



**RELIANCE
CHEMOTEX INDUSTRIES LIMITED**

Date: September 05, 2020

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street Mumbai- 400001

Ref: Reliance Chemotex Industries Limited, Scrip Code: 503162

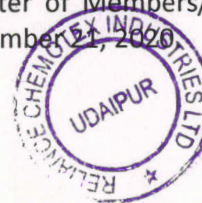
Sub: Annual General Meeting (AGM) – Notice of AGM and Annual Report for financial year ended on March 31, 2020

Dear Sir/ Madam,

Pursuant to Regulation 30, 34, 42 and 44 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we hereby notify as under:

1. The 42nd Annual General Meeting (AGM) of the Company will be held on Monday, September 28, 2020 at 10:15 A.M. (IST) through video conferencing/ Other Audio Visual Means in accordance with relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India ('Circulars').
2. In terms of the said Circulars, the AGM notice including e-voting instructions and Annual Report 2019-20 have been sent to all the members of the Company whose email addresses are registered with the Company / Depository Participant(s). AGM Notice may be referred for detailed instructions on registering email addresses(s) and voting/ attendance for the AGM.
3. The Share transfer books of the company will remain closed from September 22, 2020 to September 28, 2020 (Both days Inclusive). The Company has fixed Monday, September 21, 2020 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2020 (Final Dividend). The final dividend of Rs. 1 per equity share of Rs. 10 each as recommended by the Board, if approved at the AGM, will be paid (subject to deduction of tax at source) to the Members within 30 days from the date of approval to those Members/ beneficial owners whose names appear in the Register of Members/ depository records as at close of business hours on Monday, September 21, 2020.

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Registered Office & Works : Village Kanpur, P. O. Box No. 73, Udaipur-313 003 (Raj.)
Phone : (0294) 2490488, 2491489-90 Fax : 0294-2490067 e-mail: udaipur@reliancechemotex.com
Website : www.reliancechemotex.com CIN : L40102RJ1977PLC001994



RELIANCE
CHEMOTEX INDUSTRIES LIMITED

4. The Company has provided the facility to vote by electronic means (remote e-voting as well as e-voting at the AGM) on all resolutions as set out in the AGM notice to those members, who are holding shares either in physical or in electronic form as on the cut-off date i.e. Monday, September 21, 2020. The remote e-voting will commence from 9.00 a.m. (IST) on Friday, September 25, 2020 and end at 5:00 p.m. (IST) on Sunday, September 27, 2020.
5. Notice of the AGM along with the Annual Report 2019-2020 is enclosed and is also being sent to all the members of the Company whose email addresses are registered with the Company or Depository Participant(s).

Thanking You,

Yours Sincerely,
For Reliance Chemotex Industries Limited


Chirag Gupta
Company Secretary
M. No.: 50843



RELIANCE
CHEMOTEX INDUSTRIES LIMITED



FORTY SECOND ANNUAL REPORT
2019-2020



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. SONTALIA - Independent Director
NARAYAN SHROFF - Independent Director
R.N. SHARMA - Non- Executive Director

CHIEF FINANCIAL OFFICER

CHANDRASEKARAN RAJAGOPALAN

COMPANY SECRETARY

CHIRAG GUPTA

BANKERS

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

SOLICITORS

KHAITAN & CO., LLP, KOLKATA

AUDITORS

JAIN PRAMOD JAIN & CO.
Chartered Accountants
New Delhi

SECRETARIAL AUDITORS

V.M. & ASSOCIATES
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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DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the 42nd Annual Report on the affairs of the Company along with the Audited Financial Statements for the financial year ended on March 31, 2020.

(Rs. in Lakh)

Particular	FINANCIAL YEAR 2019-20		FINANCIAL YEAR 2018-19	
Revenue from Operations(including other income)		30,085.02		32,549.79
Earning Before Depreciation, Interest and Tax (EBIDTA)		2,944.08		2,781.81
Less: Depreciation	733.83		670.97	
Less: Finance Cost	1,132.88	1,866.71	1,307.18	1,978.15
Profit Before Tax		1,077.37		803.66
Tax Expenses		144.26		394.52
Profit After Tax		933.11		409.14
Other Comprehensive Income		12.74		(3.76)
PAT after Other Comprehensive Income		945.85		405.38
Earning Per Share (Basic & Diluted)		14.68		10.28

SHARE CAPITAL

The paid-up share capital as on March 31, 2020 stood at Rs. 7,54,35,630 comprising 75,43,563 shares of Rs. 10 each pursuant to an issue of 35,62,713 equity shares of Rs. 10 each by the way of a Rights Issue. During the year under review the company has redeemed all its preference shares. The details of Rights Issue are as follows:

RIGHTS ISSUE

During the period under review the company has issued equity shares on a right basis to existing shareholders of the company. The Rights Issue was opened on July 08, 2019 and closed on July 22, 2019. The company received valid applications for 35,62,713 shares amounting to Rs. 2315.76 Lakh. Post the Rights Issue and the redemption of preference shares the paid-up capital of the company stood at:

Equity Share Capital	754.35 Lakh
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RESERVE

The Company does not propose to transfer any sum to the General Reserve out of the amount available for appropriation.

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 March 31, 2020. 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 will be Rs. 75.43 Lakh (Dividend Distribution Tax is not applicable).

FIXED DEPOSITS:

During the Financial Year 2019-20, 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. The Borrowing taken from the Directors is stated in the financial statement note no.17.

RISK & RISK MANAGEMENT

The Audit Committee closely monitors all risks that could have a negative impact on the Company. Our Enterprise Risk Management (ERM) framework encompasses practices related to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, operational, legal and compliance risks to achieving our key business objectives. Risks which were reviewed by the Audit Committee are Financial Risk, Compliance Risk, Hazardous Risk, and Employee Related Risk, Liquidity Risk, Commodity Risk and Market risk. The focus of risk management is to assess risks and deploy mitigation measures. In accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 (herein after called '**Listing Regulations**') 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 objectives, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk-related issues.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Ameya Shroff has been re-appointed as Wholetime Director designated as Executive Director with effect from August 01, 2019.

Mrs. Dipika Shroff was appointed as a director liable to retire by rotation by the shareholders at the last Annual General Meeting (AGM) of the Company held on September 07, 2019.

During the period under review, Mr. K. L. Sonthalia, Mr. Ramadoss Srinivasan and Mr. Narayan Shroff were re-appointed as independent directors of the Company by the shareholders at the last AGM of the Company held on September 07, 2019 for a term of five years.



The term of contract of Mr. Sanjiv Shroff, Managing Director of the Company is up to August 31, 2020. The Board of Directors on recommendation of Nomination and Remuneration Committee wishes to re-appoint him as Managing Director for a period of three years, with effect from September 01, 2020. 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.

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. N. G. Khaitan (Non-Executive & Non-Independent Director) is liable to retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment.

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

Brief details of Directors proposed to be appointed /re-appointed as required under Regulation 36 of the SEBI Listing Regulations are provided in the Notice of Annual General Meeting.

During the year Mr. Amar Inder Singh Jassar, Chief Financial Officer of the Company has resigned from the company with effect from October 19, 2019 and Mr. Chandrasekaran Rajagopalan, has been appointed as the Chief Financial Officer of the company in the meeting of Board of Directors held on November 11, 2019.

Additionally, during the financial year 2020-2021, Mr. Vimal Tank, Company Secretary of the Company has resigned from the post with effect from April 30, 2020 and Mr. Chirag Gupta, has been appointed as the Company Secretary of the company with effect from June 26, 2020.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under Section 149 of the Companies Act, 2013 and Regulation 16 & 25 of Listing Regulation. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

Further, a familiarization program has been conducted for Independent Directors and the details are uploaded on the company's website www.reliancechemotex.com.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company recognizes the importance of its employees as a key asset instrumental in its growth. The Company believes in

acquisition, retention and betterment of talented team players. With the philosophy of inclusive growth, the Company has further redefined its performance management system. The new system focuses on progression of individual employees together with organizational goals. Under the new system, there is an increased thrust on job rotation and multi-skilling. The company's Human Resource Department is committed to positively developing employees with a focus on productivity, quality and customer satisfaction. In order to maintain a skilled workforce, the company regularly provides in-house training to its employees and also deputed them to machinery manufacturers and training institutes for specific training as and when the need arises.

The Company has a well-developed management information system which provides the required information to the all levels of management. Such reports are routinely analyzed and effective steps are taken to control the product quality, efficiency, utilization, productivity in company.

The strength of the company's workforce at the end of financial year was 1576. This includes both skilled and unskilled manpower.

BOARD EVALUATION

Pursuant to Provision of the Companies Act, 2013 read with Rules issued thereunder and the SEBI (Listing Regulations), the Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, electiveness of Board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, electiveness of committee meetings, etc. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India. In a separate meeting of Independent Directors, the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was also evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

MEETINGS OF BOARD

The Board of Directors met four times during the year on 04.05.2019, 09.08.2019, 11.11.2019 and 27.01.2020. 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 provided in the 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

The Company has appointed M/s. Jain Pramod Jain & Co, Chartered Accountant, New Delhi (Firm Registration No. 016746N), as the statutory auditors of the Company, for a term of five years, from the conclusion of the 39th Annual General Meeting of the Company held on August 28, 2017 till the conclusion of the 44th Annual General Meeting to be held in the year 2022. They have furnished a Certificate to the effect that they fulfill the requirements under the provisions of the Sections 139 and 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought. The Company has received a certificate from M/s. Jain Pramod Jain & Co, Chartered Accountant, New Delhi (Firm Registration No. 016746N), confirming that they are not disqualified from continuing as Statutory Auditors of the Company.

AUDITOR'S REPORT

The Board has duly examined the Statutory Auditor's Reports on the Financial Statements of the Company for the financial year ended March 31, 2020 which is self-explanatory. The report does not contain any observations, disclaimers, qualification or adverse remarks.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review.

COST AUDITORS

In Board Meeting held on August 09, 2019, M/s N. N. & Associates was appointed as Cost Auditor to undertake the Cost Audit for the Financial Year 2019-20. The Cost Audit for the Financial Year 2019-20 has been completed. The Board took note of the Cost Audit Report along with Cost Accounts in its meeting held on August 26, 2020.

M/s. N.N & Associates, Cost Accountants, New Delhi (FRN: 002322) has been re-appointed by the Board to conduct the Audit for the Financial Year 2020-21. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the

Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for approval by the shareholders at the ensuing AGM.

The Company has maintained the cost accounts and records in accordance with Section 148 of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014.

As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained a written certificate from the Auditors to the effect that they conform to 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 rules framed as under.

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 appointed M/s. V. M. & Associates, Company Secretaries (FRN: P1984RJ039200), Jaipur to undertake the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report in form MR-3 for the Financial Year 2019-20 is included as **Annexure-2** and forms integral part of the Report.

The Secretarial Audit Report does not contain any qualifications/reservations & adverse remarks.

The Board of Directors has re-appointed M/s V. M. & Associates, Company Secretaries, Jaipur to conduct the Secretarial Audit for the Financial Year 2020-21

INTERNAL AUDITORS

Pursuant to Provision of Section 138 of the Companies Act, 2013 read with Companies Accounts Rules 2014, the Company appointed M/s. Rajeev Amitabh & Co, Chartered Accountant, New Delhi to undertake the Internal Audit for the Financial Year 2019-20. The Scope of Internal Audit is closely monitored by the Audit Committee. The Internal Auditor submits its report on a half-yearly basis and same is placed before the Audit Committee along with the Management's response. The Board of Directors in its meeting held on June 26, 2020 has re-appointed M/s. Rajeev Amitabh & Co, Chartered Accountant, New Delhi to conduct the Internal Audit of the company for the Financial Year 2020-21.

EXTRACT OF ANNUAL RETURN

The Extract of the Annual Return in Form MGT-9 containing details as on the financial year ended March 31, 2020 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-7**.

CHANGES IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the company.



MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The company's manufacturing operations were impacted due to lockdown announced by the Government of India due to COVID-19 pandemic. The company's operations remained closed from March 22, 2020 to April 19, 2020. When lockdown was relaxed by the Government of India - the company resumed its operations while strictly adhering to the safety norms recommended by Government of India. The suspension of operation due to the national lockdown has impacted the company's revenue in Q4 of FY 2019-2020 and Q1 of FY 2020-2021.

However, Considering the Company's quality product portfolio, brand image, long-standing relationships & goodwill with its customers, suppliers & other stakeholders, the business operations, cash flows, future revenue, assets and liabilities will sustain going forward.

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 and also the Company's future operations.

SUBSIDIARY COMPANY

During the year, the Company has no Subsidiaries/ Associate Companies/ Joint Venture.

LOANS, GUARANTEES & INVESTMENTS BY THE COMPANY

The Company has not given any loan, guarantees or made any investments covered under the provision 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 it in accordance with the policy adopted by the Company. The Audit Committee of the Board of Directors, Statutory Auditor and Department Heads are appraised of the internal audit finding and corrective action is taken thereon. The audit observations and the management's response is placed before the Audit Committee. We believe that our internal financial control system provides reasonable assurance that our internal financial control is designed effectively and is operating as intended.

REPORT ON CORPORATE GOVERNANCE

A separate section on Corporate Governance and a certificate from the 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 form a part of the Annual Report are given in **Annexure-8**.

VIGIL MECHANISM /WHISTLE BLOWER POLICY

Your Company is committed to highest standards 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 Regulations. 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 focuses on promoting ethical behavior in all its business activities and encourages employees to report concerns and unethical behavior, actual or suspected fraud or violation of the company's code of conduct and ethics. Under the said mechanism, 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 whose this mechanism. The Vigil Mechanism/Whistle Blower Policy is available on the Company's website at www.reliancechemotex.com.

The functioning of the Vigil Mechanism is reviewed by the Audit Committee from time to time. The Company affirms that no director/employee has been denied access to the Chairman of the Audit Committee and that no complaint was received during the year.

NOMINATION & REMUNERATION POLICY

The Board of Directors has framed the policy on Nomination & Remuneration which lays down the framework in relation to the 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 is available on the Company's website www.reliancechemotex.com and the salient features of the policy forms a part of the Annual report.

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. 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. 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 the 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 as given in AOC-2 are provided in **Annexure-3**.

DISCLOSURE UNDER THE SEXUAL HARRASMENT 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. The 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. Following are the details of sexual harassment cases for the financial year 2019-20.

S.No.	No. of complaints received during the financial year	No. of complaints disposed off during the Year	No. of Complaints pending as at the end of the financial year
1	NIL	NIL	NIL

COMMITTEES 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. The Executive Committee was constituted during the year under review for the purpose of the Rights Issue and was subsequently dissolved on its completion.

CORPORATE SOCIAL RESPONSIBILITY

In terms of requirements of Section 135 of the Companies Act, 2013 and rules issued thereunder, the Board of Directors of the company has constituted a CSR Committee comprising of Mr. K.L. Sonthalia, Mr. R.N. Sharma and Mr. Rahul Shroff. This committee is responsible for formulating, implementing and monitoring the CSR Policy of the company. The policy on CSR can be accessed on the Company's website www.reliancechemotex.com.

During the year under review, the company has spent Rs 4,03,000/- towards CSR activities. The detailed report on CSR Activities as required under the Companies Act, 2013 is set out in the **Annexure -4**.

PARTICULARS OF EMPLOYEES & THEIR DISCLOSURES:

Disclosures relating to remuneration of Directors u/s 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure 5** to this Report.

The information as required to be provided in terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure 6** to this Report.

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 provided in **Annexure 1**.

SECRETARIAL STANDARDS

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Companies Secretaries of India and notified by Ministry of Corporate Affairs.

KEY FINANCIAL RATIOS

Pursuant to amendment made in Schedule V to the SEBI Listing Regulations, details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios and any changes in Return on Net Worth of the Company (on standalone basis) including explanations therefore are given below:



Particular	31.03.2020	31.03.2019
Debtor Turnover Ratio (No. of Days)	16.16	19.78
Inventory Turnover (No. of Days)	42.64	42.78
Interest Coverage Ratio	2.41	2.1
Current Ratio	0.94	0.93
Debt/Equity Ratio	0.36	0.55
Operating Profit Margin	8.32%	6.71%
Net Profit Margin	3.59%	2.49%
Return on Net Worth	9.64%	6.06%

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the annual accounts for the year ended March 31, 2020 the applicable accounting standards and schedule III of the Companies Act, 2013 have been followed and there are no material departures from this;
- (ii) Appropriate accounting policies have been selected and these have been applied consistently and that the judgments 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 in 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 March 31, 2020 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) An 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 maybe "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 has been gathered from various published and unpublished reports. Their accuracy, reliability and completeness cannot be assured.

APPRECIATION & ACKNOWLEDGMENT

The Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support. The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation. The Directors appreciate and value the contribution made by every member of the RCIL family.

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

Place: Mumbai
Date: August 26, 2020

(Sanjiv Shroff)
DIN: 00296008

(Rahul Shroff)
DIN: 02301693



Annexure- 1

Form for disclosure of particulars with respect to conservation of energy 2019-20

A. CONSERVATION OF ENERGY

1. Steps taken for 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:

- a. Optimization of Pneumafil suction of Ring frames through VFD and pressure transducer – Installed at Unit 2 Ring Frame No. 5 to 12.
- b. Installation of Inverter Drive for Compressor No.1 (unit 2)
- c. Installation of AC Reactors for 9 Nos. LR 9 Ring Frames to reduce harmonics level
- d. Replacement of 4 Nos. Old Spray pumps with new Energy Efficient Pumps in Unit 1 H-Plant.
- e. Replacement of LED Tube lights – Unit 1 Katcha Section
- f. Steam flow meter and steam shut off valve Drier – 2 Nos.
- g. Compressed air leakage arrest of Spinning and post spinning machines

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

- a. In Boiler, "Biomass" is being used instead of Petcoke / Coal.
- b. Installed 300 kWp Roof top Solar systems. The company is proposing to install another 2700 kW proof top solar power plant.

3. Total investment on energy conservation

Rs. 24,50,006

B. TECHNOLOGY ABSORPTION

1 RESEARCH & DEVELOPMENT (R & D)

(a) Efforts made towards technology absorption

Developed multifold knotless yarn for heavy duty application and continuous efforts are going on for industrial sector for PPS Yarn, Meta aramid Yarn. Also introduced low melt and low pill yarns for specific uses and developed Poly/Linen, Viscose, & Cationic Dyeable Product, slub yarn and space dyed yarn. Above started using sewing thumb in industrial setting in Meta aramid Yarn also.

(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):

- (i) the details of technology imported: The Company has not imported any technology during the last three financial years.

- (ii) the year of import: Not applicable
- (iii) whether the technology has been fully absorbed: Not applicable
- (iv) if not fully absorbed, areas where absorption has not taken place, and the reason thereof: Not applicable.
- (v) Expenditure on R&D
Capital : NIL
Recurring : R & D expenses cannot be segregated.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lakh)

1. Foreign Exchange Earnings	:	16,655.98
2. Foreign Exchange outgo	:	1,260.68

Annexure- 2

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[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 – 313 003 (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, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ('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, 2020 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, 2018;
 - (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, 2018; **(Not applicable to the Company during the Audit Period)** and
 - (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 Agreement entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. 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 and Independent 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. Further, independent director(s) were present at Board Meetings which were called at shorter notice to transact business which were considered urgent by the management in compliance of Section 173(3) of the Act. 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 allotted [35,62,713] equity shares of the face value of Rs. 10/- (Rupees Ten Only) each at a price of Rs. [65] on Rights basis in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Place: Jaipur

Date: June 26, 2020

UDIN: [F009985B000386229]

For V.M. & Associates

Company Secretaries

(ICSI Unique Code P1984RJ039200)

CS Vikas Mehta

Partner

Membership No.: FCS 9985

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 **For V.M. & Associates**
Date: June 26, 2020 **Company Secretaries**
UDIN: [F009985B000386229] **(ICSI Unique Code P1984RJ039200)**

CS Vikas Mehta
Partner
Membership No.: FCS 9985
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 **(Sanjiv Shroff)** **(Rahul Shroff)**
Date: August 26, 2020 **Managing Director** **Executive Director**
DIN: 00296008 **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.

RCIL CSR policy is to focus on environmental Sustainability, Education amongst underprivileged section of the society along with health and rural development. The CSR policy of the company is also placed on the website of the company at www.reliancechemotex.com.

