



# RELIANCE CHEMOTEX INDUSTRIES LIMITED

Date: August 22, 2023

To,  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

To,  
**National Stock Exchange of India Ltd.,**  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai 400 051

**Scrip Code: 503162**

**Trading Symbol: RELCHEMQ**

Dear Sir/Madam,

**Sub.: Notice of 45<sup>th</sup> Annual General Meeting and Annual Report for the Financial Year 2022-23**

This is further to our letter dated May 26, 2023, wherein the Company had informed that the 45<sup>th</sup> Annual General Meeting (AGM) of the Company is scheduled to be held on Thursday, September 21, 2023 through Video Conferencing / Other Audio-Visual means, in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

In terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2022-23 and the Notice of 45<sup>th</sup> AGM, which is being sent through electronic mode to those members whose e-mail addresses are registered with the Registrar & Share Transfer Agent / Depository Participants.

The Annual report containing the Notice of 45<sup>th</sup> AGM is also uploaded on the Company's website at [www.reliancechemotex.com](http://www.reliancechemotex.com) and the same shall also be available on the website of NSDL at <https://www.evoting.nsdl.com>.

Further, the Board of Directors of Reliance Chemotex Industries Ltd. at their meeting held on Friday, May 26, 2023, through video conferencing, recommended to the shareholders of the Company, a Final Dividend @ 25% i.e. Rs. 2.5 /- per equity share of face value of Rs. 10/- each for the financial year ended on March 31, 2023. The



# RELIANCE CHEMOTEX INDUSTRIES LIMITED

Dividend will be paid to the eligible shareholders, on or after September 22, 2023, upon approval of the Dividend by the Shareholders at the Annual General Meeting.

The Record Date for determining the shareholders entitled to the dividend for the financial year 2022- 23, as approved by the board shall be Thursday, September 14, 2023.

Record Date	Purpose
September 14, 2023	Payment of Dividend for financial year 2022-23

This is for your information & records.

Thanking you,

Yours faithfully,

**For Reliance Chemotex Industries Ltd.**

**Utkarsh Gaur**  
**Company Secretary & Compliance Officer**  
**Membership No. A60237**

*Encl: As above*



**RELIANCE CHEMOTEX**  
INDUSTRIES LIMITED

# re!nvent

Annual Report 2022-23

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# Redefine. Reimagine. Reinvent.

This lies at the heart of the Company's aspirations as it embarks on an era of unprecedented growth.

Since inception, Reliance Chemotex Industries Limited (RCIL) has constantly adapted market changes, addressable opportunities, and industry behaviour.

The Company has anticipated future market dynamics and evolved accordingly.

Now, at a cusp of a larger scale of production, the Company has refashioned itself, once again, benchmarking itself as an industry leader with a global standard of quality and excellence.

It is ready for the future.



## Leading

manufacturer of synthetic  
ecru and dyed yarns.

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## 45 years

of industry experience.

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## 54,816

spindles.

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## Re-imagining

itself with strategic investments made to  
enhance scale and improve productivity  
while remaining true to its commitment  
to quality and customer centricity.

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## Reinvention

is RCIL's raison d'être.

# Our visiting card



## Vision & Mission

At RCIL, all our actions are governed by our core ideals of continuous improvement, dedication to quality and customer centricity.

We conceive, develop and manufacture value-added, synthetic ring-spun yarns to serve the most discerning customers around the world.



## Business

RCIL is an esteemed manufacturer of synthetic (raw white, fibre-dyed, and dope-dyed) yarn. The Company operates a state-of-the-art manufacturing facility and a zero-discharge, fibre-dyeing facility in Udaipur, Rajasthan. The Company has been exporting yarn since 1987 and has a loyal customer base around the world. The company's yarn is used in a wide array of products – Carpets, Upholstery, Awnings, Artificial Leather, Suiting, Automotive and Aerospace Applications, Medical and Industrial End-Uses.



## Presence

- Corporate Office in Mumbai, Maharashtra, India
- Registered Office and Manufacturing facility located at Udaipur, Rajasthan, India.
- Branch Offices in New Delhi, India and Kolkata, West Bengal, India.



## Legacy


Founded in 1977 by Mr. Shanker Lal Shroff, Reliance Chemotex Industries Limited bears testament to its inspired founder's allegiance to excellence. Started as a humble spinning mill catering to the local apparel industry, RCIL has evolved impressively, carefully curating its growth in order to ensure that its products positively impact the lives of millions of people around the world.

RCIL's ascent to the pinnacle as of one of the most-revered Indian spinners of synthetic, blended yarns has not been sudden; rather it has been strategically built upon creative product development, a highly flexible and consumer-centric marketing ideology, a recruiting philosophy that values long-term commitment and perhaps most importantly, an unconditionally strong value system.

At its core, RCIL is a bonafide family business, nurtured not only by generations of the Shroff family but also by the exceptional individuals that constitute the Reliance Parivar. Our Parivar (or family) is united by our relentless pursuit of perfect quality, our effort to build long-term and meaningful relationships with our partners and our innate respect for each other and those around us.

# The company snapshot

**14800+**  
Total Production  
in Tonnes



**6700+**  
Total Exports  
in Tonnes



**125000+**  
Kilolitres  
of water  
recycled every  
year



**37+**  
Total countries  
exported to



**1800+**  
Direct  
employment



**371+**  
Total turnover in  
2022-23  
(in crores)



**100+**  
Invested in current  
capex (in crores)  
(to be  
commissioned  
in FY 2023-24)



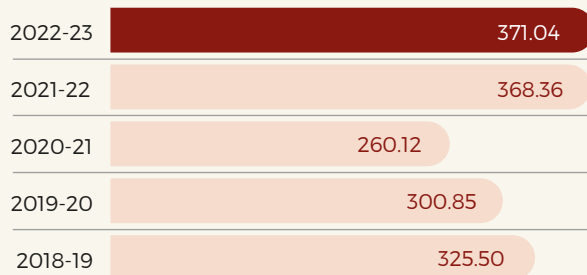
**3.5**  
MW of captive  
power



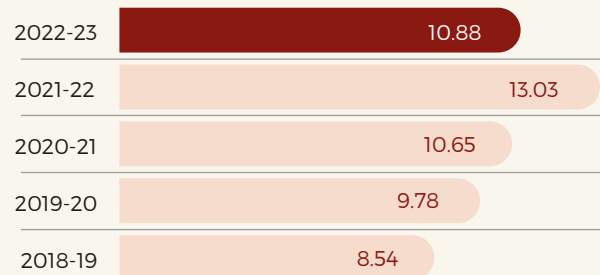


Our capacity expansion will focus on technical textiles and other value-added products. This project will increase operational efficiencies, reduce operating costs, improve profitability, and expand our product offering.

### Gross turnover (Rs. cr)



### PBDIT margin (%)



### PAT (Rs. cr)



### Capital WIP (Rs. cr)



# A Message from the Managing Director



Dear Shareholders,

In the journey of enduring success, the essence lies in the ability to adapt, evolve and embrace change. A company's survival hinges on its capacity to not only grow, but also redefine its horizons, reimagine its potential, and ultimately reinvent itself. This principle resonates deeply with us at RCIL, as we stand at the crossroads of transformation.

Our industry, much like the world around us, is in constant flux. To thrive in this dynamic landscape, we've grappled with two pivotal inquiries: "What trajectory should our company chart?" and "What strategic measures are imperative to realize this trajectory?" We recognize that challenging times offer the chance not just for incremental adjustments, but for profound reinvention. This philosophy underpinned our endeavors over the past year.

Amidst escalating geopolitical tensions, inflationary pressures, and fluctuating interest rates, our results remained robust. Your Company has reported a turnover of Rs. 371.04 crores (Rs. 368.36 crores in FY22) and an EBITDA of Rs. 40.40 crores (Rs. 48.02 crores in FY22). This resilience can be attributed to our ability to nimbly adapt to market dynamics and our three-pronged strategy: a steadfast focus on technical textiles, continuous enhancement of our value-added product mix, and strategic cost containment. These efforts have allowed us to navigate the global downturn with remarkable efficacy.

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From the crucible of pandemic-induced challenges and global upheavals, a renewed RCIL has emerged. This notion encapsulates the essence of our annual theme, “Reinvention,” and echoes the broader spirit to Redefine, Reimagine, and Reinvent.

While our performance metrics have demonstrated our resilience, it's imperative to address the dip in PAT (down by 31.5%) and EBIDTA (down by 15.9%) compared to the previous year. This decline was largely driven by the Ukraine conflict, resulting in sanctions imposed on Russia by the USA, and the economic downturn in the USA, which caused a reduction in overall textile exports from India, high inflation, and recessionary pressures in major export markets. This context explains the shift from exports constituting 71% of our total turnover in 2021-22 to 57% in 2022-23.

Yet, within this turbulence, a silver lining emerged from the Indian government's path-breaking initiatives. The Union Budget 2022-23 bore testament to these efforts, with increased allocations to schemes like RoDTEP, RoSCTL, and ATUFS. Amid global demand fluctuations, India's determination to foster its textile industry signals an environment ripe for innovation and rejuvenation.

From the crucible of pandemic-induced challenges and global upheavals, a renewed RCIL has emerged. This notion encapsulates the essence of our annual theme, “Reinvention,” and echoes the broader spirit to Redefine, Reimagine, and Reinvent. The new normal demands a fresh approach to business; strategies that once guaranteed success warrant reevaluation. This process of reevaluation is the essence of our reinvention, embodying how companies like ours evolve and align with contemporary market dynamics.

Our pursuit of reinvention was exemplified through several strategic initiatives:

- We embarked on a transformative INR 100 crore expansion, slated to increase our capacity by 12,480 spindles (an additional 3,000 MTPA).

This growth trajectory allows us to leverage economies of scale, broaden our product offerings, and enhance profitability.

- Our fiber-dyeing facility is being upgraded. This will allow us to expand our offering of dyed yarns, which command a premium.
- Modernization of 16,000 spindles and debottlenecking initiatives were pursued, bolstering our operational efficiency and productivity. These initiatives began in 2020, were delayed by the pandemic, and were completed in April 2022. The adoption of cutting-edge technology through machinery upgrades revolutionized our operations, enhancing flexibility, efficiency, and reducing maintenance costs and manpower dependence.
- Our commitment to sustainable practices saw the installation of rooftop solar panels, with our solar power capacity reaching 3.5 MW. This will be scaled up further to 5MW by April 2024.
- Strategic focus on value-added yarns and technical textiles, promising higher realizations and fortifying our market position.

As we look ahead, optimism abounds. The ongoing expansion will solidify our position, validating our ability to serve diverse customer profiles with an array of products.

In closing, I invite you to join us on this transformative journey of redefining possibilities, reimagining potential, and reinventing outcomes. Exciting times lie ahead for RCIL, and we eagerly anticipate your continued presence as witnesses to our evolution.

Sincerely,  
**Sanjiv Shroff**

# re!nventing our mindset



Envisioning a tomorrow distinct from today demands a spark of imagination. At its core lies the reshaping of strategies, reimagining the future, and the collective vision of the company's leaders and stakeholders. The finest leaders and organizations approach challenges with caution while actively seeking opportunities for growth. They aren't just focused on the present, but are architects of the next decade and beyond.





At RCIL, reinvention is our north star. Our unwavering dedication to excellence and perfection is an extension of our resolute commitment to evolution. While technology and modernization fortify our manufacturing prowess, it's our fluidity and adaptability that underscore our paramount strength.

Our culture is a tapestry woven with yarns of change, influencing our approach to adversity, innovation, and solution-finding. Rooted in traditional values, yet propelled by our evolving mindset, we stride confidently into the realms of progress. Our management's advocacy for lean methodologies and continual improvement empowers us to confront the ever-shifting winds of change - be they industrial, geopolitical, internal, or market-driven.

As we reinvent our mindset, we embrace the boundless potential of transformation. Guided by resilience and a spirit that seeks growth in the face of change, we redefine our course and navigate towards the horizon of endless possibilities.

# re!nventing our personality



At RCIL, we embrace the imperative of reinvention, not merely as a necessity, but as an invitation to embrace the new. Within our organization, the cohesive undercurrent of transformation is meticulously woven to unite us in a shared purpose. Our journey of evolution is beautifully embodied in our striking new logo, an emblem that symbolizes our essence to all stakeholders.

