Company shall vest in the event of their death. Members holding shares in demat form may contact their respective depository participants for such nominations.
6. Members/Proxies/authorized representatives should bring copy of Annual Report and the duly filled attendance slip enclosed herewith to attend the meeting.
7. Members are informed that in case of joint holders attending the Meeting, only such Joint holder who is higher in the order of the names will be entitled to vote.
8. 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 pursuant to Section 113 of the Companies Act, 2013 authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
9. If the Final Dividend, as recommended by the Board of Directors, is approved at the Annual General Meeting, payment of dividend will be made within 30 days as under:
  - a. To all the Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 21<sup>st</sup> August, 2017.
  - b. To all the Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 21<sup>st</sup> August, 2017.
10. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's record which will help the Company and the Company's Registrars and Transfer Agents to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Big Shares Services Private Limited.
11. Members holding shares in physical form under multiple folios are requested to send Company's Registrar and Share Transfer Agent details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.



12. Members desiring any information as regards the Accounts and/or operation of the Company are requested to write to the Company at least Seven days before the date of meeting. so as to enable the Management to keep the information ready at the meeting.
13. The Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which Directors are interested, maintained under Sections 170 and 189 of the Companies Act, 2013 respectively will be available for inspection by the members at AGM.
14. All the documents referred in the notice will be available for inspection by the shareholders at the registered office of the Company between 11.00 a.m. to 5.00 p.m. on all the working days excluding Saturdays hereof upto the date of the meeting.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents.
16. The Register of Members and Shares Transfer Books of the Company shall remain closed from 22<sup>nd</sup> August, 2017 to 28<sup>th</sup> Day of August, 2017 (both days inclusive) for annual closing and in connection with the payment of dividend, if declared, for the financial year 2016-17.
17. The annual report and the notice of Annual General Meeting is available at the website of the Company at [www.reliancechemotex.com](http://www.reliancechemotex.com).
18. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on 21<sup>st</sup> August, 2017 (Cut-off date).
19. A copy of Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2017 together with the Board's and Auditor's Report thereon are enclosed herewith.
20. The notice of the meeting along with the Annual Report 2016-17 is being sent through electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2016-17 are being sent by the permitted mode.
21. To support the "Green Initiative" Members who have not registered their e-mail addresses are requested to register the same with Company's Registrar and Share Transfer Agent.
22. In compliance with Section 108 of Companies Act, 2013, read with Rule 20 of The Companies (Management & Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44(3) of SEBI ( Listing Obligation and Disclosure Requirement) Regulation 2015 , the Company has provided a facility to the members to exercise their votes electronically from a place other than the venue of the AGM through the electronic voting service facility arranged by CDSL The facility for voting, through ballot paper, will also made available at the AGM and members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for remote e-voting are annexed to the Notice.
23. The Board of Directors has appointed CS Manoj Maheshwari, FCS 3355 Practicing Company Secretary, Jaipur as the Scrutinizer for the conduct of remote e-voting and polling process in a fair and transparent manner and also for polling at the time of 39<sup>th</sup> AGM of the company.  
The Voting period begins on 24<sup>th</sup> August, 2017 at 10.00 A.M and ends on 27<sup>th</sup> August, 2017 at 05.00 P.M. During this period shareholders of the company, holding shares either in physical form or demat form as on the cut-off date 21<sup>st</sup> August, 2017 may cast their vote electronically . The e-voting module shall be disabled by CDSL for voting thereafter.
24. The final result including remote e-voting & poll results shall be declared on within 48 hours from conclusion of the Annual General Meeting. The final result along with the Scrutinizers Report shall be placed on the Company's website [www.reliancechemotex.com](http://www.reliancechemotex.com) and on the website of CDSL within two days of passing of resolution at the Annual General Meeting of the Company on 30<sup>th</sup> August, 2017 and communicate to BSE Limited.
25. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the notice of AGM and holding shares as of the cut-off date i.e 21<sup>st</sup> August, 2017 may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.
26. A Route map showing direction to reach the venue of the 39<sup>th</sup> Annual General Meeting is given at the end of the Annual Report as part of Notice under requirement of the Secretarial Standard-2 of General Meeting.





27. All unclaimed dividend of financial year FY 2008-09 have been transferred into Investor Education Protection Fund of the Central Government. Pursuant to provision of Investor Education Protection Funds Rules, the Company has uploaded the details of the unpaid and unclaimed dividends amounts lying with the Company on the website of the Company. Un claimed dividend of the FY 2009-10 will fall due for transfer to the said funds in due time. Those members who have not encashed their dividend for the financial year 2009-10 are requested to claim it from company or Bigsharese Services private limited, the share transfer agent of the Company, immediately, those members who have not so far claimed their dividend for the subsequent financial year are also advise to claim it from company.

28. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any amendments made therein) ('The Rules'), all shares in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more would be transferred to the Investor Education and Protection Fund (IEPF). The Company has sent reminder letters to the shareholders whose shares are proposed to be transferred to IEPF, relating to transfer of underlying shares and have also uploaded full details of such shareholders on its website [www.reliancechemotex.com](http://www.reliancechemotex.com).

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 24<sup>th</sup> August, 2017 at 10.00 a.m. and end on 27<sup>th</sup> August, 2017 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 21<sup>st</sup> August, 2017 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](http://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](http://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:
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.

	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"> <li>· 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 sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/Email) in the PAN field.</li> <li>· In case the sequence number 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 sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>· If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Reliance Chemotex Industries limited > on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on



"Click here to print" option on the Voting page.

- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Phone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) 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](http://www.evotingindia.com) and register themselves as Corporate.
  2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  3. After receiving the login details 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.

- 4. The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- 5. 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.
- (xx) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Other Instructions:**

- i. The voting rights of Members shall be in proportion to the shares held by them on the paid up equity share capital of the Company as on 21st August, 2017 and as per the Register of Members of the Company.
- ii. Any person, who becomes a member of the Company after despatch of the notice of 21st August, 2017 shall follow the process as mentioned at sr. no. (ii) to (v) above.

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**  
**Item No. 6**

The Members of the Company at their 36<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2014 had re-appointed Mr. Sanjiv Shroff as Managing Director of the Company for a period of 3 Years w.e.f 01.09.2014 and approved the remuneration payable to him in accordance with the provision of Section 196, 197, 198, read with Schedule V of the Companies Act, 2013. The Nomination and Remuneration Committee and the Board of Directors of the Company have proposed the re-appointment of Mr. Sanjiv Shroff as Managing Director for a period of three year w.e.f 01<sup>st</sup> September, 2017, subject to the approval of Shareholders in the ensuing Annual General Meeting on the below terms and condition.

<b>Name</b>	<b>Mr. Sanjiv Shroff</b>
Designation	Managing Director
Basic Salary	From Rs. 3,00,000/- upto Rs. 6,00,000/- Per Month
House Rent Allowance/ RFHA	From Rs. 62,250/- up to Rs. 1,20,000/- Per Month
Other Allowances	From Rs. 55,000/- up to Rs. 1,10,000/- Per Month
Ex-gratia in lieu of Bonus	From Rs. 60,000/- up to Rs. 1,20,000/- Per Month
Leave Travel Concession	For family and self, once in a year as per rules of the Company, but shall not exceed the one month basic salary.
Medical Reimbursement	Medical Reimbursement expenses incurred for self and family, but shall not exceed One month basic salary a year or 3 Months' basic Salary over a period 3 Years.
Personal Accident /Medical Insurance	Actual premium on personal accidental/ medical insurance for self and the family.



Provident Fund, Superannuation fund, and gratuity as per rules of the Company, subject to ceiling as per guidelines for Managerial Remuneration.

Car with Driver and telephone at residence are provided to our Managing Director for business purpose as well as for personal use. Perquisite value for the use of Car with Driver has been included in his Computation of Income as per Section 17(2) of the Income Tax Act, 1961. However telephone provided to our Managing Director is not a taxable perquisite as per section 17(2) of the Income Tax Act, 1961.

Encashment of leave as per rules of the Company.

Club Fees is subject to a maximum of two clubs, this will not include admission and life membership fees.

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	
Financial performance based on given indicators	Particulars for the Financial year ended 31.03.2017	(Rs. in lacs)
	Sales including other Income	29479.63
	Profit (before exceptional & extraordinary items & tax)	789.00
	Profit After Tax	669.77
Foreign Investment or Collaboration if any	No such foreign investment or collaboration except minor shareholding of Non Resident Indians, if any.	

### 2. Information about the appointee

<b>Name</b>	<b>Mr. Sanjiv Shroff</b>
Background Details	Mr. Sanjiv Shroff has a Bachelor of Science in Chemistry (Honours) from St. Xavier's College, Kolkata University and has been the Managing Director of Reliance Chemotex Industries Limited since 1988. He has been associated with the textile industry for the last 30 years.
Past Remuneration paid during the year 2016-17	Rs. 64,82,839/- Paid during the year
Recognition or awards	N.A
Job profile and his suitability	He routinely holds review meetings to analyses the Company's overall performance. The Whole-Time Directors, President and Vice-President Works, Chief Financial Officer and Vice Presidents of all departments are required to attend these meetings. The Company's performance is reviewed in detail from cost, production and marketing perspectives with a view to further improve the Company's performance in the future; Factory overheads, raw material prices, power and fuel expenses, and logistics are also discussed in depth. He is an expert in financial engineering and operational control. All the Company's new proposals are sent, evaluated and monitored by him.
Remuneration proposed	Up to Rs. 10.00 Lacs Per Month





<b>Name</b>	<b>Mr. Sanjiv Shroff</b>
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	The Nomination and Remuneration Committee constituted by the Board of Directors, in terms of Schedule V of the Companies Act, 2013 peruse remuneration of Managerial Person in the Textile Industry and other Companies comparable with the size of the Company, industry benchmark in general, profile and responsibilities of Mr. Sanjiv Shroff, Managing Director, before approving the remuneration as proposed herein above
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	Father of Mr. Rahul & Mr. Ameya Shroff, Executive Directors & husband of Mrs. Dipika Shroff, Director of the Company

### 3. Other Information

Reasons of inadequate profit	The Company has earned the profit of Rs. 669.78 Lakh during the year ended on 31 st March, 2017. 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 top Managerial Person (KMP).
Steps taken or proposed to be taken for improvement	The Indian textile market is gaining momentum and is set for a resurgence on account of strong growth in the domestic and export markets. Your Company intends to leverage this along with its long-standing customer relations, deep focus on understand its customer's needs, excellent post-sales service, innovative product development and versatile product mix to further strengthen its sales both globally and in the domestic market. 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. Finally, Your Company is also evaluating the feasibility of a diversification and expansion project which will further improve the Company's bottom line.
Expected increase in the productivity and profits in measurable terms.	Looking to the Company's strong performance during the Financial Year 2016-17, The company is cautiously optimistic for 2017-18. The Company looking at modernisation of old ring frame and to continued focus on value-added products, consistent quality and versatile product mix and cost cutting will result in increased profit by 2% (approx.) of the revenue in the next fiscal

### 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 Board under 'Corporate Governance' Report	The Board Report and 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 terms of remuneration specified above are now being placed before the Members for their approval.

Mr.Sanjiv Shroff, Mrs. Dipika Shroff, Mr. Rahul Shroff ,Mr.Ameya Shroff and Mr. N.G Khaitan Directors of the company for themselves and through their relatives to the extent of their shareholding, if any, in the Company, may be deemed to be concerned or interested, financially or otherwise, in the Resolution at Sl. Nos. 6, respectively.

Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise in the said Resolution. The Board recommends the Resolutions at Item no. 6 of the Notice for approval of the Members by means of Special Resolution



**ITEM NO. 7**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s HMVN & Associates, Cost Accountants (FRN No. : 000290) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018.

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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2018.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

The Board recommends the Ordinary Resolution set forth in Item No. 7 of the Notice for approval of the members.

**Place: Mumbai**  
**Date: 27<sup>th</sup> May, 2017**

Registered Office:  
Village- Kanpur  
Post Box No. 73  
Udaipur- 313003

By the order of the Board  
**For Reliance Chemotex Industries Limited**

**Vimal Tank**  
Company Secretary  
M.No. 22370

**Details of Director seeking appointment/re-appointment at the AGM (Pursuant to Regulation 26(4) and 36(3) of the Listing Regulation and Secretarial Standards -2 of General Meeting)**

Name of Director	Mr. Sanjiv Shroff	Mr N.G Khaitan
DIN	00296008	00020588
Date of Birth & Age	17.05.1961/56	21.05.1959/58
Date of Appointment on the Board	01.09.1988	23.08.1977
Qualification	Bachelor of Science (Honours)	Chartered Accountant
Experience and Expertise	Mr. Sanjiv Shroff has a Bachelor of Science in Chemistry (Honours) from St. Xavier's College, Kolkata University and has been the Managing Director of Reliance Chemotex Industries Limited since 1988. He has been associated with the textile industry for the last 30 years and having vast experience in the domain of Finance, Operation and Marketing.	Shri N G Khaitan is a Senior Partner of Khaitan & Co. based in Kolkata. He passed his Attorney ship Examination from the Calcutta High Court in the year 1974 and stood first in the Preliminary, Intermediate and Final Examinations, and was awarded Bell Chamber's Gold Medal by the Incorporated Law Society, High Court, Calcutta. He is a Notary Public appointed by the Government of India. He has rich experience in all aspects of law and more particularly, Real Estate, Corporate laws and has handled important litigations covering different branches of law including Mergers and Acquisition, Restructuring and De-mergers. He has advised several large industrial houses and multinational corporations on multifarious legal matters.
Terms and conditions of appointment/ re-appointment	Refer item No. 6 of Notice	Appointed as Non-Executive Director liable to retire by rotation.
Number of Meeting attended during the year	6	4
Relation between Director inter se	Related to Shri Rahul Shroff, Shri Ameya Shroff, Smt Dipika Shroff, & Shri N.G Khaitan	Related to Shri Sanjiv Shroff, Shri Rahul Shroff, Shri Ameya Shroff, & Smt Dipika Shroff,
Details of Remuneration Last Drawn	64,82,839/-	Sitting Fees of Rs. 60000/-
No.of Shares held in the Company	145800	100
List of Directorship held in the Listed Companies as on 31.03.2017	Reliance Chemotex Industries Limited	i) Chase Bright Steel Ltd ii) HSIL Ltd iii) JK Laxmi Cement Ltd iv) Mangalam Cement Ltd v) Mangalam Timber Product Ltd vi) India Power Corporation Ltd vii) Reliance Chemotex Industries Limited.
List of Chairmanship/Membership of the Mandatory Committees held in the Listed Companies as on 31.03.2017	Reliance Chemotex Industries Limited-	i) HSIL Ltd ii) JK Laxmi Cement Ltd iii) Mangalam Cement Ltd iv) Mangalam Timber Product Ltd v) India Power Corporation Ltd vi) Reliance Chemotex Industries Limited.



## DIRECTOR'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

Your Directors are pleased to present the 39<sup>th</sup> Annual Report on the affairs of the Company along with the Audited Financial Statements for the financial year ended on 31<sup>st</sup> March, 2017.

### FINANCIAL HIGHLIGHTS

Rs. in Lakh

PARTICULARS	FINANCIAL YEAR 2016-17		FINANCIAL YEAR 2015-16	
Total Revenues (including other income)		29479.63		25979.98
Profit before, Interest, Depreciation & amortization, and Tax		2559.39		2143.17
Less: Interest / Finance Cost		1099.18		1312.58
Less: Depreciation & amortization		671.21		659.68
Profit before Tax		789.00		170.91
Less: Provision for Taxation				
Current year	161.00		35.00	
Earlier year Tax	-		(0.30)	
Deferred Tax	81.68		55.62	
Mat Credit Entitlement	(123.45)	119.23	(172.49)	(82.17)
Profit after Tax		669.78		253.09
Add: Profit brought forward from previous year		1856.74		1929.25
Total Available surplus		2526.52		2182.33
<b>Appropriations:</b>				
Proposed Dividend on Preference Shares	230.75		230.75	
Proposed Dividend on Equity Shares	39.77	270.52	39.77	270.52
Tax on Proposed Dividend		55.07		55.07

### INDUSTRIAL STRUCTURE AND DEVELOPMENTS

According to the World Economic Outlook, global economic activity is picking up due to a long-awaited cyclical recovery in investment, manufacturing, and trade. Global economic growth is expected to rise from 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018 on the back of reduced deflationary pressures, expectations of more robust global demand, and optimism in the financial markets.

#### Europe

The European Union member states are now benefiting from the fifth year of recovery of the European economy. The European Commission anticipates GDP growth of 1.9% in 2017 and 2018. Inflation in the European Union is forecast to rise from 0.2% in 2016 to 1.6% in 2017 before returning to 1.3% in 2018 as the effect of rising oil prices diminishes. Private consumption, the main growth driver in recent years, expanded at its fastest pace in 10 years in 2016 but is set to moderate this year as inflation partly erodes gains in the purchasing power of households. As inflation is expected to ease next year, private consumption is expected pick up marginally once again.

#### USA

The US economy is expected to grow in 2017 and 2018 due to support from fiscal policy, employment growth, reduction in exchange-rate volatility and the steady withdrawal of the

economic stimulus by the Federal Reserve on account of inflation nearing its target of 2%. Furthermore, the Government is formulating plans to reduce taxes and boost infrastructure spending which will support consumer spending in 2018. According to IMF reports, the US economy is expected to grow by 2.1% in 2017 and in 2018.

#### India

India, however, has seen a phase of brief slowdown in economic indicators in the last fiscal. The recent demonetization initiative undertaken by the Government has effected the cash-sensitive textile sector. The RBI has marginally lowered the FY 18 GDP growth forecast from 7.6% to 7.3%.

The Indian Textile Industry is the second largest employer in the country. Currently estimated at around US \$ 137 Billion, India's Textile Industry is expected to touch USD 226 billion by 2023, growing at a CAGR of 8.7%. The Textile Industry in India accounts for 4% of the country's GDP and for 14% of its industrial production. Furthermore, textile exports constitute 15% of India's exports, making the Textile Industry one of the largest contributors to the country's exports. The sector is likely to grow at a steady pace backed by growth in both domestic consumption and export demand. Indian man-made fibres (MMF) are set to take centre stage in the global arena due to heavy investments in world-class manufacturing plants, continuous innovation, new product development and strategic market expansion.

### OPERATIONS

Your Company has performed well in the year under review and reported a top line growth of 13.47%. The Company's revenue stood at Rs. 29479.63 Lakh compared to 25979.98 Lakh in the previous fiscal. Your Company reported a bottom-line growth of 164.64% to Rs. 669.78 Lakh from Rs. 253.09 Lakh in the previous year. Yarn production stood at 14077 MT. Earnings before Depreciation, Interest and Tax (EBDIT) increased by 19.42% to Rs. 2559.39 Lakh as compared to Rs. 2143.17 Lakh in previous year. Despite sluggish global demand, the Company has seen remarkable growth of 16.94% in its export turnover on account of its creative product development, highly-flexible and consumer-centric ideology, long-standing customer relations, excellent post-sales service and versatile product mix.

Your company's focus on value-added products along with its versatile product range has yielded results in terms of improved profitability. Your company's ability to maintain a balance between domestic and exports sales has helped it face headwinds during the demonetization drive by the Government. Your company's competitive edge lies in its unrelenting focus on customer-centricity, consistency and product quality; Consequently, the company is evaluating the need to modernize some of its existing spindles, which will result in savings in power, cost efficiencies and increase in capacity, all of which will enable the company to further enhance its competitive advantage.



## **RISK & RISK MANAGEMENT**

The Audit Committee closely monitors all risks that could have a negative effect on the Company. Risks which were reviewed by the Audit Committee are Financial Risk, Compliance Risk, Hazardous Risk, and Employee Related Risk. In accordance with SEBI( Listing Obligations and Disclosures Requirements) Regulation, 2015 (herein after called Listing Regulation) the Board members were informed of risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

Your Company is exposed to a number of factors which could potentially have an impact on the Company's operations: cost of raw material prices, cost of power, fluctuation in foreign exchange rate, changes in government regulation and availability of skilled labour, amongst others.

## **OPPORTUNITIES AND THREATS**

An increased expectation of economic stability under the current government, along with improving macro-economic indicators continues to provide a steady platform for the growth of key industries such as Textile and Retail. The influx of global brands as well as foreign capital is providing incremental opportunities to local manufacturers. Exports from India are gaining momentum because of an increased ease in doing business, improved financing options and a positive outlook on the global economic front.

The company does see some threats in its normal course of business due to unexpected currency fluctuations, sharp changes in the prices of key commodities, increasing competition from other global geographies, international trade policies as well as adverse governmental policies in India.

## **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Human resources are the driving force behind any organization and there is no doubt that the 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.

In the year under review your Company has focused on improving human resource efficiencies by adopting new and proven technologies. The employee strength at the end of the financial year was 1837. This includes both skilled and unskilled manpower.

## **DIVIDEND ON EQUITY SHARES**

Your Directors are pleased to recommend a dividend of 10% (i.e. Rs. 1.00/- per Share) on Equity Shares of Rs. 10/- each for the Financial Year ended 31<sup>st</sup> March 2017. If the dividend, as recommended above, is approved by the Members at the Annual General Meeting, the total outflow towards dividend on Equity Shares for the year would be 47.86 Lakh (including dividend distribution tax).