2. The Composition of the CSR Committee :

- Mr. K.L.Sonthalia - Chairman-Independent Director
- Mr. R.N.Sharma - Member–Non-Executive Director and
- 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 Year's is Rs. 558.05 Lakhs.

4. Prescribed CSR Expenditure (two percent of the amount as above): The Company is required to spend of Rs. 11.16 Lakh.

5. Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year 2019-20: Rs. 11.16 Lakh
- (b) Amount unspent, if any: Rs. 7.13 Lakh
- (c) Manner in which the amount spent during the financial year is detailed below :

S. No.	CSR Projector Activity Identified	Sector in which the projects is covered	Project or Programmer	Amount outlay	Amount spent on project or programme	Cumulative expenditure up to the reporting period.	Amount Spent on CSR Activity Directly Or through agency.
1.	Ensuring the Environmental Safety, sustainability, protection	Tube well boaring at village Dhuri mata Gaon	Udaipur Rajasthan	11.16 Lakh	0.53 Lakh	0.53 Lakh	Direct
2.	Construction of Road	At Village Kanpur	Udaipur Rajasthan	11.16 Lakh	3.5 Lakh	3.5 Lakh	Direct

6. In case the Company has failed to spend the two percent 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 – As a socially responsible company, the company is persistently exploring new opportunities to increase its CSR expenditure to the prescribed level to create large social impact. With this view the Company has evaluated various projects during the later half of the year but due to COVID 19 impact, the projects were held up. However, the company has identified and will be implementing new projects during the year. The company believes that it will make meaningful progress towards reaching the target in the coming financial year.

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: CSR Committee certifies that all the CSR projects implemented/funded by the Company in financial year 2019-2020 adhere to the objectives set in its CSR policy. The selection, implementation and monitoring of the CSR projects was also done in line with the CSR Policy.

(Kishori Lal Sonthalia)
Chairman of CSR Committee

(Sanjiv Shroff)
Managing Director

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>Mr. Sanjiv Shroff</td> <td>82.69</td> </tr> <tr> <td>Mr. Rahul Shroff</td> <td>70.09</td> </tr> <tr> <td>Mr. Ameya Shroff</td> <td>70.23</td> </tr> </tbody> </table>	Name of Director	Ratio	Mr. Sanjiv Shroff	82.69	Mr. Rahul Shroff	70.09	Mr. Ameya Shroff	70.23		
Name of Director	Ratio											
Mr. Sanjiv Shroff	82.69											
Mr. Rahul Shroff	70.09											
Mr. Ameya Shroff	70.23											
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>Mr. Sanjiv Shroff, MD</td> <td>-</td> </tr> <tr> <td>Mr. Rahul Shroff, ED</td> <td>-</td> </tr> <tr> <td>Mr. Ameya Shroff, ED</td> <td>-</td> </tr> <tr> <td>Mr. Chandrasekaran Rajagopalan, CFO</td> <td>N.A.</td> </tr> <tr> <td>Mr. Vimal Tank, CS</td> <td>-</td> </tr> </tbody> </table>	Mr. Sanjiv Shroff, MD	-	Mr. Rahul Shroff, ED	-	Mr. Ameya Shroff, ED	-	Mr. Chandrasekaran Rajagopalan, CFO	N.A.	Mr. Vimal Tank, CS	-
Mr. Sanjiv Shroff, MD	-											
Mr. Rahul Shroff, ED	-											
Mr. Ameya Shroff, ED	-											
Mr. Chandrasekaran Rajagopalan, CFO	N.A.											
Mr. Vimal Tank, CS	-											



3.	the percentage increase in the median remuneration of employees in the financial year;	During the Financial Year 2020, the percentage increase in the median remuneration of the employees as compared to previous year 12.76% (approx.)
4.	the number of permanent employees on the rolls of company;	1576
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 15% 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 accords 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.

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

Annexure-6

Name	Designation	Remuneration	Qualification	Experience	Joining Date	Age	Last Employment
Mr. Sanjiv Shroff	Managing Director	84,63,155	Science Graduate	31 Years	01-09-88	60 Years	-
Mr. Rahul Shroff	Executive Director	72,49,410	Master in Engineering in Electrical and Computer Science	9 Years	28-07-08	34Years	-
Mr. Ameya Shroff	Executive Director	64,69,404	Master in Engineering in Electrical and Computer Science	6 Years	29-06-13	30 Years	-
Mr.Amar Inder * Singh Jassar	Chief Financial Officer	29,75,137	Chartered Accountant	32 Years	02.12.17	52 Years	Oswal Woolens Mills Ltd.
Mr. Chandrasekaran Rajagopalan **	Chief Financial Officer	25,23,431	Chartered Accountant & Company Secretary	38 years	11.11.19	59 Years	IG Petro chemicals Ltd.
Mr. Madan Gopal Rathi	Finance Manager and Coordinator	20,43,000	Post Graduate in Commerce	48 Years	29.06.13	70 Years	-
Mr. Praveen Kumar Mishra [§]	President	45,61,752	B.Tech	26 Year	04.04.18	52 Years	Trident Group
Mr. S.S Saxena	Vice President Personnel	21,25,770	Master of Social Works	37 Years	26.05.2014	62 Years	Birla Textile Mills Ltd.
Mr Anil Mujumdar	Vice President Engineering	18,83,760	Diploma in Electrical	37 Years	30.09.2015	57 Years	Gimatex Industries Ltd.
Mr. V.K Joshi	Vice President R&D	16,70,404	M.Tech	26 Years	01.07.2013	58 Years	Bharat Commercial Industries Ltd.

*Mr. Amar Inder Singh Jassar resigned from the post of CFO with effect from October 19, 2019.

**Mr. Chandrasekaran Rajagopalan was appointed as the CFO of the company with effect from November 11, 2019.

§ Mr. Praveen Kumar Mishra resigned with effect from March 31, 2020.



Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2020

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:

1	CIN	L40102RJ1977PLC001994
2	Registration Date	23.08.1977
3	Name of the Company	RELIANCE CHEMOTEX INDUSTRIES LIMITED
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON-GOVERNMENT COMPANY
5	Address of the Registered office & contact details	Village Kanpur, Post Box No. 73, Udaipur (Rajasthan)-313003, India Contact : 0294-2490488 Email : cs@reliancechemotex.com, Website : www.reliancechemotex.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Share transfer agent	Big Shares Services Private Limited, Bharat Tin works Building, 1st Floor, Opposite Vasant Oasis, next to Keys Hotel Marol Maroshi Road, Andheri East, Mumbai – 400059, Tel- 022-62638200/210 Emailid : Investors@bigsharesonline.com

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 01.04.2019				No. of Shares held at the end of the year 31.03.2020*				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoters									
(1) Indian									
a) Individual/ HUF	8,54,500	-	8,54,500	21.47%	8,92,940	-	8,92,940	11.84%	(9.63)
b) Central Govt	-	-	-	-					-
c) State Govt(s)	-	-	-	-					-
d) Bodies Corp.	11,53,179	-	11,53,179	28.97%	45,87,779	-	45,87,779	60.82%	31.85
e) Banks / FI	-	-	-	-					-
f) Any other	-	-	-	-					-
Sub Total (A) (1)	20,07,679	-	20,07,679	50.43%	54,80,719	-	54,80,719	72.65%	22.22



RELIANCE
CHEMOTEX INDUSTRIES LIMITED
CIN L40102RJ1977PLC 001994

(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	20,07,679	-	20,07,679	50.43%	54,80,719	-	54,80,719	72.65%	22.22
B. Public Shareholding									-
1. Institutions									-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	150	150	0.00%	3,700	150	3,850	0.05%	0.05
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	150	150	0.00%	3,700	150	3,850	0.05%	0.05
2. Non-Institutions									-
a) Bodies Corp.	1,33,847	650	1,34,497	3.38%	1,27,262	650	1,27,912	1.70%	(1.68)
i) Indian									
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									-
i) Individual shareholders holding nominal share capital upto Rs. 1lakh-	34,390	2,36,078	5,80,085	14.54%	6,43,498	2,14,078	8,57,576	11.37%	(3.20)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	10,36,628		10,36,628	26.04%	7,80,208	-	7,80,208	10.34%	(15.70)
c) Others (specify)				-	-				-
Hindu Undivided Family	-	-	-	0.00%	56,092	-	56,092	0.74%	0.74
Non Resident Indians	23,909	30,300	54,209	1.36%	27,465	28,300	55,765	0.74%	(0.62)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	2,297	-	2,297	0.06%	2,436	-	2,436	0.03%	(0.03)
Trusts	1,000	-	1,000	0.03%	1000	0	1000	0.01%	(0.01)
Director or Director Relative	-	300	300	0.01%	0	300	300	0.00	0.00
IEPF AUTHORITY	1,64,032	-	1,64,032	4.12%	1,77,705	-	1,77,705	2.36%	(1.76)
Sub-total (B)(2):-	17,05,693	2,67,328	19,73,021	49.56%	18,15,666	2,43,328	20,58,994	27.29%	(22.27)
Total Public (B)	17,05,693	2,67,478	19,73,171	49.57%	18,19,366	2,43,478	20,62,844	27.35%	(22.22)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	37,13,372	2,67,478	39,80,850	100.00	73,00,085	2,43,478	75,43,563	100.00	0.00

*Subsequent to Right Issue made during the year the paid up share capital of the Company increases from 39,80,850 to 75,43,563 equity shares.



(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 1.04.2019			Shareholding at the end of the year 31.03.2020*			
		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 shareholding during the year
1	Modern Fibotex India Limited	7,83,179	19.67%	-	34,94,719	46.32%	0.00	26.65
2	Mr. Shankar Lal Shroff	1,95,650	4.91%	100	1,95,650	2.59%	100.00	(2.32)
3	M/s. A.S Chemotex Private Limited	1,90,000	4.77%	-	3,05,380	4.04%	0.00	(0.72)
4	M/s. Sunrise Producers Private Limited	1,80,000	4.52%	-	2,95,380	3.91%	0.00	(0.60)
5	Mrs. Bimla Devi Shroff	1,57,800	3.96%	100.00	1,73,180	2.29%	100.00	(1.66)
6	Mrs. Dipika Shroff	2,31,150	5.81%	64.53	2,31,150	3.05%	100.00	(2.73)
7	Mr. Sanjiv Shroff	1,45,800	3.66%	57.48	1,45,800	1.93%	100.00	(1.72)
8	Mr. Ameya Shroff	1,24,000	3.11%	-	1,24,000	1.64%	0.00	(1.47)
9	Mr. Nand Gopal Khaitan	100	0.00%	0.00	100	0.0013%	0.00	(0.0012)
10	A R Fibtex Private Limited	0.00	0.00	0.00	3,00,000	3.97%	0.00	3.97
11	A R Commercial Private Limited	0.00	0.00	0.00	1,92,300	2.54%	0.00	2.54
12	Shanker Lal Sanjiv Shroff HUF	0.00	0.00	0.00	15,380	0.20%	0.00	0.20
13	Sanjiv Shroff (HUF)	0.00	0.00	0.00	7,680	0.10%	0.00	0.10
	Total	20,07,679	50.43%		54,80,719	72.65%		22.22

*Subsequent to Right Issue made during the year the Shareholding of the promoters and promoter group of the Company Increases from 20,07,679 equity shares to 54,80,719 equity shares.

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

Sr. No	Name	Shareholding at the beginning of the year 01.04.2019		Transactions during the year		Cumulative Shareholding at the end of the year 31.03.2020	
		No. of shares held	% of total shares of company	Date of Transaction	No. of Shares	No. of shares held	% of total shares of company
1.	Modern Fibotex India Limited	7,83,179	19.67%	July 30, 2019	27,11,540	34,94,719	46.32%
2.	M/s A.S. Chemotex Private Limited	1,90,000	4.77%	July 30, 2019	1,15,380	3,05,380	4.04%
3.	M/S Sunrise Producers Private Limited	1,80,000	4.52%	July 30, 2019	1,15,380	2,95,380	3.91%
4.	Mrs. Bimla Devi Shroff	1,57,800	3.96%	July 30, 2019	15,380	1,73,180	2.29%
5.	A R Fibtex Private Limited	0.00	0.00	July 30, 2019	3,00,000	3,00,000	3.97%
6.	A R Commercial Private Limited	0.00	0.00	July 30, 2019	1,92,300	1,92,300	2.54%
7.	Shanker Lal Sanjiv Shroff HUF	0.00	0.00	July 30, 2019	15,380	15,380	0.20%
8.	Sanjiv Shroff (HUF)	0.00	0.00	July 30, 2019	7,680	7,680	0.10%



(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
				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	01.04.2019 - 31.03.2020		1,75,005 - 1,75,005	2.32% - 2.32%	1,75,005 - 1,75,005	2.32% - 2.32%
2	IEPF At the beginning of the year Changes during the year At the end of the year	01.04.2019 20.12.2019 31.03.2020	Transfer	1,64,032 13,673 1,75,005	2.17% 2.36% 2.36%	1,64,032 1,77,705 1,77,705	2.32% - 2.32%
3	RAJESH AGARWAL At the beginning of the year Changes during the year At the end of the year	01.04.2019 - 31.03.2020		1,33,246 - 1,33,246	1.77% - 1.77%	1,33,246 - 1,33,246	1.77% - 1.77%
4	SANGEETHA S At the beginning of the year Changes during the year At the end of the year	01.04.2019 - 31.03.2020		61,090 - 61,090	0.81% - 0.81%	61,090 - 61,090	0.81% - 0.81%
5	MUSKESH CHOURADIA At the beginning of the year Changes during the year At the end of the year	01.04.2019 - 31.03.2020		51,737 - 51,737	0.69% - 0.69%	51,737 - 51,737	0.69% - 0.69%
6	BHARTI BHARAT DATTANI At the beginning of theyear Changes during the year At the end of the year	01.04.2019 - 31.03.2020		66,310 - 66,310	0.88% - 0.88%	66,310 - 66,310	0.88% - 0.88%
7	BANSURI BHARAT DATTANI At the beginning of the year Changes during the year At the end of the year	01.04.2019 - 31.03.2020		65,473 - 65,473	0.87% - 0.87%	65,473 - 65,473	0.87% - 0.87%
8	KHUSHAL JAYESH KHANDWALA At the beginning of the year Changes during the year At the end of the year	01.04.2019 - 31.03.2020	-	40,779 - 40,779	0.54% - 0.54%	40,779 - 40,779	0.54% - 0.54%
9	MILI CONSULTANTS & INVESTMENT PVT.LTD. At the beginning of the year Changes during the year At the end of the year	01.04.2019 29.11.2019 17.01.2020 31.03.2020	Transfer Transfer	35,233 (998) (2,010) 32,225	0.47% 0.45% 0.43% 0.43%	35,233 34,235 32,235 32,225	0.47% 0.45% 0.43% 0.43%
10	BJD SECURITIES PRIVATE LIMITED At the beginning of the year Changes during the year At the end of the year	01.04.2019 - 31.03.2020		34,355 - 34,355	0.46% - 0.46%	34,355 - 34,355	0.46% - 0.46%



Sr. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
				No. of shares	% of total shares	No. of shares	% of total shares
11	MADAN GOPAL RATHI	01.04.2019	Right Issue	200	0.00%	200	0.00%
	At the beginning of the year	09.08.2019		38,460	0.51%	38,460	0.51%
	Changes during the year	31.03.2020		38,660	0.51%	38,660	0.51%
12	BEENA M RATHI	01.04.2019	Right Issue	0	0.00%	0	0.00%
	At the beginning of the year	09.08.2019		38,460	0.51%	38,460	0.51%
	Changes during the year	31.03.2020		38,460	0.51%	38,460	0.51%
13	JAY BHARAT DATTANI	01.04.2019		37,053	0.49%	37,053	0.49%
	At the beginning of the year						
	Changes during the year	31.03.2020		37,053	0.49%	37,053	0.49%
	At the end of the year						

(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 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Sanjiv Shroff	01.04.2019		1,45,800	1.93%	1,45,800	1.93%
	At the beginning of the year	-					
	Changes during the year	31.03.2020		1,45,800	1.93%	1,45,800	1.93%
2	Rahul Shroff	01.04.2019		-	0.00%	-	0.00%
	At the beginning of the year						
	Changes during the year	31.03.2020		-	0.00%	-	0.00%
3	Ameya Shroff	01.04.2019		1,24,000	1.64%	1,24,000	1.64%
	At the beginning of the year	-					
	Changes during the year	31.03.2020		1,24,000	1.64%	1,24,000	1.64%
4	N.G. Khaitan	01.04.2019		100	0.00%	100	0.00%
	At the beginning of the year						
	Changes during the year	31.03.2020		-	0.00%	100	0.00%
	At the end of the year			100	0.00%	100	0.00%



Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	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
5	R.N Sharma						
	At the beginning of the year	01.04.2019		50	0.00%	50	0.00%
	Changes during the year			-	0.00%	50	0.00%
	At the end of the year	31.03.2020				50	0.00%
6	Dipika Shroff						
	At the beginning of the year	01.04.2019		2,31,150	3.06%	2,31,150	3.06%
	Changes during the year	-			0.00%	2,31,150	3.06%
	At the end of the year	31.03.2020		2,31,150	3.06%	2,31,150	3.06%
7	K.L Sonthalia						
	At the beginning of the year	01.04.2019		200	0.01%	200	0.01%
	Changes during the year			-	0.00%	200	0.01%
	At the end of the year	31.03.2020		200	0.01%	200	0.01%
8	Ramadoss Srinivasan						
	At the beginning of the year	01.04.2019		-	-	-	0.00%
	Changes during the year			-	-	-	0.00%
	At the end of the year	31.03.2020		-	-	-	0.00%
9	Narayan Shroff						
	At the beginning of the year	01.04.2019		50	0.00%	50	0.00%
	Changes during the year			-	0.00%	50	0.00%
	At the end of the year	31.03.2020		50	0.00%	50	0.00%
10	Amar Inder Singh Jassar*						
	At the beginning of the year	01.04.2019		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2020		-	0.00%	-	0.00%
11	Chandrasekaran Rajagopalan**						
	At the beginning of the year	01.04.2019		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2020		-	0.00%	-	0.00%
12	Vimal Tank^						
	At the beginning of the year	01.04.2019		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2020		-	0.00%	-	0.00%

*Mr. Amar Inder Singh Jassar resigned from the position of CFO of the Company on October 17, 2019

** Mr. Chandrasekaran Rajagopalan was appointed as the CFO of the Company w.e.f November 11, 2019

^ Mr. Vimal Tank resigned from the position of Company Secretary of the Company w.e.f. April 30, 2020



(vi) INDEBTEDNESS

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

(Rs. In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,001.78	1,868.50	-	5,870.28
ii) Interest due but not paid		32.70	-	32.70
iii) Interest accrued but not due	13.20			13.20
Total (i+ii+iii)	4,014.98	1,901.20	-	5,916.18
Change in Indebtedness during the financial year				
* Addition				
* Reduction	(247.18)	(122.47)		
Net Change	(247.18)	(122.47)		
Indebtedness at the end of the financial year				
i) Principal Amount	3,753.50	1,666.00		5,419.70
ii) Interest due but not paid	14.10	112.73		126.83
iii) Interest accrued but not due				
Total (i+ii+iii)	3,767.80	1,778.73	-	5,546.53

Note: Preference Shares were redeemed by the Company during the Year and hence the above indebtedness do not include preference shares.