Our new logo is a visual testament to our vision, eloquently bridging our future aspirations with the bedrock of our enduring values and legacy. It unveils the majestic form of a peacock, a creature synonymous with integrity, elegance, and self-awareness. The peacock's single, diamond-shaped crest embodies our steadfast dedication to transparency and honesty.

In its resplendent plumage, a trio of feathers forms a flame-like arrangement – an allusion to the company's core cultural tenets: Quality, Customer-Centricity, and Management with Humanity. This deliberate, flame-shape of the peacock's tail feathers harmoniously resonates with our new colour palette – hues of red, yellow, orange, and brown - akin to the hues of a vibrant flame. This choice of colours symbolizes the fervent and unceasing ardour that propels us to ever-evolve and reinvent.

The unveiling of our new logo isn't merely a cosmetic change, but a manifestation of our evolving identity. It mirrors our resolve to stride into the future, fuelled by the fire of innovation, guided by our principles, and underpinned by our relentless commitment to positive change.

# re!nventing our scale



Amidst evolving consumer preferences, technological advancements, and the imperative of sustainable practices, the pursuit of new avenues of growth takes on paramount significance. In the realm of contemporary business, thriving mandates a continuous re-evaluation of the status quo and an unwavering commitment to reinvention.







The foundation of this journey rests on placing customers at the forefront. At RCIL, leveraging our profound understanding of customer dynamics enables us to unearth opportunities for unique products, services, and transformative experiences.

Our enterprise embarked on an expansion project, commanding a total investment of INR 100 crores in 2022-23. Executed in two phases, each encompassing 6,240 spindles, the expansion is slated to be completed during the financial year 2023-24. This strategic endeavour promises an array of positive outcomes, including a 24% capacity expansion, modernization of our dyeing facilities, alleviation of production bottlenecks, and a heightened focus on technical textiles and value-added offerings. This strategic manoeuvre not only solidifies our standing in the export market and bolsters our domestic presence but also amplifies operational efficiency, drives cost reductions, improves profitability, and augments the versatility of our manufacturing capabilities.”

At RCIL, even as we remain steadfast in our pursuits of capacity augmentation, asset modernization, and seamless integration, our unwavering attention remains on our customers. We proactively engage with their requisites, aiming to deeply understand their needs and meticulously tailor our products and services to match. Collaborative ventures with our clientele have resulted in ground-breaking yarn innovations, revolutionizing their raw material requisites, and propelling them to design more streamlined production processes. Through resilience and adaptability, we've woven enduring relationships with our clients, founded on the bedrock of mutual learning, respect, and trust. This ethos of perpetual refinement and reinvention is at the heart of our corporate mindset.

# Corporate Information

Mr. S.L. Shroff : Chairman Emeritus

## BOARD OF DIRECTORS

Mr. Ramadoss Srinivasan : Chairman, Independent Director

Mr. Sanjiv Shroff : Managing Director

Mr. Rahul Shroff : Executive Director

Mr. Ameya Shroff : Executive Director

Mr. Nand Gopal Khaitan : Non-Executive Director

Mrs. Dipika Shroff : Non-Executive Director

Mr. Narayan Shroff : Independent Director

Mr. Ram Niwas Sharma : Independent Director

## CHIEF FINANCIAL OFFICER

Mr. Chandrasekaran Rajagopalan

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Utkarsh Gaur

## BANKERS

RIICO Ltd.

Exim Bank

State Bank of India

IDBI Bank Ltd.

ICICI Bank Ltd.

## SOLICITORS

Khaitan & Co., LLP, Kolkata, West Bengal

## STATUTORY AUDITORS

Jain Pramod Jain & Co.

Chartered Accountants, New Delhi

## SECRETARIAL AUDITORS

V.M. & Associates

Company Secretaries, Jaipur, Rajasthan

## REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd., Mumbai, Maharashtra

## REGISTERED OFFICE & WORKS

Village Kanpur, Post Box No.73, Udaipur - 313003, Rajasthan, India

# BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 45<sup>th</sup> Annual Report of Reliance Chemotex Industries Ltd. ("the Company") along with the Audited Financial Statements for the financial year ended on March 31, 2023.

## FINANCIAL PERFORMANCE

The Company's Financial Summary and Highlights are summarized below:

(Rs. In Lacs)

Particulars	Financial Year 2022-23	Financial Year 2021-22
Revenue from Operations	36,487.78	36,177.23
Other Income	615.92	658.73
<b>Total Income</b>	<b>37,103.70</b>	<b>36,835.96</b>
Earnings Before Depreciation, Interest and Tax (EBIDTA)	4,039.62	4,802.96
<b>Less: Depreciation</b>	<b>975.69</b>	<b>852.98</b>
<b>Less: Finance Cost</b>	<b>1,393.18</b>	<b>1,214.85</b>
Profit Before Tax	1,670.75	2,735.13
Tax Expenses	428.83	921.91
Profit After Tax	1,241.92	1,813.22
Other Comprehensive Income	5.00	41.15
PAT after Other Comprehensive Income	1,246.92	1,854.37
<b>Earnings Per Share (in Rs.) (Basic &amp; Diluted)</b>	<b>16.46</b>	<b>24.04</b>

## OPERATIONAL PERFORMANCE

Despite the ongoing challenges encountered by the textile sector and industry at large on both the global and domestic front, your Company's performance for the year under review has been commendable. Your Company achieved a total income of ₹ 371.04 crores for FY 2023 as compared to ₹ 368.36 crores for FY 22. Your Company reported a net profit of ₹ 12.42 crores for FY 2023 against a net profit of ₹ 18.13 crores for the previous year.

The Company's export for the FY 2023 stood at ₹ 213.16 crores and the Company's domestic sales grew from ₹ 99.51 crores to ₹ 144.89 crores.

## DIVIDEND

The Company has a robust track record of rewarding its shareholders with a consistent dividend payout. In view of the strong operational and financial performance during the year under review, the Board of Directors is pleased to recommend a dividend of Rs. 2.5 per share (i.e. 25 %) for the financial year ended on March 31, 2023, subject to the approval of shareholders at the ensuing Annual General Meeting. The total outflow towards dividend, including tax deducted at source (TDS) on Equity Shares for the year would be Rs. 1.89 Crores.

As per the prevailing provisions of the Income Tax Act, 1961, the dividend, if declared, will be taxable in the hands of the shareholders at the applicable rates. For details, shareholders are requested to refer to the Notice of Annual General Meeting.

## CAPACITY EXPANSION

During the year under review, the Company embarked on an expansion project with a total project cost of approximately 100 crores. This expansion will expand our capacity by approximately 12,480 spindles, will focus on the modernization and expansion of our dyeing facilities and will also add machinery to help debottleneck certain production processes.

The implementation of the project is progressing well and we envisage that it will be completed during this financial year. This expansion will increase operational efficiencies, reduce operating costs by taking further advantage of economies of scale, improve profitability and expand our product offering.

## CHANGES IN THE NATURE OF BUSINESS

There were no changes in the nature of business during the year under review as prescribed in Rule 8 (5) (ii) of the Companies (Accounts) Rules, 2014. Your Company continues to remain in the same business.

## TRANSFER TO RESERVE

The Board of Directors has decided to retain the entire amount of profits for the financial year 2022-23 in the profit and loss account and does not propose to transfer any amount to the General Reserve of the Company.

## SHARE CAPITAL

As on March 31, 2023, the authorised share capital of the Company is Rs. 43,75,00,000 comprising 1,35,00,000 equity shares of Rs. 10/- each and 30,25,000 preference shares of Rs. 100/- each, and the paid-up equity share capital as at March 31, 2023 is Rs. 7,54,35,630 comprising of 75,43,563 equity shares of the face value of Rs. 10/- each.

During the financial year 2022-23, the Company has neither issued any shares, nor instruments convertible into equity shares of the Company or with differential voting rights, nor has it granted any stock options or sweat equity.

## DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES / AND THEIR PERFORMANCE

During the year under review, the Company has no Subsidiaries/ Associate Companies / Joint ventures.

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

There were no material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year on March 31, 2023 to which the financial statements relate and the date of this report.

## SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE 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 the Company's future operations.

## LOANS, GUARANTEES & INVESTMENTS BY THE COMPANY

During the year under review, the Company has not made any investments or given any loans or guarantees or provided any security in connection with a loan to any person or body corporate, as defined under Section 186 of the Companies Act 2013.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions that were entered into during the financial year under review, were on an arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant related party transactions that could have potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for transactions that are repetitive in nature or when the need for these transactions cannot be foreseen in advance.

Details of transactions with Related Parties as required under Section 134 (3) (h) of the Act read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 are given in **Annexure - 1** in Form AOC - 2 and forms part of this Report.

The Company has adopted a policy for dealing with Related Party Transactions. The Policy as approved by the Board is available at the web link: <http://reliancechemotex.com/reports/code-of-conduct-and-policies/>.

## MEETINGS OF BOARD

The Board of Directors met **four** times during the year on May 25, 2022, August 11, 2022, November 09, 2022 and February 09, 2023. Frequency and quorum at these meetings and the intervening gap between any two meetings were in conformity with the provisions of the Act, the Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India ("Secretarial Standards"). For further details, please refer to the Report on Corporate Governance annexed to this report.

## COMMITTEES OF THE BOARD OF DIRECTORS

As on March 31, 2023, the Board of Directors has the following committees:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee
- Finance Committee

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

The Board of Directors of the company dissolved the Corporate Social Responsibility committee with effect from May 25, 2022.

## CHANGE IN THE DIRECTORS AND KEY MANAGERIAL PERSONNEL

### DIRECTORS

- In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sanjiv Shroff (DIN: 00296008) Executive Director, Managing Director and Mrs. Dipika Shroff (DIN: 00226941) Non-Executive & Non-Independent Director of the Company were liable to retire by rotation at the 44<sup>th</sup> Annual General Meeting and were re-appointed by the members.
- In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Nand Gopal Khaitan (DIN: 00020588), Non-Executive & Non Independent Director and Mr. Rahul Shroff (DIN: 02301693), Whole Time Director and designated as Executive Director of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. The Board of Directors recommends their re-appointment.
- Mr. Ameya Shroff (DIN:05315616) was re-appointed as Whole Time Director and designated as Executive Director of the Company for the further period of 3 (Three) years w.e.f. August 01, 2022 to July 31, 2025 at the 44<sup>th</sup> AGM of the Company.

## KEY MANAGERIAL PERSONNEL

Mr. Utkarsh Gaur has been appointed as Company Secretary & Compliance Officer w.e.f. May 25, 2022.

Except as stated above, there were no other changes in the Directors and Key Managerial Personnel of the Company during the year under review.

## DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to Section 149 of the Act and Regulation 16 of the Listing Regulations, all independent directors of the Company have given a declaration that they meet the criteria of Independence and are also registered with the IICA databank of independent directors. The Exemption certificate has been received from all the independent directors for not-appearing in the Exam conducted by IICA.

The Independent Directors have also confirmed that they have complied with the Company's code of conduct. In the opinion of the Board of Directors, the independent directors fulfill the conditions specified in the Act and the Listing Regulations and are independent of the management.

Further, a familiarization program has been conducted for Independent Directors and the details are uploaded on the company website <https://www.reliancechemotex.com/reports/grievance-management/>.

## FORMAL ANNUAL EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, and the performance of board committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

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, the effectiveness of board processes, the 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, the effectiveness of committee meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. In a separate meeting of independent directors, the performance of non-independent directors, the Board as a whole, and the Chairman of the Company were 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 based on their preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

## AUDITORS AND AUDIT REPORTS

### STATUTORY AUDITORS AND AUDIT REPORT

M/s Jain Pramod Jain & Co, Chartered Accountants (Firm Registration No.: 016746N) was re-appointed as Statutory Auditors of your Company at the 44<sup>th</sup> Annual General Meeting held on September 27, 2022, for the second term of five consecutive years commencing from the conclusion of the 44<sup>th</sup> AGM until the conclusion of the 49<sup>th</sup> AGM to be held in the year 2027. The Auditors had confirmed that they were not disqualified from being re-appointed as Auditors of the Company.