## **DIVIDEND ON PREFERENCE SHARES**

Your Directors are pleased to recommend a dividend of 10%(i.e. Rs. 10.00/- per Share) on 10% Cumulative Redeemable Preference shares of Rs. 100/- each for the Financial Year ended 31<sup>st</sup> March 2017. The dividend has to be paid as per the terms of the issue for the year; the total dividend payout will absorb a sum of Rs. 277.73 Lakh (including dividend distribution tax).

## **FINANCE:**

Your Company has been in strong financial health during the year under review. During the year, the Company has made repayments of term loans amounting to Rs. 1577.41 Lakh to banks and financial institution and the Company's bankers have readily provided your Company with need-based working capital.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The term of contract of Mr. Sanjiv Shroff, Managing Director of the Company is up to 31<sup>st</sup> August, 2017. The Board of Directors on recommendation of Nomination and Remuneration Committee has re-appointed him as Managing Director for a period of three years, with effect from 1<sup>st</sup> September, 2017. The resolution seeking approval of shareholders for the re-appointment of Mr. Sanjiv Shroff, Managing Director has been incorporated in the notice of Annual General Meeting along with brief detail about him.

Mr. N.G Khaitan, Non-Executive & Non Independent Director of the Company is liable to retire by rotation in accordance with Section 152 of the Companies Act, 2013. He will retire by rotation at the ensuing Annual General meeting and, being eligible, offers himself for re-appointment. The resolution seeking approval of shareholders for the re-appointment of Mr. N.G Khaitan has been incorporated in the notice of Annual General Meeting.

During the year, Mr. Shankar Menon, Former Chairman and Independent Director has resigned from the board. The board wishes to place on records its appreciations for the valuable contribution made by him during his tenure. Further, Mr. Ramadoss Srinivasan, Independent Director elected as Chairman of the Board in its meeting held on 11<sup>th</sup> November, 2016

During the year, Mr. Ravindra Kala, Chief Financial Officer of the Company has resigned from the company w.e.f 30.11.2016 and Mr. Kiran Firodiya, has been appointed as Chief Financial Officer of the Company in the meeting of board of Directors held on 30<sup>th</sup> November, 2016.





The Board of Directors recommends the aforementioned appointments/re-appointments of Mr. Sanjiv Shroff and Mr. N.G Khaitan.

Additionally, during the financial year 2016-2017, Mr. Ameya Shroff has been reappointed Executive Director for a period of three years from 01.08.2016 to 31.07.2019 and Mr. R.N Sharma, confirmed as director in the Annual General Meeting held on 12<sup>th</sup> September, 2016.

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

Familiarization program has been conducted for Independent Director and the details are uploaded on the company website [www.reliancechemotex.com](http://www.reliancechemotex.com).

#### **BOARD EVALUATION**

Pursuant to Provision of the Companies Act, 2013 read with Rules issued there under and the SEBI (Listing Regulations), 2015, the Board has carried out an annual evaluation of its own performance, the directors individually, as well as the evaluation of the working of its committees. The performance of Individual Directors, the Board and its various Committees were discussed in details. A structured questionnaire each for evaluation of the Board, its various Committees and individual director were prepared and recommended to the Board of Director by Nomination & Remuneration Committee for doing the required evaluation, after taking into consideration the input received from directors covering various aspect of the Boards function such as adequacy of the composition of the Board and its committees, execution and performance of specific duties, obligations and governance etc.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company. A Performance evaluation of Independent Directors was carried out by the entire Board. A Performance evaluation of the Chairman and non-independent directors was also carried out by the Meeting of Independent Directors separately.

#### **MEETINGS OF BOARD**

The Board of Directors met six times during the year on 09.04.2016, 24.05.2016, 12.08.2016, 11.11.2016, 30.11.2016 and 10.02.2017. The frequency of and the quorum at these meetings were in conformity with the provisions of the Companies Act, 2013, Secretarial Standard -1 and the SEBI (Listing Regulations). Attendance and other details are given in Corporate Governance Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and

SEBI (Listing Regulations), 2015 and Secretarial Standard-1.

#### **STATUTORY AUDITORS**

M/s G.P. Kejriwal & Co. Chartered Accountants, Jaipur (Firm Registration Number:001036C), the statutory auditors of the Company, hold office till the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company. Under section 139 of the Companies Act, 2013 and the rules made there under, it is mandatory to rotate the auditors on completion of the maximum term permitted under the said section. The Board has recommended the appointment of M/s. Jain Pramod Jain & Co, Chartered Accountant, New Delhi (Firm Registration No. 016746N), as the statutory auditors of the Company in their place, for a term of five succeeding years, from the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company scheduled to be held on 28<sup>th</sup> August, 2017 till the conclusion of the 44<sup>th</sup> Annual General Meeting to be held in the year 2022, for approval of shareholders of the Company, based on the recommendation of the Audit Committee. The first year of Audit will be of the financial statements for the year ending March 31, 2018, which will include the audit of the quarterly financial results for the year.

As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained a written certificate from the above mentioned Auditors to the effect that they conform with the limits specified in the said Section and that they are not disqualified for appointment within the meaning of Section 141 of the said Act and they hold the peer review certificate issue from ICAI.

The Board of Directors recommends the appointment of M/s Jain Pramod Jain & Co, Chartered Accountant, New Delhi (Firm Registration No. 016746N), as Statutory Auditors of the Company for the term of 5 years, subject to a yearly ratification of such appointment by shareholders at the Annual General Meetings."

#### **AUDITOR'S REPORT**

There is no reservation, qualification or adverse remark contained in the Auditor's Report attached to Financial Statements of company as at 31<sup>st</sup> March, 2017. The information referred in Auditor's Report of Financial Year 2016-17 is self-explanatory and do not call for any further comments.

#### **COST AUDITORS**

In Board Meeting held on 27<sup>th</sup> May, 2017, M/s HMVN & Associates was appointed as Cost Auditor to undertake the Cost Audit for the Financial Year 2017-18. The Cost Audit for the Financial Year 2016-17 is in under process and shall be submitted in due time.

M/s. HMVN & Associates, Cost Accountants, New Delhi (FRN :000290) has been appointed by the Board to conduct the Audit for the Financial Year 2017-18. As required under the Companies Act, 2013 the remuneration payable to the Cost Auditors is required to be placed before the members in a general meeting



for their ratification. Accordingly, a resolution seeking member's ratification for remuneration payable to M/s. HMVN & Associates, Cost Accountant, New Delhi is included in the Notice of Annual General Meeting.

**SECRETARIAL AUDITORS & SECRETARIAL AUDIT REPORT**

Pursuant to Provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. V.M & Associates, Practicing Company Secretary (FRN: P1984RJ039200), Jaipur to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report in form MR-3 is included as Annexure-2 and forms integral part of the Report.

The Secretarial Audit Report does not contain any qualification/ reservation & adverse remark.

The Board of Directors has re-appointed M/s. V.M & Associates, Practicing Company Secretary, Jaipur to conduct the Secretarial Audit for the Financial Year 2017-18.

**INTERNAL AUDITORS**

Pursuant to Provision of Section 138 of the Companies Act, 2013 read with Companies Accounts Rules) 2014, the Company has appointed M/s. Rajeev Amitabh & Co, Chartered Accountant, New Delhi to undertake the Internal Audit for the Financial Year 2016-17. The Scope of Internal Audit closely monitor by the Audit Committee. The Internal Auditor submits their report on half yearly basis and same has been placed before the Audit Committee along with Management response. Board of Directors in its meeting held on 27<sup>th</sup> May, 2017 has re-appointed M/s. Rajeev Amitabh & Co, Chartered Accountant, New Delhi to conduct the Internal Audit of the Company for the Financial Year 2017-18.

**FIXED DEPOSITS:**

During the Financial Year 2016-17, your Company has not invited, accepted or renewed any deposits within the meaning of Section 73, 74 and 76 of the Companies Act., 2013 read together with the Companies (Acceptance of Deposit) Rules, 2014 as amended.

**SHARE CAPITAL**

During the year under review, there is no change in the Capital Structure of the Company. Capital structure as on 31.03.2017 is as under:

Equity Share Capital	: 399.48 Lakh
Preference Share Capital	: 2307.50 Lakh

**RESERVE**

During the year under review, no such amount has been transfer into Reserve.

**EXTRACT OF ANNUAL RETURN**

The Extract of the Annual Return in Form MGT-9 containing details as on the financial year ended 31<sup>st</sup> March, 2017, as required

under Section 92 (3) of the Companies Act, 2013, read with the Companies (Management and Administration) Rules 2014, is included in the Report as an **Annexure-8**.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitment affecting the financial position of the Company between the end of the financial year as on 31<sup>st</sup> March, 2017 and date of report (May, 27, 2017).

**SIGNIFICANT MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There were no significant and material orders passed by the regulators, courts or tribunals which would impact the going concern status of the company.

**SUBSIDIARY COMPANY**

During the year, the Company has no Subsidiaries/ associate companies / Joint Venture as on 31<sup>st</sup> March, 2017.

**LOANS, GUARANTEES & INVESTMENTS BY THE COMPANY**

The Company has not given any Loans, Guarantees, and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

**INTERNAL FINANCIAL CONTROL SYSTEM**

The Company has put in place an adequate system of internal control commensurate with its size and nature of business to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the Company checks and verifies the internal control system and monitors them in accordance with the policy adopted by the Company. The Audit Committee of the Board of Directors, Statutory Auditor and Department head were appraised of the internal audit finding and corrective action taken thereon. The audit observation/ management response was placed before the committee. We believe that our internal financial control system provide reasonable assurance that our internal financial control are designed effectively and are operating as intended.

**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 Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with Stock Exchange form a part of the Annual Report are given in **Annexure-9**.





**VIGIL MECHANISM /WHISTLE BLOWER POLICY**

Your Company is committed to highest standard of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Listing Regulation. The Policy provides a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. The policy is to promote ethical behavior in all its business activities and to report concerns and unethical behavior, actual or suspected fraud or violation of our code of conduct and ethics. Under the said Mechanism, the employees are free to report violations of applicable laws and regulations and the Code of Conduct. It also provides for adequate safeguards against the victimization of persons who use such mechanism. The Vigil Mechanism /Whistle Blower Policy have been posted on the Company's website [www.reliancechemotex.com](http://www.reliancechemotex.com).

The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time.

Your Company affirm that no director/employee has been denied to accessed the Chairman of the Audit Committee and that no compliant were received during the year. Brief details about the policy are given in the Corporate Governance Report.

**NOMINATION & REMUNERATION POLICY**

The Board of Directors has framed the policy on Nomination & Remuneration which lays down the framework in relation to remuneration of Directors, Key Managerial Person and Senior Management of the Company. This policy also lays down the criteria for selection and appointment of Board Members. The Nomination & Remuneration policy has been posted on the Company's website [www.reliancechemotex.com](http://www.reliancechemotex.com) and also annexed with the report in **Annexure-7**.

**RELATED PARTY TRANSACTION**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is available on the Company's website at [www.reliancechemotex.com](http://www.reliancechemotex.com) The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive nature and /or entered in the Ordinary Course of Business and are at Arm's Length.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding

10% of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. The disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 is given in AOC -2 as given in **Annexure-3**.

**DISCLOSURE UNDER THE SEXUAL HARRASAMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has always believed in providing a safe and harassment free workplace for every individual through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2016-17

S.No.	No. of complaints received	No. of complaints disposed off
1	NIL	NIL

**COMMITTEE OF THE BOARD**

The Board of Directors has following committees

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee
4. CSR Committee
5. Finance Committee

The details of committees along with their composition, number of meetings and attendance of the meetings and other details are provided in the Corporate Governance Report.

**CORPORATE SOCIAL RESPONSIBILITY**

In terms of requirements of Section 135 of the Companies Act, 2013 and rules issued there under, Your Company formulated a policy on CSR which may be accessed on the Company website at [www.reliancechemotex.com](http://www.reliancechemotex.com). The Report on CSR Activities as required under the Companies Act, 2013 are set out in the **Annexure -4**.

**PARTICULARS OF EMPLOYEES & THEIR DISCLOSURES:**

The information required pursuant to Section 197 (12) read with rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of managerial remuneration of the Company is set out in the **Annexure-5**.



A statement of the employees of the Company who were in receipt of the remuneration exceeding the limits prescribed u/s 197 (12) read with rule 5(2), of The Companies (Appointment and Remuneration of Managerial Personnel) of the Companies Act, 2013 during the year under review, a Statement of particular of top ten employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 is appended as **Annexure-6**.

**PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.**

The statement pursuant to Section 134 (3)(m) of The Companies Act, 2013 read with the Rule 8(3) of The Companies (Accounts) Rules, 2014 regarding particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act is given in **Annexure no.1**.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, Board of Directors hereby state and confirm that:

- (i) In the preparation of the annual accounts for the year ended March 31, 2017 the applicable accounting standards and schedule III of the Companies Act, 2013 had been followed and there are no material departure from the same;
- (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 at the end of the financial year and of the profit or loss of the Company for that period;
- (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 31<sup>st</sup> March, 2017 have been prepared on a going concern basis;

- (v) Robust and detailed Internal Financial Controls to be followed by the Company have been laid down. These controls are adequate and were operating effectively; and
- (vi) Appropriate system has been devised to ensure that your Company is compliant with all applicable provisions and statutory requirements. These systems were adequate and operating effectively.

**CAUTIONARY STATEMENT**

Certain statements in this Board's Report and 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. Market data and information are gathered from various published and unpublished reports. Their accuracy, reliability and completeness cannot be assured.

**APPRECIATION & 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.

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
**FOR RELIANCE CHEMOTEX INDUSTRIES LIMITED**

**Place: Mumbai**  
**Date: 27<sup>th</sup> May, 2017**

(Sanjiv Shroff) (Rahul Shroff)  
DIN: 00296008 DIN: 02301693



**Annexure- 1**

**A. Form for disclosure of particulars with respect to conservation of energy 2016-17**

**1. Steps taken on conservation of energy**

In line with the Company's commitment towards conservation of energy, the company continues with its efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption. Some of the measures taken by the company in this direction are as under:

- Reduction of voltage of Transformer No. 2 & 3 from 435V to 415V
- Provided thermal insulation for Feed water tank at boiler
- Replacement of 65W conventional tube lights with 22W LED tube lights in A section and B section of Unit 1
- Compressed air leakage arrest in Unit 2 & Unit 1 Autocorners along with compressed air monitoring system.
- Compressed air leakage arrest in Dye House and spinning area
- Optimization of blade angle in Unit 2 SA and RA fans
- Replacement of 4 Nos. old spray pumps with new energy efficient pumps.
- These measures have also led to reduced impact on environment, reduced maintenance time and cost, and improved productivity.

**2. The steps taken by the company for utilizing alternate sources of energy**

The company is proposing to install roof top solar power plant.

**3. Total investment on energy conservation equipments : Rs. 18,07,279.00**

**B TECHNOLOGY ABSORPTION**

**1 RESEARCH & DEVELOPMENT (R & D)**

**(a) Efforts made towards technology absorption**

Developed multifold knotless yarn for heavy duty application. Also introduced low melt and low pill yarns for specific uses and developed P/C, Poly/Linen, & Cationic Dyeable Product and slub yarn.

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

New business in Home Textiles and high end fabric category as well as Customer base is widened.

**(c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

- (a) the details of technology imported: The Company has not

imported any technology during the last three financial years.

- (b) the year of import: Not applicable  
(c) whether the technology has been fully absorbed: Not applicable  
(d) if not fully absorbed, areas where absorption has not taken place, and the reason thereof: Not applicable

**(d) Expenditure on R & D**

**Capital** : Rs. NIL

**Recurring** : R & D expenses cannot be segregated.

**C. FOREIGN EXCHANGE EARNINGS AND OUT GO**

(Rs. in Lakh)

1. Foreign Exchange Earnings	19245.68
2. Foreign Exchange outgo	1370.82

**Annexure- 2**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

Reliance Chemotex Industries Ltd.

Village Kanpur,

Udaipur - 313003(Rajasthan).

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Reliance Chemotex Industries Ltd.(hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:



We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;(Not applicable to the Company during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;(Not applicable to the Company during the Audit Period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;(Not applicable to the Company during the Audit Period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the Company during the Audit Period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the Audit Period)
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) As confirmed by the management, there are no sector specific laws that are applicable specifically to the Company.

**We have also examined compliance with the applicable clauses of the following:**

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with BSE Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except expense on CSR activities below the prescribed limit.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not undertaken any events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. which in our opinion have a major bearing on the Company's affairs.

**Place: Jaipur**  
**Date: 27<sup>th</sup> May, 2017**

**For V.M. & Associates**  
**Company Secretaries**

**CS Vikas Mehta**  
**Partner**  
**ACS 28964**  
**C P No. : 12789**

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



**Form No. AOC-2**

**Annexure- A'**

**Annexure- 3**

To,  
The Members  
Reliance Chemotex Industries Ltd.  
Village Kanpur,  
Udaipur - 313003(Rajasthan).

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

**Place: Jaipur**  
**Date: 27<sup>th</sup> May, 2017**

**For V. M. & Associates**  
**Company Secretaries**

**CS Vikas Mehta**  
**Partner**  
**ACS 28964**  
**C P No. : 12789**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis: NIL**

- Name(s) of the related party and nature of relationship: NA
- Nature of contracts/arrangements/transactions: NA
- Duration of the contracts / arrangements/transactions: NA
- Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- Justification for entering into such contracts or arrangements or transactions: NA
- Date(s) of approval by the Board: NA
- Amount paid as advances, if any: NA
- Date on which the special resolution was passed in general meeting as required under first proviso to section 188 : N.A.

**2. Details of material contracts or arrangement or transactions at arm's length basis**

Name(s) of Related Party and nature of relationship	Nature of Contracts/ arrangements/ Transaction	Duration of Contract/ arrangements/ Agreement	Salient terms of the Contract or arrangements or transactions including the value, if any	Date(s) of Approval by the Shareholders if any	Amount Paid as Advance, if any
A S Chemotex Private Limited	Lease, leave and License Agreement	8 Year	Rent of Rs. 150000/- P.M with Security Deposit of Rs. 10.00 Lakh	29.09.2014	-
AR Commercial Pvt ltd	Lease, leave and License Agreement	8 Year	Rent of Rs. 150000/- P.M with Security Deposit of Rs. 1.00 Cr.	29.09.2014	-
Indo textile & fibres ltd	Lease, leave and License Agreement	8 Year	Rent of Rs. 225000/- P.M with Security Deposit of Rs. 1.00 Cr	29.09.2014	-
Indo textile & fibres ltd	Lease, leave and License Agreement	8 Year	Rent of Rs. 150000/- P.M with Security Deposit of Rs. 10.00 Lakh	29.09.2014	-
Spell fashions Private ltd	Lease, leave and License Agreement	8 Year	Rent of Rs. 30000/- P.M with Security Deposit of Rs. 51000	29.09.2014	-

**FOR AND ON BEHALF OF BOARD OF**  
**FOR RELIANCE CHEMOTEX INDUSTRIES LIMITED**

**PLACE: Mumbai**  
**DATE: 27 May 2017**

**(Sanjiv Shroff)**  
Managing Director  
DIN: 00296008

**(Rahul Shroff)**  
Executive Director  
DIN: 02301693





**Annexure- 4**

**Corporate Social Responsibility (CSR)**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.:

The CSR Policy was approved by the Board in the Meeting held on 30th May,2014 and has been uploaded on the Company's Website. Company's Main focus on Environment, Education, Health and rural development Sector.

2. The Composition of the CSR Committee: Mr. K.L Sonthalia, Chairman- Independent Director, Mr. R.N Sharma – Member – Non- Executive Director, Mr. Rahul Shroff –Member- Executive Director
3. Average net profit of the company for last three financial years: The Average Net Profit of Last Three Years is Rs. 674.02 Lakh
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): The Company's is required to spent of Rs. 13,48,060/- towards CSR for the Financial Year 2016-17.
5. Details of CSR spent during the financial year:
  - (a) Total amount to be spent for the financial year; Rs. 13,48,060/-
  - (b) Amount unspent, if any; : 8,48,060
  - (c) Manner in which the amount spent during the financial year is detailed below

S.No.	CSR Project or Activity Identified	Sector in which the projects is covered	Project or Programmer	Amount outlay	Amount spent on project or programe	Cumulative expenditure upto to the reporting period.	Amount Spent on CSR Activity Director or through agency.
1	Promoting employment enhancing vocational skills and live hood enhancement programme	Education	--	5,00,000/-	500000/-	500000/-	Agency

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. : In accordance with the Company's CSR policy and in compliance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, Reliance Chemotex Industries Limited has indentified the project with Non Profit Organization which are registered as public Charitable Trust. Further, the Company has undertaken the project to prepare the "Anicut" for water harvesting in the local area of Udaipur District under Jal Swalambhan Yojna introduced by the State of Rajasthan. The project was delayed due to taking the approval from Government local Authorities, the matter was under discussion and the project shall be completed in this year. The Company has committed to spend Rs. 13.48 lakh out of which 5.00 lakh has been spent as on 31.03.2017.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**Responsibility Statement:**

"The Implementing and monitoring of CSR Policy is in compliance with CSR objectives and as per Policy of

Managing Director

Chairman of CSR Committee

**Annexure-5**

(The Report forms part of Directors Report) Disclosure in Directors Report on pursuant to Section 197(12) of the Companies Act, 2013 with the Companies (Appointment & Remuneration of Managerial Person), Rules 2014.