(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	48,00,000	37,80,000	33,00,000	1,18,80,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	30,87,155	30,15,810	27,13,404	88,16,369
	(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)	5,76,000	4,53,600	3,96,000	14,25,600
6.	Total(A)	84,63,155	72,49,410	64,09,404	2,21,21,969
	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

	Particulars of Remuneration							Total
		R. N. Sharma	Ramadoss Srinivasan	K. L. Sonthalia	Narayan Shroff	N. G. Khaitan	Dipika Shroff	(In Rs.)
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify	-	33,000	72,000	31,500	-	-	1,36,500
	Total(1)	-	33,000	72,000	31,500	-	-	1,36,500
2	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	27,500	-	-	-	60,000	40,000	1,27,500
	Total (2)	27,500	-	-	-	60,000	40,000	1,27,500
	Total(B)=(1+2)	27,500	33,000	72,000	31,500	60,000	50,000	2,64,000
	Total Managerial Remuneration							22,385,969
	Overall Ceiling as per the Act	Ceiling on Managerial Remuneration as provided in Section 197 of the Companies Act, 2013 is not applicable, since the company has inadequate profit in terms of Section 198 of the act						

C. Remuneration to Key Managerial Persons

S.No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Amar Inder Singh Jassar*	Chandrasekaran Rajagopalan**	Vimal Tank [^]	(In Rs.)
	Designation	CFO	CFO	CS	
1	Gross salary	-	-	-	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,75,137	25,23,431	9,60,000	64,58,568
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(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, please specify	-	-	-	-
	Total	29,75,137	25,23,431	9,60,000	64,58,568

*Mr. Amar Inder Singh Jassar resigned from the position of CFO of the Company on October 17, 2019

** Mr. Chandrasekaran Rajagopalan was appointed as the CFO of the Company w.e.f November 11, 2019

[^] Mr. Vimal Tank resigned from the position of Company Secretary of the Company w.e.f. April 30, 2020



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)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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

PLACE: Mumbai
DATE: August 26, 2020

(Sanjiv Shroff)
Managing Director
 DIN: 00296008

(Rahul Shroff)
Executive Director
 DIN: 02301693



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 with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter called as "Listing Regulations"). 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 principles:

- a) Appropriate Composition of Board of Directors where every member is having expertise in their domain.
- b) Availability of information to the members of Board and Committees enabling them to discharge their fiduciary duties.
- c) Timely disclosure of material, operational and financial information to the stakeholders.
- d) Proper business conducted by the Board and Senior Management.
- e) System and processes are 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 Regulations is given below.

2. 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 backgrounds. 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, 2020, the Board comprised of Nine Directors out of which three are Executive Directors, three are Independent Directors and three are Non-Executive Directors. The Chairman of the Board is an Independent Director of the Company.

Board Independence: The Independent Directors fulfill the conditions of Independence as specified in Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of Listing Regulations. Format of Letter of Appointment of Independent Directors is uploaded on the website of the company at www.reliancechemotex.com. In compliance with the Listing Regulations, Directors of the Company do not serve as an Independent Director in more than seven listed companies. Further, none of the Directors on the Company's Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on March 31, 2020.

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

Four Board Meetings were held during the Financial Year 2019-2020 at the following dates: May 04, 2019, August 09, 2019, November 11, 2019, January 27, 2020, 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 ¹			Relationship Director inter- se	Equity Shares held
				Other Directorship ¹	Committee Membership ²	Committee Chairmanship ²		
Mr. Ramadoss Srinivasan (Chairman) DIN : 00235831	Independent Director	2	No	-	-	-		-
Mr. Sanjiv Shroff (Managing Director) DIN: 00296008	Promoter/ Managing Director	4	Yes	-	-	-	Related to Mr. S.L Shroff, Mr. Rahul Shroff, Mr. Ameya Shroff, Smt Dipika Shroff, & Mr. N.G. Khaitan	1,45,800
Mr. N.G.Khaitan DIN: 00020588	Promoter/ Non -Executive Director	4	Yes	7	6	3	Related to Mr. S.L Shroff, Mr. Sanjiv Shroff, Mr. Rahul Shroff, Mr. Ameya Shroff & Mrs. Dipika Shroff	100
Mr. K.L. Sonthalia DIN: 00899958	Independent Director	4	Yes ³	1	-	-	-	200
Mr. Narayan Shroff DIN: 05207412	Independent Director	2	No	-	-	-	-	50
Mr. R.N. Sharma DIN: 00368947	Non-Executive Director	2	No	-	-	-	-	50
Mr. Rahul Shroff (Executive Director) DIN: 02301693	Promoter/ Executive Director	4	No	2	-	-	Related to Mr. S.L Shroff, Mr. Sanjiv Shroff, Mr. Ameya Shroff, Smt Dipika Shroff & Mr. N.G. Khaitan	-
Mr. Ameya Shroff (Executive Director) DIN: 05315616	Promoter/ Executive Director	4	Yes	-	-	-	Related to Mr. S.L Shroff, Mr. Sanjiv Shroff, Mr. Rahul Shroff, Smt Dipika Shroff & Mr. N.G. Khaitan	1,24,000
Mrs. Dipika Shroff DIN: 00226941	Promoter/ Non -Executive Director	4	No	1	-	-	Related to Mr. S.L Shroff, Mr. Sanjiv Shroff, Mr. Rahul Shroff, Mr. Ameya Shroff & Mr. N.G. Khaitan	2,31,150

1. The directorship, held by Directors, as above do not include the directorship of Reliance Chemotex Industries Limited.
2. Committees considered for the purpose are those prescribed under the Listing Regulation viz. Audit Committee and Stakeholders Relationship Committee of Indian Public limited Companies other than Reliance Chemotex Industries Limited.
3. Mr. K.L. Sonthalia, Chairperson of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee was present at the AGM.



Details of name of other listed entities where Directors of the Company are Directors and the category of Directorship as on March 31, 2020 are as under:

Name of Director	Name of other Listed entites in which the concerned Director is Director	Category
Mr. N. G. Khaitan	HSIL LIMITED INDIA POWER CORPORATION LIMITED MANGALAM CEMENT LTD CHASE BRIGHT STEEL LIMITED JK LAKSHMI CEMENT LIMITED SOMANY HOME INNOVATION LIMITED	Independent Director
Mr. K. L. Sonthalia	GOPALA POLYPLAST LTD	Independent Director

- During the year, the company provided the information as set out in Regulation 17 read with Part A of Schedule II of Listing Regulations to the Board and Committees thereof to the extent it is applicable and relevant information as part of Agenda Paper.
- Mr. Nand Gopal 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.
- The Board of Directors in its meeting held on August 26, 2020 proposed the re-appointment of Mr. Sanjiv Shroff Managing Director for a period of three years with effect from September 01, 2020.

Skills / expertise competencies of the Board of Directors:

The following is the list of core skills/competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

1. Governance skills (that is, skills directly relevant to performing the Board's key functions);
2. Industry skills (that is, skills relevant to the industry or section in which the organization predominantly operates);and
3. Personal attributes or qualities that are generally considered desirable to be an effective Director
4. Technical skills / experience in accounting / finance / Government or public policy /economy/human resource management/ strategy development and implementation/Capital planning;
5. Governance competencies like Director in large organization, compliance focus, leadership, risk management experience, Business judgment.

Based on the above mentioned skill matrix, the specific areas of focus of individual Board member have been highlighted:

Sr. No	Skills/Expertise/ Competencies	Governance skills	Industry skills	Personal attributes	Technical skills	Governance competencis
1	Mr. Sanjiv Shroff	✓	✓	✓	✓	✓
2	Mr. Ameya Shroff	✓	✓	✓	✓	✓
3	Mr. Rahul Shroff	✓	✓	✓	✓	✓
4	Mrs. Dipika Shroff	✓	✓	✓	✓	✓
5	Mr. N.G. Khaitan	✓	✓	✓	✓	✓
6	Mr. Ramadoss Srinivasan	✓	✓	✓	✓	✓
7	Mr. K.L. Sonthalia	✓	✓	✓	✓	✓
8	Mr. Narayan Shroff	✓	✓	✓	✓	✓
9	Mr. R.N. Sharma	✓	✓	✓	✓	✓



Confirmation as regards independence of Independent Directors

In the opinion of the Board, the existing Independent Directors of the company fulfill the conditions specified in the Listing Regulations and are independent of the Management.

Familiarization Programme for Directors:

To familiarize a new independent director with the company, an information kit containing documents about the company—such as its Annual Reports, Investor Presentations, Recent Press Releases and Code of Conduct of Directors and the Memorandum and Articles of Association is provided. The new independent director individually meets with board members and senior management. Visits to plants are also organized for the director. The top management also has one on one discussion with the newly appointed directors to familiarize with the company and its operations. The company has put the Familiarization programme on the website of the company at <http://www.reliancechemotex.com/reports/code-of-conduct-and-policies/>.

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 the 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.

COMMITTEES OF THE BOARD

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the company and need a closer review. The Board Committees are framed with the approval of Board and function in the irrespective 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 five Committees of the Directors with adequate delegation of powers to discharge urgent business of the Company. As on March 31, 2020 the Board has established the following committees as below:

- (a) Audit Committee
- (b) Stakeholder Relationship Committee
- (c) Nomination & Remuneration Committee
- (d) Corporate Social Responsibility Committee
- (e) Finance Committee.

- During the year Company has framed Executive Committee for the purpose of Right Issue which was dissolved on January 27, 2020.

3. 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. Mr. K. L. Sonthalia, Chairman of audit Committee has sound financial knowledge as well as many years of experience in general management. 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.

Company Secretary of the Company acts as the Secretary of the Committee.

Meeting and Attendance:

The Audit Committee met four times during the Financial Year 2019-20. The Maximum gap between two meetings was not more than 120 days. The committee met on May 04, 2019, August 09, 2019, November 11, 2019 and January 27, 2020. Mr. K.L Sonthalia, Chairman of Audit Committee was present in the Annual General Meeting held on September 07, 2019. The Attendance of the members of the committee is as follows:



Name of Member	Category	No. of Meetings held during Tenure	No. of Meetings attended
Mr. K. L. Sonthalia Chairman	Independent Non-Executive	4	4
Mr. N. G. Khaitan Member	Non Independent Non-Executive	4	4
Mr. Ramadoss Srinivasan Member	Independent Non-Executive	4	2
Mr. Narayan Shroff Member	Independent Non-Executive	4	2

Internal Control

The Company has appointed a Firm of Chartered Accountants as Internal Auditors to review and report on the Internal Control Systems of the Company. The Company has also laid down the Internal Financial Control System which was also reviewed by the Audit Committee. The Statutory Auditor of the Company has submitted their report on Internal Financial Control for the F.Y. ended on March 31, 2020. The Internal Auditor reviewed the Internal Control System and report of the Internal Auditors is reviewed by the Audit Committee.

The terms of reference of the audit committee are broadly stated 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 auditor's 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 as per the 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 finding.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
- Qualification 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, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization 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 electiveness 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.
- Management Discussion and Analysis of Financial Condition and results of operations.
- Statement of Significant Related Party Transactions, 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.

4) NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises with Four (4) non-executive directors of whom 3 members are Independent Directors. Mr. K. L. Sonthalia, Independent Director is the Chairman of the Committee. The composition of the committee meets the requirements of Section 178 of the Act and the Listing Regulation. Nomination & Remuneration Committee recommend the 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 Regulations 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 three times during the FY 2019-20 on May 04, 2019, August 09, 2019 and November 11, 2019. 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 2019-20 is detailed below:

Name of Member	Nature of Membership / Category	No. of Meetings held during Tenure	No. of Meetings attended
Mr. K. L. Sonthalia Chairman	Independent Director	3	3
Mr. Ramadoss Srinivasn Member	Independent Director	3	2
Mr. Narayan Shroff Member	Independent Director	3	1
Mr. R. N. Sharma Member	Non-Executive Director	3	2

- The Company Secretary of the Committee acts as Secretary of the Committee. The Chairman of the Committee was present in the Annual General Meeting.

TERMS OF REFERENCE

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 the 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;
- To recommend to the board, all remuneration, in whatever form, payable to senior management.

5. Remuneration Policy:

- i) **Non-Executive Director:** The non-executive directors are paid remuneration by way of sitting fees for the meetings plus travelling and other expenses for attending 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. 2,64,000/- as follow: -

Name of Director	Sitting fee for (Amount in Rs.)	
	Board Meeting	Committee Meeting
Mr. N. G. Khaitan	40000	20000
Mr. K. L. Sonthalia	40000	32000
Mr. Ramadoss Srinivasan	20000	13000
Mr. R. N. Sharma	20000	7500
Mr. Narayan Shroff	20000	11500
Mrs. Dipika Shroff	40000	-

- ii) **Executive Directors:** The appointment/ re-appointment and remuneration of Executive Directors including Managing Director and Whole time Director is governed by the recommendation of the Remuneration and Nomination Committee, Resolutions passed by the Board of Directors and Shareholders of the Company. The remuneration package of Managing Director and Whole time Director comprises of salary, perquisites and allowances, and contributions to Provident and other retirement benefits as approved by shareholders at the General Meetings. Nomination and Remuneration policy was displayed on the Company's website i.e. www.reliancechemotex.com. The Details of remuneration paid to Executive Directors during the Financial Year 2019-20 are as under;

Name of Executive Directors	Basic Salary	Ex-gratia	Allowances	Contribution to P.F	Total	Service Contract (Years)	Period	Notice Period and Severance Fees
Mr. Sanjiv Shroff	48,00,000	9,60,000	21,27,155	5,76,000	84,63,155	3	01.09.17 to 31.08.20	6 Month Notice & 3 Month Salary in lieu thereof
Mr. Rahul Shroff	37,00,000	7,56,000	22,59,810	4,53,600	72,49,410	3	26.09.18 to 25.09.21	6 Month Notice & 3 Month Salary in lieu thereof
Mr. Ameya Shroff	33,00,000	6,60,000	21,13,404	3,96,000	64,69,404	3	01.08.19 to 31.07.22	6 Month Notice & 3 Month Salary in lieu thereof



6) STAKEHOLDERS 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 Regulations. 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. During the year under review Mr. Vimal Tank acted as the Company Secretary and Compliance Officer of the company. However due to resignation of Mr. Vimal Tank with effect from April 30, 2020, Mr. Chirag Gupta is acting as the Company Secretary and Compliance Officer of the company. The Committee met four times during the year on May 04, 2019, August 09, 2019, Nov 11, 2019 and January 27, 2020. The attendance of the members at the meeting is as follows:

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

(ii) Terms of reference

The Committee has been constituted as per provisions as set out in the Listing Regulations and the Companies Act, 2013 and specifically looking to 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 Company Secretary of the company to attend all the 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 grievances are more expeditiously redressed to the complete satisfaction of the Investor.

ii) Investors Complaints received and resolved during the year

During the financial year 2019-2020, the Complaints and queries received by the Company are general in nature, including issues relating non - receipt of dividend warrants, Annual Reports and others, which were resolved to the satisfaction of the shareholders.

Details of investor complaints received during the financial year 2019-20 are as follows:

Quarter ended on	No. of Complaints received	No. of Complaint Resolved	No. of Complaints Pending
30.06.2019	4	4	-
30.09.2019	1	1	-
31.12.2019	0	0	-
31.03.2020	1	1	-
Total	6	6	-

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



7) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee comprises of Three (3) 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 at www.reliancechemotex.com. The CSR Committee met once during the year on May 04, 2019. The table below provides the attendance of CSR Committee members;

Name of Member	Category	No. of Meetings held during Tenure	No.of Meetings attended
Mr. K. L. Sonthalia	Independent Director	1	1
Mr. Rahul Shroff	Executive Director	1	1
Mr. R. N. Sharma	Non-Executive Director	1	1

8) FINANCE COMMITTEE

The company has constituted a Finance Committee comprising of Mr. Sanjiv Shroff, Mr. Rahul Shroff and Mr. K.L Sonthalia as members for approval of the financial decisions, and acceptance of sanction, to execute the required documents in respect of loan/limits granted by banks. The committee met 4 times during the FY 2019-20 on Nov 11, 2019, Dec 21, 2019, Jan 27, 2020 and March 23, 2020. The table below provides the attendance of Committee members

Name of Member	Category	No. of Meetings held during Tenure	No. of Meetings attended
Mr. Sanjiv Shroff	Executive Director	4	4
Mr. Rahul Shroff	Executive Director	4	4
Mr. K. L. Sonthalia	Independent Director	4	3

9) MEETING OF INDEPENDENT DIRECTORS

As per provision of Regulation 16 of Listing Regulations and Section 149 of the Companies Act, 2013. A Meeting of Independent Directors of the Company was held on January 27, 2020 and Mr. K. L. Sonthalia & Mr. Narayan Shroff were present in the meeting.

During the year under review, the Independent Directors discussed the following matters 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 time lines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

During the Meeting, the 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 Related Party 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. There were no materially significant transactions with Related Parties during the financial years. Related party transactions have been disclosed



under the note 53 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 said Policy is also available on the website of the Company at www.reliancechemotex.com.

10. General Body Meetings

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

Year	AGM	Location	Date	Time
2016-17	39th AGM	Alka Hotel, Udaipur	28th Aug. 2017	10:30 A.M
2017-18	40Th AGM	Alka Hotel, Udaipur	10th Sept, 2018	10:30 A.M
2018-19	41st AGM	Alka Hotel, Udaipur	07th Sept, 2019	10:30 A.M

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

a) In the AGM held on September 07, 2019

- 1) To re-appoint Mr. Ramadoss Srinivasan as an Independent Director of the company.
- 2) To re-appoint Mr. K.L. Sonthalia as an Independent Director of the company.
- 3) To re-appoint Mr. Narayan Shroff as an Independent Director of the company.
- 4) To re-appoint Mr. Ameya Shroff as a whole time Director designated as Executive Director of the company.
- 5) Revision in the terms of payment of remuneration to Mr. Rahul Shroff, Executive Director.
- 6) Revision in the terms of payment of remuneration to Mr. Sanjiv Shroff, Managing Director.
- 7) To authorize the board under Section 62(3) of Companies Act, 2013.

b) In the AGM held on September 10, 2018

- 1) To consider continuous appointment of Mr. K. L. Sonthalia as an Independent Director of the Company.
- 2) To consider continuous appointment of Mr. Narayan Shroff as an Independent Director of the Company.
- 3) To re-appoint Mr. Rahul Shroff as Executive Director of the Company.

c) In the AGM held on August 28, 2017

- 1) To re-appoint Mr. Sanjiv Shroff as Managing Director of the company.

11. Disclosures

- a. During the year, there were no materially significant transactions except as set out in financial statement 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.
- b. 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.
- c. The Company has Vigil Mechanism/ Whistle Blower Policy the same was posted on the Company website at www.reliancechemotex.com. The detailed disclosure on the policy is else wherein in the board report.



d. The entire mandatory requirement has been appropriately complied with and the non-mandatory requirements are dealt with at the end of this report.

e. Weblink

i. Familiarization programme for Independent Directors <http://www.reliancechemotex.com/familisationProgramme.html>

ii. Related party transaction policy <http://www.reliancechemotex.com/policyRelatedPartyTransaction.html>

iii. Material Subsidiary: NA

1. There have not been any significant changes in the accounting policies during the year.

2. No Pecuniary relationship or transaction of the Non-Executive Directors.

3. There is no material transaction with any Non-Executive as well as Independent Director that require a separate disclosure.

4. There is no such Fund raised through Preferential Allotment or Qualified Institutional Placement in accordance with the Regulation 32(7a) of Listing Regulations.

5. 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.

6. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part is given below:

(Rs. in Lakh)

Payment to Statutory Auditors	FY 2019-20
Audit Fees	7.00
Tax Audit Fees	2.44
Other Services	1.78
Reimbursement of expenses	2.75
Total	13.97

7. During the year, there is no such share Certificate which lying in Demat Suspense / Unclaimed suspense account.

8. All Accounting Standard mandatorily require have been followed without exception in preparation of financial statement.

9. There is no such Special Resolution is being passed through Postal Ballot during last F.Y. also in Annual General Meeting there is no such Special resolution is proposed to be held.

10. Disclosures under the sexual harassment of women at workplace (Prevention, prohibition and Redressal) Act, 2013

Number of Complaints filed during the Financial Year 2019-20 Nil

Number of Complaints disposed off during the Financial Year 2019-20 Nil

Number of Complaints pending as on end of Financial Year 2019-20 Nil

11. CEO & CFO Certificate is presented in a separate section & forms part of Annual Report.

12. Certificate from M/S V. M. Associates Company Secretaries has been obtained that none of the directors on the Board of the Company has been disqualified.



12. 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 Share holding Pattern are also available at Company's website at www.reliancechemotex.com. Further Press Release and Investor Presentation are also displayed On Company Website. The public announcement for the purpose of Right Issue was published in Jansatta and Financial Express. Management Discussion and Analysis Report form part of this Annual Report consolidated with the Board Report.