The Statutory Auditors Report for the financial year 2022-23 on the financial statement of the Company forms part of this Annual Report. The Auditors have expressed their unmodified opinion on the Financial Statements and their reports do not contain any qualifications, reservations, adverse remarks, or disclaimers. The information referred to in the Auditor's Report is self-explanatory and does not call for any further comments.

The Statutory Auditors of the Company have not reported any fraud as specified under Section 143 (12) of the Act, in the year under review.

### COST AUDITORS AND COST AUDIT REPORT

M/s. N. N. & Associates, Cost Accountants (Firm Registration No.: 002322), were reappointed as Cost Auditors of the Company for conducting the Cost Audit for the financial year 2022-23. The Cost audit report for the financial year 2022-23 does not contain any qualifications, reservations, adverse remarks, or disclaimers. The information referred to in the Auditor's Report is self-explanatory and does not call for any further comments.

In terms of the provisions of Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors of the company at their meeting held on May 26, 2023 has, on the recommendation of the Audit Committee, approved the re-appointment of M/s. N. N. & Associates, Cost Accountants (Firm Registration No. 002322), as the Cost Auditors, to conduct the Cost Audit for the financial year 2023-24. A resolution seeking approval of the Shareholders for ratifying the remuneration payable to the Cost Auditors for the financial year 2023-24 is provided in the Notice of the ensuing Annual General Meeting.

The Cost accounts and records as required to be maintained under section 148 (1) of the Act are duly made and maintained by the Company.

During the financial year 2022-23, no fraud was reported by the Cost Auditors of the Company in their Audit Report.

### **SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT**

M/s. V. M. & Associates, Company Secretaries (Firm Registration No.: P1984RJ039200), were reappointed as Secretarial Auditors of the Company for conducting the Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the financial year 2022-23, in form MR-3, does not contain any qualifications, reservations or adverse remarks and is annexed to this report as **Annexure - 2**.

During the financial year 2022-23, no fraud was reported by the Secretarial Auditors of the Company in their Audit Report.

### **INTERNAL AUDITORS AND INTERNAL AUDIT REPORT**

M/s. Rajeev Amitabh & Co, Chartered Accountants (Firm Registration No.: 009942N) were re-appointed as Internal Auditors of the Company for conducting an Internal Audit for the financial year 2022-23. The Internal Audit Reports were received by the Company and the same were reviewed by the Audit Committee and taken note of by the Board of Directors of the company.

The Internal Audit Report for the financial year 2022-23 does not contain any qualifications, reservations, adverse remarks, or disclaimers. The information referred to in the Auditor's Report is self-explanatory and does not call for any further comments.

Further, the Board of Directors has approved the re-appointment of M/s. Rajeev Amitabh & Co, Chartered Accountants (Firm Registration No.: 009942N) as Internal Auditors at their meeting held on May 26, 2023 for conducting the Internal Audit of the Company for the financial year 2023-24.

During the financial year 2022-23, no fraud was reported by the Internal Auditors of the Company in their Audit Report.

### **VIGIL MECHANISM /WHISTLE BLOWER POLICY**

Your Company is committed to the 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 Act 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, and can also report these directly to the Chairperson of the Audit Committee. 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 adequate safeguards against the victimization of persons who use this mechanism. The Vigil Mechanism/Whistle Blower Policy has been posted on the Company's website at <https://www.reliancechemotex.com/reports/code-of-conduct-and-policies/>. 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 Chairperson of the Audit Committee and that no complaint was received during the year.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Company has a Policy on Corporate Social Responsibility and the same has been posted on the website of the Company at <https://www.reliancechemotex.com/reports/code-of-conduct-and-policies/>.

As required under Section 134 (3) (o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities, is annexed as **Annexure - 3**, which forms part of this Report.

### **RISK MANAGEMENT POLICY**

The Company has adopted measures concerning the development and implementation of a Risk Management System in terms of Section 134(3)(n) of the Companies Act, 2013 and in line with the Risk Management Policy of the Company, after identifying the elements of risks which, in the opinion of the Board, may threaten the very existence of the Company itself. The Company has an elaborate process of identification, assessment and prioritization of risk followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.

The Risk Management procedure is reviewed by the Board from time to time, to ensure that the executive management controls risks through means of a properly defined framework. Major risks identified are systematically addressed through mitigating actions on a continuing basis.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT 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 and Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 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 2022-23.

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

#### ANNUAL RETURN

Pursuant to Section 92 (3) read with Section 134 (3) (a) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website <http://www.reliancechemotex.com/reports/financial-reports/>.

#### FIXED DEPOSITS

During the Financial Year 2022-23, your Company has not invited, accepted or renewed any deposits within the meaning of Sections 73, 74 and 76 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014.

The Borrowings taken from the Directors have been stated in the financial statements note no.16.

#### INTERNAL FINANCIAL CONTROL SYSTEM

For a detailed discussion with reference to the adequacy of internal financial controls, please refer to Management Discussion and Analysis Report annexed to this report as **Annexure -7**.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to the conservation of energy, technology absorption, Foreign Exchange Earnings and outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is marked as **Annexure - 4** to this report.

#### NOMINATION & REMUNERATION POLICY

The Board of Directors has framed the policy on Nomination & Remuneration which lays down the framework in relation to the selection, appointment and remuneration of Directors, Key Managerial Person and Senior Management of the Company. The Nomination & Remuneration Policy has been posted on the Company's website <https://www.reliancechemotex.com/reports/code-of-conduct-and-policies/> and the salient features of the policy form a part of the Annual report.

#### PARTICULARS OF EMPLOYEES & THEIR DISCLOSURES

Disclosures pursuant to Section 197 (12) of the Act, read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure - 5**.

Further, disclosures pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure - 6**.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the financial year 2022-23, as stipulated under the Listing Regulations is annexed to this report as **Annexure - 7**.

#### REPORT ON CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance requirements under the provisions of the Act and the Listing Regulations. The Report on Corporate Governance for the financial year 2022-23 is annexed to this report as **Annexure - 8**.

#### DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS). The IND AS are prescribed under section 133 of the Act, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### SECRETARIAL STANDARDS

The Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Companies Secretaries of India and notified by the Ministry of Corporate Affairs.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

- In the preparation of the annual accounts for the Financial Year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the Annual Accounts for the Financial Year ended March 31, 2023 on a going concern basis;
- They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of an application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

**OTHER DISCLOSURES**

Other disclosures with respect to Board's Report as required under the Act read with rules notified thereunder and listing regulations and other SEBI regulations are either NIL OR NOT APPLICABLE.

**CAUTION STATEMENT**

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Crucial factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling

prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country and other factors that are material to the business operations of the Company.

**APPRECIATIONS AND ACKNOWLEDGEMENTS**

Your Directors place on record their deep appreciation to every member of the Reliance family for their hard work, dedication and commitment, to whom the credit for the Company's achievements goes. Your Directors would also like to acknowledge the valuable contribution of the Company's Promoters to the continuous improvement in our Business Practices.

Your Company looks upon its suppliers, distributors, retailers, business partners and others associated with it in its progress and the Board places on record its appreciation for the support and co-operation from all of them. The Directors take this opportunity to express their deep sense of gratitude to the Banks, Government and Regulatory authorities, both at the Central and the State levels for their continued guidance and support.

And to you, our shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

For and on behalf of the Board of Reliance Chemotex Industries Ltd.

Place: Mumbai  
Date: May 26, 2023

**Sanjiv Shroff**  
Managing Director  
DIN: 00296008

**Ameya Shroff**  
Whole Time Director  
DIN: 05315616

Registered Office: Village Kanpur, Post Box No.73, Udaipur, Rajasthan, 313003  
CIN: L40102RJ1977PLC001994  
Tel: +91 (0) 294 2491489 ; +91 (0) 294 2491490 | Fax: +91 (0) 294 2490067  
E-mail: cs@reliancechemotex.com | Website: www.reliancechemotex.com



# ANNEXURE: 1

## FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 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	Nature of contracts/ arrangements/ transactions	Duration of the Contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
-	-	-	-	-	-	-	-

### 2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS:

Name(s) of Related Party and nature of relationship	Nature of Contracts/ arrangements/ Transactions	Duration of Contracts/ arrangements/ Transactions	Salient terms of the Contracts or arrangements or transactions including the value, if any	Date(s) of Approval by the Board if any	Amount Paid as Advance, if any
AR Commercial Private Ltd (Shareholder - Promoter Group)	Leave and License Agreement	5 Years	Interest free Deposit of Rs.1,25,00,000 and Rent of Rs. 1,57,500/- to be paid with increase on 5% annual rent on mutual discussion.	21-06-21	-
Indo Textiles & Fibres Ltd (Other related party)	Leave and License Agreement	5 Years	Interest free Deposit of Rs.1.25 Cr. and Rent of Rs. 2,36,250/- to be paid with increase on 5% annual rent on mutual discussion.	10-08-21	-
Indo Textiles & Fibres Ltd (Other related party)	Leave and License Agreement	5 Years	Interest free Deposit of Rs. 25,00,000 and Rent of Rs. 1,57,500/- to be paid with increase on 5% annual rent on mutual discussion.	10-08-21	-
AS Chemotex Pvt. Ltd. (Shareholder - Promoter Group)	Leave and License Agreement	5 Years	Interest free Deposit of Rs.25,00,000 and Rent of Rs. 1,57,500/- to be paid with increase on 5% annual rent on mutual discussion.	10-08-21	-
Spell Fashions Pvt. Ltd (Other related party)	Leave and License Agreement	5 Years	Interest free Deposit of Rs. 51,000 and Rent of Rs. 30,000/- to be paid with increase on 5% annual rent on mutual discussion.	21-06-21	-

For and on behalf of the Board of Reliance Chemotex Industries Ltd.

Place: Mumbai  
Date: May 26, 2023

**Sanjiv Shroff**  
Managing Director  
DIN: 00296008

**Ameya Shroff**  
Whole Time Director  
DIN: 05315616

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

CIN: L40102RJ1977PLC001994

Tel: +91 (0) 294 2491489 ; +91 (0) 294 2491490 | Fax: +91 (0) 294 2490067

E-mail: cs@reliancechemotex.com | Website: www.reliancechemotex.com

## ANNEXURE: 2

Form No. MR-3  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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 Limited  
Village Kanpur  
Udaipur – 313003 (Rajasthan)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Reliance Chemotex Industries Limited** (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, 2023 ('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, 2023 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;

- (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 **(Not applicable to the Company during the Audit Period);**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the Audit Period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(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, 2021 **(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 Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**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, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**We further report that** during the audit period the company has made an application to National Stock Exchange of India Ltd for listing of its equity shares.

For V. M. & Associates  
Company Secretaries  
(ICSI Unique Code P1984RJ039200)  
PR 581 / 2019

Place: Mumbai  
Date: May 26, 2023  
UDIN:F011024E000385167

CS Sunita Agarwal  
Partner  
Membership No.: FCS 11024  
C P No.: 10097

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.

## Annexure A

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

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

1. 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.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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.

For V. M. & Associates  
Company Secretaries  
(ICSI Unique Code P1984RJ039200)  
PR 581 / 2019

Place: Mumbai  
Date: May 26, 2023  
UDIN:F011024E000385167

CS Sunita Agarwal  
Partner  
Membership No.: FCS 11024  
C P No.: 10097

## ANNEXURE: 3

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

[Pursuant to clause (o) of sub section (3) of Section 134 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

#### 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The Corporate Social Responsibility Policy of the company is intended to ensure that the CSR programs of the Company reflect its values and is aligned with the applicable regulatory requirements. The Company believes in taking an active role and responsibility in transforming the lives of rural people by improving their socio-economic conditions directly or indirectly. The efforts of the Company will not only impact the development of the direct beneficiaries, but also attempt to enhance the education levels among the underprivileged people. Education and skill development, clean water and sanitation in schools for underprivileged children, rural developments, good health, eradication of poverty, hunger, rehabilitation, and other are key pillars of our Corporate Social Responsibility policy which always motivates us of giving back to society.