Sr. no.	Particulars	Disclosure										
1.	The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	<table border="1"> <thead> <tr> <th>Name of Director</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>Shri Sanjiv Shroff</td> <td>52.13</td> </tr> <tr> <td>Shri Rahul Shroff</td> <td>48.23</td> </tr> <tr> <td>Shri Ameya Shroff</td> <td>42.86</td> </tr> </tbody> </table>	Name of Director	Ratio	Shri Sanjiv Shroff	52.13	Shri Rahul Shroff	48.23	Shri Ameya Shroff	42.86		
Name of Director	Ratio											
Shri Sanjiv Shroff	52.13											
Shri Rahul Shroff	48.23											
Shri Ameya Shroff	42.86											
2.	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<table border="1"> <tbody> <tr> <td>Shri Sanjiv Shroff, MD</td> <td>108%</td> </tr> <tr> <td>Shri Rahul Shroff, ED</td> <td>136%</td> </tr> <tr> <td>Shri Ameya Shroff, ED</td> <td>205%</td> </tr> <tr> <td>Shri Kiran Firodiya, CFO</td> <td>Nil</td> </tr> <tr> <td>Shri Vimal Tank, CS</td> <td>17%</td> </tr> </tbody> </table> <p>Mr. Kiran Firodiya has been appointed as CFO W.e.f from 1<sup>st</sup> December, 2016</p>	Shri Sanjiv Shroff, MD	108%	Shri Rahul Shroff, ED	136%	Shri Ameya Shroff, ED	205%	Shri Kiran Firodiya, CFO	Nil	Shri Vimal Tank, CS	17%
Shri Sanjiv Shroff, MD	108%											
Shri Rahul Shroff, ED	136%											
Shri Ameya Shroff, ED	205%											
Shri Kiran Firodiya, CFO	Nil											
Shri Vimal Tank, CS	17%											





3.	the percentage increase in the median remuneration of employees in the financial year;	During the Financial Year 2017, the percentage increase in the median remuneration of the employees as compared to previous year 6.3% (approx.)
4.	the number of permanent employees on the rolls of company;	1837
5.	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Increase in the remuneration of Employee & Worker around 16% average. Taking into account the turnover of the company and responsibilities of the directors, the increasing remuneration of MD/ED decided on the basic of performance, inflation and prevailing industry trend and benchmarks, which is in accordsances of peer industry.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, It is confirmed.

1. Managerial person includes Managing Director, Executive Director and Whole time Director.
2. Profit of the Company is calculated as per Section 198 of the Companies Act, 2013.

**ANNEXURE-6**

**Statement containing particular of employees in accordance with Rule 5(2) of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name	Destination	Remuneration	Qualification	Experience	Joining date	Age	Last Employment
Mr. SanjivShroff	Managing Director	6482839	Science Graduate	29 Years	01.09.88	57 Years	--
Mr. Rahul Shroff	Executive Director	5998038	Master of Engineering in Electrical and Computer Science	7 Years	28.07.08	30 Years	--
Mr. Ameya Shroff	Executive Director	5329511	Master of Engineering in Electrical and Computer Science	4 Years	29.06.13	28 Years	--
Mr. Ravindra Kala	Chief Financial Officer	3010967	Chartered Accountant	38 Years	09.08.14	63 Years	Volta India Limited
Mr. Azad Singh Arya	President	3699972	B.Tech	36 Years	24.07.15	63 Years	Spintex Industries Limited
Mr. AnilMujumdar	Vice President Enginerring	1458093	Diploma in Electrical	35 Years	30.09.15	55 Years	Gimatex Industries Ltd.
Mr. S.S Saksena	Vice President Personal	1846740	Master of Social Works	35 Years	26.05.14	60 Years	Birla Textile Mills Limited
Mr. S.S Bomb	Vice President Marketing	1873976	Post Graduate in Arts	41 Years	01.01.15	67 Years	Rewacold falls limited
Mr. V.K Joshi	Vice President R & D	1499768	M. Tech	25 Years	01.07.13	56 Years	Bharat Commercial Industries limited
*Mr.Kiran Firodiya	CFO	1828400	Chartered Accountant	17 Years	01.12.16	43 Years	Omkar & Kargwal Group

Mr.Kiran Firodiya appointed as CFO wef 1.12.2016



## NOMINATION & REMUNERATION POLICY

### Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and Senior Management Level of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Section 178, Companies Act, 2013 and the listing agreement as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

**Terms of Reference:** The Board of Directors in its meeting held on 30<sup>th</sup> May, 2014 reconstitute the Existing remuneration committee of Directors as "Nomination & Remuneration Committee" of Directors with the following terms of reference.

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Textile industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 30<sup>th</sup> May, 2014.

Effective Date: This policy shall be effective from 1<sup>st</sup> April, 2014.  
Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of Remuneration Committee as Nomination and Remuneration Committee on 30<sup>th</sup> May, 2014. The Nomination and Remuneration Committee comprises with there Non Executive Directors.

The Board has the power to reconstitute the Committee in consistent with the Company's policy and applicable statutory requirement.

### Definitions:

1. Board means Board of Directors of the Company.
2. Directors means Directors of the Company.
3. Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board
4. Company means Reliance Chemotex Industries Limited
5. Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
6. Key Managerial Personnel (KMP) means
  - (i) Executive Chairman and / or Managing Director
  - (ii) Whole-time Director
  - (iii) Chief Financial Officer
  - (iv) Company Secretary
  - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
  - (vi) Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**Applicability:** The Policy is applicable to  
Directors (Executive and Non-Executive)  
Key Managerial Personnel  
Senior Management Personnel

### General

This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.

The key features of this Company's policy shall be included in the Board's Report.

**PART A: MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND**



## REMUNERATION COMMITTEE

The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director.

- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel

### **PART – B POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Wholetime Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### 4. Term / Tenure:

1. **Managing Director/Whole-time Director:** - The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. **Independent Director:-** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.- No Independent Director shall hold office for more than two consecutive terms, but

such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one ore term of 5 years only. - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director Serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company

#### **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**Removal:** Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**Retirement:** The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **PART – C POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

#### **General:**

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration /



compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from 1<sup>st</sup> April in respect of directors & other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

**1. Fixed pay:** The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required

**2. Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**3. Provisions for excess remuneration:** If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Director:

**1. Remuneration / Commission :** The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

**2. Sitting Fees:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof, provided that the amount of such fees shall not exceed Rs.20,000/- per meeting of the Board / Committee or such amount as may be prescribed by the Central Government from time to time.

**3. Commission:** Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

**4. Stock Options:** An Independent Director shall not be entitled to any stock option of the Company



**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2017  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the  
Company (Management & Administration) Rules, 2014

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	L40102RJ1977PLC001994
ii.	Registration Date	23.08.1977
iii.	Name of the Company	RELIANCE CHEMOTEX INDUSTRIES LIMITED
iv.	Category/Sub-Category of the Company	Company having Share Capital
v.	Address of the Registered office and contact details	Village Kanpur, Post Box No. 73, Udaipur 313003 0294-2490488
vi.	Whether Listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshares Service Private Limited E-2&3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri ( E ) Mumbai, Ph. 022-40430200

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Synthetic Blended Yarn	13111	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	%of shares held	Applicable Section
NOT APPLICABLE					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	854500	-	854500	21.35%	854500	-	854500	21.35%	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1153179	-	1153179	28.82%	1153179	-	1153179	28.82%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>2007679</b>	<b>-</b>	<b>2007679</b>	<b>50.17%</b>	<b>2007679</b>	<b>-</b>	<b>2007679</b>	<b>50.17%</b>	<b>-</b>



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(2) Foreign										
a) NRI Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-	-	-	-
<b>TOTAL (A) (A1+A2)</b>	<b>2007679</b>	-	<b>2007679</b>	<b>50.17%</b>	<b>2007679</b>	-	<b>2007679</b>	<b>50.17%</b>	-	-
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	150	150	0.00%	-	150	150	0.00%	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	<b>150</b>	<b>150</b>		-	<b>150</b>	<b>150</b>		-	-
<b>2. Non-Institutions</b>										-
a) Bodies Corp.										-
i) Indian	122157	7200	129357	3.23%	152806	7200	160006	4.00%	-	-
ii) Overseas-				-			-	-	-	-
b) Individuals	-									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	667727	429609	1097336	27.42%	734772	-	734772	18.36%	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	648375	62,500	710875	17.76%	621753	421259	1043012	26.06%	-	-
Non Resident Indians	13086	40850	53936		40850	12901	53751	1.34%	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-	-
Foreign Nationals				-	-	200	200	-	-	-
Clearing Members	967	-	967	967	980	-	980	0.02%	-	-
Trusts	1,250		1,250	1,250	1,000	-	1,000	0.03%	-	-
Director or Director Relative		300	300	600	-	300	300	0.01%	-	-
<b>Sub-total (B)(2):-</b>	<b>1453562</b>	<b>540459</b>	<b>1994021</b>	<b>49.83%</b>	<b>1552361</b>	<b>441660</b>	<b>1994,021</b>	<b>49.83%</b>	-	-
<b>Total Public (B1+B2)</b>	<b>1453562</b>	<b>540609</b>	<b>1994171</b>	<b>49.83%</b>	<b>1552511</b>	<b>441660</b>	<b>1994,171</b>	<b>49.83%</b>	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>3461241</b>	<b>540609</b>	<b>4001850</b>	<b>100.00%</b>	<b>3560190</b>	<b>441660</b>	<b>4001850</b>	<b>100.00%</b>	-	-





**(ii) Share holding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 1.04.2016			Shareholding at the end of the year 31.03.2017			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Modern Fibotex India Limited	783179	19.57%	-	783179	19.57%	-	0.00%
2	Shri Shankar Lal Shroff	319650	7.99%	61.21	195650	4.89%	100.00	-38.79%
3	M/s. A.S Chemotex Private Limited	190000	4.75%	-	190000	4.75%	-	0.00%
4	M/s. Sunrise Producers Private Limited	180000	4.50%	-	180000	4.50%	-	0.00%
5	Smt. Bimla Devi Shroff	157800	3.94%	100	157800	3.94%	100.00	0.00%
6	Smt. Dipika Shroff	231150	5.78%	64.53	231150	5.78%	64.53	0.00%
7	Shri Sanjiv Shroff	145800	3.64%	57.48	145800	3.64%	57.48	0.00%
8	Shri Ameya Shroff	-	0.00%	-	124000	3.10%	-	0.00%
9	Shri Nand Gopal Khaitan	100	0.00%	-	100	0.00%	-	0.00%

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of	No. of shares	% of total shares of
	<b>01.04.2016</b>		<b>2007679</b>	<b>50.17%</b>	<b>2007679</b>	<b>50.17%</b>
	<b>Changes during the year</b>		-	-	-	-
				-		-
				-		-
	<b>31.03.2017</b>		<b>2007679</b>	<b>50.17%</b>	<b>2007679</b>	<b>50.17%</b>

\*Mr. S.L.Shroff has gifted 1,24,000 equity shares to Mr. Ameya Shroff.

**(iv) Shareholding Pattern of top ten Shareholders**

Sr. No.	For each of the Top 10 shareholders*	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	INDU BHANDARI At the beginning of the year Changes during the year At the end of the year	01.04.2016		175005	4.37%	175005	4.37%
				-	-	175005	4.37%
		31.03.2017		175005	4.37%	175005	4.37%



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2	<b>RAJESH AGARWAL</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		153746 - 153746	3.84% 0.00% 3.84%	153746 153746 153746	3.84% 3.84% 3.84%
3	<b>MUKESH CHOURADIA</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		62737 - 62737	1.57% 0.00% 1.57%	62737 62737 62737	1.57% 1.57% 1.57%
4	<b>SUSHILA BEN MEHTA</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		62500 - 62500	1.56% 0.00% 1.56%	62500 62500 62500	1.56% 1.56% 1.56%
5	<b>SANGEETHA S</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		61090 - 61090	1.53% 0.00% 1.53%	61090 61090 61090	1.53% 1.53% 1.53%
6	<b>MILI CONSULTANTS &amp; INVESTMENT PRIVATE LIMITED</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		- 40059 40059	- 1.00% 1.00%	- 40059 40059	- 1.00% 1.00%
7	<b>BHARAT JAMAN DAS DATTANI</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		55289 4423 59712	1.38% 0.13% 1.51%	55289 59712 59712	1.38% 1.51% 1.51%
8	<b>BJD SECURITIES PRIVATE LIMITED</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		- 22169 22169	0.00% 0.55% 0.55%	- 22169 22169	0.00% 0.55% 0.55%
9	<b>BHARAT BHARAT DATTANI</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		46234 5680 51914	1.17% 0.14% 1.31%	46234 51914 51914	1.17% 1.31% 1.31%
10	<b>BHARATJAMNADAS</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		24484 - 24484	0.62% 0.00% 0.62%	24484 24484 24484	0.62% 0.62% 0.62%
11	<b>VIJAYANT GOYAL</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		22800 (22800) -	0.57% (0.57)% -	22800 - -	0.57% - -
12	<b>ASHOK KUMAR JAIN</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		45781 (45781) -	1.14% (1.14)% -	45781 - -	1.14% - -
13	<b>SATNAM SING AHUJA</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		49400 (49400) -	1.23% (1.23)% -	49400 - -	1.23% - -

\* The shares of the company are traded on a daily basis, hence the date wise Increase/Decrease in shareholding is not indicated



(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding during the year 31.03.2017	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Sanjiv Shroff</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		145800 - 145800	3.64% 0.00% 3.64%	145800 - -	3.64% 0.00% 0.00%
2	<b>Rahul Shroff</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		- - -	0.00% 0.00% 0.00%	- - -	0.00% 0.00% 0.00%
3	<b>Ameya Shroff</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017	Gift	- 124000 124000	0.00% 3.10% 3.10%	- 124000 124000	0.00% 3.10% 3.10%
4	<b>N.G Khaitan</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		100 - 100	0.00% 0.00% 0.00%	100 - 100	0.00% 0.00% 0.00%
5	<b>R.N Sharma</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		50 - 50	0.00% 0.00% 0.00%	50 - 50	0.00% 0.00% 0.00%
6	<b>Dipika Shroff</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		231,150 - 231,150	5.78% 0.00% 5.78%	231,150 231,150 -	5.78% 5.78% 0.00%
7	<b>K.L Sonthalia</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		200 - 200	0.00% 0.00% 0.00%	200 - 200	0.00% 0.00% 0.00%
8	<b>Ramadoss Srinivasan</b> At the beginning of the year Changes during the year At the end of the year	01.04.2016  31.03.2017		- - -	0.00% 0.00% 0.00%	- - -	0.00% 0.00% 0.00%



9	<b>Narayan Shroff</b>						
	At the beginning of the year	01.04.2016		50	0.00%	50	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2017		50	0.00%	50	0.00%
10	<b>Kiran Firodiya</b>						
	At the beginning of the year	01.04.2016		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2017		-	0.00%	-	0.00%
11	<b>Vimal Tank</b>						
	At the beginning of the year	01.04.2016		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2017		-	0.00%	-	0.00%

**(vi) INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	796,381,672.00	100,000,000.00		896,381,672.00
ii) Interest due but not paid		4,126,510.00		4,126,510.00
iii) Interest accrued but not due	3,978,645.00			3,978,645.00
<b>Total (i+ii+iii)</b>	<b>800,360,317.00</b>	<b>104,126,510.00</b>	<b>-</b>	<b>904,486,827.00</b>
Change in Indebtedness during the financial year				
* Addition		450,000.00		450,000.00
* Reduction	185,207,725.00	(4,126,510.00)		181,081,215.00
<b>Net Change</b>	<b>185,207,725.00</b>	<b>(3,676,510.00)</b>	<b>-</b>	<b>181,531,215.00</b>
Indebtedness at the end of the financial year				
i) Principal Amount	615,152,592.00	100,450,000.00		715,602,592.00
ii) Interest due but not paid		3,658,104.00		3,658,104.00
iii) Interest accrued but not due	3,058,386.00	-		3,058,386.00
<b>Total (i+ii+iii)</b>	<b>618,210,978.00</b>	<b>104,108,104.00</b>	<b>-</b>	<b>722,319,082.00</b>



**(vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Executive Director/ Whole-time Directors and/or Manager**

Sr. No	Particular of Remuneration	Name of MD/ED & WTD				Total Amount
		Sanjiv Shroff (Managing Director)	Rahul Shroff (Executive Director)	Ameya Shroff (Executive Director)		
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,602,329.00	3,860,024.00	4,067,111.00		12,529,464.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,448,510.00	1,756,414.00	938,400.00		4,143,324.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2.	Stock Option	--	--	--	--	--
3.	Sweat Equity	--	--	--	--	--
4.	Commission - as % of profit - Others, specify...	--	--	--	--	--
5.	Others, (Retirement Benefit)	432,000	381,600	324,000		1,137,600
6.	Total(A)	6,482,839	5,998,038	5,329,511		17,810,388
	Ceiling as per the Act	Ceiling on Managerial Remuneration as provided in section 197 of the Companies Act, 2013 is not applicable, the Managerial Remuneration as per Schedule V of the Companies Act 2013				

**B. Remuneration to other directors**

Sr. No.	Particulars of Remuneration							Total (Rs/Lac)
		R.N.Sharma	Ramadoss Srinivasan	K.L. Sonthalia	Narayan Shroff	N.G Khaitan	Dipika Shroff	
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify	-	66,000	92,000	-	-	-	158,000
	Total(1)	-	66,000	92,000	-	-	-	158,000
2	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	23,000	-	-	-	60,000	-	83,000
		1,200,000	-	-	-	-	-	1,200,000
	Total (2)	1,223,000	-	-	-	-	-	1,283,000
	Total(B)=(1+2)	1,223,000	66,000	92,000	-	60,000	-	1,441,000
	Total Managerial Remuneration							19,251,388
	Overall Ceiling as per the Act	Ceiling on Managerial Remuneration as provided in section 197 of the Companies Act, 2013 is not applicable, the Managerial Remuneration as per Schedule V of the Companies Act 2013						

\* Mr. Shanker Menon has resigned from the company w.e.f. 5.11.2016 and he has not attended any meeting.





**C. Remuneration to Key Managerial Persons**

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		CFO	CS	CEO	
1.	Gross salary				
	a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961	51,58179	6,97,228		58,55,407
	(b) Value of perquisites/s 17(2) Income-Tax Act, 1961	19,819	-	--	19,819
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as %of profit - others, specify	-	-	-	-
5.	Others (Retirement Benefit)	94,142	-	--	94,142
	Total	52,72,140	6,97,228	--	59,69,368

**viii .PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other Officers In Default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



**RELIANCE CHEMOTEX INDUSTRIES LIMITED, UDAIPUR**  
**REPORT ON CORPORATE GOVERNANCE**

**1. COMPANY'S PHILOSOPHY ON CORPORATE 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 SEBI Listing Obligations and Disclosure Requirements) Regulations 2015( here in after called Listing Regulation). The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

The Company's Governance framework is based on the following principals.

- a) Appropriate Composition of Board of Directors with each members having expertise in their domain.
- b) Timely disclosure of material, operational, and financial information to the stakeholders.
- c) Proper business conducted by the Board and Senior Management.
- d) System and processes in place for internal control.

A Report on Compliance with the Principles of Corporate Governance as prescribed by the Securities & Exchange Board of India (SEBI) in Chapter IV read with Schedule V of the Listing Regulation in given below.

**2. Code for Prevention of Insider Trading**

The Company has adopted a Code of conduct for Prevention of Insider Trading ("the code") in accordance with the requirement of SEBI (Prohibition of Insider Trading) Regulation 2015. The Code is applicable to promoters and promoters group, all directors and such designated employees who were expected to have access to unpublished price sensitive information relating to the company. The Company Secretary is the Compliance Officer for monitoring adherence to the aforesaid PIT Regulations. The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website viz. [www.reliancechemotex.com](http://www.reliancechemotex.com)

**3. BOARD OF DIRECTORS**

**a) Composition of the Board**

The Board is broad-based and consists of eminent personalities from Industrial, Managerial, Technical, Financial and Marketing background. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements. The Company has a judicious Combination of Executive and Non- Executive Directors. As on March 31, 2017, the Board comprised of 9 Directors out of which three are Executive Directors, three are Independent Directors and three are Non-Executive Directors. The Chairman of the Board is a Non-Executive Director.