13. General Shareholders' Information

1.	Annual General Meeting Date, Time and Venue	September 28, 2020 at 10:15 A.M.(IST) to be held via video conferencing
2.	Financial Year	The company's financial year begins on April 01, 2019 and ends on March 31, 2020
3.	Dividend payment date and book closure date	On or after October 01, 2020 (Dividend Payment date, if approved by the shareholders) September 22, 2020 till September 28, 2020 (Book Closure)
4.	Listing on Stock Exchanges and Stock Code	The shares of the company are listed on BSE Ltd, 25 PJ Tower, Dalal Street, Mumbai, The Annual Listing Fees for the Financial Year 2020-21 has been paid on 26.05.2020
5.	Stock Code	503162
6.	Registrar and Share Transfer Agent	M/s Bigshare Services Pvt. Ltd.
7.	Share Transfer System	Pursuant to the changes made in Regulation 40 of Listing Regulation, the transfer of securities shall not be processed unless the securities are held in dematerialized form.
8.	Dematerialization of Shares and Liquidity	Approximately 97% of the company's equity share are in electronic format. Pursuant to the listing regulation, we obtain certificates from Practicing Company Secretary on the half yearly basis to the effect that all the transfer are completed within the stipulated period. A copy of the certificates so received is submitted to stock exchange (BSE Ltd.).
9.	Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity	Nil
10.	Plant Location	Village Kanpur, Post Box No.73, Dist. Udaipur-313003



11.	Address for Correspondence	<p>Registered Office : Reliance Chemotex Industries Limited Post Box No.73, Village: Kanpur Dist: Udaipur-313003 (Raj.) Ph.No. : 0294-2490488, 2491489, 2491490 FaxNo. : 0294-2490067 E-mail: cs@reliancechemotex.com Website: www.reliancechemotex.com</p> <p>Registrar & Share Transfer Agent : Big Shares Services Private Limited, Bharat Tin works Building, 1st Floor, Opposite Vasant Oasis, next to Keys Hotel Marol Maroshi Road, Andheri East, Mumbai – 400059, Tel- 022-62638200/210 Emailid : Investors@bigsharesonline.com</p>
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b) Tentative Calendar for the Financial Year ending March 31, 2021

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

S.No.	Particular of Quarter	Tentative dates
1	First Quarter Result	On or before August 30, 2020
2	Second Quarter & Half yearly Result	On or before November 14, 2020
3	Third Quarter & Nine Months Result	On or before February 14,2021
4	Fourth Quarter & Annual Audited Result	On or before May 30,2021

Dividend

Pursuant to the approval of the Board on June 26, 2020 your Company recommended a dividend of Rs.1/- per equity share of face value of Rs. 10/- each, to shareholders who were on the register of members as on closing hours of September 21, 2020 being the record date fixed for this purpose. Total dividend for the year ended March 31, 2020 will be Rs.1/- per equity share of face value of Rs.10/- each.

Pursuant to Section 124 of Companies Act, 2013, the Company has transferred the unpaid or unclaimed final dividend for the financial year 2011-12 on the due date to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Pursuant to the Rule 5(8) of Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 07, 2019 (date of last Annual General Meeting) on the website of the Company (www.reliancechemotex.com/investors) and also on the website of the Ministry of Corporate Affairs. After completion of seven years, no claims shall lie against the said fund or against the Company for the amounts of Dividend so transferred nor shall any payment be made in respect of such claims under the Companies Act, 1956. The Companies Act, 2013 provides for claiming such Dividends from the Central Government.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), equity shares in respect of which final dividend has not been claimed for the financial year 2011-12, have been transferred to the IEPF Authority in accordance with the aforesaid rules.



Details of Unclaimed Dividend as on March 31, 2020 and due dates for transfer are as follows:

SR.NO	FINANCIAL YEAR	UNCLAIMED AMOUNT (Rs.)	DUE DATE FOR TRANSFER TO IEPF ACCOUNT
1	2012-13	2,92,369	21-10-20
2	2013-14 (Interim Dividend)	2,42,208	16-03-21
	2013-14 (Final Dividend)	90,888	03-11-21
3	2014-15	4,10,999	31-10-22
4	2015-16	3,33,188	18-10-23
5	2016-17	3,65,974	02-10-24
6	2017-18	2,31,560	12-10-25
7	2018-19 (Final Dividend)	2,00,868	12-10-26
	2018-19 (Special Dividend)	1,00,330	12-10-26

Distribution of Share holding as on 31st March 2020 are as under:

i) According to category of holding:

Category	No. of Shareholders*	No. of Shares held	% of Shareholding
Clearing Members	17	2,436	0.03
Corporate Bodies	43	1,27,912	1.70
IEPF	1	1,77,705	2.36
Nationalized Banks	2	3,850	0.05
Non Resident Indians	51	55,765	0.74
Promoters and Promoter group	13	54,80,719	72.65
Other Directors	3	300	0.00
Public	7,475	16,93,876	22.45
Trusts	1	1,000	0.01
Total	7,606	75,43,563	100.00

*The above shareholders is consolidated on the basis of PAN to avoid multiple disclosures of shareholding of the same person.

ii) According to Number of Equity Shares:

Category	No. of Shareholders*	% of Shareholders	No. of Shares held	% of Shareholding
1-500	7,472	96.57	5,86,039	7.77
501-1000	142	1.84	1,14,872	1.52
1001-5000	69	0.89	1,49,700	1.98
5001-10000	17	0.22	1,20,398	1.60
Over 10000	37	0.48	65,72,554	87.13
TOTAL	7,737	100.00	75,43,563	100.00

*The shareholding is consolidated on the folio number.



b) 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'19	85.95	69.10	39,487.45	38,460.25
May'19	85.00	69.10	40,124.96	36,956.10
Jun'19	84.70	65.70	40,312.07	38,870.96
Jul'19	71.65	55.05	40,032.41	37,128.26
Aug'19	63.00	51.00	37,807.55	36,102.35
Sep'19	68.95	54.35	39,441.12	35,987.80
Oct'19	63.50	49.40	40,392.22	37,415.83
Nov'19	73.95	54.15	41,163.79	40,014.23
Dec'19	70.00	53.65	41,809.96	40,135.37
Jan'20	84.99	62.75	42,273.87	40,476.55
Feb'20	74.95	58.00	41,709.30	38,219.97
Mar'20	63.00	37.00	39,083.17	25,638.90

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

- No security of the Company has been suspended from trading on any stock exchange where they are listed

Disclosures pertaining to credit rating:

As on March 31, 2020, the Company was rated by one domestic rating Agency, namely, India Rating & Research (Ind-Ra). As on March 31, 2020, Ind-Ra rating for Long term borrowing is BBB- with stable outlook.

Compliance with the Mandatory Requirements of the Listing Regulations:

The Board of Directors periodically reviews the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Corporate Governance as specified in Regulations 17 to 27 of the Listing Regulations. The Company has obtained a Certificate from Jain Pramod Jain & Co. Chartered Accountants, Statutory Auditor of the company and is annexed to the Report.

Details of Compliances with the Non-mandatory Requirements of Regulation 27(1) of the Listing Regulations:

- The Quarterly Financial results as per Listing Regulation 47 of SEBI Listing Regulations are published in newspapers. The complete Annual Report is sent to every shareholder of the Company.
- The Internal Auditor directly reports to the Audit Committee.

Declaration regarding Affirmation of Code of Conduct

In tune with the corporate philosophy, the Board of Directors of the Company has laid down a Code of Conduct for the entire 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 thereunder. The Code of Conduct is displayed at Company's website www.reliancechemotex.com under the head "Code of Conduct". Affirmation regarding Compliance with the Code of Conduct has been obtained from all the Board Members and Senior Management Personnel of the Company. All Board members and senior management personnel (as per Regulation 26(3) of the Listing Regulations) have affirmed the compliance with the applicable Code of Conduct for the period ended on March 31, 2020.

Place: Mumbai

Date: August 26, 2020

(Sanjiv Shroff)

DIN: 00296008

(Rahul Shroff)

DIN: 02301693



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, 2020 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: June 26, 2020

(Chandrasekaran Rajagopalan)
Chief Financial Officer

(Sanjiv Shroff)
Managing Director



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
Reliance Chemotex Industries Ltd
Village Kanpur, Post Box No.73
Udaipur-313003 (Rajasthan)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Reliance Chemotex Industries Ltd having CIN: L40102RJ1977PLC001994 and having registered office at Village Kanpur, Post Box No.73, Udaipur-313003 (Rajasthan) (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sr.No	Name of the Director	DIN
1	Nand Gopal Khaitan	00020588
2	Dipika Shroff	00226941
3	Ramadoss Srinivasan	00235831
4	Sanjiv Shroff	00296008
5	Ram Niwas Sharma	00368947
6	Kishori Lal Sonthalia	00899958
7	Rahul Shroff	02301693
8	Narayan Shroff	05207412
9	Ameya Shroff	05315616

Place: Jaipur
Date: June 26, 2020
UDIN:F009985B000386295

For V. M. & Associates
Company Secretaries
(ICSI Unique Code P1984RJ039200)

CS Vikas Mehta
Partner

FCS 9985
CP No. 12789



Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members
Reliance Chemotex Industries Limited
Village Kanpur
Udaipur, (Rajasthan)
Pin: 313003

1. We have examined the compliance of regulations of Corporate Governance by **Reliance Chemotex Industries Limited ('the Company')** for the year ended March 31st 2020 as stipulated in regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The management along with the Board of Directors are also responsible for ensuring compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditors' Responsibility

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but not limited to, verification of secretarial records and financial information of the Company and obtain necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our Scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us and considering the relaxations granted by the Ministry Of Corporate Affairs And Securities And Exchange Board Of India warranted due to the spread of COVID-19 pandemic, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing regulations, as applicable for the year ended March 31, 2020 referred to in paragraph 1 above.

Other matters and Restriction on Use

10. This Certificate in 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.
11. The Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other persons or for any other purpose. Accordingly, we do not accept or assume any liability or any duty or care or for any other purpose or to any other party to whom it is shown or into whose hand it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For Jain Pramod Jain & Co.
Chartered Accountants
(Firm Registration No. 016746 N)

Place: New Delhi
Date: 26.08.2020

P.K. Jain
Partner
Membership No. 010479



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

KEY FINANCIAL HIGHLIGHTS

- Our Revenue from Operations (including other income) stood at Rs. 30,085.02 lakh in FY20 as compared to Rs. 32,529.79 lakh during FY19;
- Exports constituted 59.45% of our total revenue in FY20;
- Our EBITDA recorded an increase of 5.81% from Rs. 2,781.81 lakh in FY19 to Rs. 2,944.08 lakh in FY20;
- Our EBITDA Margin has improved by 124 basis points from 8.55% in FY19 to 9.79% in FY20;
- Our PAT has witnessed robust growth of 128.06% from Rs. 409.14 lakh in FY19 to Rs. 933.11 lakh in FY20;
- Our Net Profit Margin has improved by 184 basis points from 1.26% in FY19 to 3.10% in FY20;
- Earnings per Share has grown from Rs. 10.28 in FY19 to Rs. 14.68 in FY20;
- The Total Capex spend during FY20 stood at Rs. 699.89 lakh;
- Net Long-term Debt / Equity stood at 0.11% as on 31st March 2020 viz-a-viz 0.14% as on 31st March 2019;
- The Book Value per Equity Share stood at Rs. 130.08 per share;
- In FY20, the Return on Equity stood at 9.50% and the Return on Capital Employed stood at 14.93%;
- The company has undertaken an expansion and modernization project which will replace certain older machines while allocating others for research and product development purposes. This project will significantly reduce operating costs, improve profitability and further increase the flexibility of the company's manufacturing;
- The Company has begun installing Solar Panels on the rooftops of our manufacturing units in Udaipur in an effort to further reduce our operating costs. This project will reduce the Company's carbon footprint, lead to significant cost savings and will, to a certain extent, insulate the Company from fluctuations in Industrial Power Tariff Rates. The first 300Kw of rooftop solar capacity has been successfully commissioned and is operating satisfactorily. We endeavour to strategically scale this capacity up to 3MW.

INDUSTRIAL STRUCTURE AND DEVELOPMENTS

GLOBAL ECONOMY

COVID-19 has adversely impacted an already weak and fragile world economy. Global growth in 2019 was the slowest it has been since the 2008 financial crisis. COVID-19 now threatens to plunge the world economy into another recession. According to the latest estimates released by the International Monetary Fund (IMF) in April 2020, the global economy is projected to contract sharply by 3% in 2020 due to the unprecedented impact of the pandemic (much worse than the contraction we saw in 2008-2009).

Necessary measures to contain the spread of the disease through quarantines, travel restrictions and the lockdown of hundreds of cities across Europe, America and Asia have resulted in a significant reduction in both demand and supply. The cumulative loss to the Global GDP due to this pandemic is estimated at approximately USD 9 trillion.

Source:

<https://www.bloomberquint.com/global-economics/world-economy-faces-5-trillion-hit-that-is-like-losing-japan>

<https://www.bloomberg.com/news/articles/2020-04-08/wto-says-2020-global-trade-collapse-may-be-worst-in-a-generation>

<https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/World-Economic-Outlook-April-2020-The-Great-Lockdown-49306>

<https://www.thehindu.com/business/Economy/coronavirus-imf-projects-19-growth-for-india-in-2020/article31340201.ece>

EUROPE

The corona virus outbreak in Europe has been extremely severe necessitating national lockdowns and restrictions on mobility in order to contain its spread. These measures have extracted a sizable toll on economic activity. According to the IMF, the Eurozone is expected to witness a drastic contraction of 7.5% in its economy, the steepest downturn since the Great Depression.



Source:

<https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/World-Economic-Outlook-April-2020-The-Great-Lockdown-49306>

<https://www.newindianexpress.com/world/2020/apr/14/imf-says-eurozone-economy-will-crash-in-2020-due-to-coronavirus-2130090.html>

USA

The United States has also been significantly impacted by Covid-19. The IMF projects that the economy in the United States will contract by 6% in 2020. More than 26 million people have filed for unemployment in USA since mid-March and the country has witnessed historic declines in business activity and consumer confidence.

The government in the United States has tried to cushion the blow to its economy with nearly USD 3 trillion in new spending. Furthermore, in an effort to support the economy the Federal Reserve has also taken a number of emergency steps, which includes the lowering of interest rates to near zero.

Source:

<https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/World-Economic-Outlook-April-2020-The-Great-Lockdown-49306>

<https://www.bbc.com/news/business-52466864>

INDIA

Prior to the outbreak of the corona virus pandemic, the IMF had estimated that India's GDP would grow at 4.8% while the Economic Survey 2019-20 had pegged India's GDP growth at 5% in FY20, the slowest in the last 11 years. However, in view of the national lockdown in India in the last 10 days of the financial year, India's GDP growth for FY20 is likely to be slightly lower than these projected numbers.

For the fiscal year ending March 31, 2021, India's growth is expected to see a significant contraction, and according to the IMF, is expected to fall to 1.9%. This is a sharp drop from the 5.8% that the IMF had projected for the country in January 2020. However, India will be one of the few major economies, alongside China, that is expected to register an expansion despite corona virus led economic disruptions.

India's growth could bounce back to 7.4% in the next fiscal if the country can effectively combat the corona virus outbreak, strategically end the lockdown and take the necessary steps on both the monetary policy and fiscal policy fronts to revive the economy.

India, like many countries, is battling crisis on various fronts, it is faced with acute economic disruptions, a plunging export market, capital flow reversals and a collapse of commodity prices.

In order to support domestic businesses and emphasise self-reliance, the Indian government announced a 20 Lakh crore stimulus package, AatmaNirbhar Bharat Abhiyan. This package included a slew of measures to reinvigorate the economy and to provide relief to businesses, enterprises and households that have been adversely impacted by the lockdown and disruptions caused by the pandemic.

Source:

<https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/World-Economic-Outlook-April-2020-The-Great-Lockdown-49306>

<https://www.cnbc.com/2020/04/20/coronavirus-imf-forecasts-india-growth-rate-at-7point4-percent-in-2021.html>

<https://www.financialexpress.com/economy/covid-19-impact-imf-slashes-indias-growth-forecast-for-fy21-to-1-9/1928550/>

<https://qz.com/india/1856488/details-of-modis-coronavirus-package-atmanirbhar-bharat/>

<https://www.cnbctv18.com/economy/economic-survey-2020-sees-fy20-gdp-growth-at-5-may-project-up-to-65-for-fy21-5168261.htm>

<https://economictimes.indiatimes.com/news/economy/indicators/imf-cuts-indias-fy20-gdp-growth-forecast-to-4-8/articleshow/73435183.cms?from=mdr>

Synthetic Textile Industry in India

India is one of the world's leading manufacturers of man-made textiles. The Textile Industry in India has several distinct advantages: abundant availability of raw materials, availability of skilled manpower at a competitive rate, and a flourishing and diverse domestic market that is being aided by rapid urbanization and increasing per capita income.

Furthermore, the Indian Textile Industry has manufacturing strength across the value chain – right from fibre manufacturing to the production of garments – which allows for robust synergies that lead to cost efficiencies across the value chain. Unfortunately, however, the highly fragmented



nature of the industry does not allow the industry to exploit the benefits of this established manufacturing value chain to the extent that is possible in competing countries.

SWOT Analysis

STRENGTHS

Your Company's strength has always been its continued focus on its versatile and value-added product mix and its highly flexible manufacturing approach. A majority of the company's sales are against confirmed orders, which allows for healthy operating margins and reduces the need to stock finished goods. Furthermore, your company continues to focus on exports and has established, long-term relationships with customers around the globe.

WEAKNESSES

The Textile Industry is extremely labour intensive. The availability of labour continues to be challenging for the industry, across the value chain. Furthermore, the rigid labour laws and increasing wages are also a hindrance.

The cost of power is another vital component and accounts for 15%-20% of the overall production cost in textile spinning. Higher Industrial Power Tariff Rates in your company's geography of operation is an area that needs to be addressed. In an effort to insulate the Company from fluctuations in the aforementioned Industrial Power Tariff Rates, reduce the Company's carbon footprint and reduce overall operational costs, the Company has begun to install Solar Panels on the rooftops of our manufacturing units in Udaipur. The first 300Kw of solar capacity has been successfully commissioned and is operating satisfactorily. We endeavor to strategically scale this capacity up to 3MW.

OPPORTUNITIES

The Corona Virus pandemic has led to severe disruptions throughout the textile value chain and will result in muted demand in both the domestic and international markets in the short-term. However, this pandemic does present the industry with an opportunity to become a viable sourcing alternative to China as customers around the world look to diversify and reduce their dependence on China. The Government's renewed focus on "Make in India" and its new "AtmaNirbhar Bharat (or Self-Reliant India)" campaign promises to provide impetus to the industry in its effort to further strengthen its value chain and emerge as a top sourcing destination for customers around the world.

THREATS

The Corona Virus pandemic and its impact on domestic and global trade is certainly a threat to the sector today. This coupled with deteriorating United States-China trade relations, currency volatility, the upcoming Presidential elections in the United States and increased competition from countries like Vietnam, Bangladesh and Sri-Lanka may have some impact on the industry in the near term.



Independent Auditors' Report To the Members of Reliance Chemotex Industries Ltd. Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Annual Ind AS financial statements of **Reliance Chemotex Industries Limited ("the Company")**, which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Annual Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Annual Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Annual Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Annual Ind AS financial statements.

Emphasis of matter

We draw attention to Note 49 to the financial result which describes the uncertainties and the impact of the COVID -19 pandemic on the company's operations and results as assessed by the management. The actual results may differ from such estimates depending on the future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Annual financial statements of the current period. These matters were addressed in the context of our audit of the Annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibility for the audit of the Annual Ind AS financial statements section of our report, including in relation to these matters. Accordingly our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Annual Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Annual Ind AS financial statements.

Key Audit Matters	Auditors Response
<p>IND AS 116 Leases</p> <p>As described in Note No. 35(VII) to the financial statements, the Company has adopted Ind AS 116 Leases in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit. Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet.</p> <p>The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/arrangement. Adoption of the standard involves significant judgments and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition.</p> <p>Refer Note 48 to the Annual financial statements.</p>	<p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> • Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116); • Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business; • On a statistical sample, we performed the following procedures: <ul style="list-style-type: none"> ➢ assessed the key terms and conditions of each lease with the underlying lease contracts; and ➢ evaluated computation of lease liabilities and verified the key estimates such as, discount rates and the lease term. • Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.

We have determined that there are no other key audit matters to communicate in each report



Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 2019-20. Our opinion on the Annual Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Annual Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Annual Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Annual Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Annual Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Annual Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Annual Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Annual Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Ind AS financial statements, including the disclosures, and whether the Annual Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance,



we determine those matters that were of most significance in the audit of the Annual Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, we give in "Annexure A"

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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March,

2020 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls 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 the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Jain Pramod Jain & Co.