#### 2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
-	-	-	-	-

The Board of Directors of the company dissolved the CSR committee with effect from May 25, 2022.

#### 3. WEB LINK(S) WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

Composition of the CSR Committee on -<http://www.reliancechemotex.com/reports/code-of-conduct-and-policies/>

CSR Policy on -<http://www.reliancechemotex.com/reports/code-of-conduct-and-policies/>

CSR Projects on -<http://www.reliancechemotex.com/reports/code-of-conduct-and-policies/>

#### 4. EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE: NOT APPLICABLE

5. a. Average net profit of the company as per sub-section (5) of section 135: **Rs. 15,93,24,196/-**

b. Two percent of average net profit of the company as per sub-section (5) of section 135: **Rs. 31,86,484/-**

c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **NIL**

d. Amount required to be set-off for the financial year, if any: **Rs. 67,655/-**

e. Total CSR obligation for the financial year [(b)+(c)-(d)]: **Rs. 31,18,829/-**

6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **Rs. 34,31,046/-**

b. Amount spent in Administrative Overheads: **NIL**

c. Amount spent on Impact Assessment, if applicable: **NOT APPLICABLE**

d. Total amount spent for the Financial Year [(a)+(b)+(c)]: **Rs. 34,31,046/-**

e. CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
34,31,046/-	-	-	-	-	-

f. Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	31,18,829/-
(ii)	Total amount spent for the Financial Year	34,31,046/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	3,12,217/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	3,12,217/-

**7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:**

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	FY-1	-	-	-	-	-	-	-
2	FY-2	-	-	-	-	-	-	-
3	FY-3	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

**8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:**

Yes  No

If Yes, enter the number of Capital assets created/acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
-	-	-	-	-	-	-	-

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

**9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUBSECTION (5) OF SECTION 135: NOT APPLICABLE**

For and on behalf of the Board of Reliance Chemotex Industries Ltd.

**Sanjiv Shroff**  
 Managing Director  
 DIN: 00296008

Place: Mumbai  
 Date: May 26, 2023

Registered Office: Village Kanpur, Post Box No.73, Udaipur, Rajasthan, 313003  
 CIN: L40102RJ1977PLCO01994  
 Tel: +91 (0) 294 2491489 ; +91 (0) 294 2491490 | Fax: +91 (0) 294 2490067  
 E-mail: cs@reliancechemotex.com | Website: www.reliancechemotex.com

## ANNEXURE: 4

### DETAILS ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(Pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of The Companies (Accounts) Rules, 2014)

#### A. CONSERVATION OF ENERGY

##### I. STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY

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

- Replacement of conventional Tube lights with LED Tube lights
- Compressed air leakage arrest in various spinning and post-spinning machines
- Installation of NASSA filter in autoconer
- Replacement of defective pistons of Hydra extractor, Dyeing machines & RO plant for air leakage arrest

These measures have also reduced environmental impact, reduced maintenance time and cost, and improved productivity.

##### II. THE STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY

- In Boiler, "Biomass" is being used instead of Petcoke / Coal.
- Installation of 1,541 kWp Rooftop Solar systems.

##### III. THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS: Rs. 21,26,426.43

#### B. TECHNOLOGY ABSORPTION

##### I. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

Developed multifold knotless yarn for heavy-duty application and continuous efforts are going on for the industrial sector for PPS, Polypropylene, Nylon, Meta-aramid and Para-aramid Yarn. Also introduced low melt and low pill yarns for specific uses and developed Poly/Linen, Viscose & Cationic Dye able Products, slub yarn and space dyed yarn.

We have modernized our A & B section i.e. 16,416 spindles by replacing old technology machines with new latest machines from the Blow room to ring frame and autoconer with complete latest technology machines having Auto doffing in Ring frame and also continuous line process there in the blow room line.

Further expansion is on the way which is under construction/installation of 12,480 Spindles to increase the total spinning capacity to 67,296 spindles by adopting the latest technology from Dye House, Blow Room to twisting sections.

We have also installed in Unit-1, Yarn conditioning plant (YCP-Sieger Machine) for conditioning the yarn for further improvement of working in the Knitting /Weaving yarn application.

##### II. BENEFITS DERIVED AS A RESULT OF THE ABOVE R&D

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

##### III. IN CASE OF IMPORTED TECHNOLOGY (IMPORTED DURING THE LAST THREE YEARS RECKONED FROM THE BEGINNING OF THE FINANCIAL YEAR)

- The details of technology imported:** The Company has not imported any technology during the last three financial years.
- The year of import:** Not applicable
- Whether the technology has been fully absorbed:** Not applicable
- If not fully absorbed, areas where absorption has not taken place, and the reason thereof:** Not applicable.

We have purchased the latest Japanese Autoconer machine Qpro Plus having salient features of upper yarn sensors for even formation of packages.

Additional suction arm setting for a better quality of winding of yarn.

We have also purchased the latest technology of Uster Quantum 4 (EYC) having a better evaluation of online yarn faults classifications and additional settings i.e. SWARM setting in which we can cut the specific defect yarn zone without affecting the yarn body.

##### IV. 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:	19,596.50
2. Foreign Exchange Outgo:	1,393.38



## ANNEXURE: 5

### MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES

(Information relating to remuneration of Directors / Key Managerial Personnel as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

Sl. 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 2022-23	Name of Director	Ratio
		Mr. Sanjiv Shroff	161.36
		Mr. Rahul Shroff	148.59
		Mr. Ameya Shroff	152.07
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 2022-23	Mr. Sanjiv Shroff, Managing Director	-
		Mr. Rahul Shroff, Executive Director	-
		Mr. Ameya Shroff, Executive Director	-
		Mr. Chandrasekaran Rajagopalan, Chief Financial Officer	12%
		Mr. Utkarsh Gaur, Company Secretary (Joined w.e.f. 25.05.2022)	N.A.
3	The percentage increase in the median remuneration of employees in the financial year	10	
4	The number of permanent employees on the rolls of company as at March 31, 2023	1841	
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	<p>Average % increase in the salary of employees other than Managerial Personnel :- 10.00</p> <p>Average % increase in the Salary of the Managerial Personnel :- 0</p> <p>There was no exceptional circumstance in an increase in managerial personnel in the last financial year. The average percentile increase and policy was the same for managerial personnel and all the other employees.</p>	
6.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, the remuneration is as per the remuneration policy of the Company	

## ANNEXURE: 6

### INFORMATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. No.	Employee Name	Designation	Remuneration received (in Rs.)	Qualification	Total Experience	Joining Date	Age (in years)	Last Employment
1.	Mr. Sanjiv Shroff	Managing Director	1,94,40,000	Science Graduate	34 Years	01.09.88	63 Years	-
2.	Mr. Rahul Shroff	Executive Director	1,85,43,000	Master in Engineering in Electrical and Computer Science	12 Years	28.07.08	36 Years	-
3.	Mr. Ameya Shroff	Executive Director	1,73,40,000	Master in Engineering in Electrical and Computer Science	10 Years	29.06.13	33 Years	-
4.	Mr. Chandrasekaran Rajagopalan	Chief Financial Officer	53,06,088	Chartered Accountant & Company Secretary	40 years	11.11.19	62 Years	IG Petrochemicals Ltd.
5.	Mr. Vinay Srivastava	President	61,03,990	Diploma in Textile Technology	24 Years	01.05.20	46 Years	Trident Ltd.
6.	Mr. Madan Gopal Rathi	Finance Manager and Coordinator	19,66,709	Post Graduate in Commerce	51 Years	29.06.13	73 Years	-
7.	Mr. Anil Mujumdar	Vice President Engineering	17,73,769	Diploma in Electrical	40 Years	30.09.15	60 Years	Gimatex Industries Ltd.
8.	Mr. V. K. Joshi	Vice President R & D	34,16,586	M. Tech	29 Years	01.07.13	61 Years	Bharat Commercial Industries Ltd.
9.	Mr. Pankaj Kothari	Vice President Finance	20,25,516	Chartered Accountant & B. Com.	30 Years	15.01.21	48 Years	Videocon Industries Ltd.
10.	Mr. Birendra Bahadur Singh	Vice President P & A	17,77,808	B. A.	36 Years	01.12.21	58 Years	ST Cottex Exports Private Limited

Note: The remuneration 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.

## ANNEXURE: 7

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### THE GLOBAL ECONOMY

The global economy was sluggish in 2022 and is estimated to have grown at 3.2% in 2022, compared to 6% in 2021. For 2023, the IMF has projected global economy growth at 2.9%. A few factors contributed to the slowdown in 2022 – continued geopolitical tensions and hostilities in Eastern Europe, exceptionally high inflation and recessionary pressures in major economies, synchronized rate hikes by central banks around the world (including the Federal Reserve) leading to a global liquidity squeeze, the collapse of banks in the United States and the pandemic-induced slowdown in China.

#### THE INDIAN ECONOMY

According to the World Bank, India is projected to witness GDP growth of 6.3% in the fiscal year 2023-24, contingent upon the course of global economic and political developments. This optimistic growth forecast is underpinned by several favourable factors - the recovery of private consumption leading to increased production activity and augmented capital expenditure, steady inflation, and the central government's thrust on infrastructure and its outlay of Rs 1.97 lakh crores for Production-Linked Incentive Schemes to encourage domestic manufacturing.

#### THE GLOBAL TEXTILE INDUSTRY

The global textile industry grew to USD 610.91 billion in 2023 from USD 573.22 billion in 2022 at a compounded annual growth rate (CAGR) of 6.6%. It is expected to grow to USD 755.38 billion by 2027 at a CAGR of 5.5%. The global technical textiles market is expected to grow at a CAGR of 5.2% to reach USD 274 billion by 2027, thereby presenting a large opportunity.

The Asia-Pacific region is poised to grow fastest and is valued at USD 76.8 billion in 2022 and is projected to grow at an impressive rate with a CAGR of 6 % to reach USD 102.6 billion by 2027. This growth is attributed to sectors including healthcare, automotive, construction and industrial development.

#### THE INDIAN TEXTILE INDUSTRY AND OUTLOOK

India is among the world's largest producers of Textiles and Apparel. The domestic apparel & textile industry in India contributes approximately 2.3% to the country's GDP, 7% of industry output in value terms and 12% of the country's export earnings. Furthermore, the industry is the 2<sup>nd</sup> largest employer in the country providing direct employment to 45 Mn people and 100 Mn people in related industries.

The Indian Technical Textiles segment is estimated at USD 16 billion, approximately 6% of the global market. India is the second largest producer of manmade fibres (MMF) after China and is the world's 6<sup>th</sup> largest exporter of MMF textiles (MMF textiles makes up 17% of India's textile exports).

[Source: <https://www.investindia.gov.in/sector/textiles-apparel>]

#### OPPORTUNITIES

The textile industry in India is particularly robust due to the wide availability of natural and synthetic fibres and yarns. The textile industry in India is technologically advanced and capital-intensive. Since the trend of industrialization in trade has grown prevalent in consumer goods sectors and labour-intensive industries, there are enormous opportunities in the textile sector.

The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Furthermore, the ongoing Free Trade Agreements (FTA) negotiations with Australia, the EU, UAE and Canada will be extremely advantageous for Indian textile exporters, who have been at a disadvantage to competing neighbouring countries that enjoy lower duties on their exports to the major importing countries around the world.

With the collective global sentiment against China, there has been a shift to other countries for sourcing raw materials. The first alternatives were Bangladesh and Vietnam, which have now become saturated. For the last few seasons, many customers have migrated their sourcing to India. Furthermore, these customers have continued to purchase raw materials for these programs from India, indicating a permanent shift. This is an opportunity for your Company to expand its horizon in various countries.

Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth. These lasting relationships are results of our commitment to quality and customer service.

#### GOVERNMENT INITIATIVES

There have been a number of Central Government initiatives that will provide impetus to the textile industry:

- a) The central government has increased the budget outlay from Rs 3,579 crores in 2022-23 to Rs 4,389.34 crores in 2023-34. For the Amended Technology Upgradation Fund (ATUF), the government has increased the outlay from Rs 650 crores in 2022-23 to Rs 900 crores in 2023-24.
- b) The government has allowed 100% foreign direct investment (FDI) in the textile industry under the automatic route.
- c) The scheme of Rebate of State and Central Taxes and Levies (RoSCTL), that was effective from March 2019, has been extended till March 31, 2024 for exports of apparel/garments and made-ups in order to make the Indian textile sector competitive in the international market.
- d) The government has launched the Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) scheme with an outlay of Rs 4,445 crores to improve the infrastructure

of the textile industry, to boost employment, to attract large investment in the industry and to enable the industry to become more competitive globally.