**b) Number of Board Meetings held and their dates of holding**

Six Board Meetings were held during the Financial Year 2016-2017 at the following dates 09.04.2016, 24.05.2016, 12.08.2016, 11.11.2016, 30.11.2016 & 10.02.2017 respectively. The maximum time gap between any two consecutive meetings was less than one hundred and twenty days as prescribed in the SEBI (Listing Obligations and Disclosure Requirement) Regulation 2015 and the Companies Act, 2013. The attendance at the Board Meetings during the year, at the last Annual General Meeting and other details regarding other Directorship in other Indian Public Companies etc are as follows



**RELIANCE**  
CHEMOTEX INDUSTRIES LIMITED  
CIN L40102RJ1977PLC 001994

Name of Director & DIN	Category of Director	No. of B.M attended	Last AGM attended	No. of other Directorship and committee Member/ Chairmanship			Relationship	Shares held	
				Other Directorship	Committee Membership	Committee Chairmanship		Director inter- se	Equity
Shri Ramadoss Srinivasan <b>Chairman</b> DIN : 00235831	Independent Director	4	NO	-	-	-		-	-
Shri Shankar Menon DIN 01890229	Independent Director	4	NO	-	-	-		-	-
Shri Sanjiv Shroff <b>(Managing Director)</b> DIN00296008	Promoter/ Managing Director	6	Yes	5	-	-	Related to Shri S.L Shroff, Shri Rahul Shroff, Shri Ameya Shroff, Smt Dipika Shroff, & Shri N.G Khaitan	145800	115000
Shri N.G. Khaitan DIN : 0020588	Promoter/ Non -Executive Director	4	No	10	6	2	Related to Shri S.L Shroff, Shri Sanjiv Shroff, Shri Rahul Shroff, Shri Ameya Shroff, & Smt Dipika Shroff,	100	-
Shri K.L. Sonthalia DIN : 00899958	Independent Director	6	YES	1	-	-		200	-
Shri Narayan Shroff DIN: 05207412	Independent Director	1	NO	-	-	-		50	-
Shri R.N. Sharma DIN :00368947	Non-Executive Director	2	NO	1	-	-		50	-
Shri Rahul Shroff <b>(Executive Director)</b> DIN: 02301693	Promoter/ Executive Director	5	NO	5	-	-	Related to Shri S.L Shroff, Shri Sanjiv Shroff, Shri Ameya Shroff, Smt Dipika Shroff, & Shri N.G Khaitan	-	40000
Shri Ameya Shroff <b>(Executive Director)</b> DIN : 05315616	Promoter/ Executive Director	5	NO	2	-	-	Related to Shri S.L Shroff, Shri Sanjiv Shroff, Shri Rahul Shroff, Smt Dipika Shroff, & Shri N.G Khaitan	124000	-
Smt. Dipika Shroff* <b>(Director)</b> DIN : 00226941	Promoter/ Non -Executive Director	4	No.	2	-	-	Related to Shri S.L Shroff, Shri Sanjiv Shroff, Shri Rahul Shroff, Shri Ameya Shroff & Shri N.G Khaitan	231150	

\* Mr. Shankar Menon, Former Chairman of the Board, has resigned from the Directorship w.e.f. 05.11.2016

\*\* Mr. Ramadoss Srinivasan, Independent Director of the Company elected as a Chairman of the Board

\*\*\* Mr. R.N. Sharma Additional Director confirm as director in AGM held on 12.09.2016



- For the purpose of reckoning the limit under Regulation 26 of Listing Regulation we have considered the Chairmanship/Membership of Audit Committee Stakeholder Relationship Committee.
- Chairmanship/Membership of Committees other than Reliance Chemotex Industries Limited.
- During the year, The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of Listing Regulation to the Board and Committees thereof to the extent it is applicable and relevant information as part of Agenda Paper.
- Mr. N.G Khaitan, Non Executive Director of the Company whose duration is longest in the office is due for retirement by rotation at this annual general meeting and is eligible for re-appointment.

**Board Independence:** The Non-Executive Independent Directors fulfill the conditions of Independence specified in Section 149 of the Companies Act, 2013 and Regulation 16 (b) of Listing Regulation. Format Letter of Appointment of Independent Directors uploaded on website of the company [www.reliancechemotex.com](http://www.reliancechemotex.com)

**Familiarization Programme for Directors:** At the time of appointing a Director, a formal letter of appointment is given to him/her which interalia explain role, function, duties and responsibilities expected of him/her as director of the company. The Director is also explained in details the Compliances required from him/her under the Companies Act, 2013. Listing Regulations and other relevant regulation and affirmation taken with respect to the same. The Managing Director also has one to one discussion with the newly appointed directors to familiarize with the company and its operations. The company has put the Familistarion programme on website of the company [www.reliancechemotex.com](http://www.reliancechemotex.com)

#### **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. Additionally all Independent Directors are bound by duties of Independent Directors as set out in the Companies Act, 2013 read with schedule IV and rules there under. The Code of Conduct is displayed at Company's website [www.reliancechemotex.com](http://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. All Board members and senior management personnel (as per Regulation 26(3) of the Listing Regulations) have affirmed compliance with the applicable Code of Conduct. A declaration to this effect, signed by the Managing Director & CEO forms part of this Report.

#### **1. COMMITTEES OF THE BOARD**

The Board of Directors has constituted Board Committees to deal with specific area and activities which concern the company and need a closer review. The Board Committees are framed with the approval of Board and function in their respective areas. The Board Committees play a vital role in the management of day to day affairs and governance of the company. 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) Stakeholder Relationship Committee (c) Nomination & Remuneration Committee (d) Corporate Social Responsibility Committee (e) Finance Committee.

#### **A) AUDIT COMMITTEE**

##### **Composition**

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations. All members of the Audit Committee are financially literate and expertise in the domain of Finance, Taxation and Risk. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function. Mr. K.L Sonthalia, Independent Director is the Chairman of the Audit Committee. The other members of the Audit Committee include Mr. N.G Khaitan, Mr. Ramadoss Srinivasan and Mr. Narayan Shroff. Mr. Vimal Tank acts as the Company Secretary of the Committee.

##### **Meeting and Attendance:**

The Audit Committee met four times during the Financial Year 2016-17. The Maximum gap between two meetings was not more than 120 days. The committee met on 24.05.2016, 12.08.2016, 11.11.2016 and 10.02.2017. Mr. K.L Sonthalia, Chairman of Audit Committee was present in the Annual General Meeting held on 12.09.2016. The Attendance of the members of the committee is as follows:



Names of Members	Category	No. of Meetings held during Tenure	Number of Meetings attended
Shri K.L.Sonthalia Chairman	Independent Non – Executive	4	4
Shri N.G.Khaitan Member	Not Independent Non – Executive	4	4
Shri Ramadoss Srinivasan Member	Independent Non – Executive	4	3
Shri Shankar Menon Member	Independent Non – Executive	3	-

**Internal Control:** The Company has appointed a Firm of Chartered Accountant as Internal Auditors to review and report on the Internal Control Systems of the Company. The Company also laydown the Internal Financial Control System and Audit Committee reviewed such system. The Statutory Auditor of the Company has submitted their report on Internal Financial Control for the F.Y. ended on 31.03.2017. The Internal Auditor reviewed the Internal Control System and report of the Internal Auditors is reviewed by the Audit Committee.

**Terms of reference**

Audit Committee was constituted in terms of reference as contained in the provision of Regulation 18 of Listing Regulation and comply with the provisions of Section 177(1) of Companies Act, 2013. All members of the Audit Committee are financially literate and bring in expertise in the domain of finance & taxation.

**The terms of reference of the audit committee are broadly as under:**

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly/ half yearly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Examination of the financial statement and the auditors' report thereon;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
- Approval and appointment of Chief Financial Officer.





- Formulating in consultation with Internal Auditor the Scope, functioning, periodicity, and mythology of conducting audit.

**Further the Audit Committee mandatory review**

- Management Discussion and Analysis of Financial Condition and results of operations
- Statement of Significant Related Party Transaction, submitted by the Management.
- Management letter/ letter of Internal Control Weakness issued by Statutory Auditor.
- Internal Audit Report related to Internal Control Weakness.
- Statement of deviation as per Regulation 32 of SEBI (LODR) Regulation, 2015.

**(B) NOMINATION & REMUNERATION COMMITTEE**

The Company has constituted a Nomination & Remuneration Committee for approval of the remuneration payable to the managerial persons with reference to provisions of Schedule V of the Companies Act, 2013, Regulation 19 of Listing Regulation and within the ceiling fixed by the Shareholders and to guide the Board in relation to the appointment and removal, identifying persons and to recommend/review remuneration of the directors including Whole-time/Executive Directors, Key Managerial Personnel (KMP) and Senior Management Personnel. The Committee met four times during the F.Y 2016-17 on 09.04.2016, 12.08.2016, 11.11.2016 & 10.02.2017. The composition of Nomination and Remuneration Committee of the Board of Directors of the Company along with details of meeting held and attended by the members of the committee during the Financial Year 2016-17 is detailed below:

Name of Member	Nature of Membership / Category	No. of Meetings held during Tenure	Number of Meetings attended
Shri K.L.Sonthalia	Chairman/Independent Non – Executive	4	4
Shri Ramadoss Srinivasn	Member/Independent Non – Executive	4	4
*Shri Shankar Menon	Member/Independent	2	-
**Shri R.N Sharma	Member/ Non – Executive	2	-

- \* Mr. Shankar Menon, Member of the Committee has resigned on 05.11.2016
- \*\* Mr. R.N Sharma, Non-Executive Director introduced in the Committee w.e.f. 11.11.2016.
- Mr. Vimal Tank acts as Company Secretary of the Committee. The Chairman of the Committee was present in the Annual General Meeting.

The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provision of law and Nomination and Remuneration policy.

Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Senior Management (one level below the Board of Directors);

To help in determining the appropriate size, diversity and composition of the Board;

To recommend to the Board appointment/re-appointment and removal of Directors;

To frame criteria for determining qualifications, positive attributes and independence of Directors;

To recommend to the Board remuneration payable to the Directors (while fixing the remuneration of executive Directors the restrictions contained in the Companies Act, 2013 are to be considered);

- To create an evaluation framework for the Independent Directors
- To provide necessary reports to the Chairman after the evaluation process is completed by the Directors
- To assist in developing a succession plan for the Board;
- To assist the Board in fulfilling responsibilities entrusted from time to- time; and
- Delegation of any of its powers to any Member of the Committee or the Compliance Officer. and the Board;



**Remuneration Policy :** The Board of Directors its meeting held on 09th August, 2014 has approved the policy on Nomination & Remuneration. The Detailed policy as per requirement of Listing Regulation is given in Annexure-6.

**Details of remuneration paid to Executive Directors for the year 2016-2017.**

**(i) Executive Directors**

Amount in Rs

Name of Executive Directors	Basic Salary	Ex-gratia	Allowances & Perquisites	Contribution to P.F	Total	Service Contract (Years)	Period	Notice Period and Severance Fees
Shri Sanjiv Shroff	36,00,000	3,60,000	20,90,839	4,32,000	64,82,839	3	01.09.14 to 31.08.17	6Month Notice & 3 Month Salary in lieu thereof
Shri Rahul Shroff	31,80,000	3,00,000	21,36,438	3,81,600	59,98,038	3	26.09.15 to 25.09.18	6 Month Notice & 3 Month Salary in lieu thereof
Shri Ameya Shroff	27,00,000	1,80,000	21,25,511	3,24,000	53,29,511	3	1.08.16 to 31.07.19	6 Month Notice & 3 Month Salary in lieu thereof

**Non- Executive Director:** The non-executive directors are paid remuneration by way of sitting fees for the meetings. The Non-Executive Directors are paid sitting fees for each meeting of Board or Committee of Directors attended by them. The Non- Executive Directors do not have any material pecuniary relationship or transaction with the Company. The total Sitting Fees paid during the year was Rs. 241000/- as follow:-

**Attendance of Committee Meeting**

Name of Director	Sitting fee for (Amount in Rs.)	
	Board Meeting	Committee Meeting
Shri N.G. Khaitan	40000	20000
Shri K.L. Sonthalia	60000	32000
Shri Ramadoss Srinivasan	40000	26000
Shri R.N Sharma	20000	3000

**Performance Evaluation**

Pursuant to provision of Companies Act, 2013 and Regulation 17 of the Listing Regulation, the Board has carried out annual evaluation of its own performance ,its committee and directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Boards functioning such as adequacy of the composition of the Board and its committees, Board culture, execution and performance of specific duties, obligation and governance. The performance evaluation of the Chairman/Managing Director/Executive Director was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

The Committee shall identify evaluation criteria which will evaluate directors based on knowledge to perform the role, time & level of participation, performance of duties, level of oversight, professional conduct and independence. The Appointment / Re- Appointment, continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

Evaluation Criteria for Independent Directors: The Committee formulated the evaluation criteria for the Board and the Independent Directors which shall be broadly based on:

1. Knowledge to perform the Role
2. Time & level of Participation



3. Performance of Duties and level of oversight
4. Professional conduct and independent.

**C) STAKE HOLDERS RELATIONSHIP COMMITTEE**

**(i) Composition of Stakeholders Relationship Committee**

The Composition of Stakeholders' Relationship Committee is in compliance with provision of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulation. The Committee comprises of 2 (Two) Non-executive Directors Mr. K.L Sonthalia, Mr. R.N Sharma and 1(one) executive director viz. Mr. Sanjiv Shroff, Managing Director. Mr K.L Sonthalia, Independent Director is the Chairman of the Committee. Mr. Vimal Tank, Company Secretary is the Compliance officer of the Committee. The Committee met four times during the year on 24.05.2016, 12.08.2016, 11.11.2016 & 10.02.2017 and the attendance of the members at the meeting is as follows:

Name of Member	Nature of Membership / Category	No. of Meetings held during Tenure	Number of Meetings attended
Shri K. L. Sonthalia	Chairman/Independent Non – Executive	4	4
Shri Sanjiv Shroff	Member/Independent Non – Executive	4	4
Shri R. N. Sharma	Member/Independent Non – Executive	4	2

**(ii) Terms of reference**

The Committee has been constituted as per provisions as set out in the Listing Regulation and the Companies Act, 2013 and specifically look into the redressing of Shareholders' and Investors' complaints in respect to Dematerialization of Shares, Issue of Duplicate Share Certificate, Non-receipt of Annual Report and Non-receipt of declared Dividends etc.

Further the Board of Directors has authorized the M/s. Big Shares Services Private Limited and Mr. Vimal Tank, Company Secretary to attend the all grievances of the shareholders received directly through SEBI, Stock Exchange, Ministry of Corporate Affairs and ROC etc. The Minutes of meetings of the Stakeholders Relationship Committee are circulated to members of the Committee and the Board, the continuous efforts are made to ensure that grievance are more expeditiously redressed to the complete satisfaction of the Investor.

**iii) Investors Complaints received and resolved during the year**

The Company has received 6 letters/complaints from Investors which have been resolved during the year. There was no complaint remained unresolved as on 31<sup>st</sup> March, 2017. Shareholder complaints generally attended with in seven working days except where constrained by dispute or legal impediment. The details of complaints received by the Company and Registrar & Share Transfer Agent and resolved as quarter wise during the year 2016-17 are as under:

Quarter ended on	No. of Complaints received	No. of Complaint Resolved	No. of Complaints Pending
30.06.2016	2	2	-
30.09.2016	3	3	-
31.12.2016	-	-	-
31.03.2017	1	1	-
<b>Total</b>	<b>6</b>	<b>6</b>	

The above table also includes the complaint received through SEBI Scores.



**D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility (CSR) Committee comprises of Three Directors. Mr. K.L Sonthalia, Independent Director is the Chairman of the Committee and the other members of the CSR Committee include Mr. R.N Sharma & Mr. Rahul Shroff. The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company has formulated CSR Policy, which is uploaded on the website of the Company [www.reliancechemotex.com](http://www.reliancechemotex.com). The CSR Committee met twice during the year on 24.05.2016 and 10.02.2017. The table below provide the attendance of CSR Committee members;

Names of Members	Category	No. of Meetings held during Tenure	Number of Meetings attende
Shri Rahul Shroff	Executive Director	2	2
Shri R.N Sharma	Non- Executive Director	2	1
Shri K.L.Sonthalia	Non- Executive Director	2	2

**E) FINANCE COMMITTEE**

The company has constituted a Finance Committee comprising Shri Sanjiv Shroff, Shri Rahul Shroff and Shri K.L Sonthalia as member for approval of the financial decision, and acceptance of sanction, to execute the required documents in respect of loan / limits granted by Banks. During the year, no meeting of Finance Committee was held.

**F) MEETING OF INDEPENDENT DIRECTORS**

As per provision of Regulation 16 of Listing Regulation and Section 149 of the Companies Act, 2013. A Meeting of Independent Directors of the Company was held on 10<sup>th</sup> February, 2017 and Mr. K.L Sonthalia & Mr. Ramadoss Srinivasan were present in the Meeting.

During the year under review, the Independent Directors discuss the following in the Meeting.

- Review the performance of non-independent directors and the board as whole.
- Review the performance of the Chairperson of the Company, taking into the Accounts the views of Executive Directors and Non-Executive Directors.
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the Meeting company has provided the Brief profile of the Business of the Company and also the working of Company's Managing Director, Executive Director and Whole time Director and also explained their Roles & Responsibilities in the company.

**POLICY ON DEALING WITH RELATED PARTY TRANSACTION**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial years. Related party transactions have been disclosed under the note 27 of significant accounting policies and notes forming part of the Financial Statements in accordance with Accounting Standard. A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval. As required under Regulation 23(1) of Listing Regulations the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on website of the Company [www.reliancechemotex.com](http://www.reliancechemotex.com).

**5. General Body Meetings**

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

Year	AGM	Location	Date	Time
2013-14	36 <sup>th</sup> AGM	Alka Hotel, Udaipur	29 <sup>th</sup> Sept. 2014	10.30 AM
2014-15	37 <sup>th</sup> AGM	Alka Hotel, Udaipur	26 <sup>th</sup> Sept,2015	10.30 A.M
2015-16	38 <sup>th</sup> AGM	Alka Hotel, Udaipur	12 <sup>th</sup> Sept, 2016	10.30 A.M



(ii) Extra Ordinary General Meeting

Year	EGM	Location	Date	Time
2015-16	EGM	Village : Kanpur , Udaipur	30 <sup>th</sup> April, 2015	10.30 AM

**(B) Special Resolutions passed in the previous three AGMs:**

- a) In the AGM held on 12<sup>th</sup> September, 2016
- 1) To re-appoint Shri Ameya Shroff as Executive Director for three year w.e.f 01<sup>st</sup> August, 2016 to 31<sup>st</sup> July, 2019.
  - 2) To enhance the remuneration of Shri Sanjiv Shroff, Managing Director of the company w.e.f from 01<sup>st</sup> April, 2016.
  - 3) To enhance the remuneration of Shri Rahul Shroff, Executive Director of the company w.e.f. 01<sup>st</sup> April, 2016.
- b) In the AGM held on 26<sup>th</sup> September, 2015
- 1) To re-appoint Shri Rahul Shroff as Executive Director for three year w.e.f 26<sup>th</sup> Septebmer, 2015 to 25<sup>th</sup> Septebmer, 2018
  - 2) To adopt new set of Article of Association of the Company.
- c) In the AGM held on 29<sup>th</sup> September, 2014
- 1) To re-appoint Shri Sanjiv Shroff as Managing Director for three year w.e.f 1<sup>st</sup> September, 2014 to 31<sup>st</sup> August, 2017
  - 2) To-re-appoint Shri R.N Sharma, Wholetime Director for the period of three year from 29<sup>th</sup> September, 2014 to 28<sup>th</sup> September, 2017.
  - 3) To- approve lease & license agreement with Indo Textile Fibre Ltd, AR Commercial Private Limited, A.S Chemotex Private Limited & Spell Fashion Private Limited.
  - 4) For ratification of Shareholder Resolution passed in extra-ordinary general meeting held on 20.03.2014 for Issue of 190000 Equity Shares to M/s. A.S Chemotex Private Limited.

**Special Resolutions passed in Extra Ordinary General Meetings:**

- (a) In the EOGM held on 30<sup>th</sup> April, 2015
- 1) Special Resolution under Section 42 and Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, and The Companies (Share Capital & Debentures) Rules, 2014, to offer, issue and allot 1,90,000 (One Lakh Ninety Thousand) Equity Shares of the Company at a Price determined as on Relevant Date in accordance with the Regulation 76(1) of the ICDR Regulations and rounded off to next rupee to M/s A.S. Chemotex Private Limited.
  - (2) No such special resolution were passed through postal ballot during the FY 2016-17 and special resolution to be passed at the ensuing annual general meeting of the company is not proposed to be put by way Postal ballot.

**7. Disclosures**

- (i) During the year, there were 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 or relatives etc that may have a potential conflict with the interest of the Company at large.
  - (ii) 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.
  - (iii) The Company has Vigil Mechanism/ Whistle Blower Policy the same was posted on the Company website [www.reliancechemotex.com](http://www.reliancechemotex.com). The details disclosure on the policy is elsewhere in the Board's Report.
  - (iv) The entire mandatory requirement has been appropriately complied with and the non-mandatory requirements are dealt with at the end of this report.
  - (v) weblink
- a) Familiarization programme for Independent Directors.  
<http://www.reliancechemotex.com/familisationProgramme.html>





- b) Related party transaction policy  
<http://www.reliancechemotex.com/policyRelatedPartyTransaction.html>
- c) Material Subsidiary: NA
- There have not been any significant changes in the accounting policies during the year.
  - No 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.
  - 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.
  - During the year, there is no such share certificate which lying in Demat Suspense/ Unclaimed suspense account.
  - All Accounting Standard mandatorily require have been followed without exception in preparation of financial statement.