Chartered Accountants
(Firm Registration No. 016746N)

(P.K.Jain)

Partner
Membership No. 010479
Place: New Delhi

Date: 26.06.2020
UDIN 20010479 AAAA BD4471



“Annexure A” to the Independent Auditors' Report

Reliance Chemotex Industries Limited (Referred to in Paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) Fixed assets have been physically verified by the management according to the regular programme of periodical verification in phased manner designed to cover all items over a period of 3 years, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification;
- (c) The title deeds of immovable properties are held in the name of the company.
- ii. The inventories of the Company at all its locations (except stock in transit) have been physically verified by the management at reasonable intervals and the discrepancies which were noticed on physical verification of inventory as compared to book records were not material;
- iii. The Company has not granted any 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.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the Companies Act, 2013 with respect of loans, investments, guarantees and securities.
- v. The Company has not accepted any deposit from public.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima-facie, prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate and complete;
- vii.(a) According to the information and explanations and records of the Company, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Goods and Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues for a period of more than six months from the date they became payable as on 31st March, 2020;
- (b) According to the records and information and explanations given to us, there are no dues in respect of custom duty and Goods and Service Tax that have not been deposited on account of any dispute. In our opinion and according to the information and explanations given to us, the dues in respect of income tax or sales tax or service tax or excise duty or value added tax that have not been deposited with the appropriate authority on account of dispute and the forum where the dispute is pending are given below:

Nature of Statute	Nature of dues	Amount involved in Rs.	Period to which it relates to (Year ended)	Forum where dispute is pending
Service Tax Act	Service Tax	2,40,837	16.07.2017 to 16.10.2018	The Asst. commissioner Central Excise, Udaipur
Central Excise Act	Excise Duty	23,567	F.Y 1979-80	The Asst. Commissioner Central Excise, Udaipur
Central Excise Act	Excise Duty	63,10,184	F.Y 2012-13 to 2015-16	CESTAT (Department Appeal)

- viii. The Company has not defaulted in repayment of loans or borrowings to a financial institution, banks or government.
- ix. In our opinion the term loans have been applied for the purpose for which the loans were raised,
- x. Based upon the audit procedure performed and information and explanation given to us, we report that no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. Managerial Remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule V of the Companies Act, 2013.
- xii. Provision of Nidhi Company is not applicable to the Company.
- xiii. According to the information and explanation give to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements, etc as required by the applicable accounting standard.
- xiv. The company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year under review.
- xv. The company has not entered into any non-cash transaction with Directors or persons connected with him.
- xvi. The company is not required to be registered under section 45-1A of the Reserve Bank of India Act 1934.

For Jain Pramod Jain & Co.
Chartered Accountants
(Firm Registration No. 016746N)

Place: New Delhi
Date: 26.06.2020

(P.K.JAIN)
Partner
M No.010479



Annexure B to the independent Auditors' report of even date on the standalone Financial Statement 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

We have audited the internal financial controls over financial reporting of **Reliance Chemotex Industries Limited** as at March 31, 2020 in conjunction with our audit of the Annual 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 the 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 "the 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 Guidance note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 and 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 statement, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 details, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement 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 limitation 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 may 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 respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the 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".

For Jain Pramod Jain & Co.
Chartered Accountants
(Firm Registration No. 016746N)

Place: New Delhi
Date: 26.06.2020

(P.K.JAIN)
Partner
M No.010479



BALANCE SHEET
AS AT 31ST MARCH 2020

PARTICULARS	NOTE NO.	As at 31.03.2020 (Rs. In Lakh)	AS at 31.03.2019 (Rs. In Lakh)
ASSETS			
(1) Non - current assets			
(a) Property, Plant and Equipment	1	10,119.15	13,732.02
(b) Investment - Property	2	210.72	214.42
(c) Other intangible assets	3	5.85	9.49
(d) Right of use assets	4	3,868.46	-
(e) Financial assets			
(i) Investments	5	-	-
(ii) Loans (Deposit)	6	442.04	342.27
(iii) Others	7	535.67	31.32
(2) Current assets			
(a) Inventories	8	3,505.42	3,787.84
(b) Financial Assets			
(i) Trade receivables	9	1,327.70	1,751.68
(ii) Cash and cash equivalents	10	76.96	12.76
(iii) Bank Balances	11	427.06	396.10
(iv) Others	12	667.30	700.04
(c) Current tax assets (net)	13	91.15	72.95
(d) Other current assets	14	1,467.56	756.28
TOTAL ASSETS		22,745.04	21,807.17
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	755.97	399.69
(b) Other Equity	16	9,056.66	6,289.21
LIABILITIES			
(1) Non - Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	2,853.48	5,032.10
(ii) Other financial liabilities	18	108.45	8.58
(b) Provisions	19	61.79	72.38
(c) Deferred tax liabilities (net)	20	1,873.87	1,974.62
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	2,131.96	2,352.00
(ii) Trade payables	22		
- MSME		48.44	53.50
- OTHERS		3,789.18	3,534.50
(iii) Other financial liabilities	23	1,574.23	1,746.95
(b) Other current liabilities	24	413.65	259.97
(c) Provisions	25	77.36	83.67
TOTAL EQUITY AND LIABILITIES		22,745.04	21,807.17

Significant Accounting Policies and Notes to Accounts (Note No. 35 to 53)
As per our Report of even date.

For **Jain Pramod Jain & Co.**
Chartered Accountants
(Firm Registration No. 016746N)

P.K. JAIN
Partner
M.No. 010479
Place : New Dehli
Dated : 26.06.2020

CHIRAG GUPTA
Company Secretary
M.No. 50843

R. CHANDRASEKARAN
Chief Financial
Officer

SANJIV SHROFF
Managing Director
DIN- 00296008

RAHUL SHROFF
Executive Director
DIN - 02301693

For & On behalf of Board of Directors



STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31st MARCH 2020

PARTICULARS	NOTE NO.	As at 31.03.2020 (Rs. In Lakh)	As at 31.03.2019 (Rs. In Lakh)
I Revenue from operations	26	29,979.46	32,319.32
II Other income	27	105.56	230.47
III Total income (I + II)		30,085.02	32,549.78
IV Expenses			
Cost of Materials Consumed	28	15,161.70	18,654.95
(Increase)/Decrease in Inventories of Finished Goods, Work-in-Progress etc.	29	424.60	73.92
Employee Benefits Expense	30	3,937.76	3,758.52
Finance Costs	31	1,132.88	1,307.18
Depreciation and Amortisation Expense	32	733.83	670.97
Other Expenses	33	7,616.88	7,280.58
Total expenses		29,007.65	31,746.12
V Net Profit before tax (III - IV)		1,077.37	803.66
VI Tax expense	34		
(1) Current Tax		381.00	334.00
(2) Tax for earlier year		(0.93)	10.61
(3) Deferred Tax		(235.81)	49.91
		144.26	394.52
VII Net Profit for the year (V - VI)		933.11	409.14
VIII Other comprehensive income			
A (i) Items that will not be reclassified to (loss) or profit			
i) Remeasurement Gain/(loss) on defined benefit plan		17.64	(5.64)
ii) Tax (i) above		(4.90)	1.88
IX Total Income for the year (VII+VIII)		945.85	405.38
X Earnings per equity share			
(1) Basic		14.68	10.28
(2) Diluted			

Significant Accounting Policies and Notes to Accounts (Note No. 35 to 53)
As per our Report of even date.

For & On behalf of Board of Directors

For Jain Pramod Jain & Co.
Chartered Accountants
(Firm Registration No. 016746N)

P.K. JAIN
Partner
M.No. 010479
Place : New Dehli
Dated : 26.06.2020

CHIRAG GUPTA
Company Secretary
M.No. 50843

R. CHANDRASEKARAN
Chief Financial
Officer

SANJIV SHROFF
Managing Director
DIN- 00296008

RAHUL SHROFF
Executive Director
DIN - 02301693



STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31st MARCH 2020

(Rs. in Lakh)

PARTICULARS	Current Year 31 st March, 2020	Previous Year 31 st March, 2019
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional Items and tax as per statement of profit and loss	1,077.37	803.66
Adjustments for:		
Depreciation and amortization expenses	733.83	670.97
Finance cost	1,132.88	1,308.30
Provision for Doubtful debts	4.66	54.69
Interest income	(62.51)	(76.57)
Balances written back	(3.03)	(6.77)
(Profit)/ loss on sale of fixed assets (net)	(6.67)	(0.23)
Operating profit before working capital changes	2,876.53	2,754.05
Adjustments for:		
(Increase)/decrease in trade & other receivables	419.32	(79.87)
(Increase)/decrease in inventories	282.42	357.18
(Increase)/ Decrease in other current assets	(711.27)	304.16
(Increase)/ Decrease in other financial assets*	(472.83)	(306.11)
Increase/ (Decrease) in other current financial liabilities	(341.23)	(232.03)
Increase/(decrease) in trade & other payables	194.28	10.84
Increase/ (Decrease) in other current liabilities*	153.68	(54.92)
Increase/(decrease) in provisions	(34.54)	(66.32)
	(510.17)	(67.07)
Less: Direct taxes paid (net of refunds)	(210.50)	106.44
Net cash flows (used in)/ generated from operating activities after exceptional items	2,155.86	2,580.54
CASH FLOW FROM INVESTING ACTIVITIES:		
Inflows		
Sale proceeds of property, plant and equipment	12.02	0.32
Interest received	61.29	76.57
Other Bank Balance including Deposit within 3 to 12 Months Maturity	(130.74)	(17.14)
	(57.43)	59.75
Outflows		
Purchase of property, plant and equipment/ intangible assets	(696.95)	(83.88)
	(696.95)	(83.88)
Net cash (used in) / generated from investing activities	(754.38)	(24.13)
CASH FLOW FROM FINANCING ACTIVITIES:		
Inflows		
Proceeds from issuance of Share Capital	356.27	-
Proceeds from Premium on issue of Shares	1,918.00	-
	2,274.27	-
Outflows		
Repayment of long term borrowings	(2,178.61)	(415.12)
Repayment of Short Term Borrowings	(220.04)	(795.10)
Repayment of Lease Liability	(89.97)	-



RELIANCE
CHEMOTEX INDUSTRIES LIMITED
CIN L40102RJ1977PLC 001994

Dividend paid on Preference Share	(79.42)	(230.75)
Dividend distribution tax on Preference Share	(16.33)	(47.43)
Divident and DDT paid on Equity Share	(71.99)	(47.99)
Interest paid	(955.19)	(1,030.12)
	(3,611.56)	(2,566.51)
Net cash (used in) / generated from financing activities	(1,337.28)	(2,566.51)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	64.20	(10.12)
Add : Cash and cash equivalence at beginning of the year	12.76	22.88
Cash and cash equivalence at end of the year	76.96	12.76

Notes:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- Additions to property, plant, equipment and intangible assets include movements of capital work-in-progress and intangible assets under development respectively during the year.

Cash and Cash equivalent as per above comprises of the following

Balances with Banks

- In Current Accounts	72.34	6.49
- In Saving Accounts (against Employee's Security)	2.20	2.27
Cash on Hand	2.42	4.00
Balances as per statement of Cash Flows	76.96	12.76

The accompanying notes are an integral part of these standalone financial statements
As per our Report of even date.

For & On behalf of Board of Directors

For Jain Pramod Jain & Co.

Chartered Accountants
(Firm Registration No. 016746N)

P.K. JAIN
Partner
M.No. 010479
Place : New Dehli
Dated : 26.06.2020

CHIRAG GUPTA
Company Secretary
M.No. 50843

R. CHANDRASEKARAN
Chief Financial
Officer

SANJIV SHROFF
Managing Director
DIN- 00296008

RAHUL SHROFF
Executive Director
DIN - 02301693



Statement Of Change In Equity For The Year Ended 31st March 2020

A. Equity Share Capital

Particulars	Amount (Rs. in Lakh)
Balance at 01.04.2018	399.69
Movement during the year	0
Balance at 31.03.2019	399.69
Movement during the year (Rights issued during the year)	356.28
Balance at 31.03.2020	755.97

B. Other Equity

Particulars	Reserve and Surplus			Other Comprehensive	Total
	Securities Premium	General Reserve	Retained Earning	Re-measurement Gain/(Loss) on Defined Benefit Plans	(Rs. in Lakh)
Balance as at 31st March 2018	643.96	644.79	5335.96	17.27	6641.98
Profit for the year	-	-	409.14	-	409.14
Deferred Tax in earlier year	-	-	(710.16)	-	(710.16)
Other comprehensive income for the year	-	-	-	(3.76)	(3.76)
Dividend and Tax	-	-	(47.99)	-	(47.99)
Balance as at 31st March 2019	643.96	644.79	4986.94	13.51	6289.21
Profit for the year	-	-	933.11	-	933.11
Share Premium for the Year	1959.49	-	-	-	1,959.49
Adjustment of Right to use Assets (Note 48)	-	-	(24.41)	-	(24.41)
Other comprehensive income	-	-	-	12.74	12.74
Right issue expenses	(41.49)	-	-	-	(41.49)
Dividend & Tax	-	-	(71.98)	-	(71.98)
Balance as at 31st March 2020	2561.96	644.79	5823.66	26.25	9056.66

As per our Report of even date.

For & On behalf of Board of Directors

For **Jain Pramod Jain & Co.**
Chartered Accountants
(Firm Registration No. 016746N)

P.K. JAIN
Partner
M.No. 010479
Place : New Dehli
Dated : 26.06.2020

CHIRAG GUPTA
Company Secretary
M.No. 50843

R. CHANDRASEKARAN
Chief Financial
Officer

SANJIV SHROFF
Managing Director
DIN- 00296008

RAHUL SHROFF
Executive Director
DIN - 02301693



NOTES TO FINANCIAL STATEMENTS

Note No. 1

PROPERTY, PLANT AND EQUIPMENT

Rs. in Lakhs

	Free Hold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Block								
Cost as at 1st April, 2018	350.00	3970.40	3395.81	7517.53	208.35	170.13	65.57	15677.78
Additions during the year	0.00	0.00	11.15	54.63	7.00	0.00	10.02	82.79
Deduction/Adjustment during the year	0.00	0.00	0.00	0.00	1.72	0.00	0.00	1.72
Balance as at 1st April, 2019	350.00	3970.40	3406.96	7572.16	213.63	170.13	75.59	15758.85
Additions during the year	0.00	0.00	0.00	128.80	2.62	22.78	3.54	157.74
Reclassified on account of adoption of Ind AS 116	0.00	-3970.40	0.00	0.00	0.00	0.00	0.00	-3970.40
Deduction/Adjustment during the year	0.00	0.00	0.00	23.72	0.11	21.98	0.01	45.82
Balance as at 31st March, 2020	350.00	0.00	3406.96	7677.24	216.14	170.93	79.12	11900.37
Accumulated Depreciation								
Balance as at 1st April, 2018	0.00	130.18	251.41	852.56	52.74	46.12	35.81	1368.81
Depreciation for the year	0.00	65.09	137.75	394.64	22.90	28.35	10.93	659.65
Deduction/Adjustment during the year	0.00	0.00	0.00	0.00	1.63	0.00	0.00	1.63
Balance as at 31st March, 2019	0.00	195.27	389.16	1247.20	74.01	74.47	46.74	2026.83
Depreciation for the year	0.00	0.00	134.45	391.26	22.68	28.46	7.94	584.79
Reclassified on account of adoption of Ind AS 116	0.00	-195.27	0.00	0.00	0.00	0.00	0.00	-195.27
Deduction/Adjustment during the year	0.00	0.00	0.00	20.75	0.00	19.73	0.00	40.47
Balance as at 31st March, 2020	0.00	0.00	523.61	1617.72	96.69	83.20	54.68	2375.88
Net Block								
Balance as at 31st March, 2019	350.00	3775.14	3017.80	6324.96	139.62	95.66	28.85	13732.02
Balance as at 31st March, 2020	350.00	0.00	2883.35	6059.52	119.45	87.73	24.44	9524.49
Capital work in progress								594.66

10119.15

Note 1. Capital work in progress includes interest on loan capitalised Rs. 15.57 lakh as per rate of interest charged on loan (Previous year - NIL)

Note No. 2

INVESTMENT PROPERTY

Particulars	Amount (Rs. in Lakh)
	Leasehold Land
Gross Block	
Cost as at 1st April, 2018	225.52
Additions during the year	0.00
Deduction/Adjustment during the year	0.00
Balance as at 31st March, 2019	225.52
Additions during the year	0.00
Deduction/Adjustment during the year	0.00
Balance as at 31st March, 2020	225.52
Accumulated Depreciation	
Balance as at 1st April, 2018	7.40
Depreciation for the year	3.70
Deduction/Adjustment during the year	0.00
Balance as at 31st March, 2019	11.10
Depreciation for the year	3.70
Deduction/Adjustment during the year	0.00



Balance as at 31st March, 2020	14.80
Net Block	
Balance as at 31st March, 2019	214.42
Balance as at 31st March, 2020	210.72

The Fair Value of Investment Property as at 31st March, 2020 is Rs. 6,51,72,994/- after considering the rental income from Current Lease and other assumptions that market participants would use while pricing Investment Property under current market condition.

(Rs. In lakh)

Information regarding Income and Expenditure of Investment Property	Year ended 31.03.2020	Year ended 31.03.2019
Rental Income derived from Investment Property	3.60	3.60
Less : Direct Operating Expenses (including Repair & Maintenance for generating Rental Income)	-	-
Less : Depreciation	3.70	3.70
Profit (Loss) arising from Investment Properties	(0.10)	(0.10)

NOTE NO. 3

INTANGIBLE ASSETS '(Computer Software)

	As at 31 st March, 2020 (Rs. In Lakh)	As at 31 st March, 2019 (Rs. In Lakh)
Gross Block		
Opening Balance	32.10	31.01
Additions during the year	3.53	1.09
Deduction/Adjustment during the year	-	-
Closing Balance	35.63	32.10
		-
Amortisation		
Opening Balance	22.61	14.99
Amortization during the year	7.17	7.62
Deduction/Adjustment during the year	-	-
Closing Balance	29.78	22.61
Net Block	5.85	9.49

Note No. 4

Right of Use Assets

Rs. in Lakh

Particulars	Land	Building	Total
Reclassified on account of adoption of Ind AS 116	3,775.14	231.49	4,006.63
Additions	-	-	
Deletion	-	-	
Depreciation/ Amortisation	65.09	73.08	138.17
Balance as at March 31, 2020	3,710.05	158.41	3,868.46



(Rs. In lakh)

	As at 31 st March, 2020	As at 31 st March, 2019
NOTE NO. 5		
INVESTMENTS (UNQUOTED)		
("Class A" Shares of M/s V S Lignite Power Pvt.Ltd.)		
16,74,719 Equity Shares of Rs.10/- each	167.47	167.47
1485629, 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each	148.56	148.56
Less:- Provision for diminution in value of Investment	(316.03)	(316.03)
Aggregate book value of unquoted Investment	-	-
NOTE NO. 6		
LOANS (UNSECURED, CONSIDERED GOOD)		
Security Deposits	260.22	176.98
Security Deposit For Rental Premises	181.82	165.29
	442.04	342.27
NOTE NO. 7		
OTHERS (Unsecured Considered good)		
Other Advance	-	31.32
	-	31.32
NOTE NO. 8		
INVENTORIES		
Raw Materials (including in Transit Rs. 26,49,501/-, PY Rs 47,76,420/-)	1,028.16	892.71
Stores and Spares (including in Transit Rs. 4,40,662/- , PY Rs 28,17,328/-)	148.72	141.98
Work-in-Progress	1,441.16	1,421.88
Finished Goods (including in Transit Rs. 1,58,56,705/-, PY Rs 4,09,23,799/-)	861.51	1,301.66
Waste	23.57	28.68
Scrap and Residual Materials	2.30	0.93
	3,505.42	3,787.84
NOTE NO. 9		
TRADE RECEIVABLES (Unsecured) Considered Goods		
Considered Good	1,313.70	1,751.68
Trade Receivables which have significant increase in Credit Risk	73.35	54.69
	1,387.05	1,806.37
Less : Allowances for Doubtful Receivables	59.35	54.69
	1,327.70	1,751.68
NOTE NO. 10		
CASH AND CASH EQUIVALENTS		
Balances with Banks		
- In Current Accounts	72.34	6.49
- In Saving Accounts (against Employee's Security)	2.20	2.27
Cash in Hand	2.42	4.00
	76.96	12.76
NOTE NO. 11		
OTHER BANK BALANCES		
In Unpaid Dividend Account	24.60	24.31
In Fixed Deposit Accounts (Includes Rs. 3,57,273/- (PY Rs. 11,92,112/-) having maturity more then 12 months)	402.46	371.79
	427.06	396.10



(Rs. In lakh)

	As at 31 st March, 2020	As at 31 st March, 2019
NOTE NO. 12		
OTHER FINANCIAL ASSETS		
(Unsecured and Considered good)		
Export Incentive Receivable	331.10	439.85
Staff & Other Advances	95.39	86.69
Interest Subsidy Receivable	235.83	169.74
Interest receivable on deposits	4.98	3.76
	<u>667.30</u>	<u>700.04</u>
NOTE NO. 13		
CURRENT TAX ASSETS (NET)		
Advance Income Tax/Tax Deducted at Source	320.22	281.32
Less:- Provision for Income Tax	(229.07)	(208.37)
	<u>91.15</u>	<u>72.95</u>
NOTE NO. 14		
OTHER CURRENT ASSETS		
(Unsecured and Considered good)		
Prepaid Expenses	97.07	75.35
Balance With Government Authorities	588.80	479.34
Advance to Suppliers	621.76	88.62
Other Advances	159.93	112.97
	<u>1,467.56</u>	<u>756.28</u>
NOTE NO.15		
EQUITY SHARE CAPITAL		
Authorised		
1,35,00,000 Equity Shares of Rs. 10/- each	1,350.00	1,350.00
30,25,000 Preference Shares of Rs. 100/- each	3,025.00	3,025.00
	4,375.00	4,375.00
Issued, Subscribed and Fully Paid-Up		
75,84,813 (P.Y. 40,22,100) Equity Shares of Rs. 10/- each	758.48	402.21
	758.48	402.21
Subscribed and Fully Paid		
75,43,563 (P.Y. 39,80,850) Equity Shares of Rs.10/- each	754.36	398.09
# Forfeited Shares (amount originally paid up Rs. 5/-)	1.61	1.61
Total Subscribed and Paid up Capital	<u>755.97</u>	<u>399.69</u>

Amount Originally paid on 41250 forfeited shares during earlier year.