- e) The Scheme for Capacity Building in the Textile Sector (SCBTS) has been launched by the government with an outlay of Rs 1,300 crores for skill development in the textile industry.

### THREATS, RISKS AND CONCERNS

The Company faces various business risks like foreign currency exposure, volatility in interest rates and the fluctuation in cost of raw materials and crude. Apart from this, the Company also faces regulatory risks like the change in government policies with respect to imports and exports. Your Company is trying to mitigate the risks at all levels to the extent possible, by taking appropriate steps in this direction.

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 installed Solar Panels on the rooftops of our manufacturing units in Udaipur. The first 3.45 MW of solar capacity has been successfully commissioned and is operating satisfactorily. We endeavour to strategically scale this capacity up to 5MW in the financial year 2023-24.

The results of our business operations are dependent on our ability to effectively plan our manufacturing processes and on our ability to optimally utilize our manufacturing capacities. Any disruption to our manufacturing process may affect our business operations due to reasons which are beyond our control.

### SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE

The Company's primary business segment is Yarn, hence there is no other segment-wise information provided. The Company has no activity outside India except the Export of the Yarn manufactured in India.

Rs. In Lakh

Revenue from Operations	2022-23	2021-22
Export	21,316.05	24,790.85
Domestic	14,489.12	9,951.92
Total	35,805.17	34,742.77

### INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The operational performance of the company has been highlighted in the Director's Report which is an integral part of the Annual Report.

### HUMAN RESOURCES

The Company recognizes the importance of its employees as a key asset instrumental to its growth. The Company believes in the acquisition, retention and betterment of talented team players. With the philosophy of inclusive growth, the Company has further redefined its performance management system. The system focuses on the progression of individual employees while emphasising the importance of organisational goals. Under this 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 an emphasis 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 deputes 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 analysed and effective steps are taken to control the product quality, efficiency, utilisation and productivity in company.

The strength of the company's workforce at the end of the financial year was 1841. This includes both skilled and unskilled manpower.

**KEY FINANCIAL RATIO AND DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

Particulars	Financial Year		Change in %	Reason (If more than 25% Change)
	31.03.2023	31.03.2022		
Debtor Turnover Ratio (no. of days)	7.65	5.70	-33.62	Due to the sluggish market scenario, the Company has extended more credit to the domestic customers
Inventory Turnover Ratio (no. of days)	46.15	46.69	1.15	-
Interest coverage Ratio (DSCR)	1.51	1.90	20.52	-
Current Ratio	0.94	0.96	2.08	-
Debt / Equity Ratio	1.50	1.03	-45.63	As the Company is expanding, it has availed term loans from financial institutions and banks
Operating Profit margin (%)	8.26%	10.72%	22.94	-
Net Profit Margin (%)	3.47%	5.22%	33.52	The global slowdown has impacted demand in both the domestic and export markets.
Return on Net Worth	8.64%	14.61%	40.86	Subdued demand has resulted in a decrease in profit, which has resulted in a decrease in this ratio.

## ANNEXURE: 8

### REPORT ON CORPORATE GOVERNANCE

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and some of the best practices followed internationally on Corporate Governance, the following report on governance lays down the ethos of **RELIANCE CHEMOTEX INDUSTRIES LTD. ("RCIL" or "the Company")** and its commitment to conduct business in accordance with sound Corporate Governance practices.

#### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the Listing Regulations and Companies Act, 2013 ('Act'), the report contains the details of the Corporate Governance system and process at the Company. We believe in adopting the well-accepted Corporate Governance practices, benchmark the same to the best-governed companies and strive to improve them continuously.

Our Corporate Governance is a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key to our Corporate Governance practices and performance and we ensure that we gain and retain the trust of stakeholders at all times. Our guiding principles and practices are summarized in this Corporate Governance Report. The Board of Directors of the Company ('Board') is at the core of our Corporate Governance practices and oversees how the management serves and protects the long-term interests of our stakeholders. Our Corporate Governance framework ensures that the Company makes timely disclosures and shares accurate information regarding our financials, performance and other material events.

Our Corporate Governance philosophy and practices are based on the following principles:

- Appropriate Composition of the Board of Directors where every member is having expertise in their domain.
- Availability of information to the members of the Board and Committees enabling them to discharge their fiduciary duties.
- Timely disclosure of material, operational, and financial information to the stakeholders.

- Proper business is conducted by the Board and Senior Management.
- Systems and processes are in place for internal control.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as applicable, with regard to Corporate Governance.

#### 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 coordination with the Senior Management Team. The composition and strength of the Board are 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, 2023, the Board is comprised of 8 Directors out of which three are Executive Directors, three are Independent Directors and two are Non-Executive Directors of which one is a Woman Director. The Chairman of the Board is an Independent Director of the Company. The composition of the Board of Directors of the Company is in conformity with the applicable provisions of the Listing Regulations and the Act.

##### b) NUMBER OF BOARD MEETINGS

During the financial year 2022-2023, the Board met **4 times** i.e. on May 25, 2022, August 11, 2022, November 09, 2022 and February 09, 2023.

The attendance at the Board Meetings during the previous year, previous Annual General Meeting and other details such as Directorship in other Indian companies etc. are as follows:

Name of Director & DIN	Category of Directors	No. of Board Meeting Attended	Last AGM Attended	No. of Directorship and Committee Membership/ Chairmanship			Relationship Director Inter-se	Equity Shares held
				Directorship <sup>1</sup>	Committee Membership <sup>2</sup>	Committee Chairmanship <sup>2</sup>		
Mr. Ramadoss Srinivasan DIN: 00235831	Non-Executive - Independent Director, Chairperson	4	Yes	1	1	-	-	-
Mr. Sanjiv Shroff DIN: 00296008	Executive Director, Managing Director	4	No	6	1	-	Related to: Mr. S.L. Shroff, Mr. Rahul Shroff, Mr. Ameya Shroff, Mrs. Dipika Shroff	1,61,180
Mr. Nand Gopal Khaitan DIN: 00020588	Non-Executive - Non Independent Director	4	Yes	11	6	3	-	100
Mr. Narayan Shroff DIN: 05207412	Non-Executive - Independent Director	4	Yes	2	1	1	-	50
Mr. Ram Niwas Sharma DIN: 00368947	Non-Executive - Independent Director	4	Yes	3	1	1	-	50
Mr. Rahul Shroff DIN: 02301693	Executive Director	4	Yes	6	-	-	Related to: Mr. S.L. Shroff, Mr. Sanjiv Shroff, Mr. Ameya Shroff, Mrs. Dipika Shroff	1,95,600
Mr. Ameya Shroff DIN: 05315616	Executive Director	4	Yes	3	-	-	Related to: Mr. S.L. Shroff, Mr. Sanjiv Shroff, Mr. Rahul Shroff, Mrs. Dipika Shroff	1,24,000
Mrs. Dipika Shroff DIN: 00226941	Non-Executive - Non Independent Director	4	Yes	3	-	-	Related to: Mr. S.L. Shroff, Mr. Sanjiv Shroff, Mr. Rahul Shroff, Mr. Ameya Shroff	2,31,150

1. The directorship, held by Directors, as above includes the directorship of Reliance Chemotex Industries Ltd. and other public and private companies.
2. Committees considered for the purpose are those prescribed under the Listing Regulation viz. Audit Committee and Stakeholders' Relationship Committee of other Indian Public/Private Companies Including Reliance Chemotex Industries Ltd.

Details of names of other listed entities where Directors of the Company are Directors and the category of Directorship as on March 31, 2023 are as under:

Name of Director	Name of other listed entities in which the concerned Director is Director	Category
Mr. Nand Gopal Khaitan	Agi Greenpac Limited	Non-Executive - Independent Director
	India Power Corporation Limited	Independent Director
	Mangalam Cement Limited	Non-Executive - Independent Director
	JK Lakshmi Cement Limited	Non-Executive - Independent Director
	Hindware Home Innovation Limited	Non-Executive - Independent Director
	Shyam Metalics and Energy Limited	Independent Director

Except Mr. Nand Gopal Khaitan, none of the other Directors hold any directorship in any other listed entity.

### c) MEETING OF INDEPENDENT DIRECTORS

The Independent Directors meet separately at least once in a year, without the presence of Non-Independent Directors or representatives of the management. They meet to discuss and form an independent opinion on the various agenda items during the year and various other related matters, identify areas where they need clarity or information from the Management, annually review the performance of Non- Independent Directors, the Board as a whole and the Chairman of the Company, taking into account the views of Executive Directors and Non- Executive Directors and assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. During the financial year 2022-23, the Independent Directors met on May 25, 2022. Mr. Ramadoss Srinivasan, Mr. Narayan Shroff and Mr. Ram Niwas Sharma, Independent Directors of the Company were present in the meeting.

### BOARD INDEPENDENCE

The Independent Directors fulfill the conditions of Independence as specified in Section 149 of the Act 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 <http://www.reliancechemotex.com/reports/miscellaneous-reports/>.

Further, at the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company, among other disclosures and the Company also ensures that its Directors meet the above eligibility criteria. All such declarations are placed before the Board for information. In the opinion of the Board of Directors, all the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and the Act and are independent of the management.

During the year under review, no Independent Directors has resigned from the directorship of company.

### FAMILIARIZATION PROGRAMME FOR BOARD MEMBERS

In compliance with the requirements of the Act and the listing regulations, the Company has put in place the familiarization programme for the independent directors to familiarize them with their role, rights and responsibilities along with the working of the company, nature of the industry in which the company operates, etc. The details of the familiarization programme imparted to the independent directors are posted on the website of the company and can be accessed at <http://www.reliancechemotex.com/reports/grievance-management/>.

### 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:

- Governance skills (that is, skills directly relevant to performing the Board's key functions);
- Industry skills (that is, skills relevant to the industry or section in which the organization pre dominantly operates);
- Personal attributes or qualities that are generally considered desirable to be an effective Director;
- Technical skills/experience in accounting/ finance/ Government or public policy/ economy/ human resource management/strategy development and implementation/ Capital planning;
- 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 members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean that the member does not possess the corresponding skill.

Sl. No.	Skills/Expertise/Competencies	Governance skills	Industry skills	Personal attributes	Technical skills	Governance competencies
1.	Mr. Sanjiv Shroff	✓	✓	✓	✓	✓
2.	Mr. Ameya Shroff	✓	✓	✓	✓	✓
3.	Mr. Rahul Shroff	✓	✓	✓	✓	✓
4.	Mrs. Dipika Shroff	✓	✓	✓	✓	✓
5.	Mr. Nand Gopal Khaitan	✓	✓	✓	✓	✓
6.	Mr. Ramadoss Srinivasan	✓	✓	✓	✓	✓
7.	Mr. Narayan Shroff	✓	✓	✓	✓	✓
8.	Mr. Ram Niwas Sharma	✓	✓	✓	✓	✓

#### COMMITTEES OF THE BOARD

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The Board of Directors has Constituted Four (4) Committees of the Directors with an adequate delegation of powers to discharge urgent business of the Company. As on March 31, 2023 the Board has established the following committees as below:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee
- Finance Committee

The Board of Directors of the company dissolved the Corporate Social Responsibility Committee with effect from May 25, 2022.

#### AUDIT COMMITTEE

As on March 31, 2023, Audit Committee comprises Four (4) Directors, all being the Non - Executive Directors. Mr. Ram Niwas Sharma, Independent Director is the Chairperson of the Committee. The Chairperson of the Audit Committee, Mr. Ram Niwas Sharma, an Independent Director, has sound financial knowledge as well as many years of experience in general management. All members of the Audit Committee, including the Chairperson, have accounting and financial management expertise. The composition of the Audit Committee meets the requirements of Section 177 of the Act and the Listing Regulations.