#### 8. Means of Communication

The quarterly, half yearly financial results along with 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). Financial Results and Shareholding Pattern are also available at Company's website [www.reliancechemotex.com](http://www.reliancechemotex.com). Further Press Release and Investor Presentation are also displayed in Company Website.

Management Discussion and Analysis Report form part of this Annual Report consolidated with the Board Report.

#### 9. General Shareholders' Information

1.	Annual General Meeting Date, Time and Venue	28 <sup>th</sup> Day of August, 2017 at 10.30 AM at Alka Hotel, Near Shastri Circle, Udaipur (Raj.)
2.	Book Closure	From 22 <sup>nd</sup> August, 2017 to 28 <sup>th</sup> August, 2017
3.	Dividend payment date	Commencing from 1 <sup>st</sup> September, 2017 and completed with in due time
4.	Listing on Stock Exchanges and Stock Code	The Shares of the Company are listed on BSE Ltd, 25, PJ Tower, Dalal Street, Mumbai with the Code No. 503162 and Annual Listing Fees for the Financial Year 2017-18 paid in due time.
5.	Registrar and Share Transfer Agent	M/s Bigshare Services Pvt. Ltd
6.	Share Transfer System	The Company Share Transfer Agent register the Shares received from the Shareholders for transfer in physical form within 15 days from the receipts of documents, if the same was found in order. Transfer documents under objection are returned within two weeks.
6.	Dematerialization of Shares and Liquidity	As on 31 <sup>st</sup> March, 2017, 3532091 of the total number of shares are in dematerialized form out of the 4001850 listed Equity Shares of the Company.
7.	Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments, Conversion date and likely impact on equity	N.A
8.	Plant Location	Village Kanpur, Post Box No. 73, Distt Udaipur -313003



9.	Address for Correspondence	<p><b><u>Registered Office:</u></b> 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><b><u>Registrar &amp; Share Transfer Agent:</u></b> M/s Bigshare Services Pvt. Ltd. E- 2 &amp; 3 Ansa Industrial Estate, Saki Vihar Road Saki Naka, Andheri (E), Mumbai – 400 072 Ph No. 28470652, 40430200 Fax: 2847 5207 E-mail : <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a></p>
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**(b) Tentative Calendar for the Financial Year ending March 31,2018**

The tentative dates for Board Meeting consideration of quarterly/half yearly/Yearly financial result are as follows.

Sr. No.	Particular of Quarter	Tentative dates
1	First Quarter Result	On or before 14 <sup>th</sup> September,2017
2	Second Quarter & Half yearly Result	On or before 14 <sup>th</sup> December,2017
3	Third Quarter & Nine Months Result	On or before 14 <sup>th</sup> February,2018
4	Fourth Quarter & Annual Audited Result	On or before 30 <sup>th</sup> May,2018

**(c) Distribution of Shareholding as on 31st March 2017 are as under:**

According to category of holding:

Category	No.of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters	5	0.05	854500	21.35
Corporate Bodies Promoter Company	3	0.03	1153179	28.82
Director & Director Relatives	3	0.03	300	0.01
FI's & Banks	1	0.01	150	0.00
Individuals	9873	98.43	1777784	44.42
Body Corporates	93	0.93	160006	4.00
Corporate Body NBFC	1	0.01	200	0.00
Trusts	1	0.01	1000	0.02
NRI	46	0.46	53751	1.34
Clearing Members	4	0.04	980	0.02
<b>TOTAL</b>	<b>10,030</b>	<b>100</b>	<b>4,001,850</b>	<b>100</b>



**(i) According to Number of Equity Shares:**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-5000	9786	97.57	7480270	18.69
5001-10000	117	1.17	921530	2.30
10001-50000	84	0.84	1837020	4.59
50001-100000	17	0.17	1214400	3.03
Over 100000	26	0.26	28565280	71.38
<b>TOTAL</b>	<b>10,030</b>	<b>100.00</b>	<b>40,01,850</b>	<b>100.00</b>

**(d) Market Price Data :**

Monthly high/low market price of the Company's Equity Shares traded on the BSE Limited and Performance in Comparison to BSE Sensex are as follows:

(Amount in Rs per Share)

RCIL Share Data			BSE Sensex	
Month	High(Rs.)	Low(Rs.)	High	Low
Apr'16	48.45	39.50	26100.54	24523.2
May'16	81.40	41.65	26837.2	25057.93
Jun'16	76.5	58.10	27105.41	25911.33
Jul'16	75.15	61.00	28240.2	27034.14
Aug'16	74.00	60.00	28532.25	27627.97
Sep'16	74.00	63.25	29077.28	27716.78
Oct'16	77.55	63.35	28477.65	27488.3
Nov'16	78.00	55.00	28029.8	25717.93
Dec'16	76.00	62.60	26803.76	25753.74
Jan'17	84.50	57.00	27980.39	26447.06
Feb'17	77.80	64.55	29065.31	27590.1
Mar'17	74.90	60.00	29824.62	28716.21

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

- d) No security of the Company has been suspended from trading on any stock exchange where there are listed Share Transfer System  
e) Share transfer are registered and returned with in a period of 15 days from the date of receipts, if the documents are clear in all respects, executives of the company have been authroised to approve transfer in addition to the Committee.

**Mandatory:**

The company has fully complied with the applicable mandatory requirement under Regulation 26 of Listing Regulation.

A Secretarial Audit Report for the year 2016-17 carried out by M/s. V.M & Associates, Practicing Company Secretary Jaipur is annexed to the Directors Report and forms a part of the Annual Report.

Declaration regarding affirmation of Code of Conduct

In terms of the requirement of the Regulation 26(3) of SEBI ( Listing Obligation and Disclosure Requirement) Regulation 2015, 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](http://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, 2017.

Place: Mumbai  
Date: 27 May 2017

**SANJIV SHROFF**  
Managing Director  
DIN : 00296008



## AUDITOR'S COMPLIANCE CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To the Members of the Reliance Chemotex Industries Limited

We have examined the compliance of conditions of Corporate Governance of Reliance Chemotex Industries Limited, for the year ended on March 31, 2017 as stipulated in Regulation 34 (3) of SEBI ( Listing Obligation and Disclosure Requirement) Regulation 2015 collective referred as ( SEBI Listing Regulation, 2015)

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 SEBI Listing Regulation.

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.

Special B-1,  
Room No. 111, Industrial Estate  
22, Godown, Jaipur -302006

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

Dated : 27.05.2017  
Camp : Mumbai

C.P.JAIN  
Partner  
M.N. 70156

## 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, 2017 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  
Dated: 27.05.2017

Kiran Firodiya  
CFO

Sanjiv Shroff  
Managing Director & CEO



## 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 31<sup>st</sup> March 2017, the Statement of Profit and Loss and the 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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

1. As required by the companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in annexure A statement on the matters specified in Paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure –B.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our knowledge and belief information and according to the explanations given to us:
    - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer to note 27 to the financial statements;
    - b) As per information & explanation given to us the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
    - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - d) The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and these are accordance with the books of accounts maintained by the company.

Special B-1, Room No.111  
1St floor, 22 Godown, Ind Estate,  
Jaipur-302006

Date: 27/05/2017  
Place : Mumbai

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

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





## “Annexure A” to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the programme, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company, except lease hold land.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any unsecured loan to companies, firms, or other parties covered in the Register maintained under Section 189 of the Act. Therefore the provisions of clause 3 (iii) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 In respect of loans, Investments, guarantees, and security provided if any.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) We have broadly reviewed the books of accounts maintained by the Company pursuant to rules made by the Central Government for maintenance of Cost records under Sub Section (1) of section 148 of the Companies 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 record and accounts.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of accounts, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
- (b) On the basis our examination of the documents produced to us and according to the information and explanations given to us the dues of Income Tax, Service Tax, Duty of Excise, Cess which have not been deposited on account of dispute and the forum where the dispute is pending are as under:-
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

Nature of Statute	Nature of dues	Amount involved in Rs.	Period to which it relates to (Year ended)	Forum where dispute is pending
Income Tax Act 1961	Income Tax	1,54,33,480	F.Y.2011-12	The Commissioner of Income Tax, Appeals, Kolkata
Income Tax Act 1961	Income Tax	48,47,040	F.Y 2012-13	The Commissioner of Income Tax, Appeals, Kolkata
Service Tax Act	Service Tax	47,63,158	31-3-2003 to 31-3-2007	The Asst. Commissioner (Appeals) Central Excise, Jaipur
Central Excise Act	Excise Duty	23,567	31-3-1980 to 31-3-1992	The Asst. Commissioner Central Excise, Udaipur

- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of further public offer including debt instruments. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Special B-1, Room No.111  
1St floor, 22 Godown, Ind Estate,  
Jaipur-302006

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

Date: 27/05/2017  
Place : Mumbai

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



## **Annexure "B" To The Independent Auditor's Report of Even Date on The Standalone Financial Statements of Reliance Chemotex Industries Limited.**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Reliance Chemotex Industries Limited (the Company) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the

reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respect, an adequate internal financial control system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential component on internal control stated, in the guidance note on Internal Financial Control over financial reporting issued by ICAI.

Special B-1, Room No.111  
1St floor, 22 Godown, Ind Estate,  
Jaipur-302006

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

Date: 27/05/2017

Place : Mumbai

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



**BALANCE SHEET**  
**AS AT 31<sup>ST</sup> MARCH 2017**

PARTICULARS	NOTE NO.	31 <sup>ST</sup> MARCH 2017		31 <sup>ST</sup> MARCH 2016	
		Rs	Rs	Rs	Rs
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share capital	1	27,06,98,375		27,06,98,375	
(b) Reserves and surplus	2	35,04,05,829	62,11,04,204	31,59,86,869	58,66,85,244
<b>(2) Non-current Liabilities</b>					
(a) Long-term borrowings	3	37,05,73,753		50,80,17,235	
(b) Deferred tax liabilities (Net)	4	5,73,83,580		4,92,15,489	
(c) Other long term liabilities	5	79,22,380		71,36,327	
(d) Long term provisions	6	1,45,15,687	45,03,95,400	1,90,94,657	58,34,63,708
<b>(3) Current Liabilities</b>					
(a) Short-term borrowings	7	21,23,80,660		23,58,68,485	
(b) Trade Payables	8	35,13,17,193		32,29,45,330	
(c) Other current liabilities	9	22,80,62,383		24,91,74,853	
(d) Short-term provisions	10	4,86,58,825	84,04,19,061	3,60,58,825	84,40,47,493
<b>TOTAL</b>			<b>1,91,19,18,665</b>		<b>2,01,41,96,445</b>
<b>II ASSETS</b>					
<b>(1) Non-current Assets</b>					
<b>(a) Fixed Assets</b>					
(i) Tangible assets	11	1,06,66,93,436		1,08,74,95,174	
(ii) Intangible assets	11	40,00,467		49,09,727	
(iii) Capital work-in-progress	27(7iii)	-		1,09,43,217	
(b) Non-current Investments	12	-		-	
(c) Long-term loans and advances	13	1,50,65,914		1,50,63,526	
(d) Other non-current assets	14	-	1,08,57,59,817	-	1,11,84,11,644
<b>(2) Current Assets</b>					
(a) Inventories	15	38,09,80,648		39,21,44,143	
(b) Trade Receivables	16	18,35,22,246		20,83,18,110	
(c) Cash and cash equivalents	17	4,89,22,202		4,84,01,677	
(d) Short-term loans and advances	18	12,78,47,112		15,70,23,592	
(e) Other current assets	19	8,48,86,640	82,61,58,848	8,98,97,279	89,57,84,801
<b>TOTAL</b>			<b>1,91,19,18,665</b>		<b>2,01,41,96,445</b>
Significant Accounting Policies and Notes on Financial Statements	27				

As per our attached Report of even date.

On behalf of the Board of Directors

Special B-1,  
Room No. 111, 1st Floor,  
22 Godown, Ind. Estate  
Jaipur - 302 006

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

Camp : Mumbai  
Dated : 27/05/2017

**C.P. JAIN**  
Partner  
M.No. 70156

**VIMAL TANK**  
Company Secretary  
M.No. 22370

**KIRAN FIRODIYA**  
Chief Financial  
Officer

**SANJIV SHROFF**  
Managing Director  
DIN - 00296008

**RAHUL SHROFF**  
Executive Director  
DIN - 02301693



**STATEMENT OF PROFIT & LOSS**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

PARTICULARS	NOTE NO.	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
		Rs	Rs	Rs	Rs
<b>I Revenue from operations</b>	20		<b>2,88,77,68,241</b>		2,61,76,82,806
Less : Excise Duty			<b>4,04,08,417</b>		4,64,20,945
			<b>2,84,73,59,824</b>		2,57,12,61,861
<b>II Other Income</b>	21		<b>10,06,03,141</b>		2,67,36,554
<b>III Total Revenue (I+II)</b>			<b>2,94,79,62,965</b>		2,59,79,98,415
<b>IV EXPENSES :</b>					
Cost of Materials Consumed	22		<b>1,63,34,57,527</b>		1,43,04,34,138
Changes in Inventories of Finished Goods and Work in Progress	23		<b>(2,80,498)</b>		(2,27,90,737)
Employee Benefits Expense	24		<b>35,83,82,549</b>		33,11,21,868
Finance Costs	25		<b>10,99,17,812</b>		13,12,58,445
Depreciation and amortisation Expense	11		<b>6,71,20,981</b>		6,59,68,389
Other Expenses	26		<b>70,04,63,926</b>		64,49,15,717
<b>Total Expenses</b>			<b>2,86,90,62,297</b>		2,58,09,07,820
<b>V Profit before exceptional and extraordinary items and Tax (III-IV)</b>			<b>7,89,00,668</b>		1,70,90,595
<b>VI Exceptional Items</b>			-		-
<b>VII Profit before extraordinary items and tax (V-VI)</b>			<b>7,89,00,668</b>		1,70,90,595
<b>VIII Extra Ordinary Items</b>			-		-
<b>IX Profit before tax (VII - VIII)</b>			<b>7,89,00,668</b>		1,70,90,595
<b>X Tax Expense :</b>					
1. <u>Income Tax</u>					
Current tax		1,61,00,000		35,00,000	
Earlier Year Tax		-		(30,356)	
2. MAT Credit Entitlement		(1,23,45,208)		(1,72,49,293)	
3. Deferred Tax		81,68,091		55,61,818	
4. Wealth Tax		-		-	
			<b>1,19,22,883</b>		(82,17,831)
<b>XI Profit for the Year (IX-X)</b>			<b>6,69,77,785</b>		2,53,08,426
<b>XII Earnings per equity share (Basic and Diluted ) (refer note 9 in Note 27)</b>			<b>9.86</b>		(0.62)
Significant Accounting Policies and Notes on Financial Statements	27				

As per our attached Report of even date.

On behalf of the Board of Directors

Special B-1,  
Room No. 111, 1st Floor,  
22 Godown, Ind. Estate  
Jaipur - 302 006

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

Camp : Mumbai  
Dated : 27/05/2017

**C.P.JAIN**  
Partner  
M.No. 70156

**VIMAL TANK**  
Company Secretary  
M.No. 22370

**KIRAN FIRODIYA**  
Chief Financial  
Officer

**SANJIV SHROFF**  
Managing Director  
DIN- 00296008

**RAHUL SHROFF**  
Executive Director  
DIN - 02301693



**NOTES**

Notes "1" to "27" Annexed to and forming part of the Company's Balance Sheet as at 31.03.2017 and Statement of Profit & loss for the year ended on that date.

	31 <sup>st</sup> MARCH 2017		31 <sup>st</sup> MARCH 2016	
	Rs.	Rs.	Rs.	Rs.
<b>1 Share Capital</b>				
<b>(I) Authorised :</b>				
1,35,00,000 (P.Y. 1,35,00,000) Equity Shares of Rs.10/- each	<b>13,50,00,000</b>		13,50,00,000	
30,25,000 (P.Y. 30,25,000) Preference Shares of Rs.100/- each	<b>30,25,00,000</b>		30,25,00,000	
		<b>43,75,00,000</b>		<b>43,75,00,000</b>
<b>Issued :</b>				
40,22,100 (P.Y. 40,22,100) Equity Shares of Rs.10/- each	<b>4,02,21,000</b>		4,02,21,000	
23,07,500 (P.Y. 23,07,500) 10% Cumulative Redeemable Preference Shares of Rs.100/- each	<b>23,07,50,000 (A)</b>	<b>27,09,71,000</b>	<b>23,07,50,000</b>	<b>27,09,71,000</b>
<b>Subscribed and Fully Paid :</b>				
39,76,650 (P.Y. 39,76,650) Equity Shares of Rs.10/- each	<b>3,97,66,500</b>		3,97,66,500	
<b>Subscribed but not fully paid :</b>				
25200 Equity Shares of Rs.10/- each Less : Calls unpaid (Other than Directors and Officers)	<b>2,52,000</b> <b>(1,26,000)</b>		2,52,000 (1,26,000)	
Forfeited	<b>55,875 #</b>	<b>3,99,48,375</b>	<b>55,875</b>	<b>3,99,48,375</b>
23,07,500 (P.Y. 23,07,500) 10% Cumulative Redeemable Preference Shares of Rs.100/- each		<b>23,07,50,000 (A)</b>		<b>23,07,50,000</b>
Total Subscribed and Paid up Capital		<b>27,06,98,375</b>		<b>27,06,98,375</b>

# Amount originally paid on 20,250 Equity Shares forfeited during an earlier year

(A)	No. of 10% Redeemable Preference Shares 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 (a)
	2,75,000	28.01.2011 (a)
	72,000	24.03.2011 (a)
	1,33,000	26.03.2011 (a)
	5,00,000	31.03.2011 (a)
	3,25,000	07.03.2013 (a) (b)
	2,77,500	30.03.2013 (a) (b)
	1,00,000	01.03.2014 (a) (b)
	3,00,000	17.01.2015 (a) (b)
	<b>23,07,500</b>	

(a) These shares are redeemable at par on expiry of 20 years from the respective dates of allotment.

(b) However, redemption of these shares can also be done before maturity by the Board of Directors.



**(II) 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 Equity Shares issued on 31.03.2014 have a lock-in period of 3 years from the respective dates of trading in 08.01.2016.