(a) Reconciliation of the number of equity shares:

DESCRIPTION	As at 31 st March, 2020	As at 31 st March, 2019
	No. of Shares	No. of Shares
Outstanding at the beginning of the year	3,980,850	3,980,850
Addition	3,562,713	-
Outstanding at the end of the year	7,543,563	3,980,850



(b) Term/Right attached to Equity Shares:

The Company has issued only one class of shares referred to as equity share having a face value of Rs.10/- per share ranking paripassu. The holders of equity shares are entitled to one vote per share.

(c) Details of Shareholders holding more than 5% shares based on legal ownership in the Equity share capital of the Company :

Name of the Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Modern Fibotex India Limited	3494719	46.32%	783179	19.67%
Smt. Dipika Shroff	-	-	231150	5.81%

	As at 31 st March, 2020 (Rs. In Lakh)	As at 31 st March, 2019 (Rs. In Lakh)
NOTE NO.16		
OTHER EQUITY		
Securities Premium Account		
Opening Balance	643.96	643.96
Add : Received during the year	1,959.49	-
Less : Right issue Expenses	41.49	-
Closing Balance	<u>2,561.96</u>	<u>643.96</u>
General Reserve		
Opening Balance	644.79	644.79
Add : Transferred from surplus in the Statement of Profit and Loss	-	-
Closing Balance	<u>644.79</u>	<u>644.79</u>
Retained Earnings		
Opening Balance	4,986.95	5,335.96
Add : Profit for the year	933.11	409.14
Less : Adjustment for lease Assets As per IND-AS-116 (Net of Tax)- Note-48	(24.41)	-
Less : 5% Special Dividend	19.90	-
Tax on Dividend on 5% Special Dividend	4.09	-
Less: Appropriations		
Dividend paid on Equity Shares	39.81	39.81
Tax on Dividend on Equity Shares	8.18	8.18
Deffered Tax Liabilities of earlier years	-	710.16
Closing Balance	<u>5,823.68</u>	<u>4,986.95</u>
Other Comprehensive Income (OCI)		
Opening Balance	13.51	17.27
Add: Re-measurement of Defined Benefit Plans	12.74	(3.76)
Closing Balance	<u>26.24</u>	<u>13.51</u>
TOTAL	<u>9,056.66</u>	<u>6,289.21</u>



(Rs. In lakh)

	As at 31 st March, 2020	As at 31 st March, 2019
NOTE NO.17		
BORROWINGS (NON CURRENT)		
(i) 23,07,500 10% Cumulative Redeemable Preference Shares . (Unsecured)	-	2,307.50
	<u>-</u>	<u>2,307.50</u>
(ii) Term Loans from Banks (Secured)		
(a) State Bank of India	-	108.56
(b) SBI Corporate Loan	-	250.00
(c) Export Import Bank of India	541.66	758.33
(d) HDFC Bank Ltd. (Vehicle Loan)	19.28	3.54
(e) ICICI Bank Ltd. (Vehicle Loan)	2.24	8.75
	<u>563.18</u>	<u>1,129.18</u>
(iii) Term Loan from Others Parties - (Secured)		
Rajasthan State Industrial Development & Investment Corporation Limited (RIICO)		
(Less Processing charges Rs. 2.44 lakh previous year - NIL)	1,058.56	520.60
	<u>1,058.56</u>	<u>520.60</u>
Less: Installments payable of Term Loan under (ii) & (iii) above shown in Current Liability in Note No. 23	434.26	793.68
	<u>1,187.48</u>	<u>856.10</u>
(iv) Loans and Advances (Unsecured)		
Loans from other parties (Bodies Corporate)	491.50	863.00
Loans from Related parties	1,174.50	1,005.50
	<u>1,666.00</u>	<u>1,868.50</u>
	<u>2,853.48</u>	<u>5,032.10</u>

(ii) Term Loans from Banks (Secured)

a) Term Loan from State Bank of India

"Term Loan of Rs.1300.00 lakh, Outstanding of Rs. NIL (P.Y. Rs.108.56 lakh) including Rs. NIL (P.Y. Rs.108.56 lakh) shown under the head Other Financial Liabilities for Current Maturities of Long Term Debts in Note 23, 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.1300.00 lakh 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. 175.00 lakh of the Company belonging to Directors and pledge of Preference Shares of the face value of Rs. 150.00 lakh belonging to a Promoter Company.

This loan is repayable in 72 monthly installments from Oct.2013 and last installment is paid in September 2019 and carry floating interest rate at base rate + 3%. "



- b) "Corporate Loan of Rs.1000.00 lakh, Outstanding of Rs.NIL (P.Y. Rs.250.00 lakh) including Rs. NIL lakh (P.Y. 250.00 lakh) shown under the head Other Financial Liabilities for Current Maturities of Long Term Debts in Note 23, 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.1000.00 lakh have also been guaranteed by the Managing Director and one other Director of the Company.

This loan is repayable in 48 monthly installments starting from April 2016 and last installment is paid in March 2020 and carry floating interest rate at base rate + 3.60%."

c) Term Loan from Export Import Bank of India

"Term Loan of Rs.1300.00 lakh , Outstanding Rs. 541.66 lakh as on 31.03.20 (P.Y. 758.33 lakh) from EXIM Bank, including Rs. 216.66 lakh (P.Y. Rs. 216.66 lakh) shown under the head Other Financial Liabilities for Current Maturities of Long Term Debts in Note 23, 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.1300.00 lakh 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. "

d) Term Loans (Vehicle Loans) from HDFC Bank Limited

- i) Vehicle Loan from HDFC Bank Ltd. of Rs. 6.00 lakh outstanding Rs. NIL as on 31.03.2020 (P.Y. 1.49 lakh) including Rs. NIL (P.Y. 1.49 lakh) shown under the head Other Financial Liability for Current maturity of Long Term debts in Note 23 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly installment commencing from December, 2016 along with interest @ 9.66% per annum and the last installment is paid in November, 2019 .
- ii) Vehicle Loan from HDFC Bank Ltd. of Rs. 6.00 lakh outstanding Rs. NIL as on 31.03.2020 (P.Y. Rs.1.49 lakh) including Rs. NIL (P.Y. 1.49 lakh) shown under the head Other Financial Liability for Current maturity of Long Term debts in Note 23 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly installment commencing from December, 2016 along with interest @ 9.66% per annum and the last installment is paid in November, 2019 .
- iii) Vehicle Loan from HDFC Bank Ltd. of Rs. 6.00 lakh outstanding Rs. NIL as on 31.03.2020 (P.Y. Rs.0.57 lakh) including Rs. NIL (P.Y. Rs.0.57 lakh) shown under the head Other Financial Liability for Current maturity of Long Term debts in Note 23 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly installment commencing from July, 2016 along with interest @ 9.75% per annum and the last installment is paid in June 2019 .
- iv) Vehicle Loan from HDFC Bank Ltd. of Rs. 22.00 lakh outstanding Rs.19.28 lakh as on 31.03.2020 (P.Y. Rs. NIL) including Rs.6.95 lakh (P.Y. Rs. NIL) shown under the head Other Financial Liability for Current maturity of Long Term debts in Note 23 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly installment commencing from July, 2019 along with interest @ 8.70% per annum and the last installment is payable by Oct.2022.

e) Term Loans (Vehicle Loans) from ICICI Bank Limited

- i) Vehicle Loan from ICICI Bank Ltd. of Rs. 18.50 lakh outstanding Rs.2.24 lakh as on 31.03.2020 (P.Y. Rs 8.74 lakh) including Rs.2.24 lakh (P.Y. 6.50 lakh) shown under the head Other Financial Liability for Current maturity of Long Term debts in Note 23 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly installment commencing from August, 2017 along with interest @ 8.25% per annum and the last installment is payable by July 2020 .



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

i) "Term Loan of Rs.3550.00 lakh , Outstanding Rs. 748.80 lakh as on 31.03.20 (P.Y. NIL) including Rs.NIL (P.Y. NIL) shown under the head Other Financial Liabilities for Current Maturities of Long Term Debts in Note 23, 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.3550.00 lakh have also been guaranteed by Managing Director and one other Director of the Company.

This loan is repayable in 24 quarterly equal installments from Nov. 2021 and last installment is payable by August 2027. The above term loan carry interest @12.00% p.a. "

ii) "Term Loan of Rs.1250.00 lakh , Outstanding Rs. 312.20 lakh as on 31.03.20 (P.Y. 520.60 lakh) including Rs. 208.40 lakh (P.Y. 208.40 lakh) shown under the head Other Financial Liabilities for Current Maturities of Long Term Debts in Note 23, 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.1250.00 lakh 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. "

(iv) Terms of Repayment of Unsecured Loans

Aggregate Amount outstanding	Rate of Interest	
Rs.1666.00 lakh (P.Y. Rs.1868.50 lakh)	09 to 12 %	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 31.03.2020, only after 31.03.2021

V) 10% Cumulative Redeemable Preference share were redeemed on 30.07.2019



	As at 31 st March, 2020 (Rs. In Lakh)	As at 31 st March, 2019 (Rs. In Lakh)
NOTE NO.18		
Other financial liabilities		
Security Deposits	9.21	8.58
Lease Liability	99.24	-
	108.45	8.58
NOTE NO.19		
PROVISIONS (NON CURRENT)		
Provision for Employee Benefits		
Provision for compensated absence	61.79	72.38
	61.79	72.38
NOTE NO.20		
DEFERRED TAX LIABILITIES (NET)		
(a) Deferred Tax Liabilities	2,153.34	2,408.57
	(a) 2,153.34	2,408.57
(b) Deferred Tax Assets	267.58	282.51
(c) MAT credit Entitlement	11.89	151.44
	(b) 279.47	433.95
Total (a-b)	1,873.87	1,974.62
NOTE NO.21		
SHORT TERM BORROWING (CURRENT)		
Loan repayable on demand from banks (Secured)	2,131.96	2,352.00
	2,131.96	2,352.00

(a) Borrowings of Rs. 2131.96 lakh- (P.Y. 2352.00 lakh) from SBI, IDBI Bank Ltd. 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 by the Managing Director and one other Director of the Company.

	As at 31 st March, 2020 (Rs. In Lakh)	As at 31 st March, 2019 (Rs. In Lakh)
NOTE NO.22		
TRADE PAYABLES (Unsecured)		
Micro Enterprises and Small Enterprises*	48.44	53.50
Others	3,789.18	3,534.50
Total	3,837.62	3,588.00

* There is no overdue amount of principal and interest due to Micro and Small Enterprises . During the period, no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the company.



	As at 31 st March, 2020 (Rs. In Lakh)	As at 31 st March, 2019 (Rs. In Lakh)
NOTE NO.23		
OTHER FINANCIAL LIABILITIES		
Interest Accrued but not due on Loans	126.83	45.90
Premium on Exchange Forward Contract payable	172.63	-
Unclaimed Dividend	24.60	24.31
Expenses Payable	633.30	809.15
Current maturities of Long Term Borrowings	434.26	793.68
Lease Liability	87.58	-
Other Payable for Expenses	95.03	73.91
Total	1,574.23	1,746.95
NOTE NO.24		
OTHER CURRENT LIABILITIES		
Statutory dues	79.15	83.89
Advance From Custmores	334.50	176.08
Total	413.65	259.97
NOTE NO.25		
PROVISIONS (CURRENT)		
Provision for Employee Benefits		
Provision for Gratuity	24.26	53.83
Provision for compensated absence	53.10	29.84
Total	77.36	83.67
NOTE NO.26		
REVENUE FROM OPERATIONS		
A. Sale of Products	28,780.69	31,528.25
B. Other Operating Revenue		
Net Gain/(Loss) on Foreign Currency translation and transactions - sales	410.79	81.22
Duty drawback benefits	435.46	355.14
Premium on transfer of Duty credit scripts	322.20	322.82
Sale of Scrap	30.32	31.89
Total	29,979.46	32,319.32
NOTE NO.27		
OTHER INCOME		
Interest Income	62.51	76.57
Unspent Liabilities/Sundry Balances Written Back (Net)	3.03	6.77
Rent Received	3.60	3.60
Profit on Disposal of Fixed Assets (Net)	6.67	0.23
Net Gain/(Loss) on Foreign Currency transactions - other	-	123.12
Gain on Security Deposit	16.53	15.03
Misc Receipt	13.22	5.15
Total	105.56	230.47



	As at 31 st March, 2020 (Rs. In Lakh)	As at 31 st March, 2019 (Rs. In Lakh)
NOTE NO.28		
COST OF MATERIAL CONSUMED		
Opening Stock of Raw Material	892.71	1,175.41
Add:- Purchases and incidental Expenses	15,297.15	18,372.26
Less:- Closing Stock of Raw Materials	1,028.16	892.71
	15,161.70	18,654.95
NOTE NO.29		
(INCREASE)/DECREASE IN INVENTORIES ON FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS, ETC.		
Closing Inventories		
Work-in-Progress	1,441.16	1,421.88
Finished Goods	861.51	1,301.66
Waste	23.57	28.68
Scrap and Residual Materials	2.30	0.92
Total	2,328.54	2,753.14
Opening Inventories		
Work-in-Progress	1,421.88	1,022.94
Finished Goods	1,301.66	1,790.46
Waste	28.68	10.89
Scrap and Residual Materials	0.92	2.77
Total	2,753.14	2,827.06
	424.60	73.92
NOTE NO.30		
EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus and Benefits, etc.	3,550.37	3,445.85
Contribution to Provident and Other Funds, etc.	258.64	259.20
Employees Welfare Expenses	45.66	40.00
Workman Compensation	83.09	13.47
	3,937.76	3,758.52
NOTE NO.31		
FINANCE COSTS		
Interest Expense*	586.80	679.10
Dividend on Preferenace share	79.42	230.75
Dividend Distribution Tax on Preference shares	16.33	47.43
Other Borrowing Costs	450.33	351.02
Net (Gain)/ Loss on foreign currency Transactions & Tanslations	-	(1.12)
Buyer's Credit / FCNR(B) Loans.		
	1,132.88	1,307.18
*(After adjustment of Rs 60.67 lakh (PY Rs 93.14 lakh) towards interest subsidies under TUFS/ state schemes.)		
NOTE NO.32		
DEPRECIATION AND AMORTISATION EXPENSE		
On Property Plant & Equipment and Intangible Assets	591.96	667.28
Depreciation on Right to use Assets	138.17	-
Investment Property	3.70	3.69
	733.83	670.97



	As at 31 st March, 2020 (Rs. In Lakh)	As at 31 st March, 2019 (Rs. In Lakh)
NOTE NO.33		
OTHER EXPENSES		
Consumption of Stores and Spares	865.61	885.00
Packing Materials	515.22	524.42
Power and Fuel	3,436.92	3,460.99
Freight and Transportation	836.71	825.98
Rent	11.92	97.51
Repair & Maintenance		
- Plant & Equipments	55.20	79.48
- Buildings	69.02	66.36
Insurance	51.26	34.71
Rates & Taxes	25.02	18.57
Travelling and Conveyance	229.50	196.01
Payment to Auditors	13.98	13.16
Commission and Brokerage on sales	750.22	611.96
Miscellaneous Expenses	444.73	404.77
Corporate Social Responsibility (CSR) Expenses	11.16	6.97
Provision for Doubtful Debts	4.66	54.69
Net (gain) /loss on foreign currency transaction and translation-others	295.75	-
	<u>7,616.88</u>	<u>7,280.58</u>
NOTE NO.34		
Income Tax		
Amount Recognised in the Statement of Profit and Loss		
Current Tax	381.00	334.00
Tax for earlier year	(0.93)	10.61
Deferred Tax	(235.81)	49.91
Total Tax Expense	<u>144.26</u>	<u>394.52</u>
Reconciliation of effective tax rate:		
Particulars		
Net profit before income tax	1,077.37	803.66
Applicable Statutory Income Tax Rate	27.820%	33.380%
Computed Tax Expenses	299.72	268.26
Add:- Tax Incidence on additions		
i) Dividend and DDT on Preference Share Capital	26.64	92.86
ii) Exp etc disallowed /other Deductions	90.84	75.48
	TOTAL- A	TOTAL- A
	<u>417.20</u>	<u>436.60</u>
Less:- Tax incidence on additions		
i) Difference of Book Dep and Income tax Dep	(25.60)	10.89
ii) Allowance u/s 43-B	32.46	45.99
iii) Others	29.63	46.11
	TOTAL- B	TOTAL- B
	<u>36.49</u>	<u>102.99</u>
Reported Income Tax Expenses	NET (A-B)	NET (A-B)
Current Tax	<u>380.71</u>	<u>333.60</u>
TAX FOR EARLIER YEAR	381.00	334.00
DEFERRED TAX ASSETS/LIABILITES	(0.93)	10.61
TOTAL	<u>144.26</u>	<u>394.52</u>



NOTE NO. 35

Significant Accounting Policies and Notes on Financial Statements:

1 CORPORATE INFORMATION :

Reliance Chemotex Industries Limited (CIN No.L40102RJ1977PLC001994) is a public limited company domiciled and incorporated in India and its shares are publicly traded on the BSE, in India. The registered office of Reliance Chemotex Industries Limited is at Village Kanpur, Post Box No 73, Udaipur District, Rajasthan 313003. The Company is primarily engaged in the manufacturing and sale of Synthetic & blended Yarn.

A. Basis of Preparation of Financial Statements:

a. The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013. Date of Transition to Ind AS is 01.04.2016.

b. Historical cost convention

"The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value."

c. Use of estimates and judgments

"The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date."

d. Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Companies Act., 2013.

e. The financial statements of the Company are presented in Indian Rupee (INR), which is also the functional currency of the Company.

B. Significant Accounting Policies

(i) Property, Plant and Equipment

The company consider the previous GAAP carrying value of all its Properties, Plants and Equipment except freehold and leasehold land as deemed cost at the transition date i.e. 1st April 2016. The Company has adopted optional exemption under IND AS 101 to measure free hold land & lease hold land at fair value and consequently the fair value has been assumed to be deemed cost on the date of transition.

Property, Plant and Equipment acquired after the transition dates are stated at cost less accumulated depreciation. Cost include expenses directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Intangible Assets :

Intangible assets comprise of computer software. These assets are stated at cost.

(iii) Depreciation/Amortisation

"Depreciation on Property , Plant & Equipment is calculated on straight line method using the rates arrived at based on the estimated useful life given in schedule II of the Company's Act. 2013 except as under :-

- Office Equipment are depreciated over 10 years.