The Company Secretary acts as the secretary to the committee. The chairperson of the Audit Committee was present at the 44<sup>th</sup> Annual General Meeting.

During the financial year 2022-23, the Audit Committee met **4 times** i.e. on May 25, 2022, August 11, 2022, November 09, 2022 and February 09, 2023. The composition of the Committee as on March 31, 2023 and the attendance of members at the meetings held during the financial year 2022-23 are given below:

Name of Members	Nature of Membership/ Category	No. of meetings held during Tenure	Number of meetings attended
Mr. Ram Niwas Sharma, Chairman	Independent Director	4	4
Mr. Narayan Shroff, Member	Independent Director	4	4
Mr. Ramadoss Srinivasan, Member	Independent Director	4	4
Mr. Nand Gopal Khaitan, Member	Non-Executive Director	4	4

**THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE ARE BROADLY STATED AS UNDER:**

**A. The role of the audit committee shall include the following:**

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b) changes, if any, in accounting policies and practices and reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of Judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions;
  - g) modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. reviewing the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**B. The audit committee shall mandatorily review the following information:**

1. Management discussion and analysis of financial condition and results of operations;
2. management letters / letters of internal control weaknesses issued by the statutory auditors;
3. internal audit reports relating to internal control weaknesses; and

4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
5. statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

#### NOMINATION & REMUNERATION COMMITTEE

As on March 31, 2023, the Nomination and Remuneration Committee comprises 3 Non-Executive Directors with all of them being Independent Directors of the Company. Mr. Narayan Shroff, Independent Director, is the Chairperson of the Committee. The composition of the Committee meets the requirements of Section 178 of the Act and the Listing Regulations. The Company Secretary of the Company acts as the secretary of the Committee.

During the financial year 2022-23, the Nomination and Remuneration Committee met **3 times** i.e. on May 25, 2022, August 11, 2022, and February 09, 2023. The composition of the Committee as on March 31, 2023 and the Attendance of members at the meetings held during the financial year 2022-23 are given below:

Name of Members	Nature of Membership/ Category	No. of meetings held during Tenure	Number of meetings attended
Mr. Narayan Shroff, Chairman	Independent Director	3	3
Mr. Ram Niwas Sharma, Member	Independent Director	3	3
Mr. Ramadoss Srinivasan, Member	Independent Director	3	3

#### 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:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
 

[(1A). For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

  - a) use the services of an external agencies, if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates.]
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of board of directors;

4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
 

[(6) recommend to the board, all remuneration, in whatever form, payable to senior management.]

#### CRITERIA FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS AND THE BOARD

As per the provisions of the Listing Regulation, the Nomination and Remuneration Committee has laid down the evaluation criteria for the performance evaluation of Independent Directors and the Board. The manner for performance evaluation of Directors including the independent Directors, Committees, and Board as a whole is covered in the Directors' Report.

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including the Independent Directors. The said criteria provide certain parameters like understanding the roles and responsibilities including short-term and long-term goals of the company, proactive discussions, expertise, to express disagreement wherever necessary, engagement with the management, etc. which is in compliance with applicable laws, regulations and guidelines. Performance evaluation was done by Nomination and Remuneration Committee in their meeting held on May 25, 2022 and also by Independent Directors in their meeting held on May 25, 2022.

## REMUNERATION POLICY

**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 the meetings. The Non-Executive Directors are paid sitting fees for each meeting

of Board and 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 financial year was Rs. 14,85,000/- and the details are as follows:-

Name of Director	Sitting fees Paid (Amount in Rs.)	
	Board Meeting	Committee Meeting
Mr. Nand Gopal Khaitan	2,00,000	1,00,000
Mr. Ramadoss Srinivasan	2,00,000	1,15,000
Mr. Ram Niwas Sharma	2,00,000	1,35,000
Mr. Narayan Shroff	2,00,000	1,35,000
Mrs. Dipika Shroff	2,00,000	-

**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 Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company. The remuneration package of Managing Director and Whole-time Director comprises salary, perquisites, allowances, commission,

contributions to Provident fund and other retirement benefits as approved by shareholders at the General Meetings/ postal ballots. The nomination and Remuneration policy was displayed on the Company's website at i.e. <https://www.reliancechemotex.com/reports/code-of-conduct-and-policies/>. The Details of remuneration paid to Executive Directors during the Financial Year 2022-23 are as under:

Name of Executive Directors	Basic Salary	Ex- gratia	Allowances	Commission	Variable pay	Total	Service Contract (Years)	Period	Notice period And Severance Fees
Mr. Sanjiv Shroff	63,00,000	12,60,000	34,80,000	54,00,000	30,00,000	1,94,40,000	3	1.09.2020 to 31.08.2023	6 Month Notice & 3 Month salary in lieu thereof
Mr. Rahul Shroff	57,00,000	11,40,000	33,03,000	54,00,000	30,00,000	1,85,43,000	3	26.09.2021 to 25.09.2024	6 Month Notice & 3 Month salary in lieu thereof
Mr. Ameya Shroff	54,00,000	10,80,000	24,60,000	54,00,000	30,00,000	1,73,40,000	3	01.08.2022 to 31.07.2025	6 Month Notice & 3 Month salary in lieu thereof

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with requirements of the Listing Regulations and provisions of Section 178 of the Act, the Company has a Stakeholders' Relationship Committee. As on March 31, 2023, the Committee comprises Three (3) members of whom one (1) is an Executive Director and two (2) are Non-Executive Directors. Mr. Narayan Shroff, Non-Executive, Independent Director is the Chairperson of the Committee. The Company Secretary of the Company acts as a secretary to the Committee.

During the financial year 2022-23, the Stakeholders' Relationship Committee met **4 times** i.e. on May 25, 2022, August 11, 2022, November 09, 2022 and February 09, 2023. The composition of the Committee as on March 31, 2023 and the attendance of committee members at the meetings held during the financial year 2022-23, are given below:

Name of Members	Nature of Membership/ Category	No. of meetings held during Tenure	Number of meetings attended
Mr. Narayan Shroff, Chairman	Independent Director	4	4
Mr. Sanjiv Shroff, Member	Executive Director	4	4
Mr. Ram Niwas Sharma, Member	Independent Director	4	4

#### COMPLIANCE OFFICER

Mr. Utkarsh Gaur is the Company Secretary and Compliance Officer of the Company for complying with the requirements of the Listing Regulations and applicable laws.

#### INVESTORS' COMPLAINTS RECEIVED AND RESOLVED DURING THE YEAR

During the financial year 2022-23, the Complaints and queries received by the Company are general in nature, including issues relating non-receipt of dividend warrants, Annual Reports, etc. All the complaints were resolved to the satisfaction of shareholders and no complaint was pending as on March 31, 2023.

Details of Investor complaints received and resolved during the financial year 2022-23 are as follows:

Quarter ended on	No. of Complaints Received	No. of Complaints Resolved	No. of Complaints Pending
30.06.2022	5	5	-
30.09.2022	1	1	-
31.12.2022	0	0	-
31.03.2023	0	0	-
<b>Total</b>	<b>6</b>	<b>6</b>	<b>-</b>

Note: The above table also includes the complaints received through SEBI Scores.

#### TERMS OF REFERENCE

The terms of reference of the Stakeholders Relationship Committee, inter alia, include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, issue of new/duplicate share certificates, etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

#### FINANCE COMMITTEE

For various day-to-day requirements and to facilitate seamless operations, the Company has formed a functional Committee known as the Finance Committee. The Committee meets as and when deems necessary to cater to the day-to-day requirements of the Company. The committee normally discusses matters like acceptance of sanction letters from Banks, executing the required documents in respect of loans/ limits granted by banks and approval of any other financial decisions, etc. The committee met **9 times** during the financial year 2022-23 on June 01, 2022, June 28, 2022, July 29, 2022, August 23, 2022, September 09, 2022, October 31, 2022, December 21, 2022, January 05, 2023 and February 06, 2023.

The table below provides the attendance of committee members:

Name of Members	Nature of Membership/ Category	No. of meetings held during Tenure	Number of meetings attended
Mr. Sanjiv Shroff	Executive Director	9	9
Mr. Rahul Shroff	Executive Director	9	9
Mr. Ram Niwas Sharma	Independent Director	9	9

#### POSTAL BALLOT

During the financial year 2022-23, no resolution has been passed through Postal Ballot. Also, no business proposed at the ensuing Annual General Meeting requires passing through postal ballot.

#### GENERAL BODY MEETINGS

The details of the last three Annual General Meetings are as follows:

Year	Time, Day, Date & Location	Summary of Special Resolutions
2021-22 (44 <sup>th</sup> AGM)	11:00 A.M. (IST) September 27, 2022 (Tuesday) Via Video Conferencing Mode hosted at the registered office of the company situated at Village Kanpur, Udaipur - 313003	To re-appoint Mr. Ameya Shroff as Whole-time Director designated as Executive Director of the company
2020-21 (43 <sup>rd</sup> AGM)	10:45 A.M. (IST) August 16, 2021 (Monday) Via Video Conferencing Mode hosted at the registered office of the company situated at Village Kanpur, Udaipur - 313003	No special resolution was passed
2019-20 (42 <sup>nd</sup> AGM)	10:15 A.M. (IST) September 28, 2020 (Monday) Via Video Conferencing Mode hosted at the registered office of the company situated at Village Kanpur, Udaipur - 313003	To re-appoint Mr. Sanjiv Shroff as the Managing Director of the Company.

#### GREEN INITIATIVES BY MCA

In compliance with the provisions of Section 20 of the Act, the Company proposes to send all correspondences/communications through email to those shareholders, who have registered their email IDs with their depository participants/Company's registrar and share transfer agent. In case the shareholders desire to receive a printed copy of such communications, they may send a requisition to the Company. The Company will forthwith send a printed copy of the communication to the respective shareholder.

#### MEANS OF COMMUNICATION

The quarterly, half-yearly financial results along with a statement of assets and liabilities and annual audited financial results of the Company have been sent to the Stock Exchanges immediately after they are approved by the Board of Directors. The results are normally published in Financial Express (English) and Jai Rajasthan (Hindi). Financial Results and Shareholding Patterns and other disclosures are also available on Company's website at [www.reliancechemotex.com](http://www.reliancechemotex.com). Further Press releases and Investor Presentations, if any are also displayed on Company Website at [www.reliancechemotex.com](http://www.reliancechemotex.com).

#### GENERAL SHAREHOLDERS INFORMATION

1.	Annual General Meeting Date, Time and Venue	Thursday, September 21, 2023 at 11:00 A.M. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to be hosted at the registered office of the company situated at Village Kanpur, Udaipur (Raj.) 313003
2.	Financial Year	The Company has adopted the financial year of 12 months ending in March every year.
3.	Dividend payment date and book closure date	The final dividend, if approved by shareholders in the ensuing Annual General meeting, will be made payable within 30 days of date of declaration i.e. September 21, 2023
4.	Book closure date	From September 15, 2023 to September 21, 2023 (both days inclusive)
5.	Listing on Stock Exchanges	<p><b>BSE Limited (BSE)</b> Add: - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001</p> <p><b>National Stock Exchange of India Limited (NSE)</b> Add: - Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051</p> <p>The listing fees for the financial year under review have been paid to the Stock Exchanges where the equity shares of the Company are listed.</p> <p>The Company's equity shares are frequently traded at BSE Limited &amp; NSE Ltd.</p>

6.	Stock Code	BSE Scrip Code: 503162 NSE Trading Symbol: RELCHEMQ
7.	Registrar and Share Transfer Agent	M/s Bigshare Services Pvt. Ltd. Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093 Ph. No. 022-62638200, 022-62638268 Fax: 022-62638299, Email: info@bigshareonline.com
8.	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.
9.	Dematerialization of Shares and Liquidity	The shares of the Company are compulsorily traded in Dematerialized form and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold the Company's shares with any of the depository participants, registered with these depositories. ISIN for the Company's shares is INE750D01016. As on March 31, 2023, 97.68% of the company's equity shares are in electronic format. The Company's equity shares are frequently traded at BSE Limited & NSE Ltd.
10.	Outstanding GDRs/ ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity	Nil
11.	Plant Location	Village Kanpur, Post Box No. 73, Dist. Udaipur-313003, Rajasthan.
12.	Address for Correspondence	<b>Registered Office :</b> Reliance Chemotex Industries Ltd. Post Box No. 73, Village: Kanpur Dist: Udaipur-313003 (Raj.) Ph. No. 0294-2490488, 2491489, 2491490 Fax No. : 0294-2490067 E-mail: cs@reliancechemotex.com Website: www.reliancechemotex.com <b>Registrar &amp; Share Transfer Agent :</b> M/s Bigshare Services Pvt. Ltd. Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai-400093 Ph. No. 022-62638200, 022-62638268 Fax: 022-62638299 E-mail: info@bigshareonline.com