**(III) 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.

**(IV) 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	AS AT 31.03.2017		AS AT 31.03.2016	
	No. of Shares	% Held	No. of Shares	% Held
1. M/s. Modern Fibotex India Ltd.	7,83,179	19.69	7,83,179	19.69
2. Shri S.L. Shroff	1,95,650	4.92	3,19,650	8.04
3. Smt. Dipika Shroff	2,31,150	5.81	2,31,150	5.81

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

Name of Shareholders	AS AT 31.03.2017		AS AT 31.03.2016	
	No. of Shares	% Held	No. of Shares	% Held
1. M/s. Modern Fibotex India Ltd.	15,47,500	67.06	15,47,500	67.06
2. M/s. A.R. Fibtex Pvt.Ltd.	1,95,000	8.45	1,95,000	8.45
3. M/s. A.R.Commercial Pvt.Ltd.	1,25,000	5.42	1,25,000	5.42

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

PARTICULARS	AS AT 31.03.2017		AS AT 31.03.2016	
	No. of Shares	Amount	No. of Shares	Amount
<b><u>EQUITY SHARES</u></b>				
Shares at the beginning of the year	40,22,100	4,02,21,000	40,22,100	4,02,21,000
Add: Issued during the year	-	-	-	-
Shares at the end of the year	<u>40,22,100</u>	<u>4,02,21,000</u>	<u>40,22,100</u>	<u>4,02,21,000</u>
<b><u>PREFERENCE SHARES</u></b>				
Shares at the beginning of the year	23,07,500	23,07,50,000	23,07,500	23,07,50,000
Add: Issued during the year	-	-	-	-
Shares at the end of the year	<u>23,07,500</u>	<u>23,07,50,000</u>	<u>23,07,500</u>	<u>23,07,50,000</u>





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	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	Rs.	Rs.	Rs.	Rs.
<b>2 Reserves and Surplus</b>				
<b>Capital Reserves :</b>				
Central Cash Subsidy				
As per last account		15,00,000		15,00,000
Securities Premium Reserve				
<b>Security Premium Account</b>				
As per last account	6,47,11,138		6,26,21,138	
Additions during the year	-		20,90,000*	
	<u>6,47,11,138</u>		<u>6,47,11,138</u>	
Less : Amount Unpaid	<u>3,78,000</u>	6,43,33,138	<u>3,78,000</u>	6,43,33,138
<b>Other Reserves :</b>				
General Reserve				
As per Last Account	6,44,79,390		6,44,79,390	
Add Transfer from Statement of Profit & Loss	-	6,44,79,390	-	6,44,79,390
	<u>-</u>		<u>-</u>	
<b>Surplus :</b>				
As per last Statement of Profit & Loss	18,56,74,341		19,29,24,740	
Add : Profit for the year	6,69,77,785		2,53,08,426	
	<u>25,26,52,126</u>		<u>21,82,33,166</u>	
<b>Less Appropriations :</b>				
Transfer to General Reserve	-		-	
<b>Proposed Dividend :</b>				
On Equity Shares	39,76,650		39,76,650	
[Dividend per Share Rs. 1.00 (P.Y. Rs. 1.00)]				
On Cumulative Redeemable Preference Shares	2,30,75,000		2,30,75,000	
[Dividend per Share Rs. 10.00 (P.Y. Rs. 10/-)]				
Tax on proposed Dividend	<u>55,07,175</u>	<u>22,00,93,301</u>	<u>55,07,175</u>	<u>18,56,74,341</u>
		<u>35,04,05,829</u>		<u>31,59,86,869</u>
* Rs. 20,90,000 received as Security Premium being a difference in price of Rs. 11/- on 1,90,000 Equity Shares allotted to M.s A.S.Chemotex Private Ltd. on 31.03.2014.				
<b>3 Long Term Borrowings</b>				
<b>(i) Term Loans from Banks - (Secured)</b>				
(a) IDBI Bank Limited (IDBI)	- (1)		2,39,87,527 (1)	
(b) State Bank of India (SBI)	3,25,16,336 (2)		6,02,26,572 (2)	
(c) SBI Corporate Loan	5,00,00,008 (2)		7,50,00,004 (2)	
(d) Export Import Bank of India (EXIM)	5,90,10,511 (3)		8,06,77,179 (3)	
(e) Export Import Bank of India (Buyers Credit)	3,80,46,389 (3)		4,07,96,465 (3)	
(f) HDFC Bank (HDFC)	<u>9,80,509 (5)</u>	18,05,53,753	<u>2,53,488 (5)</u>	28,09,41,235
<b>(ii) Term Loan from Others Parties - (Secured)</b>				
Rajasthan State Industrial Development & Investment Corporation Limited (RIICO)		8,95,70,000 (4)		12,70,76,000 (4)
<b>(iii) Loans and Advances - (Unsecured)</b>				
Loans from related parties (Bodies Corporate)	4,03,50,000		4,25,50,000	
Loans from other parties (Bodies Corporate)	<u>6,01,00,000</u>	<u>10,04,50,000 (7)</u>	<u>5,74,50,000</u>	<u>10,00,00,000 (7)</u>
		<u>37,05,73,753</u>		<u>50,80,17,235</u>



**REMARKS :**

**1 Term Loans from IDBI Bank Limited**

- a) Term Loan of Rs. 19,19,00,000/- , outstanding of Rs. 2,17,81,936/- (partly converted in to FCNR (B) loan) as on 31.03.17 (P.Y. 4,93,24,905/-) including Rs. 2,17,81,936/- (P.Y. Rs. 2,53,37,378/- ) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured 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 and hypothecation charge over 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. 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 31.03.2018 and carry floating interest rate at base rate + 4%. and Six Months Libor plus 3.75% p.a. for FCNR (B) loan.

**2 Term Loan from State Bank of India**

- a) Term Loan of Rs. 19,64,00,000/-, outstanding Rs. 60,50,236/- (P.Y. 3,44,14,181/-) including Rs. 60,50,236/- (P.Y. Rs. 2,83,63,645/-) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured 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 and hypothecation charge over 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. 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+ 3.70%.

- b) Term Loan of Rs.13,00,00,000/-, Outstanding of Rs.5,34,30,699/- (partly converted in to FCNR (B) loan) as on 31.03.17 (P.Y. 7,64,87,819/-) including Rs. 2,09,14,363/- (P.Y. 2,23,11,483/-) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured 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 and hypothecation charge over 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. 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 monthly Instalments from Oct.2013 and last instalment is payable by September 2019 and carry floating interest rate at base rate + 3.70%. and Six Months Libor plus 4.00% p.a. for FCNR (B) loan.

- c) Corporate Loan of Rs.10,00,00,000/-, Outstanding of Rs.7,39,06,916/-(partly converted in to FCNR (B) loan) as on 31.03.17 (P.Y. 10,08,85,189/-) including Rs. 2,39,06,908/- (P.Y. Rs. 2,58,85,185/-) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured by First Pari Passu charges on Entire Current Assets of the Company present and future. Collateral security by way of 1st pari passu charge on Entire Fixed Assets of the Company including Factory Building at Village : Kanpur, Udaipur. The above loans of Rs.10,00,00,000/- have also been guaranteed by the Managing Director and one other Director of the Company.

This loan is repayable in 48 monthly Instalments starting from April 2016 and last instalment is payable by March 2020 and carry floating interest rate at base rate + 3.60%.and Six Months Libor plus 4.00% p.a. for FCNR (B) loan.

**3 Term Loan from Export Import Bank of India**

- a) Term Loan of Rs.13,00,00,000/-, Outstanding Rs. 11,87,23,568/- as on 31.03.17 (P.Y. 13,23,06,978/- ) which includes buyer credit of EURO 5,42,032 (Previous Year EURO 5,43,805) (equivalent to Rs. 3,80,46,389/- (Previous Year Rs. 4,07,96,465/-) availed from PNB Hongkong against LOU from EXIM Bank, including Rs. 2,16,66,668/- (P.Y. Rs. 1,08,33,334/- ) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured 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 and hypothecation charge over 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. The above loans of Rs.13,00,00,000/- have also been guaranteed by Managing Director and one other Director of the Company.

This loan is repayable in 24 quarterly equal installments from November 2016 and last installment is payable by August 2022. The above term loan carry interest @LTMLR + 2.60% p.a.



**4 Term Loan from Rajasthan State Industrial Development & Investment Corporation Limited (RIICO)**

- a) "Term Loan of Rs.10,00,00,000/-, Outstanding Rs. 3,33,36,000/- as on 31.03.17 (P.Y. 5,00,02,000/-) 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 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 and hypothecation charge over 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. The above loans of Rs.10,00,00,000/- have also been guaranteed by 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 February 2019. The above term loan carry interest @11.00% p.a. "

- b) "Term Loan of Rs.12,50,00,000/-, Outstanding Rs. 9,37,40,000/- as on 31.03.17 (P.Y. 11,45,80,000/- ) including Rs. 2,08,40,000/- (P.Y. 2,08,40,000/-) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured 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 and hypothecation charge over 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. The above loans of Rs.12,50,00,000/- have also been guaranteed by Managing Director and one other Director of the Company.

This loan is repayable in 24 quarterly equal installments from November 2015 and last installment is payable by August 2021. The above term loan carry interest @11.5% p.a. "

**5 Term Loans (Vehicle Loans) from HDFC Bank Limited**

- (a) Vehicle Loan from HDFC Bank Ltd. of Rs. 12,00,000/- outstanding Rs. NIL as on 31.03.2017 (P.Y. Rs. 38,401/- ) including Rs. NIL (P.Y. Rs. 38401/- ) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 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 May, 2013 along with interest @ 10% per annum and the last instalments was paid in April, 2016.
- (b) Vehicle Loan from HDFC Bank Ltd. of Rs. 9,25,000/- outstanding Rs. NIL as on 31.03.2017 (P.Y. Rs. 3,16,305/- ) including Rs. NIL (P.Y. 3,16,305/-) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 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 March, 2014 along with interest @ 11.40% per annum and the last instalment was paid in February, 2017 .
- (c) Vehicle Loan from HDFC Bank Ltd. of Rs. 6,50,000/- outstanding NIL as on 31.03.2017 (P.Y. Rs. 241349/- ) including Rs. NIL (P.Y. Rs.241349/- ) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 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 April, 2014 along with interest @ 11.40% per annum and the last instalment was paid in March, 2017 .
- (d) Vehicle Loan from HDFC Bank Ltd. of Rs. 6,50,000/- outstanding Rs. 62,295/- as on 31.03.2017 (P.Y. 2,95,800/-) including Rs. 62,295/- (P.Y. Rs. 2,33,505/- ) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 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 July, 2014 along with interest @ 10.50% per annum and the last instalment is payable by June, 2017.
- (e) Vehicle Loan from HDFC Bank Ltd. of Rs. 6,50,000/- outstanding Rs. 1,22,982/- as on 31.03.2017 (P.Y. Rs. Rs. 3,50,457/- ) including Rs. 1,22,982/- (P.Y. Rs. 2,27,475/- ) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 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 October, 2014 along with interest @ 10.50% per annum and the last instalment is payable by September, 2017 .
- (f) Vehicle Loan from HDFC Bank Ltd. of Rs. 7,18,000/- outstanding 68,210/- as on 31.03.2017 (P.Y. Rs. 3,23,895/- ) including Rs. 68,210/- (P.Y. Rs. 2,55,684/- ) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 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 July, 2014 along with interest @ 10.50% per annum and the last instalment is payable by June, 2017 .
- (g) Vehicle Loan from HDFC Bank Ltd. of Rs. 6,00,000/- outstanding Rs.5,41,561/- as on 31.03.2017 (P.Y. NIL ) including Rs.1,86,995/- (P.Y. NIL) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 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 December, 2016 along with interest @ 9.66% per annum and the last instalment is payable by November, 2019 .
- (h) Vehicle Loan from HDFC Bank Ltd. of Rs. 6,00,000/- outstanding Rs.5,41,561/- as on 31.03.2017 (P.Y. NIL ) including Rs.1,86,995/- (P.Y. NIL) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 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 December, 2016 along with interest @ 9.66% per annum and the last instalment is payable by November, 2019 .



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- (i) Vehicle Loan from HDFC Bank Ltd. of Rs. 6,00,000/- outstanding Rs.4,65,968/- as on 31.03.2017 (P.Y. NIL ) including Rs.1,94,591/- (P.Y. NIL) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 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 July, 2016 along with interest @ 9.75% per annum and the last instalment is payable by June 2019 .

**6 Terms of Repayment of Unsecured Loans**

Aggregate Amount outstanding Rs.10,04,50,000/- (P.Y.Rs.10,00,00,000/-)	Rate of Interest 09 to 12%	Maturity Terms
		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 31.03.2017, only after 31.03.2018 (P.Y. as on 31.03.2016, only after 31.03.2017) (Refer Para 7 (vi) of Note 27)

	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	Rs.	Rs.	Rs.	Rs.
<b>4 Deferred Tax Liabilities (Net)</b>				
Deferred Tax Liability			8,35,35,497	
Timing Difference of Depreciation	9,36,68,112			
Deferred Tax Assets				
Expenditure u/s 43B of IT Act 1961	<u>(3,62,84,532)</u>	5,73,83,580	<u>(3,43,20,008)</u>	4,92,15,489
<b>5 Other Long Term Liabilities</b>				
<b>Others</b>				
(a) Security Deposits	25,68,852		30,01,416	
(b) Statutory Dues	-			-
(c) Other Payables for Expenses	<u>53,53,528</u>	79,22,380	<u>41,34,911</u>	71,36,327
<b>6 Long Term Provisions</b>				
Provision for Employee Benefits		1,45,15,687		1,90,94,657
<b>7 Short Term Borrowings</b>				
Loans repayable on Demand				
From Banks (Secured)(a)		21,23,80,660		23,58,68,485
(a) Borrowings of Rs. 21,23,80,660/- (P.Y. Rs.23,58,68,485/-) from SBI, IDBI and ICICI Bank Ltd. for working capital are secured on pari passu basis by way of joint hypothecation first charge on entire inventories, trade receivables and other current assets present & future and secured by second pari passu charge on fixed assets of the Company. Such borrowings are also guaranteed to the extent of Rs. 36,00,00,000/- (P.Y. Rs. 36,00,00,000/-) by the Managing Director and one other Director of the Company.				
<b>8 Trade Payables</b>		35,13,17,193		32,29,45,330
<b>9 Other Current Liabilities</b>				
Current Maturities of Long Term Debt	13,26,48,179		15,24,95,952	
Interest accrued and due on Unsecured Loans	36,58,104		41,26,510	
Interest accrued but not due on borrowings	30,58,386		39,78,645	
Advances from Customers	1,12,43,384		1,39,62,511	
Statutory Dues	84,36,654		2,19,49,300	
Unpaid Dividend Accounts ( as per Contra)	28,06,681		29,91,148	
Other Payables :				
For Expenses	<u>6,62,10,995</u>		<u>4,96,70,787</u>	
		<u>22,80,62,383</u>		<u>24,91,74,853</u>
<b>10 Short Term Provisions</b>				
Proposed Dividend				
On Equity Shares	39,76,650		39,76,650	
On Preference Shares	<u>2,30,75,000</u>	2,70,51,650	<u>2,30,75,000</u>	2,70,51,650
Tax on Proposed Dividend		55,07,175		55,07,175
Provision for Tax		<u>1,61,00,000</u>		<u>35,00,000</u>
		<u>4,86,58,825</u>		<u>3,60,58,825</u>



**11. FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2016	Additions Existing	Deductions/ Adjustment	As at 31.03.2017	Upto 31.03.2016	For the Year	Disposals/ Adjustment	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
<b>Tangible Assets</b>										
(a) Land:										
Free Hold	8,01,041	-	-	8,01,041	-	-	-	-	8,01,041	8,01,041
Lease Hold	12,04,661	-	-	12,04,661	4,08,455	10,792	-	4,19,247	7,85,414	7,96,206
(b) Building	41,42,59,688	1,04,97,260	-	42,47,56,948	8,73,51,472	1,23,57,405	-	9,97,08,877	32,50,48,071	32,69,08,216
(c) Plant and Equipment	1,08,71,69,408	3,12,11,724	67,27,226	1,11,16,53,906	36,70,86,997	4,57,35,627	63,90,864	40,64,31,760	70,52,22,146	72,00,82,411
(d) Furniture and Fixture	3,02,63,662	5,29,638	1,78,282	3,06,15,018	1,00,84,662	27,67,331	1,70,501	1,26,81,492	1,79,33,526	2,01,79,000
(e) Vehicles	2,68,30,754	20,47,651	-	2,88,78,405	1,21,27,925	32,41,661	-	1,53,69,586	1,35,08,819	1,47,02,829
(f) Office Equipment	88,44,926	13,17,851	-	1,01,62,777	48,19,455	19,48,905	-	67,68,360	33,94,417	40,25,471
Sub Total	1,56,93,74,140	4,56,04,124	69,05,508	1,60,80,72,756	48,18,78,966	6,60,61,721	65,61,365	54,13,79,322	1,06,66,93,434	1,08,74,95,174
(Previous Year)	(1,49,39,57,958)	(8,62,92,261)	(1,08,76,079)	(1,56,93,74,140)	(42,64,81,264)	(6,46,51,880)	(92,54,178)	(48,18,78,966)	(1,08,74,95,174)	(1,06,74,76,693)
<b>Intangible assets</b>										
Computer Software	48,11,695	1,50,000	-	49,61,695	19,71,846	7,16,292	-	26,88,138	22,73,557	28,39,849
Corporate Club Membership	33,39,900	-	-	33,39,900	12,70,021	3,42,968	-	16,12,989	17,26,911	20,69,879
Sub Total	81,51,595	1,50,000	-	83,01,595	32,41,867	10,59,260	-	43,01,127	40,00,468	49,09,728
(Previous Year)	(51,06,149)	(30,45,446)	-	(81,51,595)	(19,25,358)	(13,16,509)	-	(32,41,867)	(49,09,728)	(31,80,791)
As at 31.03.2017	1,57,75,25,735	4,57,54,124	69,05,508	1,61,63,74,351	48,51,20,833	6,71,20,981	65,61,365	54,56,80,449	1,07,06,93,902	1,09,24,04,902
As at 31.03.2016	(1,49,90,64,107)	(8,93,37,707)	(1,08,76,079)	(1,57,75,25,735)	(42,84,06,622)	(6,59,68,389)	(92,54,178)	(48,51,20,833)	(1,09,24,04,902)	

31<sup>st</sup> March 2017

31<sup>st</sup> March 2016

Rs.

Rs.

Rs.

Rs.

**NON CURRENT ASSETS**

**12 Non Current Investments ( at cost) (Long Term)**

-

-

**13 Long Term Loans and Advances**

(Unsecured ,considered good )

Security Deposits

1,11,22,774

1,12,04,986

Other Loans and Advances

To Employees

39,43,140

38,58,540

1,50,65,914

1,50,63,526

**14 Other Non Current Assets**

Long Term Trade Receivables

(Unsecured, considered Doubtful)

-

-

Less : Provision for Doubtful

-

-

**15 Inventories**

(As taken, valued and certified by the management)

(a) Raw Materials

12,67,92,259

13,97,92,803

(b) Work in Progress

11,15,54,200 (a)

12,94,33,723 (a)

(c) Finished Goods

12,48,28,961 (b)

10,73,45,298 (b)

(d) Stores and Spares

1,61,90,282

1,46,33,731

(e) Waste

15,53,943

6,64,393

(f) Scrap and residual materials

61,003

2,74,195

38,09,80,648 (c)

39,21,44,143 (c)



	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	Rs.	Rs.	Rs.	Rs.
(a) Details of Work in Process : Fibre in Process Rs. 5,67,54,514/- (P.Y. 6,48,59,024/- ) and Yarn in Process Rs. 5,47,99,686/- (P.Y. Rs. 6,45,74,699/- )				
(b) Includes stock of Rs. 6,21,268/- (P.Y. Rs. 16,98,749/- ) lying with outside Parties.				
(c) Includes Stock items of Raw Materials Rs. 2,04,82,685/- , Finished Goods Rs. 3,04,86,073/- Stores and spares Rs. 16,41,503/- in transit (Previous year Raw Materials Rs. 79,63,711/-, Finished Goods Rs. 3,45,97,151/- , Stores and Spares Rs.9,66,807/- )				
<b>16 Trade Receivables</b>				
(Unsecured, considered good)				
"Outstanding for a period exceeding six months"	<b>29,46,431</b>		31,52,198	
Others	<b>18,05,75,815</b>	<b>18,35,22,246</b>	<u>20,51,65,912</u>	<u>20,83,18,110</u>
		<b>18,35,22,246</b>		<u>20,83,18,110</u>
<b>17 Cash and Cash Equivalents</b>				
Balances with Banks :				
- On current Accounts	<b>52,04,867</b>		55,55,160	
- On Savings Accounts	<b>1,92,739</b>		2,23,906	
-On Unpaid Dividend Accounts (as per contra)	<b>28,06,681</b>		29,91,148	
Fixed Deposits with Banks	<b>3,83,29,821 (a)(b)(c)</b>		3,58,35,978 (a)(b)(c)	
Cash on hand	<b>23,88,094</b>	<b>4,89,22,202</b>	<u>37,95,485</u>	<u>4,84,01,677</u>
		<b>4,89,22,202</b>		<u>4,84,01,677</u>
(a) Includes Ear-marked deposits Rs. 19,62,094/- (Previous year Rs. 18,14,648/- ) and Fixed Deposit Receipts of Rs. 3,60,62,091/- (P.Y. 3,35,94,187/-) deposited with banks under lien of Bank against Guarantees and letters of Credit.				
(b) Include interest accrued Rs. 4,98,375/- (Previous year Rs. 6,51,049/- )				
(c) Include Rs. 14,93,488/- (P.Y. Rs. 3,49,09,062/- ) with more than 12 months maturity.				
<b>18 Short Term Loans and Advances</b>				
(Unsecured, considered good)				
<b>Loans and advances to others :</b>				
Interest receivable on Loans and advances		-		-
<b>Advances</b>				
Balance with Excise Department		<b>5,829</b>		5,829
Payments of Taxes and Tax Deducted at Source		<b>2,40,14,258</b>		1,22,52,177
Cenvat and Service Tax Receivable		<b>1,70,18,513</b>		2,82,99,670
Excise duty Rebate Receivable		<b>28,79,567</b>		3,86,25,529
MAT Credit Entitlement		<b>2,95,94,501</b>		1,72,49,293
Vat Credit Receivable		<b>41,13,863</b>		8,89,062
Advances to employees		<b>57,61,678</b>		55,54,573
<b>Advances to suppliers</b>				
Considered Good	<b>98,45,364</b>		2,28,40,841	
Considered Doubtful	<b>45,000</b>		<u>45,000</u>	
	<b>98,90,364</b>		<u>2,28,85,841</u>	
Less : Provision for Doubtful	<b>45,000</b>	<b>98,45,364</b>	<u>45,000</u>	2,28,40,841
<b>Advance Against Capital Commitment</b>		-		4,32,869
Advances for Expenses				
Considered Good	<b>1,26,13,539</b>		88,73,749	
Considered Doubtful	<b>34,500</b>		<u>34,500</u>	
	<b>1,26,48,039</b>		<u>89,08,249</u>	
Less : Provision for Doubtful	<b>34,500</b>	<b>1,26,13,539 (a)</b>	<u>34,500</u>	88,73,749 (a)
Security deposits for rented premises		<b>2,20,00,000 (b)</b>		2,20,00,000 (b)
		<b>12,78,47,112</b>		<u>15,70,23,592</u>

(a) Refer Para 7(v) in Note 27

(b) Includes Rs. 2,20,00,000 (P.Y. Rs. 2,20,00,000/- ) due to companies in which some of the Directors are Directors and or Members.