The remaining useful life of property, Plant & Equipment is reviewed at each financial year end and same is in accordance with life as per schedule II of the Company's Act. 2013.

Intangible Assets (Computer Software) is amortised over 5 Years.

Individual Assets costing below 5000/- are depreciated on prorata basis over one year from the date of acquisition. "

(iv) Investment Property

"Investment properties are measured at deemed cost less accumulated depreciation and impairment losses, if any.

The cost and related accumulated depreciation are eliminated from the financial statements, upon sale, disposition and withdrawal from permanent use of the assets and when no future economic benefits are expected from its disposal. The resultant gains or losses are recognised in statement of profit and loss. "

(v) Non Current Investments :

Investment are valued at fair market value on the reporting date either through other comprehensive income, or through the Statement of Profit and Loss.

(vi) Valuation of Inventories:

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of stores and spares has been computed on weighted Average method and raw material has been computed on First-in-First-out Method, Scrap and waste has been valued on net realisable value. Due allowance is estimated and made for defective and obsolete items, wherever necessary. Scrap and waste has been valued at net realisable value.

(vii) Lease

The Company's lease asset primarily consists of lease for building and leasehold land. The Company, at the inception of a contract, assesses whether the contract is a lease or not a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contract existing and entered into on or after April 1, 2019. The Company has elected not to recognize Right-of-use Assets and lease liabilities for short-term leases i.e. lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense over the lease term. The Company recognizes a Right-of-use Asset and a lease liability at the lease commencement date. The Right-of-use Asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred. The Right-of-use Asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. Subsequently, lease liabilities are measured on amortized cost basis. In the comparative period, lease payments under operating leases are recognized as an expense in the statement of profit and loss over the lease term

(viii) Revenue/Income Recognition:

(a) Revenue from contract with customers

"Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customers at an amount that reflects the consideration to which the company expects to be entitled in exchange of promised performance obligations. In case of sale of goods, transfer of control of the goods to the customer generally coincides with dispatch of goods to customer and is measured at a transaction value representing the related performance obligation. Transaction price is determined after considering the impact of variable considerations, returns, claims, rebates and other pricing allowances, trade & volume discounts (if any)."

(b) Other Operating Revenue Export Incentives

Revenue in respect of the export incentives is recognized on post export basis. Duty Drawback benefits are accounted for on accrual basis.

(c) Interest:-

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable



(d) Insurance and Other Claim:-

Revenue in respect of insurance & other claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(ix) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Defined Contribution Plans:

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Defined Benefit Plans

Gratuity and Compensatory Absence

The Company provides for Gratuity and Compensatory Absence, a defined benefit retirement plan covering eligible employees of the Company. The present value of the obligations under such defined benefit plans is determined based on actuarial valuations using the Projected Unit Cost Method.

Actuarial gain /loss, if any, arising from or adjustments and change in actuarial assumptions are charged or credited to Other Comprehensive income in the period in which they arise.

(x) (a) Foreign Currency Transactions:

Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(b) Exchange Forward Contracts:

The company uses Exchange Forward Contracts to hedge its risks associated with foreign currency related to firm commitments and highly probable forecasted transactions. The company does not enters into any forward contracts which are intended for trading or speculation purposes.

Profit/ Loss on cancellation of unutilised portion of forward Exchange contracts is accounted for as income/ Expense for the period in which cancellation of contract take place.

The company accounts for Mark to Market (MTM) gains/losses on unutilised foreign exchange forward contracts at the end of each reporting period.

(C) Borrowing Costs:

Interest and other costs connected with the borrowing for the acquisition / construction of qualifying fixed assets are capitalised up to the date such asset are put to use and other borrowing cost are charged to statement of profit & loss. Borrowing cost includes exchange rate difference to the extent regarded as an adjustment to the borrowing cost

(xi) Research and Development:

Revenue expenditure on Research and Development is charged as expenses under the head "Research and Development" in the year in which it is incurred. Capital expenditure incurred on equipment and facilities that are acquired for research and development activities is capitalised and depreciated according to the policy followed by the Company

(xii) Taxation:

Income tax expense represents the sum of current and deferred tax (including MAT)



(a) **Current tax :-**

Current income tax assets and liabilities are measured at the amount to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are according to the prevailing tax Law on the reporting date. Income tax expense is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such cases the tax is recognised directly in equity or in other comprehensive income.

(b) **Deferred tax:**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets and deferred tax liabilities are off set, and presented as net. The carrying amount of deferred tax asset / liability is reviewed at each reporting date and necessary adjustments are made in the books of accounts accordingly.

(c) **MAT :**

Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement.

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

Government Grants are recognised where there is reasonable assurance that the grant will be received and all attached condition will be complied with. Grants related to specific fixed assets are deducted from the gross value of the concerned assets in arriving at their book values. Investment subsidy/employment generation subsidy / Interest rate subsidy and other revenue grants are credited to Statement of Profit and Loss or deducted from the related expenses.

(xiv) **Impairment of Non Financial Assets:**

The Management periodically assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of the cash flow expected to arise from the continuing use of the asset and its eventual disposal. A provision for impairment loss is made when the recoverable amount of the asset is lower than the carrying amount.

(xv) **Provisions and Contingent liabilities and Contigent Assets**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent assets are not recognised in the financial statements.

(xvi) **Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(xvii) **Dividend:-**

Final dividend on Equity shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the company's Board of Directors.



(xviii) **Earning Per Share -**

Basic earning per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earning per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earning per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

NOTE NO. 36

Fair value of Financial Assets and Financial Liabilities

Rs. In Lakh

Sr.No.	Particulars	Fair Value Hierarchy	Note No.	As at 31 st March , 2020		As at 31 st March , 2019	
				Carrying Value	Fair Value	Carrying Value	Fair Value
I	Financial Assets						
(a)	At Fair Value :- - Equity, Investment and unquoted Shares	Level 3	A	-	-	-	-
(b)	At Amortised Cost						
	- Trade Receivables			1,327.70	1,327.70	1,751.68	1,751.68
	- Loans, Security Deposit and Others			1,109.34	1,109.34	1,073.63	1,073.63
	- Cash and Cash Equivalents		B	76.96	76.96	12.76	12.76
	- Other Bank Balances			427.06	427.06	396.10	396.10
	Total Financial Assets			2,941.06	2,941.06	3,234.17	3,234.17
II	Financial Liabilities						
(a)	At Amortised Cost						
	- Borrowings			5,419.70	5,419.70	8,177.78	8,177.78
	- Trade Payables		B	3,837.62	3,837.62	3,588.00	3,588.00
	- Other Financial Liabilities			1,248.42	1,248.42	961.86	961.86
	Total Financial Liabilities			10,505.74	10,505.74	12,727.64	12,727.64

The fair value of financial assets and liabilities are included at the amount at which instruments could be exchanged in a current transaction between the willing parties. The following methods and assumptions were used to estimate the fair value:

- (A) The Company has opted to fair value its unquoted equity instruments at its Net Asset Value through Retained Earnings.
- (B) The fair values of cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, short term borrowings, trade payables, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments. Company has adopted Effective Interest Rate Method (EIR) for fair valuation of long term borrowings.

Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



NOTE NO .37

Financial Risk Management Objectives and Policies:

The Company's activities are exposed to a variety of Financial Risk from its Operations. The key financial risk include Market risk, Credit risk and Liquidity risk.

(a) **Market Risk:** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk:, Foreign currency risk, Interest rate risk and other price risk such as Equity price risk and Commodity Price risk.

(b) **"Foreign Currency Risk:**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from foreign currency transactions of imports, exports and borrowing primarily with respect to USD and Euro. The Company's exports are denominated generally in USD, providing a natural hedge to some extent against foreign currency payments on account of imports of raw materials and/or the payment of borrowings. The foreign currency transaction risk are managed through selective hedging programmes by way of forward contracts including for underlying transactions having firm commitments or highly probable forecast of crystallisation."

The Company uses forward exchange contracts to hedge its exposure in foreign currency. The details of foreign currency exposures hedged by derivative instruments and those have not been hedged are as follows:

Particulars	Currency	As at 31 st March, 2020		As at 31 st March, 2019	
		In Foreign Currency	in Rs. Lakh	In Foreign Currency	in Rs. Lakh
Hedged :					
Forward exchange contracts outstanding					
Long-term borrowing	USD				
Export Outstanding	Rs.	-	588.95	-	-
Total	Rs.	-	588.95	-	-
Unhedged :					
Long-term borrowings	USD	-	-	-	-
	EUR	-	-	-	-
Long-term borrowings FCNR	USD	-	-	-	-
	EUR	-	-	-	-
Commission in F Export Sales	USD	233,879.00	174.61	191,788.12	133.55
	EUR	46,784.00	37.70	40,382.81	32.34
Bank/ Cash Balances	USD	-	-	2,200	1.52
	EUR	150.00	0.12	150	0.12
Import	USD	229,520.00	172.97	-	-
Total	USD	463,399.00	347.58	193,988.12	135.07
	EUR	46,934.00	37.82	40,532.81	32.46

(c) **Foreign Currency Sensitivity:**

The following table demonstrates the sensitivity to a reasonably possible change in USD with all other variables held constant. The impact on company's profit before tax is due to changes in the foreign exchange rate for:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Change in USD	+5%	+5%
Effect on profit before tax (Rs. In Lakh)	8.73	6.75
Change in USD	-5%	-5%
Effect on profit before tax (Rs. In Lakh)	(8.73)	(6.75)



Particulars	As at	As at
	31 st March, 2020	31 st March, 2019
Change in EUR	+5%	+5%
Effect on profit before tax (Rs. In Lakh)	1.89	1.62
Change in EUR	-5%	-5%
Effect on profit before tax (Rs. In Lakh)	(1.89)	(1.62)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(d) Interest Rate Risk and Sensitivity:

The Company is having fixed rate long term borrowings which are not exposed to any risk of changes in market interest rates.

(e) Commodity price risk:

The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of raw material and therefore, require a continuous supply of certain raw materials. To mitigate the price risk, the company has an approved supplier base to get the best competitive prices for the commodities and to manage the cost without any compromise on quality.

(f) Equity price risk:

The Company's exposure to equity instruments price risk arises from investments held by the company and classified in the balance sheet at fair value through OCI. Having regard to the nature of securities, intrinsic worth, intent and long term nature of securities held by the company, fluctuation in their prices are considered acceptable and do not warrant any management estimation.

(g) Credit Risk:

Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables:

Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. The Company follows the simplified approach for recognition of impairment loss and the same, if any, is provided as per its respective customer's credit risk as on the reporting date

(h) Deposits with Bank:

The deposits with banks constitute mostly the investment made by the company against bank guarantee and letter of credits and are generally not exposed to credit risk.

(i) Liquidity Risk:

Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The table below summarises the maturity profile of company's financial liabilities based on contractual undiscounted payments:



Particulars	Carrying Value	Payable on Demand	Upto 12 Months	Rs. in Lakh
				1 to 5 years
As at 31st March 2020				
Borrowings*	5,419.70	2,131.96	434.26	2,853.48
Preference Share Capital	-	-	-	-
Trade and Other Payables	3,837.62		3,837.62	
Total	9,257.32	2,131.96	4,271.87	2,853.48
As at 31st March 2019				
Borrowings*	5,870.28	2,352.00	793.68	2,724.60
Preference Share Capital	2,307.50		2,307.50	
Trade and Other Payables	3,588.00		3,588.00	
Total	11,765.78	2,352.00	6,689.17	2,724.60

* Including working capital facility from consortium banks renewed every year and current maturity of long-term borrowings.

NOTE NO. 38

Capital Management:

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net Debt is calculated as borrowings less cash and cash equivalents.

Particulars	Rs. in Lakh	
	As at 31 st March, 2020	As at 31 st March, 2019
Borrowings*	5419.70	5870.28
Less: Cash and Cash equivalents	76.96	12.76
Net debt	5342.74	5857.52
Equity Share Capital	755.97	399.69
Preference Share Capital	-	2307.50
Other Equity	9056.66	6289.21
Total Capital	9812.63	8996.40
Capital and net debt	15155.37	14853.92
Gearing ratio	0.35	0.39

* Borrowings does not include Preference Share Capital.

NOTE NO. 39

Particulars	31st March, 2020	31st March, 2019
	Rs. In Lakh	Rs. In Lakh
Estimated amount of contracts remaining to be executed on Capital Account and not provided for	NIL	NIL



NOTE NO. 40

Particulars	31st March, 2020 Rs. In Lakh	31st March, 2019 Rs. In Lakh
Contingent Liabilities not provided for in respect of		
i) Bonds executed in favour of Customs and Excise Authorities	100.00	100.00
ii) Foreign bills discounting with Banks against letter of credit	-	109.12
iii) Claims not acknowledged as debts (Disputed by the Company and or appealed against);		
a) Demand of Income Tax	-	154.44
b) Demands by Excise department	63.38	63.38
c) Demands of workers	9.95	10.52
iv) Others	389.23	389.23

NOTE NO. 41

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
A) Amount Paid/Payable to Auditors:		
a) Statutory Audit Fee	7.00	6.50
b) Tax Audit Fee	2.44	2.15
c) Other Certification Charges	1.78	1.28
d) Reimbursement of Expenses	2.76	3.23
	13.98	13.16
B) Amount Paid/Payable to Cost Auditors Included in Misc. Expenses		
a) Audit Fees	0.60	0.60
b) Reimbursement of Expenses	0.47	0.29
	1.07	0.89

NOTE NO. 42

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.

NOTE NO. 43

Disclosure as required under the Micro, Small and Medium Enterprises Development Act., 2006, to the extent ascertained and as per per notification number GSR 679 (E) dated 4th September, 2015.

S.No. Particulars	As at 31st March, 2020 (Rs. In Lakh)	As at 31st March, 2019 (Rs. In Lakh)
(i) The Principal amount and interest due thereon remaining unpaid to any supplier at the end of each financial year.	48.44	53.50
(ii) The amount of interest paid by the buyer.	NIL	NIL
(iii) The amount of interest due and payable for the period of delay in making payment.	NIL	NIL
(iv) The amount of interest accrued and remaining unpaid	NIL	NIL
(v) The amount of further interest remaining due and payable in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	NIL	NIL



NOTE NO. 44

Particulars	As at 31st March , 2020 (Rs. In Lakh)	As at 31st March , 2019 (Rs. In Lakh)
Earnings Per Share (EPS)-		
The numerators and denominators used to calculate Basic and Diluted Earnings Per Share:		
i) Net Profit (after tax)	933.11	409.14
Add :		
ii) Weighted average number of Equity Shares outstanding during the year (B)	6355992	3980850
iii) Nominal value of Equity shares (Rs.)	10	10
iv) Basic/Diluted Earnings per Share (Rs.)	14.68	10.28

NOTE NO. 45

Segment Information :

- (a) The Company has only one reportable Primary Business Segment i.e Yarn. Hence, no separate segment wise information of revenue, results and capital employed is given.
- (b) The following table shows the distribution of Company's Revenue from operations by geographical market, regardless of where the goods were produced :

		(Rs. in Lakh)	
Sr.No.	Geographical Segments	2019-2020	2018-2019
1	Domestic Market (Within India)	11665.24	13818.68
2	Overseas Market (Outside India)	17115.45	17709.57
	Total	28780.69	31528.25

- (c) Sales to one Export Customer of the Company is Rs. 6330.60 Lakh -(Previous Year Rs. 4283.92 Lakh-) which is more than 10% of the Company's total turnover.

Note No. 46

Revenue from contracts with customers :

- (a) Disaggregated revenue information (Refer Note No. 45)
- (b) Contract Balances

Particulars	(Rs in Lakh)	
	As at 31 st March, 2020	As at 31 st March, 2019
Trade Receivables	1327.70	1751.68
Contract Liabilities	334.50	176.08

Trade Receivables are non-interest bearing and are generally on payment terms of 30 to 90 days. Contract liabilities include Advances received against delivery of Yarn. The Performance obligation in relation to revenue recognition arising from contract with customer is satisfied upon customer's clearance of goods sold.



(d) Reconciling the amount of revenue recognised in the statement of Profit & Loss with the contracted price :

Rs. in Lakh

Particulars	As at	
	31 st March, 2020	31 st March, 2019
Revenue as per the Contracted Price	28806.50	31537.95
Adjustment		
Customer Claim	25.80	9.71
Revenue from Contract with Customers	28780.70	31528.24

NOTE NO. 47

(i) The Board of Directors has recommended a dividend of Rs 1/- per share of Face value of Rs 10/- each aggregating Rs 75.43 Lakhs for the year ended 31st March 2020.

NOTE NO. 48

Right-of-use Assets (Building) :

A) The company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at April 1, 2019 as under:

Rs. in Lakh

Interest upto 31.03.2019	117.66
Depreciation upto 31.03.2019	368.93
	486.59
Lease rent charged upto 31.03.2019	452.77
	33.82
Less: DTA on above	(9.41)
Charged to retained earnings	24.41

B) Impact of Adoption of Ind AS 116 on the statement of profit and loss (excluding corresponding deferred tax):

Sl.No.	Particulars	2019-20
(i)	Interest on lease liabilities	11.48
(ii)	Depreciation of Right-of-use Assets Note No-3	73.08
(iii)	Actual Lease Rent Paid	89.97
(iv)	Impact on the statement of profit and loss	5.41

C) Lease Liabilities Reconciliation

Sl.No.	Particulars	2019-20
(i)	Lease liabilities recognized as on 01.04.2019	265.31
(ii)	Lease liability arised during the year	-
(iii)	Interest on lease liabilities	11.48
(iv)	Repayment/ Actual Rent	89.97
(v)	Lease liabilities as on 31.03.2020 (Refer Note:- 18 & 23 .)	186.82

Note No. 49

The Company's manufacturing operation was impacted for a certain period as a consequence of complete lockdown imposed by Central and State Government authorities in India considering public health and safety due to COVID-19 pandemic thereby restricting normal business activities. In spite of partial withdrawal of lockdown, the ongoing restrictions by the appropriate Government authorities to contain the pandemic continue to impact normal production and cause supply chain disruption, etc. As per the current assessment, the Company does not foresee incremental risk on carrying amounts of inventories and recoverability of trade receivables and other assets given the measures being pursued to safeguard/mitigate related risks. However, the eventual outcome due to ongoing said COVID-19 pandemic may be different from those estimated as on the date of approval of these financial statements.



Note No. 50

The Company has availed/opted for following facilities from its Bankers in terms of "COVID 19 Regulatory Package" dated 27th March, 2020 read together with "Statement on Developmental and Regulatory Policies" dated 22nd May, 2020 announced by Reserve Bank of India (RBI) in order to partially mitigate the liquidity risk arising due to disruption caused in business on account of COVID-19 Pandemic-

- i) Moratorium of six months in respect of EXIM Bank term loan company for principal and Interest
- ii) Moratorium of six months in respect of RIICO term loan facility for principal and interest.