### MARKET PRICE DATA

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

(Amount in Rs. per Share)

Month	RCIL Share Data		BSE Sensex	
	High Price	Low Price	High Price	Low Price
Apr-22	288.00	228.00	60845.1	56009.07
May-22	263.9	191.55	57184.21	52632.48
Jun-22	239.00	176.3	56432.65	50921.22
Jul-22	246.5	198.3	57619.27	52094.25
Aug-22	232.65	185.5	60411.2	57367.47
Sep-22	205.75	186.35	60676.12	56147.23
Oct-22	213.95	183.45	60786.7	56683.4
Nov-22	206.55	182	63303.01	60425.47
Dec-22	209	171.75	63583.07	59754.1
Jan-23	207.55	165	61343.96	58699.2
Feb-23	191	128.85	61682.25	58795.97
Mar-23	191.2	150	60498.48	57084.91

### DISTRIBUTIONS OF SHAREHOLDING AS ON MARCH 31, 2023 ARE AS UNDER

According to category of holding:

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Clearing Members	14	15573	0.2064
Corporate Bodies	36	220783	2.9268
Corporate Bodies (Promoter Co)	5	4212779	55.8460
Directors	3	161280	2.1380
Foreign Portfolio Investor	1	125000	1.6570
IEPF	1	247249	3.2776
Key Managerial Personnel	1	1	0.0000
Non Resident Indian	98	57590	0.7634
Other Directors	2	250	0.0033
Promoters	7	731660	9.6991
Public	11866	1770398	23.4690
Trusts	1	1000	0.0133
<b>Total</b>	<b>12035</b>	<b>7543563</b>	<b>100.00</b>



## According to Number of Equity Shares:

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of total Shareholding
1-500	11643	96.7428	692985	9.1864
501-1000	197	1.6369	151161	2.0038
1001-2000	76	0.6315	112495	1.4913
2001-3000	26	0.2160	65479	0.8680
3001-4000	13	0.1080	48039	0.6368
4001-5000	19	0.1579	89208	1.1826
5001-10000	26	0.2160	196322	2.6025
Over 10000	35	0.2908	6187874	82.0285
<b>Total</b>	<b>12035</b>	<b>100.00</b>	<b>7543563</b>	<b>100.00</b>

**TRANSFER OF UNCLAIMED/UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable

to be transferred to the IEPF Authority, are uploaded on the Company's website <http://www.reliancechemotex.com/reports/financial-reports/>.

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends for the financial year 2014-15, outstanding for seven years, of the Company.

Further, shares of the Company, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the Demat account of IEPF Authority.

The Members who have a claim on the above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 is available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company's RTA, along with requisite documents enumerated in the web Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

The following tables give information relating to various outstanding dividends and the due date for transfer to IEPF:

SR. NO.	FINANCIAL YEAR	UNCLAIMED AMOUNT (Rs.)	DUE DATE FOR TRANSFER TO IEPF ACCOUNT
1.	2015-16	3,86,018	18-10-23
2.	2016-17	3,65,924	02-10-24
3.	2017-18	3,08,505	12-10-25
4.	2018-19 (Special Dividend @ Rs. 0.50 Per shares)	2,00,768	12-10-26
	2018-19 (Final Dividend @ Rs. 1 per share)	1,00,280	12-10-26
5.	2019-20	1,92,030	02.11.27
6.	2020-21	3,29,620	21.09.28
7.	2021-22	3,63,966	02.11.29

#### DISCLOSURE OF COMMODITY PRICE RISKS OR FOREIGN EXCHANGE RISKS AND COMMODITY HEDGING ACTIVITY

The Company is an exporter of yarn and has natural hedging for its foreign currency exposures.

#### DISCLOSURES PERTAINING TO CREDIT RATING

As on March 31, 2023, India Ratings & Research Private Limited has revised its Outlook to Positive from Stable while affirming its Long-Term Issuer Rating at 'IND BBB'.

#### PLANT LOCATION

Village Kanpur, Post Box No.73, Udaipur, Rajasthan, 313003.

#### OTHER DISCLOSURES

- i. **CODE FOR PREVENTION OF INSIDER TRADING:** In compliance with Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015 ("the Regulations") as amended by Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has systems and procedures to prohibit insider trading activity and has formulated a Code on Insider Trading ('Code') for designated persons who may have access to the Company's price sensitive information. The Company follows the highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company to gain personal benefit or to provide benefit to any third party.
- ii. All Related Party Transactions that were entered into during the Financial Year under review, were on an arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.
- iii. No penalties or Strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital Markets for non-Compliance by the Company during the last three years.
- iv. The Company has Vigil Mechanism/ Whistle Blower Policy and the same was posted on the Company website at <https://www.reliancechemotex.com/reports/code-of-conduct-and-policies/>.

[www.reliancechemotex.com/reports/code-of-conduct-and-policies/](https://www.reliancechemotex.com/reports/code-of-conduct-and-policies/). The detailed disclosure of the policy is else wherein the Board's Report forming part of the annual report. Further, no personnel has been denied access to the Audit Committee.

- v. The Company has complied with all the requirements of the Listing Regulations. Also, the entire mandatory requirement has been appropriately complied with and has ensured the implementation of non-mandatory items such as:-
  - Unmodified audit opinions/reporting;
  - Separate persons to the post of chairman and MD
  - Internal auditor reports directly to Audit Committee, etc.
- vi. Web link:
  - Familiarization programme for Independent Directors: <https://www.reliancechemotex.com/reports/grievance-management/>
  - Related party transaction policy: <https://www.reliancechemotex.com/reports/code-of-conduct-and-policies/>
  - Material Subsidiary: Not Applicable
- vii. There have not been any significant changes in the accounting policies during the year.
- viii. No pecuniary relationship or transaction with the Non-Executive Directors.
- ix. The certificate required under Regulation 17 (8) of the Listing Regulations, duly signed by the Managing Director and Chief Financial Officer of the company which was placed before the Board is annexed to this report as **Annexure A**.
- x. Certificate from M/s V. M. & Associates, Company Secretaries has been obtained which is forming part of the annual report as **Annexure B** confirming that none of the directors on the Board of the Company has been disqualified.
- xi. 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 are given below:

Payment to Statutory Auditors	FY 2022-23 (Rs. in Lakhs)
Audit Fees	7.00
Tax Audit Fees	2.44
Other Services	1.62
Reimbursement of expenses	2.43
<b>Total</b>	<b>13.49</b>

- xii. Disclosure in relation to Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is forming part of Board's report forming part of this annual report.
- xiii. The Company has complied with all the requirements in regards to the extent applicable under Sub paras (2) to (10) of Para C to Schedule V of the Listing Regulations.
- xiv. The code of conduct has been circulated to all the members of the Board and Senior Management Personnel and they have affirmed their compliance with the said code of conduct for the financial year ended on March 31, 2023. A declaration to this effect signed by Mr. Sanjiv Shroff, Managing Director of the Company stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management is annexed as **Annexure C** to the Corporate Governance Report.
- xv. As required by Regulation 34 (3) and Schedule V, Part E of the SEBI Listing Regulations, the certificate given by M/s Jain Pramod Jain & Co., Chartered Accountants, Statutory Auditors of the company regarding compliance of conditions of corporate governance, is annexed as **Annexure D**.
- xvi. The Company has not provided any loans and advances to any firms/companies in which Directors are interested.
- xvii. During the financial year 2022-23, the Board has accepted all the recommendations of its Committees.
- xviii. Disclosure with respect to demat suspense account/ unclaimed suspense account: Not applicable.
- xix. Particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.
- xx. During the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.
- xxi. The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for the financial year 2022-23.

For and on behalf of the Board of Reliance Chemotex Industries Ltd.

Place: Mumbai  
Date: May 26, 2023

**Sanjiv Shroff**  
Managing Director  
DIN: 00296008

**Ameya Shroff**  
Whole Time Director  
DIN: 05315616

Registered Office: Village Kanpur, Post Box No.73, Udaipur, Rajasthan, 313003  
CIN: L40102RJ1977PLC001994  
Tel: +91 (0) 294 2491489 ; +91 (0) 294 2491490 | Fax: +91 (0) 294 2490067  
E-mail: cs@reliancechemotex.com | Website: www.reliancechemotex.com

## Annexure A

### CEO & CFO CERTIFICATE

To,  
The Board of Directors  
Reliance Chemotex Industries Ltd.

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of their 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 listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee
  1. Significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Reliance Chemotex Industries Ltd.

Place: Mumbai  
Date: May 26, 2023

**Chandrasekaran Rajagopalan**  
Chief Financial Officer

**Sanjiv Shroff**  
Managing Director

## Annexure B

### 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 - 313 003 (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 ended on 31st March, 2023 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.

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.	Rahul Shroff	02301693
7.	Narayan Shroff	05207412
8.	Ameya Shroff	05315616

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.

For V. M. & Associates  
Company Secretaries  
(ICSI Unique Code P1984RJ039200)  
PR 581 / 2019

Place: Mumbai  
Date: May 26, 2023  
UDIN: F011024E000385508

CS Sunita Agarwal  
Partner  
Membership No.: FCS 11024  
C P No.: 10097

## Annexure C

### DECLARATION AFFIRMATION COMPLIANCE WITH CODE OF CONDUCT

We hereby confirm that the Company has received from all the members of the Board and Senior Management, for the financial year ended on March 31, 2023, a confirmation that they are in compliance with the Company's Code of Conduct.

For Reliance Chemotex Industries Ltd.

**Sanjiv Shroff**  
Managing Director  
DIN: 00296008

Place: Mumbai  
Date: May 26, 2023

## Annexure D

### INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

#### To the Members of Reliance Chemotex Industries Limited

1. We have examined the compliance of regulations of Corporate Governance by **Reliance Chemotex Industries Limited** ('the Company') for the year ended March 31<sup>st</sup> 2023 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 limited to examining the procedures and Implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Report or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. 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.
7. 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.
8. 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.
9. 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

10. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing, Regulations during the year ended 31<sup>st</sup> March 2023.

#### Other matters and Restriction on Use

11. This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
12. 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  
ICAI Firm Registration No. 016746 N

P.K. Jain  
Partner

Membership No. 010479  
UDIN: 23010479BGZENW9853

Place: New Delhi  
Date: 26<sup>th</sup> May 2023

# Financial Statements



# INDEPENDENT AUDITORS' REPORT

To the Members of RELIANCE CHEMOTEX INDUSTRIES LIMITED  
Report on the Audit of the Standalone Ind AS Financial Statements

## Opinion

We have audited the accompanying Standalone Ind AS financial statements of RELIANCE CHEMOTEX INDUSTRIES LIMITED ("the Company"), which comprise the Balance sheet as at March 31 2023, 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 Standalone 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, 2023, 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 Standalone 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 Standalone 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 Standalone Ind AS financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone 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 matter described below to be key audit matters to be communicated in our report.