	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	Rs.	Rs.	Rs.	Rs.
<b>19 Other Current Assets</b>				
(Unsecured, considered good)				
Duty drawback benefits and other Export Incentives Receivable	3,52,99,181 (a)		3,08,33,378 (a)	
Interest Subsidy Receivable	76,46,753		2,23,30,271	
Interest on Security Deposit Receivable	4,37,386		4,63,098	
Net Premium on Forward Exchange Contracts Receivable	98,99,840		46,67,052	
"Trade Investments : ( Fully paid, unquoted) 16,74,719 Equity Shares of Rs.10/- each ("Class A" Shares of M/s V S Lignite Power Pvt.Ltd.)"	1,67,47,190 (b)(c)		1,67,47,190(b)(c)	
1485629, 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each	1,48,56,290 (b)(c)		1,48,56,290(b)(c)	
		<u>8,48,86,640</u>		<u>8,98,97,279</u>
(a) Refer Para 1 (xiii)(b) in Note 27				
(b) Refer Para 10 in Note 27				
(c) Refer Para 1(vi) in Note 27.				
<b>20 Revenue from Operations</b>				
<b>(a) Sale of Products</b>				
Yarn	2,69,81,89,807		2,52,45,03,315	
Waste	84,74,902	2,70,66,64,709	92,87,320	2,53,37,90,635
(b) Other Operating Revenues				
Duty Drawback benefits	13,88,89,771		5,13,09,050	
"Premium for transfer of Duty credit scrips	3,74,23,136		2,66,67,091	
Scrap and Residual Materials under MEIS / Focus Product Schemes"	47,90,625	18,11,03,532	59,16,030	8,38,92,171
		2,88,77,68,241		2,61,76,82,806
Less : Excise Duty		4,04,08,417		4,64,20,945
		<u>2,84,73,59,824</u>		<u>2,57,12,61,861</u>
<b>21 Other Income</b>				
(a) Interest Income		1,41,83,928		1,82,45,619
(b) Net gain on Foreign Currency Transactions and Translation"		7,16,38,710 (a)		-
(c) Other Non Operating Income				
(i) Miscellaneous Sales,Receipts and Realisations		3,45,897		39,14,507
(ii) Excess Provisions and Liabilities no longer required written back"		94,88,207 (b)		34,47,772
(iii) Lease Rent		3,60,000		3,60,000
(d) Profit on Sales of Fixed Assets (Nett.)		15,36,787		4,95,516
(e) Sundry Credit Balance Written Off (Nett.)		30,49,612		2,73,140
		<u>10,06,03,141</u>		<u>2,67,36,554</u>
(a) Refer Para 1(xii)(B)(c) in Note 27				
(b) Refer Para 1(ix)(c) in Note 27				
<b>22 Cost of Materials Consumed (Fibres)</b>				
Opening Stock	13,97,92,803		11,55,93,502	
Add : Purchases and Incidental Expenses	1,62,04,56,983	1,76,02,49,786	1,45,46,33,439	1,57,02,26,941
Less : Closing Stock		12,67,92,259		13,97,92,803
		<u>1,63,34,57,527</u>		<u>1,43,04,34,138</u>



	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	Rs.	Rs.	Rs.	Rs.
<b>23 Change in Inventories of Finished Goods and Work -in-Progress</b>				
<b>Inventories (At Close)</b>				
Finished Goods	12,48,28,961		10,73,45,298	
Work-in-Progress	11,15,54,200		12,94,33,723	
Waste	15,53,943		6,64,393	
Scrap and Residual Materials	61,003	23,79,98,107	2,74,195	23,77,17,609
<b>Less : Inventories (At Comencement)</b>				
Finished Goods	10,73,45,298		15,14,38,261	
Work-in-Progress	12,94,33,723		6,14,98,510	
Waste	6,64,393		17,52,968	
Scrap and Residual Materials	2,74,195	23,77,17,609	2,37,133	21,49,26,872
		<u>2,80,498</u>		<u>2,27,90,737</u>
<b>24 Employee Benefits Expense</b>				
Salaries and Wages etc.		30,94,10,684 (a,b)		28,44,43,364 (a,b)
Contribution to Provident and Other Funds		3,37,66,962		3,18,32,308
Staff Welfare Expenses		56,08,903		65,27,403
Workman Compensation		95,96,000		83,18,793
		<u>35,83,82,549</u>		<u>33,11,21,868</u>
(a) Includes provision for Bonus Rs. 74,50,000/- (P.Y.Rs.72,70,000/-)				
(b) Includes Rs. 1,29,60,000/- (P.Y. 64,80,000/-) for Managerial Remuneration.				
<b>25 Finance Costs</b>				
a) Interest Expense		6,14,68,359 (a)		7,97,16,851 (a)
b) Other Borrowing Costs		4,84,49,453		5,15,41,594
		<u>10,99,17,812</u>		<u>13,12,58,445</u>
(a) After adjustments of Rs. 1,93,65,181/- (Previous year Rs. 2,60,52,695/-) towards interest subsidies under TUFs/ State schemes.				
<b>26 Other Expenses</b>				
Consumption of Stores and Spare Parts etc.		18,55,53,725		19,16,45,426
Power and Fuel		28,06,22,645		22,65,16,198
Rent (Net of realisations Rs. 2,40,520/- (P.Y. 5,33,046/-)		1,09,24,883		1,03,17,050
Repairs to Buildings		51,76,323		89,93,078
Repairs to Machinery		67,47,821		58,15,855
Insurance		16,53,503		17,11,049
(Less realisations Rs. 16,18,739/- (PY 21,66,830/-)				
Rates and Taxes		17,04,146		15,71,659
Miscellaneous Expenses		5,71,09,808		5,15,53,924
Payments to Auditors		10,60,484 (a)		14,29,291 (a)
CSR Expenses		13,48,060		1,45,000
Commission and Brokerage		7,64,57,269		7,83,17,638
"Freight & octroi expenses (Less realisations Rs. 59,40,541/- (P.Y. Rs. 13,72,953/-)"		6,97,86,028		6,48,60,301
Net Loss on Foreign currency transactions and translation		-		5,93,593 (b)
Excise Duty on Closing Stock		23,19,231		1,44,56,555
		<u>70,04,63,926</u>		<u>64,49,15,717</u>
(a) Refer para 6 in Note 27.				
(b) Refer para 1(xii)(B)(c) 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, 2013.

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 Schedule III to the Companies Act, 2013. 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 put to use, are estimated and capitalised and included in the cost of the respective asset.

(b) Fixed Assets retired/discarded and held for disposal are considered as nil value.

**(iv) Depreciation:**

**(A) On Tangible Assets :**

(a) 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 II of the Companies Act, 2013.

(b) Value of lease hold land is amortized over the period of lease.

**(B) On Intangible Assets :**

(a) Computer Software is amortized over a period of five years.

(b) Corporate Club Memberships is amortized over a period of ten years from respective date of membership.

**(C) Depreciation Policy**

The depreciation rates have been adopted as per Schedule II of the Companies Act., 2013.

**(v) Lease Rentals:**

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

**(vi) Current Investments :**

(a) 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 in the opinion of the management is other than temporary. However the break up value of Equity Shares of M/s V.S.Lignite Power Pvt.Ltd. in which the Company has made such investments is Rs. Nil as per the said Company's Balance Sheet as at 31.03.2014 against cost of Rs.1,67,47,190/- towards equity shares 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. The equity shares of Rs.90,43,480/- are under lien with them.

V.S.Lignite Power Pvt.Ltd. has discontinued supply of power with effect from 1<sup>st</sup> March, 2015, claiming force majeure clause, which the Company is contesting and have filled application under Arbitration Act. Provision for diminution, if any, will be made after the final outcome in the matter.



**(vii) Valuation of Inventories:**

Inventories are valued at lower of cost (net of cenvat / VAT credits) or net estimated realizable value. Cost has been arrived at as follows :

- (a) (i) Cost of Stores and Spares has been computed on the basis of weighted average method.
- (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 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 and excise duty payable on clearance.
- (d) Waste and scrap and residual materials are computed on the basis of estimated market value
- (e) Value of slow moving items of stores and raw materials are appropriately reduced as per Company policy. 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.
- (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:**

Income and Expenses considered receivable and payable respectively, are accounted for on accrual and prudent basis except for the following :

- (i) Interest receivable on refunds of Sales Tax / VAT and Income Tax is accounted for at the time of respective assessment
- (ii) Sale value of fixed Assets written off/ discarded during the year is accounted for at the time of disposal of written off/ discarded assets
- (iii) Provision for Entry Tax has been stated at Rs. 27,79,912/- (P.Y. Rs.1,97,90,213/- ). During the year State Government introduced Voluntary Amenity Scheme for Entry Tax, 2017, Company opted for aforesaid scheme under which company paid outstanding liability of Entry Tax upto Financial Year 2013-2014, amounting to Rs. 52,50,635/- after adjusting Rs. 48,00,707/- paid earlier under condition of stay granted by Honourable Rajasthan High Court being 50% of Assessed tax payment and balance provision of Rs. 78,54,434/- has been charged to Revenue.
- (iv) 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 has 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 CESTAT against such rejections. Such claims are intended to be accounted for as and when settled and or refund is received

**(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 includes Rs. 3,33,023/- (P.Y. Rs. 2,86,523/-) 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



**(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) Exchange rate difference resulting from foreign exchange transaction on capital account settled during the year outstanding on year end are adjusted to the respective assets/ Liability.

**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. The Company has not entered in to any derivative contract to hedge the exchange risk.
- (b) Profit/ Loss on cancellation or renewal of forward Exchange contracts are accounted for as income/ Expense for the period.
- (c) The company has accounted for Mark to Market (MTM) gain (net) of Rs. 98,99,840/- (P.Y. 46,67,652/-) as per Bank Statement for MTM. Net Foreign Exchange Gain/ (Loss) of Rs. 7,16,38,710/- (in P.Y. Rs. 5,93,593/-) includes component of premium/discount in respect of the aforesaid outstanding forward exchange contracts.

**(xiii) Export benefits:**

- (a) Duty Drawback benefits are accounted for on accrual basis.
- (b) Premium for transfer of Duty credit scripts under MEIS/ Focus Product/ Market Schemes and Premium in respect of such entitlements of Rs. 2,12,49,780/- (P.Y. 2,59,99,948/- ) 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 put to 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:**

**(A) Current tax :-**

Income Tax is provided on the estimated taxable income (after set off the carried forwards losses / depreciation) or tax on book profit (MAT) whichever is higher, based on the prevailing rate as per Income Tax Act, 1961.

**(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..

**(xvii) Government Grant/ Interest Subsidy:**

Interest subsidy received under Technology Upgradation Fund Scheme and under Rajasthan Investment Promotion Scheme, 2003, 2010 & 2014 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.

**(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.

	31 <sup>st</sup> March, 2017 Rs.	31 <sup>st</sup> March, 2016 Rs.
<b>2</b> Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances of Rs. NIL (Previous year Rs.13,73,173/-)	-	1,23,58,559
<b>3</b> Contingent Liabilities not provided for in respect of		
i) Bonds executed in favour of Customs and Excise Authorities	<b>1,00,00,000</b>	1,00,00,000
ii) Foreign Bills discounted with Banks	<b>31,80,64,047</b>	30,23,57,881
iii) Unexpired letter of Credit	-	1,10,00,000
iv) Claims not acknowledged as debts (Disputed by the Company and or appealed against);		
a) Demand of Income Tax	<b>1,59,05,020</b>	2,50,07,550
b) Demands by Excise department (including for Service Tax )	<b>47,86,725</b>	47,86,725
c) Demands of Sales Tax.	<b>31,240</b>	31,240
d) Demands of workers	<b>10,62,137</b>	9,73,375
e) Liability if any arising against appeal filed by income tax department against order passed by CIT appeals for the A.Y. 2010-11 & 2011-12 will be provided on final decision.		
<b>4</b> 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.		
<b>5</b> M/s V.S. Lignite Power Pvt. Ltd., from whom company is purchasing power, was raising bills up to 31.03.2015 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 and the arbitrators settled the dispute in favour of the company. 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 Honourable Rajasthan High Court at Jaipur Bench and such case for Rs.3,87,90,346/- is still pending in Honourable Rajasthan High Court at Jaipur Bench. Liability, if any, arising on such appeal is intended to be provided as and when the case is finally decided		
<b>6</b> <b>Amount Paid/Payable to Auditors:</b>		
a) Statutory Audit Fee	<b>6,50,000</b>	6,50,000
b) Tax Audit Fee	<b>2,15,000</b>	2,15,000
c) Limited Review of Quartely un-audited results	<b>54,000</b>	54,000
d) Certification for Corporate Governance and others	<b>72,000</b>	99,500
e) For Reimbursement of Expenses for Audit and other matters	<b>60,084</b>	70,080
f) Gratuity Trust Audit Fee	-	6,000
g) Service Tax/ Education Cess	<b>9,400</b>	1,51,844
	<b>10,60,484</b>	12,46,424





**RELIANCE**  
CHEMOTEX INDUSTRIES LIMITED  
CIN L40102RJ1977PLC 001994

	31 <sup>st</sup> March, 2017 Rs.	31 <sup>st</sup> March, 2016 Rs.
Miscellaneous Expenses as per Note 26 includes Rs. 1,60,000/- (Previous year Rs. Nil ) paid for taxation matters to a firm in which any of the partners of the firm of Auditors are partners/ proprietor.		
7 i)	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.	
ii)	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 III of the Companies Act.2013 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.	
iii)	Details of Capital work in progress	
1	Plant and Equipment under installation and Buildings under construction (including materials at site)	36,50,556
2	Plant and Equipment in Transit	72,92,661
3	Expenses considered by the Company as incidental expenses on Expansion (Pending allocation to Fixed Assets)	
	Legal and Professional Fees and expenses	1,65,443
	Upfront Fees	17,317
	Interest on Term Loans	13,21,637
	Others Miscellaneous Expenses	4,11,092
	-	19,15,489
	Less : Allocated by the Mangement to Fixed Assets	19,15,489
	-	1,09,43,217
iv)	Disclosures in terms of Accounting Standard -29 on Provisions, Contingent Liabilities and Contingent Assets:	
	Rs.	Rs.
(a)	<u>Doubtful Debts and advances</u>	<u>Doubtful Debts and advances</u>
	79,500	79,500
	-	
	-	
	79,500	79,500
	<u>Leave Encashment Benefits</u>	<u>Leave Encashment Benefits</u>
(b)	80,24,112	79,34,010
	23,49,223	14,46,543
	32,69,112	13,56,441
	71,04,223	80,24,112
	<u>Bonus</u>	<u>Bonus</u>
(c)	72,70,000	35,30,000
	74,50,000	72,70,000
	72,70,000	35,30,000
	74,50,000	72,70,000
	<u>Gratuity</u>	<u>Gratuity</u>
(d)	1,10,70,545	1,02,08,930
	83,40,919	78,61,615
	1,20,00,000	70,00,000
	74,11,464	1,10,70,545



- v) Advances of Rs. 40,00,000/- (P.Y. Rs. 30,00,000/-) as referred to under (a) 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 along with 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. 5,00,000/- in respect of each of the policies is payable by the Company up to 31-03-2019.
- vi) Part of the Unsecured Loans classified as Long Term Liability in the previous year, was repaid during the year at specific request of the lender to meet their urgent financial requirements, in spite of their earlier commitment that the loan amount will not be withdrawn in next one year. However the same was replaced with unsecured loan from other parties who have also given similar commitment to not seek repayment before one year.
- vii) As per Section 135 (5) of the Companies Act, 2013, Company was required to spend 2% of the average net profit made during three immediate financial year which works out to be Rs. 13,48,060/- against which the Company has incurred only Rs. 5,00,000 during the year.
- viii) Disclosure as to holding in specified Bank Notes during the period from 08th November 2016 to 30th December 2016. These are in accordance with Books of Accounts maintained by the Company at its all locations and certified by the management. The details are as under :-

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 8.11.2016	6,83,000	3,75,245	10,58,245
(+) Permitted Receipts	-	4,92,009	4,92,009
(+) Bank Withdrawals	-	15,39,000	15,39,000
(-) Payment for Expenses	14,000	16,40,300	16,54,300
(-) Amount deposited in Banks	6,69,000	2,15,000	8,84,000
Closing cash in hand as on 30.12.2016	-	5,50,954	5,50,954

## 8 Related Party Disclosures

(As certified by the Management)

### (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. LLP
- 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 ( Non Executive Director)
- Mr. Shanker Lal Shroff, Chairman Emeritus (Father of Mr. Sanjiv Shroff)
- Mrs. Bimla Devi Shroff (Mother of Mr. Sanjiv Shroff)
- Mrs. Dipika Shroff, Non- Executive Director
- 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 Transaction**

**(Amount in Rs.)**

Name	31.03.2017		31.03.2016	
	Amount	Amount due Outstanding as on 31.03.17	Amount	Amount due Outstanding as on 31.03.16
<b>Deposits (Against Rent) taken</b> Spell Fashions Pvt.Ltd.	-	51,000	-	51,000
<b>Legal &amp; Professional Expenses Paid</b> M/s Khaitan & Co. LLP Shri R N Sharma	3,96,000 12,00,000	- 1,80,000	1,37,500 -	- -
<b>Directors Sitting Fees</b> Shri R N Sharma Shri N.G. Khaitan	23,000 60,000	- -	- 60,000	- -
<b>Dividend paid on equity Shares</b> Shri N.G. Khaitan Modern Fibotex India Ltd. Shri Shanker Lal Shroff Shri Sanjiv Shroff Shri R.N. Sharma Smt. Bimla Devi Shroff Smt. Dipika Shroff Sunrise Producers Pvt.Ltd. A.S Chemotex Private Limited	100 7,83,179 3,19,650 1,45,800 50 1,57,800 2,31,150 1,80,000 1,90,000	- - - - - - - - -	100 10,51,179 1,95,650 83,800 50 1,57,800 1,49,150 1,80,000 1,90,000	- - - - - - - - -
<b>Dividend paid on Preference Shares</b> Modern Fibotex India Ltd. Shri Shanker Lal Shroff Shri Sanjiv Shroff Smt. Bimla Devi Shroff Smt. Dipika Shroff A.S.Chemotex Pvt.Ltd. A.R.Fibtex Pvt.Ltd. Sunrise Producers Pvt. Ltd. Shri Rahul Shroff Syt Sanjiv Shroff HUF Syt Shanker Lal Shroff HUF A R Commercial Private Limited	1,54,75,000 6,00,000 11,50,000 1,00,000 0 7,50,000 19,50,000 7,50,000 4,00,000 50,000 1,00,000 12,50,000	- - - - - - - - - - - -	1,42,75,411 7,01,370 14,00,000 1,00,000 1,30,685 7,50,000 19,50,000 7,50,000 2,40,548 10,137 20,274 2,53,424	- - - - - - - - - - - -
<b>Lease Rent Received</b> Spell Fashions Private Limited	3,60,000	-	3,60,000	-
<b>Interest paid/ payable on Loans taken</b> Modern Fibotex India Ltd. A.R.Commercial Pvt.Ltd. Sunrise Producers Pvt.Ltd. A.R.Fibtex Pvt.Ltd.	32,18,761 - 11,00,000 6,05,000	- - - -	11,87,326 16,66,422 12,03,288 15,74,959	- - - -
<b>Loan Received (b)</b> A R Fibtex Private Limited AR Commercial Private Limited Sunrise Producers Private Limited Modern Fibotex India Limited	- - - 1,35,00,000	55,00,000 - 1,00,00,000 2,48,50,000	- - - 3,80,50,000	55,00,000 - 1,00,00,000 2,70,50,000



Name	31.03.2017		31.03.2016	
	Amount	Amount due Outstanding as on 31.03.17	Amount	Amount due Outstanding as on 31.03.16
<b>Repayment of Loans Received</b>				
A R Fibtex Pvt Ltd	-	-	1,25,00,000	-
A R Commerical Pvt Ltd	-	-	2,32,00,000	-
Sunrise Producer Pvt Ltd	-	-	-	-
Shri Rahul Shroff	-	-	-	-
Shri Ameya Shroff	-	-	-	-
Modern Fibotex India Limited	<b>1,57,00,000</b>	-	1,10,00,000	-
<b>Pledge of Equity Shares of Rs.10/- each (a)</b>				
Shri Shanker Lal Shroff	-	<b>19,56,500</b>	-	19,56,500
Smt. Bimla Devi Shroff	-	<b>15,78,000</b>	-	15,78,000
Smt. Dipika Shroff	-	<b>14,91,500</b>	-	14,91,500
Shri Sanjiv Shroff	-	<b>8,38,000</b>	-	8,38,000
<b>Pledge of Preference Shares of Rs.100/- each (a)</b>				
Modern Fibotex India Ltd.	-	<b>1,50,00,000</b>	-	1,50,00,000
Shri Shanker Lal Shroff	-	<b>60,00,000</b>	-	60,00,000
Shri Sanjiv Shroff	-	<b>1,15,00,000</b>	-	1,15,00,000
<b>Managerial Remuneration</b>				
Shri Sanjiv Shroff	<b>64,82,839</b>	-	31,02,886	-
Shri R.N. Sharma	-	-	22,39,950	-
Shri Rahul Shroff	<b>59,98,038</b>	-	25,40,712	-
Shri Ameya Shroff	<b>53,29,511</b>	-	17,45,858	-
<b>Rent paid</b>				
Indo Textiles & Fibres Ltd	<b>45,00,000</b>	-	45,00,000	-
A.S.Chemotex Pvt.Ltd.	<b>18,00,000</b>	-	18,00,000	-
A.R.Commercial Pvt.Ltd.	<b>18,00,000</b>	-	18,00,000	-
<b>Security deposit Paid/ ( Refund)</b>				
Indo Textiles & Fibres Ltd	-	<b>1,10,00,000</b>	-	1,10,00,000
A.S.Chemotex Pvt.Ltd.	-	<b>10,00,000</b>	-	10,00,000
A.R.Commercial Pvt.Ltd.	-	<b>1,00,00,000</b>	-	1,00,00,000
<b>Purchases of Shirts</b>				
Spell Fashion (P.) Ltd.	<b>5,43,080</b>	-	-	-

- No amounts were written off or written back during the period in respect of debts due from or to related parties.