NOTE NO. 51

The disclosures required as per the Indian Accounting Standards (Ind-AS 19 - Employee Benefits) notified under the Companies (Indian Accounting Standards) Rules, 2015 are as under :

"Defined - Contribution Plans

The Company offers its employees defined contribution plan in the form of provident fund(PF), family pensions fund (FPF) and Employees State Insurance Scheme (ESI) which covers 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 pre determined 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)

	2019-2020	2018-2019
	Rs. In Lakh	Rs. In Lakh
Provident Fund	68.67	60.03
Family Pension Fund	105.92	99.46
Employees State Insurance Scheme	68.07	87.33

"Defined - Benefit Plans

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

Particulars	Gratuity (Funded) Rs. In Lakh	Gratuity (Funded) Rs. In Lakh
a. Reconciliation of opening and closing balances of Defined Benefit Obligation	2019-20	2018-19
Defined Benefit obligation at beginning of the year	427.89	368.20
Current Service Cost	67.02	67.32
Interest Cost	30.78	26.87
Past Service Cost	-	-
Actuarial (gain)/ Loss	(23.25)	1.20
Benefits paid	(50.07)	(35.70)
Defined Benefit Obligation at year end	452.37	427.89
b Fair value of plan assets at beginning of the year	374.06	222.03
Expected return on plan assets	(5.61)	(4.45)



Particulars	Gratuity (Funded) Rs. In Lakh	Gratuity (Funded) Rs. In Lakh
Interest Incurred	29.72	22.18
Employer contribution	80.00	170.00
Benefits Paid	(50.06)	(35.70)
Fair Value of plan assets at year end	428.11	374.06
Fair value of Plan assets	374.06	222.03
c Interest Income	29.72	22.18
Current Service Cost	67.02	67.32
d Net Interest Cost	1.06	4.69
Past Service Cost (vested benefit)	-	-
Actuarial (gain)/ Loss	-	-
Expenses Recognised in P/L account	68.08	72.01
e Other Comprehensive Income		
Actuarial (Gain) / Loss for the year	(23.25)	1.2
Return of Plan Assets	5.61	4.45
Actuarial (Gain) / Loss for the year recognised in OCI	(17.64)	5.65
f Major Categories of Plan Assets as % of the Total plan Assets	100%	100%
Interest based Scheme with Insurance Companies		
g Sensitive Analysis		
Discount Rate 1 % increase	416.18	395.91
Discount Rate 1 % Decrease	495.79	466.04
Change in Salaries increase 1 % increase	494.41	467.09
Change in Salaries decrease 1 % Decrease	416.72	394.59
h. Estimated expected benefit payments (in absolute terms i.e. undiscounted)		
F.Y. 2019-20	0	37.24
2020-21	115.66	33.30
2021-22	24.26	27.87
2022-23	18.85	36.21
2023-24	25.67	34.93
2024-25	24.30	
FROM 2025-26 TO 2029 -30	113.06	223.28
i. Acturial Assumption		
Particulars		
Discount Rates	6.80%	7.64%
Salary Escalation	4.00%	4.00%
Mortality Rates	IALM (2006-08)	IALM (2006-08)
Retirement age	58 Years	58 Years

NOTE NO. 52

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



NOTE NO. 53

Related Party Disclosures

(As certified by the Management)

Disclosures in respect of Related Parties as defined in Indian Accounting Standard 24 (Ind AS 24), with whom transactions were entered into at an arm's length and in the ordinary course of business during the year are given below:

(i) Key Management Personnel and Relatives of Key Management Personnel

- Mr. Ramadoss Srinivasan - Chairman
- Mr. Sanjiv Shroff (Managing Director)
- Mr. Rahul Shroff (Wholetime Director Designated as Executive Director)
- Mr. Ameya Shroff (Wholetime Director Designated as Executive Director)
- Mr. N.G.Khaitan (Non Executive Director)
- Mrs. Dipika Shroff (Non Executive Director)
- Mr. K.L.Sonthalia (Non Executive Director)
- Mr. R N Sharma (Non Executive Director)
- Mr. Narayan Shroff (Non Executive Director)
- Mr. Chandrasekaran Rajagopalan (CFO)**
- Mr. Amar Inder Singh Jassar (CFO)*
- Mr. Vimal Tank (Company Secretary)

Relative of Key Managerial Person

- Mr. Shanker Lal Shroff, Chairman Emeritus (Father of Mr. Sanjiv Shroff)
- Mrs. Bimla Devi Shroff (Mother of Mr. Sanjiv Shroff)
- Mrs. Kavisha Rahul Shroff (Wife of Mr. Rahul Shroff)

ii) Enterprises over which key Management Personnel and relative of such personnel is able to exercise significant influence or control

- a) Indo Textiles & Fibres Limited
- b) Spell Fashions Pvt.Ltd.
- c) A.R.Fibtex Pvt. Ltd.
- d) Khaitan & Co. LLP
- e) A.R. Commercial Private Limited
- f) A.S. Chemotex Pvt. Ltd.
- g) Sunrise Producers Pvt. Ltd.
- h) Sunrise Cotton Industries Limited
- i) Modern Fibotex India Limited



(b) Description of the nature of transactions with the related parties :-

Particulars	Key Managerial Person refer to (i)		Enterprises over which KMP is able to exercise significant influence , refer to (ii)	
	31.03.2020 Rs. in Lakh	31.03.2019 Rs. in Lakh	31.03.2020 Rs. in Lakh	31.03.2019 Rs. in Lakh
Legal & Professional Expenses Paid			1.26	4.81
Lease Rent Received			3.60	3.60
Interest on Security Deposit			16.53	15.03
Interest paid/ payable on Loans taken	19.83	4.45	100.28	81.04
Loan Received	188.50	134.00	456.50	524.00
Repayment of Loans Received	27.00	23.00	478.94	248.50
Rent paid/Payable			83.25	83.25
Purchase for sales Promotion			27.71	8.60
Sale of Yarn			-	3.12
Year end Balance receivable			181.82	165.29
Year End Balance payable	310.35	136.27	942.32	889.85
Compensation to Key managerial Person #				
Short Term employee benefit	285.81	276.42	-	-
Sitting Fees to Non Executive Director	2.64	2.75	-	-

Note:

The remuneration to Key Managerial Personnel's stated above does not include provision/payment towards incremental liability on account of gratuity and compensated absences since actuarial valuation is done for the Company as a whole.

* Mr. Amar Inder Singh Jassar has resigned from the position of Chief Financial Officer on October 18, 2019.

** Mr. Chandrasekaran Rajagopalan has been appointed as the Chief Financial Officer on November 11, 2019.

Signatures to Notes 1 to 53

Significant Accounting Policies and Notes to Accounts (Note No. 35 to 53)
As per our Report of even date.

For Jain Pramod Jain & Co.
Chartered Accountants
(Firm Registration No. 016746N)

P.K. JAIN
Partner
M.No. 010479
Place : New Dehli
Dated : 26.06.2020

CHIRAG GUPTA
Company Secretary
M.No. 50843

R. CHANDRASEKARAN
Chief Financial
Officer

SANJIV SHROFF
Managing Director
DIN- 00296008

RAHUL SHROFF
Executive Director
DIN - 02301693

For & On behalf of Board of Directors



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 FORTY SECOND (42nd) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE (42nd) FORTY SECOND ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF RELIANCE CHEMOTEX INDUSTRIES LIMITED (“THE COMPANY”) WILL BE HELD ON MONDAY, SEPTEMBER 28, 2020 at 10:15 A.M. (IST) THROUGH VIDEO CONFERENCING (“VC”) OR OTHER AUDIO VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- To adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2020, together with reports of the Board of Directors and Auditors thereon.
- To declare Final dividend of Rs. 1/- per equity share of Rs. 10 each.
- To appoint a Director in place of Mr. N.G. Khaitan, (DIN: 00020588) who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- 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 and Board of Directors, approval of the members of the company be and is hereby accorded for the re-appointment of Mr. Sanjiv Shroff (DIN: 00296008) as the Managing Director of the Company with effect from September 01, 2020 for three years at a remuneration up to Rs. 10.00 Lakh per month inclusive of all allowances and perquisites, as may be decided by the Board and on such other terms and conditions defined as under, 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.

Name	Mr. Sanjiv Shroff
Designation	Managing Director
Basic Salary	From Rs. 4,00,000/- upto Rs. 5,30,000/- Per Month
House Rent Allowance/ RFHA	From Rs. 80,000/- upto Rs. 1,80,000/- Per Month
Other Allowances	From Rs. 85,000/- upto Rs. 1,70,000/- Per Month
Ex-gratia in lieu of Bonus	From Rs. 75,000/- upto Rs. 1,06,000/- Per Month
Variable pay	As may be decided by the Board of Directors, on the Performance of the Company but shall not exceed Rs. 30.00 Lakh Annually.
Leave Travel Concession	For family and self, once in a year as per rules of the Company, but shall not exceed 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.	
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.	

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.

5. To ratify the remuneration of cost auditors for the financial year 2020-21.

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

“**RESOLVED THAT** pursuant to provisions of Section 148 and 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 Tax and reimbursement of out of pocket expenses at actual to M/s. N. N & Associates, Cost Accountants (Firm Registration No. 002322) 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 on March 31, 2021, 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, deeds, matters and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”.

Date: Udaipur
Place: August 26, 2020

By the order of the Board
For Reliance Chemotex Industries Limited

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

Sd/-
Chirag Gupta
Company Secretary
M.No: 50843



NOTES FOR MEMBERS' ATTENTION

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 ("MCA Circulars") and Securities and Exchange Board of India vide its circular dated 12th May, 2020 ("SEBI Circular"), permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars and SEBI Circular. The AGM of the Company will be held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the 42nd AGM of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith.
2. National Securities Depository Limited ("NSDL") will be providing facility for remote e-voting, participation in the AGM through VC/OAVM and e-voting during the AGM.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on poll on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

However, pursuant to Section 113 of the Act, Institutional/Corporate Members (i.e. other than Individuals / HUF, NRI, etc.) can appoint their representatives to attend the AGM through VC/OAVM and vote through e-voting. They are requested to send the scanned copy (PDF/JPEG Format) of their Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM to the company by e-mail through its registered e-mail address to cs@reliancechemotex.com with a copy marked to evoting@nsdl.co.in.
4. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM inter-alia, indicating the process and manner of voting through electronic means along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Members may

note that the Notice and Annual Report 2019-20 will also be available on the Company's website i.e. www.reliancechemotex.com along with website of the Stock Exchange i.e. at BSE Limited at www.bseindia.com and on the website of NSDL i.e. <https://www.evoting.nsdl.com>.

5. In case of Joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of maximum 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination cum Remuneration Committee and Stakeholders Relationship Committee, auditors, Scrutinizer etc. can attend the AGM without any restriction on account of first come first-served principle.
8. Explanatory Statements setting out the material facts concerning each item of Special Business to be transacted at the AGM pursuant to Section 102 of the Companies Act, 2013 are annexed hereto and forms part of the Notice. Information on all the Directors proposed to be appointed/reappointed at the AGM as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS 2 is provided and is forming part of the Notice.
9. 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 DEMAT Account created by Investor Education and Protection Fund (IEPF) Authority. The Company has sent reminder letters to the shareholders whose shares are proposed to be transferred to IEPF, relating to transfer of underlying shares. The details of unclaimed dividends along with full details of such shareholders are available on company's website www.reliancechemotex.com.
10. All unclaimed dividend of Financial Year FY 2011-12 has 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. Unclaimed dividend of the FY 2012-13 will fall due for transfer



to the said funds in due time. Those members who have not encashed their dividend for the Financial year 2012-13 are requested to claim it from company or Big shares Services private limited, the Registrar and share transfer agent of the Company, immediately. Those members who have not so far claimed their dividend for the subsequent Financial year are also advised to claim it from company.

The Members/Claimants whose shares, unclaimed dividend, amount have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in) along with applicable requisite fee. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

11. Pursuant to Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Company or its RTA by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative, Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection during the meeting in electronic mode and same may be accessed upon log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
13. Members may note that the Board of Directors, in its meeting held on June 26, 2020 has recommended a final dividend of Rs. 1 per share. The record date for the purpose of final dividend for fiscal 2020 will be September 21, 2020. The final dividend, once approved by the members in the ensuing AGM will be made within 30 days of the date of declaration i.e. September 28, 2020, electronically through various online transfer modes to those members who have updated their bank account details. The books of the company shall remain closed from September 22, 2020 till September 28, 2020 for annual closing and in connection with payment of final dividend, if confirmed by the members in AGM. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses once the postal facility is available. To avoid delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.
14. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend as per the requirement of the Income Tax Act, 1961 for the eligible shareholders.
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 their PAN to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA viz. Big share Services Private Limited/ Company.
16. SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 & Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018 amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which provides that from 1st April, 2019 transfer of securities would not be processed unless the securities are held in the dematerialized form with a depository. In view of the same, now the shares cannot be transferred in the physical mode. Hence, Members holding shares in physical form are requested to dematerialize their holdings immediately. However, Members can continue to make request for transmission or transposition of securities held in physical form.
17. The Companies Act, 2013 in line with the measures undertaken by the Ministry of Corporate Affairs for promotion of Green Initiative, has introduced enabling provisions for sending notice of the meeting and other shareholder correspondences through electronic mode. Members holding shares in physical mode are requested to register their e-mail address with the Company/RTA and Members holding shares in demat mode are requested to register their e-mail address with their respective Depository Participants (DPs). If there is any change in the e-mail address already registered with the Company, Members are requested to immediately notify such change to the



Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form .

18. Instructions for voting through electronic means (e-voting), joining the AGM & other instructions relating thereto are as under:

VOTING THROUGH ELECTRONIC MEANS

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.
- ii. The Company has engaged the services of NSDL as the Agency to provide remote e-voting facility and e-voting during the AGM
- iii. The Board has appointed CS Manoj Maheshwari, Practicing Company Secretaries (FCS 3355) as the scrutinizer for conduct of e-voting in a fair and transparent manner for the purpose of 42nd AGM of the Company.
- iv. Voting rights of the Members for voting through remote e-voting and voting during the AGM shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. September 21, 2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting and voting during the AGM
- v. The remote e-voting facility will be available during the following period:
 - a. Commencement of remote e-voting: 9.00 A.M. (IST) on September 25, 2020
 - b. End of remote e-voting: 5.00 P.M. (IST) on September 27, 2020
 - c. The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be disabled by NSDL upon expiry of aforesaid period.
- vi. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- vii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- viii. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as of the cut-off date, may obtain the login ID and

password by sending a request at evoting@nsdl.co.in mentioning their demat account number/folio number, PAN, name and registered address. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

- ix. Process and manner for Remote e-voting:

A. Step 1: Log-in to NSDL e-voting system:

- i. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/>.
- ii. Once the home page of e-voting system is launched, click on the icon “Login” which is available under “Shareholders” section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. Internet Based Demat Account Statement (IDeAS), you can log-in at <https://eservices.nsd.com/> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.
- iv. Your User ID details are as given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	User ID
A) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
B) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001**

- v. Your Password details are as follows:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you (See point “c” below). Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.



- c. How to retrieve your 'initial password'?
- If your e-mail address is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail address. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - In case you have not registered your e-mail address with the Company/ Depository, please follow instructions mentioned below in this notice.
- vi. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
- a. Click on “Forgot User Details/Password : (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - b. Physical User Reset Password: (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- vii. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- viii. Now, you will have to click on “Login” button.
- ix. After you click on the “Login” button, Home page of e-Voting will open.

B. Step 2: Cast your vote electronically on NSDL e- voting system.

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- III. Select “EVEN” of RELIANCE CHEMOTEX INDUSTRIES LTD., to cast your vote.
- iv. Now you are ready for e-voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

- vi. Upon confirmation, the message “Vote cast successfully” will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

C. General Guidelines for shareholder

- i. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password” or “Physical User Reset Password” option(s) available on www.evoting.nsd.com to reset the password.
- ii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
- iii. In case of any grievances connected with facility for remote e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4 Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, pallavid@nsdl.co.in, Tel: 022-24994545/1800-222-990.

- D. In case you have not registered your e-mail address with the Company/Depository, please follow below instructions for registration of e-mail address for obtaining Annual Report and /or login details for e-voting:

Physical Holding	Send a request to the Registrar and Transfer Agents of the Company, M/s Bigshare Services Pvt. Ltd. At investor@bigsharesonline.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address. Following additional details need to be provided in case of updating Bank Account Details: <ol style="list-style-type: none"> a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions d) 9 digit MICR Code Number, and e) 11 digit IFSC Code f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.



INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM

- i. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
 - ii. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis. Further, an additional time of 15 minutes after the commencement of the meeting shall also be provided for joining the meeting.
 - iii. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/1800-222-990.
19. Members seeking any information with regard to the annual accounts for 2019-20 or any business to be dealt at the AGM, are requested to send an e-mail on cs@reliancechemotex.com from September 22, 2020 to September 26, 2020 (up to 4:00 p.m. IST) along with their name, DP ID and Client ID/folio number, PAN and mobile number. The same will be replied by the Company suitably.
20. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of Meeting September 28, 2020.

21. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
22. The Results of voting will be declared within 48 hours from the conclusion of the AGM. The declared Results, along with the Scrutinizer's Report will be submitted with the Stock Exchanges where the Company's equity shares are listed (BSE Limited) and shall also be displayed on the Company's website www.reliancechemotex.com and NSDL's website <https://www.evoting.nsdl.com>. The Scrutinizer's decision on the validity or otherwise of the E-voting will be final. The relevant information w.r.t. voting by electronic means shall be under the safe custody of the scrutinizer till the Chairperson/or any other director so authorized consider, approves and sign the minutes.
23. Since the AGM will be held through VC / OAVM, the Route Map is not annexed with Notice.

Date: Udaipur

Place: August 26, 2020

By the order of the Board

For Reliance Chemotex Industries Limited

Registered Office:

Village- Kanpur

Post Box No. 73

Udaipur- 313003

Sd/-

Chirag Gupta

Company Secretary

M.No: 50843



ANNEXURE TO THE NOTICE

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

Item No. 4

Mr. Sanjiv Shroff was appointed as the Managing Director of the Company for a period of 3 years with effect from September 01, 2017 with approval of the Members. The present term of Mr. Sanjiv Shroff comes to an end on August 31, 2020. The Board has, based on the recommendation of the Nomination and Remuneration Committee, Board of Directors and subject to the approval of the Members, approved the re-appointment of Mr. Sanjiv Shroff as Managing Director for a further period of 3 years, post completion of his present term in August 2020.

Mr. Sanjiv Shroff is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Managing Director of the Company. Mr. Sanjiv Shroff satisfies all the conditions as set out in Section 196(3) of the Act and Part-II of Schedule V to the Act, for being eligible for his appointment.

Mr. Sanjiv Shroff is not liable to retire by rotation and shall not be paid any sitting fees for attending the Meeting of Board or committee thereof.

A brief profile of Mr. Sanjiv Shroff, including nature of his expertise, is annexed with the notice.

Name	Mr. Sanjiv Shroff
Designation	Managing Director
Basic Salary	From Rs. 4,00,000/- upto Rs. 5,30,000/- Per Month
House Rent Allowance/ RFHA	From Rs. 80,000/- upto Rs. 1,80,000/- Per Month
Other Allowances	From Rs. 85,000/ upto Rs. 1,70,000/- Per Month
Ex-gratia in lieu of Bonus	From Rs. 75,000/- upto Rs. 1,06,000/- Per Month
Variable pay	As may be decided by the Board of Directors, on the Performance of the Company but shall not exceed Rs. 30.00 Lakh Annually.
Leave Travel Concession	For family and self, once in a year as per rules of the Company, But shall not exceed 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.	
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 31.03.2020	(Rs. in Lakh)
	Sales including other Income	30,085.02
	Profit (before exceptional & extraordinary items & tax)	1,077.37
	Profit After Tax before other comprehensive income	933.11
Foreign Investment and Collaborations, if any	No such foreign investment or collaboration except minor shareholding of Non Resident Indians, if any.	

2. Information about the appointee

Name	Mr. Sanjiv Shroff
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 2019-20	Rs. 84,63,155 Paid during the year. Currently he is drawing the same salary.
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 Lakhs Per Month
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 a profit of Rs. 933.11 Lakh during the year ended on 31st March, 2020. 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 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 2019-20. The company is cautiously optimistic for 2020-21. The Company looking at modernization 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 Sr. Nos. 4, 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. 4 of the Notice for approval of the Members by means of Special Resolution.

ITEM NO. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s N.N & Associates, Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2021.

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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending on March 31, 2021.



RELIANCE
CHEMOTEX INDUSTRIES LIMITED
CIN L40102RJ1977PLC 001994

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. 5 of the Notice.

The Board recommends the Ordinary Resolution set forth in Item No. 5 of the Notice for approval of the members.

Date: August 26, 2020

Place: Udaipur

By the order of the Board
For Reliance Chemotex Industries Limited

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

Sd/-
Chirag Gupta
Company Secretary
M.No. 50843



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/ 59 Years	21.05.1951/ 69 Years
Date of Appointment on the Board	01.09.1988	23.08.1977
Qualification	Bachelor of Science	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. 4 of Notice	Appointed as Non-Executive Director liable to retire by rotation
No. of Equity Shares held In the Company	1,45,800	100
Directorship held in other the Public Companies	-	HSIL LIMITED INDIA POWER CORPORATION LIMITED MANGALAM CEMENT LTD CHASE BRIGHT STEEL LIMITED JK LAKSHMI CEMENT LIMITED SOMANY HOME INNOVATION LIMITED
Membership/chairmanship of committees of other companies	-	Stakeholders Relationship Committee 1. JK Lakshmi Cement (Member) 2. HSIL Limited (Chairman) 3. Somany Home Innovation Limited (Member) Audit Committee 1. JK Lakshmi Cement (Chairman) 2. HSIL Limited (Member) 3. Mangalam Cement (Chairman) 4. India Power Corporation Limited (Member) 5. Somany Home Innovation Limited (Member)

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors please refer to the corporate governance report which is a part of this Annual Report.