(a) For financial arrangements by the banks to the Company.

(b) Subject to Note 7(vi) above.



	31 <sup>st</sup> March, 2017 Rs.	31 <sup>st</sup> March, 2016 Rs.
<b>9 Earnings Per Share (EPS)-</b> 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)	3,92,05,176	(24,64,183)
ii) Basic/Weighted average number of Equity Shares outstanding during the year (B)	3,97,66,50	39,76,650
iii) Nominal value of Equity shares (Rs.)	10	10
iv) Basic/Diluted Earnings per Share (Rs.) (A) / (B)	9.86	(0.62)
<b>10</b> 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)		
<b>11 Segment Reporting Policies</b>		
<b>(a) Identification of Segments:</b>		
<b>(i) Primary Segment - Business Segment</b> 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.		
<b>(ii) Secondary Segment - Geographical Segment -</b> 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>(b) Information pertaining to Secondary Segment</b>		
<b>(i) Gross Revenue as per Geographical Locations</b>		
Within India	73,40,73,605	84,04,57,706
Outside India	<u>1,97,25,91,104 (a)</u>	<u>1,69,33,32,929 (a)</u>
Total	<u>2,70,66,64,709</u>	<u>2,53,37,90,635</u>
(a) Includes Rs. 5,00,500/- (P.Y. Rs. 90,12,467/- ) Exports through Export House/ Merchant Exporters.		
<b>(ii) Fixed Assets as per Geographical Locations</b> The entire activity pertaining to sales outside India is carried out from Fixed Assets in India and there are no Fixed Assets outside India.		



		31 <sup>st</sup> March, 2017		31 <sup>st</sup> March, 2016	
		Rs.		Rs.	
<b>12</b>	<b>ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF SCHEDULE III OF THE COMPANIES ACT, 2013</b>				
<b>(i) C.I.F. Value of Imports:</b>					
Raw Materials	6,52,73,345		1,63,29,646		
Capital Goods	92,52,080		71,35,364		
Stores & Spare parts	-	7,45,25,425	15,35,114	2,50,00,124	
<b>(ii) Expenditure in Foreign Currency:</b>					
Travel (Purchase of travellers cheques / foreign exchange / currencies)	70,54,252		66,10,953		
Commission (on remittance basis)	5,26,82,662		5,08,69,426		
Others	28,20,115	6,25,57,029	18,72,171	5,93,52,550	
<b>(iii) Value of Raw Materials, Stores and Spare Parts &amp; components consumed:</b>					
	<b>Rs.</b>	<b>% age</b>	<b>Rs.</b>	<b>%age</b>	
<b>a) Raw Materials</b>					
Indigenous	1,55,68,23,273	95.30	1,42,50,89,803	99.63	
Imported	7,66,34,254	4.70	53,44,335	0.37	
	<u>1,63,34,57,527</u>	<u>100.00</u>	<u>1,43,04,34,138</u>	<u>100.00</u>	
<b>b) Stores, Spares Parts and Components etc</b>					
Indigenous	18,55,53,725	100.00	18,99,75,934	99.13	
Imported	-	-	16,69,492	0.87	
	<u>18,55,53,725</u>	<u>100.00</u>	<u>19,16,45,426</u>	<u>100.00</u>	
<b>(iv) Amount remitted during the year in foreign currency on account of Dividend</b>					
		<b>Final Dividend</b>		<b>Final Dividend</b>	
a) Amount remitted		28,350 (a)		28,450 (a)	
b) Year to which Dividend relates.		2015-16		2014-15	
c) Number of non-resident shareholders		11		13	
d) Number of equity shares held by non-resident shareholders on which the Dividend are remitted		28,350		28,450	
(a) No amount paid in foreign currency but deposited in non resident rupee account.					
<b>(v) Earnings in Foreign Exchange:</b>					
Exports of Goods					
Direct exports calculated on FOB basis		<u>1,92,45,68,053 (a)</u>		<u>1,64,58,54,193 (a)</u>	
(a) Excluding Rs. 5,00,500/- (P.Y. Rs.90,12,467/- ) through export houses/ merchant exporters.					
<b>13.</b>	<b>The disclosures required as per the revised Accounting Standards (AS-15- Employee Benefits) notified under the Companies (Accounting Standards) Rules, 2006 are as under :</b>				
	<b>Defined - Contribution Plans</b>				
	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):				
		<b>Rs.</b>		<b>Rs.</b>	
	Provident Fund	69,98,095		63,83,396	
	Family Pension Fund	88,81,555		84,83,089	
	Employees State Insurance Scheme	76,26,720		72,80,553	





	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	Rs.	Rs.	Rs.	Rs.
<b>Defined - Benefit Plans</b>				
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.				
	<b>Gratuity (Funded)</b>	<b>Leave Encashment (Unfunded)</b>	<b>Gratuity (Funded)</b>	<b>Leave Encashment (Unfunded)</b>
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
a. Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit obligation at beginning of the year	4,19,56,181	80,24,112	4,35,29,206	79,34,010
Current Service Cost	45,78,184	27,95,295	47,03,107	26,06,880
Interest Cost	28,24,597	5,11,164	30,52,101	5,69,579
Acturial (gain)/ Loss	11,14,150	(9,57,236)	(30,352)	(17,29,916)
Benefits paid	(1,32,97,440)	(32,69,112)	(92,97,881)	(13,56,441)
Defined Benefit Obligation at year end	3,71,75,672	71,04,223	4,19,56,181	80,24,112
b. Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at beginning of the year	1,54,42,818	-	1,66,60,138	-
Expected return on plan assets	-	-	-	-
Adjustment to opening fair value of Plan assets	12,94,500	-	13,39,300	-
Actuarial gain/ (Loss)	(5,57,774)	-	1,50,334	-
Employer contribution	1,20,00,000	32,69,112	65,90,927	13,56,441
Benefits Paid	(1,32,97,440)	(32,69,112)	(92,97,881)	(13,56,441)
Fair Value of plan assets at year end	1,48,82,104		1,54,42,818	
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 2015/2016	1,48,82,104	-	1,54,42,818	-
Present value of obligation as at 31st March 2016/2017	2,22,93,568	71,04,223	2,65,13,363	80,24,112
Amount recognised in Balance Sheet	74,11,464	71,04,223	1,10,70,545	80,24,112
d. Expenses recognised during the year (Under the head Employee Benefit Expenses - Note - 24)				
Current Service Cost	45,78,184	27,95,295	47,03,107	26,06,880
Interest Cost	28,24,597	5,11,164	30,52,101	5,69,579
Expected return on Plan Assets	(12,94,500)	-	(13,39,300)	-
Actuarial (gain)/ Loss	16,71,924	(9,57,236)	(1,80,686)	(17,29,916)
Net Cost	77,80,205(A)	23,49,223	62,35,222(A)	14,46,543

(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.



**RELIANCE**  
**CHEMOTEX INDUSTRIES LIMITED**  
 CIN L40102RJ1977PLC 001994

	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	Rs.	Rs.	Rs.	Rs.
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.				
Particulars				
Discount Rates	7.44%	7.44%	8.00%	8.00%
Salary Escalation	4.00%	4.00%	4.00%	4.00%
Expected Rate of return on Plan Assets	8.75%		8.75%	
Mortality Rates	IALM (2006-08) Ultimate		IALM (2006-08) Ultimate	

Gratuity amount for the current year is higher as compared to the previous year mainly due to change in actuarial assumption and discounting factor. 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.

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

Signatures to Notes 1 to 27

As per our attached Report of even date.

On behalf of the Board of Directors

Special B-1,  
 Room No. 111, 1st Floor  
 22 Godown, Ind. Estate  
 Jaipur - 302 006

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

Camp : Mumbai  
 Dated : 27/05/2017

**C.P.JAIN**  
 Partner  
 M.No. 70156

**VIMAL TANK**  
 Company Secretary  
 M.No. 22370

**KIRAN FIRODIYA**  
 Chief Financial  
 Officer

**RAHUL SHROFF**  
 Executive Director  
 DIN - 02301693

**SANJIV SHROFF**  
 Managing Director  
 DIN- 00296008



Amount in Rs.

**CASH FLOW STATEMENT**

	Current Year 31.03.2017	Previous Year 31.03.2016
<b>Cash flows from operating activities</b>		
Net Profit before tax and extraordinary items	7,89,00,668	1,70,90,595
Adjustments for:		
Depreciation	6,71,20,981	6,59,68,389
Interest Income	(1,41,83,928)	(1,82,45,619)
Dividend Income	-	-
Interest Expense	6,14,68,359	7,97,16,851
Foreign Exchange Loss (Gain)	(7,16,38,710)	5,93,593
Loss (Profit ) on sale of tangible assets	(15,36,787)	(4,95,516)
Fixed assets discarded	-	-
<b>Operating profit before working capital changes</b>	<b>12,01,30,583</b>	<b>14,46,28,293</b>
(Increase)/ Decrease in current investment	-	-
(Increase)/ Decrease in trade receivable	2,47,95,864	(7,51,42,951)
(Increase)/ Decrease in inventories	1,11,63,495	(4,74,49,989)
(Increase)/ Decrease in Short Term Loans and advances	4,43,17,953	45,55,908
(Increase)/ Decrease in other current assets	50,10,639	4,34,61,732
(Increase)/ Decrease in other non-current assets*	-	-
(Increase)/ Decrease in Long Term Loans and advances	(2,388)	(27,16,759)
Increase/ (Decrease) in trade payables	2,83,71,863.	6,30,98,933
Increase/ (Decrease) in provisions	(45,78,970)	9,82,073
Increase/ (Decrease) in other current liabilities	3,08,435	(41,63,950)
<b>Working Capital Changes</b>	<b>10,93,86,891</b>	<b>(1,73,75,003)</b>
<b>Cash generated from operations</b>	<b>22,95,17,474</b>	<b>12,72,53,290</b>
Income Taxes paid	(1,51,41,473)	(42,96,774)
<b>Cash flow before extraordinary item</b>	<b>21,43,76,001</b>	<b>12,29,56,516</b>
Extraordinary items (Specifying nature)	-	-
<b>Net cash from Operating activities</b>	<b>21,43,76,001</b>	<b>12,29,56,516</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(3,81,71,863)	(7,56,42,510)
Purchase of intangible fixed assets	(1,50,000)	(30,45,445)
Purchase of long term investments	-	-
Sale of tangible fixed assets	18,80,930	21,17,417
Increase/ (Decrease) in Long Term Liabilities	7,86,053	(35,38,487)
Interest Received	1,41,83,928	1,82,45,619
Dividend Received	-	-
<b>Net cash from investing activities (B)</b>	<b>(2,14,70,952)</b>	<b>(6,18,63,406)</b>
<b>Cash Flows from financing activities</b>		
Proceeds from issuance of Share Capital	-	-
Proceeds from Premium on issue of Shares	-	20,90,000
Proceeds from long term borrowings	1,10,52,080	2,92,19,513
Repayment of long - term borrowings	(15,66,95,035)	(10,63,46,197)
Increase/ (Decrease) in Unsecured loans	4,50,000	(1,06,00,000)
Increase/ (Decrease) in Short Term Borrowing	(2,34,87,825)	13,41,97,934
Interest paid	(6,25,99,162)	(7,55,41,880)
Dividend paid	(2,72,36,117)	(2,50,65,187)
Dividend distribution tax	(55,07,175)	(50,20,171)
Foreign Exchange Gain( Loss)	7,16,38,710	(5,93,593)
<b>Net cash used in financing activities (C)</b>	<b>(19,23,84,524)</b>	<b>(5,76,59,580)</b>
<b>Net increase in cash and cash equivalents (A)+(B)+(C)</b>	<b>5,20,525</b>	<b>34,33,530</b>
<b>Cash &amp; Cash equivalents at beginning of period</b>	<b>4,84,01,677</b>	<b>4,49,68,147</b>
<b>Cash and cashequivalents at end of period</b>	<b>4,89,22,202</b>	<b>4,84,01,677</b>

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 there to.

As per our attached Report of even date.

On behalf of the Board of Directors

Special B-1,  
Room No. 111, 1st Floor  
22 Godown, Ind. Estate  
Jaipur - 302 006

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

Camp : Mumbai  
Dated : 27/05/2017

**C.P.JAIN**  
Partner  
M.No. 70156

**VIMAL TANK**  
Company Secretary  
M.No. 22370

**KIRAN FIRODIYA**  
Chief Financial  
Officer

**SANJIV SHROFF**  
Managing Director  
DIN- 00296008

**RAHUL SHROFF**  
Executive Director  
DIN - 02301693



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

(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rule, 2014)

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 39<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 28<sup>th</sup> day of August, 2017 at 10.30 A.M at Alka Hotel, Near Shastri Circle, Udaipur -313001 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	To, consider and adopt the Audited Financial Statements of the Company for the year ended March 31,2017, together with reports of the Board and Auditors thereon.		
2	To declare a Final Dividend of Rs. 10/- per 10% Cumulative Redeemable Preference Shares of Rs. 100/- each.		
3	To declare a Final Dividend of Rs. 1/- per Equity Shares of Rs 10/- each.		
4	To Appoint a Director in place of Mr. N.G. Khaitan, who retires by rotation, and being eligible, offer himself for re-appointment.		
5	To Appoint Statutory Auditors of the Company		
6	Re-Appointment of Mr. Sanjiv Shroff as Managing Director of the Company		
7	Ratification of Remuneration to the Cost Auditors		

\*\* 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..... 2017

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 Annual General Meeting .
5. 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**

**39<sup>th</sup> ANNUAL GENERAL MEETING ON MONDAY, 28<sup>th</sup> AUGUST, 2017 AT 10.30 AM**

I/We.....R/ o ..... hereby record my presence at the 39<sup>th</sup> ANNUAL GENERAL MEETING of the Company at Alka Hotel, Near Shastri Circle, Udaipur- 313 001 on Monday the 28<sup>th</sup> August, 2017 at 10.30 A.M.

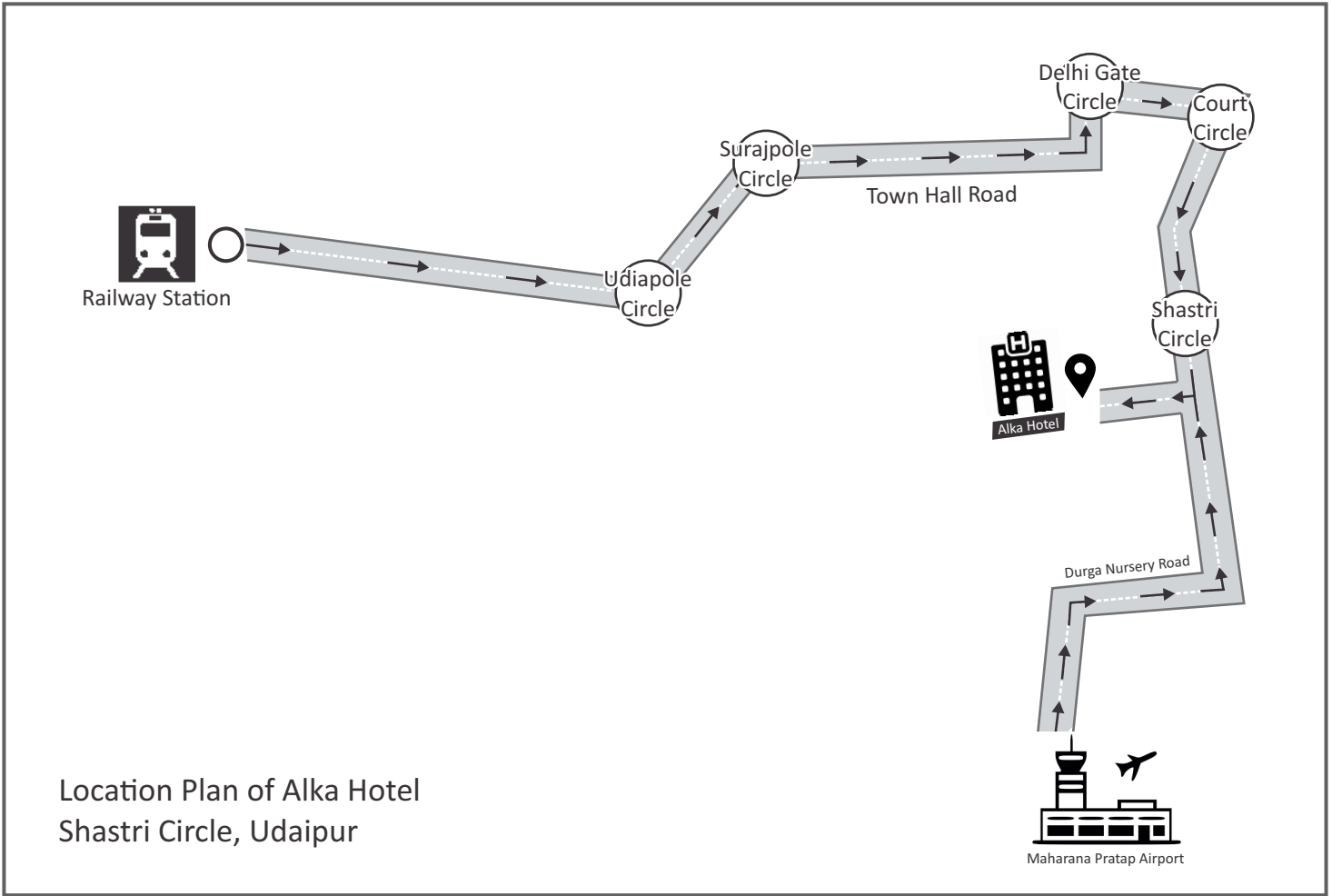
DPID * :	Folio No. :
Client Id * :	No. of Shares :

\* 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 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 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.







**RELIANCE**  
**CHEMOTEX INDUSTRIES LIMITED**

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

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

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

Dear Shareholders,

Re: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs has taken "Green Initiative in Corporate Governance" vide their circular No. 17 dt 21.04.2011 which allows companies to go for paperless compliance by sending Notice, Annual Report and other related documents by e-mail to their Shareholders. Many of the Shareholders have registered their e-mail address and we thank them for the same. Shareholders, who have not registered their e-mail address so far, may, as a support to this initiative, register their e-mail address by sending an e-mail to finance.udaipur@reliancechemotex.com or info@bigshareonline.com in following manner:

Name : .....  
 Folio No. : .....  
 \*DP ID / Client ID : .....  
 No. of Shares held : .....  
 E-mail address : .....

Enabling us to send documents in electronic form and registering your e-mail address with us will ensure that we directly connect with you and no important communication from our side is missed by you as a Shareholder of the Company.

For Reliance Chemotex Industries Limited

(Vimal Tank)  
 Company Secretary

\* applicable to investor's holding shares in demat form.

**ECS MANDATE FORM**

Dear Shareholders,

SEBI, vide its letter No. DCC/FITTC/CIR-3/2001 dt 15.10.2001 has advised to all companies to use the mandatory ECS Facility for distributing the dividend to the Shareholders. In the absence of ECS the company may use the Warrant for distribution of Dividend. Currently ECS Facility is available for location specified by RBI. We request all our shareholders to register their bank details so that all the future dividend payment can be remitted by way of ECS.

Reliance Chemotex Industries Limited  
 Village Kanpur- 313 003  
 Udaipur (Rajasthan)

1. Folio No : .....
2. Name : .....
3. Address : .....
4. Bank A/c No. : .....
5. Bank IFSC Code : .....
6. Branch Name : .....
7. MICR Code : .....
8. Account Type : .....

Please enclose the copy of Cancel Cheque for verification

I hereby declare that the particulars given above are correct and complete, if the transaction is delayed by way of incorrect information, I would not hold the company responsible.

Place :

Date :

Signature of Shareholder