S.no	Key Audit Matter	Auditor's Response
1	<p><b>Valuation of Trade Receivable</b></p> <p>Trade receivables is a significant item in the Company's financial statements as at March 31, 2023 and assumptions used for estimating the credit loss on certain receivables is an area which is determined by management's judgment.</p> <p>The Company makes an assessment of the estimated credit losses on certain trade receivables based on credit risk, project status, past history, latest discussion/ correspondence with the customer.</p> <p>Given the significance of these receivables in the financial statements as at 31<sup>st</sup> March, 2023, we determined this to be a key audit matter.</p>	<p>Our audit procedure included, among others:</p> <ul style="list-style-type: none"> <li>• Evaluated the accounting policy of the company.</li> <li>• Inquired with senior management regarding status of collectability of the receivable.</li> <li>• Amount recovered subsequent to the Balance Sheet date.</li> <li>• Discussion of material outstanding balances with the audit committee.</li> <li>• Assessed the information/assumptions used by the Management to determine the expected credit losses by considering credit risk of the customer, cash collection, and the level of credit loss over time;</li> <li>• Based on our work as stated above, no significant deviations were observed in respect of management's assessment of valuation of trade receivables</li> </ul>

## 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 Standalone Report 2021-22. Our opinion on the standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone 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 standalone 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 standalone 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 Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 standalone 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 Standalone 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 Standalone Ind AS financial statements, including the disclosures, and whether the standalone 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 standalone Ind AS financial statements for the financial year ended March 31, 2023 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

- As required by the Companies (Auditor's Report) Order, 2020 ("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 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 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) In our opinion, Managerial remuneration for the year ended 31.03.2023 has been paid /provided by the company to its director in accordance with the provisions of section 197 read with schedule V to the Act
- h) 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.
- iv. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- v. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- vi. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- vii.(a) The dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Companies Act 2013
- (b) The Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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

**(P.K.Jain)**  
Partner  
Membership No. 010479  
UDIN: 23010479BGZENX3535

Place: New Delhi  
Date: 26th May 2023

## **Annexure 'A' to Independent Auditors' Report of 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. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have been physically verified by the management according to the regular programme of periodical verification which in our opinion is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee & the lease agreements are duly executed in favour of the lessee) disclosed in the financial statement are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) According to the information and explanation provided to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventories of the company at all its locations (except stock in transit) have been physically verified by the management at reasonable intervals. In our opinion the procedure and coverage of such physical verification by the management is appropriate. Further no material discrepancies were noticed on such physical verification by the management.
- (b) According to the information and explanation provided to us, working capital limit in excess of Rs 5 crore has been sanctioned/renewed from banks during the year. Further, based on our examination of records of the company, the quarterly statement/returns filed by the company with such banks, pursuant to such working capital limits are materially in agreement with the books of accounts of the company.
- iii. The Company has not made investments in, provided any guarantee or security or granted any loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties except unsecured loan to employees as per company's established policy during the year, in respect of which:
- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii) (a) of the Order is not applicable.
- (b) In our opinion, the terms and conditions of the grant of loans or advances in the nature of loans during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans and advances in the nature of loan granted by the Company, the schedule of repayment of principal is stipulated and the repayments of principal amounts is regular as per stipulation.
- (d) In respect of loans or advances in the nature of loans granted by the Company, there is no overdue amount exceeding ninety days remaining outstanding as at the balance sheet date.
- (e) No loan or advances in the nature of loans granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii) (f) is not applicable.
- iv. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits within section 73 to 76 of the act and the companies (Acceptance of deposit) Rules, 2014 (as amended). Hence, reporting under clause 3(v) of the Order is not applicable.
- 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. **In respect of statutory dues:**
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of

Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other

material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of the statute	Nature of dues	Amount involved in Rs.	Period to which the amount Relates (Year ended)	Forum where matter is pending
Service Tax Act	Service Tax	240837	16.07.2017 to 16.10.20218	The Asst. Commissioner Central Excise Udaipur
Central Excise Act	Excise Duty	23567	F.Y. 2001-2002	The Asst. Commissioner Central Excise Udaipur
Income Tax Act	Income Tax	92500301	F.Y. 2017-18	Appeal Pending at ACIT Circle 1(1) Kolkata
Income Tax Act	Income Tax	13018300	F.Y. 2018-2019,2019-2020, 2020-2021.	The Assessing Officer , Kolkata
Income Tax Act	Income Tax	12060630	F.Y. 2019-2020	CIT Appeal

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. a) The Company has not defaulted in repayment of loans or borrowings or in the payment of interest to any lender.

b) Company has not been declared willful defaulter by any bank or financial institution or government or any government authority or by other lender.

c) The term loans were applied for the purpose for which the loans were obtained.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary and hence reporting on clause 3(ix) (f) of the Order is not applicable.

x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally) and hence reporting under clause 3(x) (b) of the Order is not applicable.

xi. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) The company has not received any whistle blower complaints hence reporting under clause 3(xi)(c) is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv.(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit.

xv. The Company has not entered in to any non-cash transaction with director or persons connected with them.

xvi.(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.

- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) (a) of the Order is not applicable for the year.
- (b) No amount remains unspent under sub section (5) of section 135 of the Companies Act, pursuant to any ongoing project.

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

(P.K.Jain)  
Partner  
Membership No. 010479  
UDIN: 23010479BGZENX3535

Place: New Delhi  
Date: 26th May 2023

## Annexure B to the independent Auditors' report of even date on the 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, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on 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, 2023, 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".

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

(P.K.Jain)

Partner

Membership No. 010479

UDIN: 23010479BGZENX3535

Place: New Delhi

Date: 26th May 2023

# BALANCE SHEET

as at 31st March 2023

(Rs. In Lacs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
<b>ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property, Plant and Equipment	1	15,473.08	13,901.88
(b) Capital Work in Progress	1A	3,893.88	1,015.20
(c) Investment - Property	2	199.63	203.33
(d) Other intangible assets	3	4.84	5.40
(e) Intangible assets under Development	1A	38.54	-
(f) Right of use assets (Lease Property)	4	3,876.85	3,980.85
(g) Financial Assets - Other Financial Assets	5	616.68	598.64
(h) Other Non Current Assets	6	979.32	526.95
<b>(2) Current assets</b>			
(a) Inventories	7	4,526.96	4,444.33
(b) Financial Assets			
(i) Trade receivables	8	740.56	543.43
(ii) Cash and cash equivalents	9	404.36	6.86
(iii) Bank Balances other than (ii) above	10	5,749.60	5,773.18
(iv) Other Financial Assets	11	656.22	642.77
(c) Current tax assets (net)	12	191.25	56.23
(d) Other current assets	13	2,344.35	1,621.47
<b>Total ASSETS</b>		<b>39,696.12</b>	<b>33,320.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	14	755.97	755.97
(b) Other Equity	15	12,444.74	11,386.41
<b>LIABILITIES</b>			
<b>(1) Non - Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	6,639.85	4,705.05
(ia) Lease Liabilities		227.33	236.06
(ii) Trade payables	17		
- Total Outstanding due to micro and small enterprises		-	-
- Total Outstanding due to other than micro and small enterprises		220.03	241.98
(iii) Other financial liabilities	18	44.87	16.02
(b) Provisions	19	47.59	49.29
(c) Deferred tax liabilities (net)	20	2,771.71	2,501.57
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	12,985.68	7,769.18
(ia) Lease Liabilities		81.72	85.92
(ii) Trade payables	22		
- Total Outstanding due to micro and small enterprises		99.41	119.29
- Total Outstanding due to other than micro and small enterprises		1,337.82	2,641.24
(iii) Other financial liabilities	23	1,448.20	1,655.92
(b) Other current liabilities	24	498.22	1,070.63
(c) Provisions	25	92.98	85.97
<b>Total EQUITY AND LIABILITIES</b>		<b>39,696.12</b>	<b>33,320.51</b>
		-	-

Significant Accounting Policies and Notes to Accounts (Note No. 35 to 57)

As per our Report of even date

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

 UTKARSH GAUR  
Company Secretary  
M.No. A60237

 R. CHANDRASEKARAN  
Chief Financial Officer

 P.K. JAIN  
Partner  
M.No. 010479

 SANJIV SHROFF  
Managing Director  
DIN - 00296008

 AMEYA SHROFF  
Executive Director  
DIN - 05315616

Place : New Delhi

Dated : 26th May 2023



# STATEMENT OF PROFIT & LOSS

For the year ended 31st March 2023

(Rs. In Lacs)

	Particulars	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
I	Revenue from operations	26	36,487.78	36,177.23
II	Other income	27	615.92	658.73
III	<b>Total income (I + II)</b>		<b>37,103.70</b>	<b>36,835.96</b>
IV	<b>Expenses</b>			
	Cost of Materials Consumed	28	18,562.22	18,298.05
	(Increase)/Decrease in Inventories of Finished Goods, Work-in-Progress etc.	29	469.58	(544.32)
	Employee Benefits Expense	30	5,109.09	4,710.75
	Finance Costs	31	1,393.18	1,214.85
	Depreciation and Amortisation Expense	32	975.69	852.98
	Other Expenses	33	8,923.19	9,568.52
	<b>Total expenses</b>		<b>35,432.96</b>	<b>34,100.83</b>
V	Profit before tax (III - IV)		1,670.75	2,735.13
VI	Tax expense	34		
	(1) Current Tax		280.00	501.00
	(2) Mat Credit Entitlement		(131.04)	-
	(3) Tax for earlier year		11.78	4.08
	(4) Deferred Tax		268.09	416.82
	Total Tax Expenses		428.83	921.91
VII	Net Profit for the year (V - VI)		<b>1,241.92</b>	<b>1,813.22</b>
VIII	Other Comprehensive Income			
A	(i) Items that will not be reclassified to (loss) or profit			
	i) Remeasurement (loss)/ Gain on defined benefit plan		7.05	58.05
	ii) Tax on (i) above		(2.05)	(16.90)
IX	Total Other Comprehensive Income for the year (VII+VIII)		5.00	41.15
X	Total Comprehensive Income for the year (VII+IX)		1,246.92	1,854.37
XI	Earnings per equity share of Face Value of Rs. 10/- each			
	Basic and Diluted (In Rs.)		16.46	24.04

Significant Accounting Policies and Notes to Accounts (Note No. 35 to 57)

As per our Report of even date

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

UTKARSH GAUR  
Company Secretary  
M.No. A60237

R. CHANDRASEKARAN  
Chief Financial Officer

P.K. JAIN  
Partner  
M.No. 010479

SANJIV SHROFF  
Managing Director  
DIN -00296008

AMEYA SHROFF  
Executive Director  
DIN - 05315616

Place : New Delhi

Dated : 26th May 2023

# STATEMENT OF CHANGES IN EQUITY

as at 31st March 2023

(Rs. In Lacs)

## A. Equity Share Capital

Particulars	Amount
Balance at 01.04.2021	755.97
Movement during the year	-
Balance at 31.03.2022	755.97
Movement during the year	-
Balance at 31.03.2023	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	
<b>Balance as at 31st March 2021</b>	2,561.96	644.79	6,476.16	-	9,682.92
Profit for the year	-	-	1,813.22	-	1,813.22
Share Premium for the Year	-	-	-	-	-
Adjustment of Right to use Assets (Note 48)	-	-	-	-	-
Transfer to / from Retained Earning	-	-	41.15	(41.15)	-
Other comprehensive income for the year	-	-	-	41.15	41.15
Dividend & Tax	-	-	(150.87)	-	(150.87)
<b>Balance as at 31st March 2022</b>	2,561.96	644.79	8,179.66	-	11,386.41
Profit for the year	-	-	1,241.92	-	1,241.92
Other comprehensive income	-	-	-	5.00	5.00
Transfer to / from Retained Earning	-	-	5.00	(5.00)	-
Dividend & Tax	-	-	(188.59)	-	(188.59)
<b>Balance as at 31st March 2023</b>	2,561.96	644.79	9,237.99	-	12,444.74

As per our Report of even date

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

For &amp; on behalf of Board of Directors

P.K. JAIN  
Partner  
M.No. 010479

UTKARSH GAUR  
Company Secretary  
M.No. A60237

R. CHANDRASEKARAN  
Chief Financial Officer

SANJIV SHROFF  
Managing Director  
DIN -00296008

AMEYA SHROFF  
Executive Director  
DIN - 05315616

Place : New Delhi  
Dated : 26th May 2023

# CASH FLOW STATEMENT

For the year ended 31st March 2023

(Rs. In Lacs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before exceptional Items and tax as per statement of profit and loss	1,670.75	2,735.13
Adjustments for:		
Depreciation and amortization expenses	975.69	852.98
Finance cost	1,393.18	1,214.85
Loss on disposal of Long Term Investment	-	309.19
Bad Debts Written off / Provision for Bad Debts	(28.05)	(4.35)
Gain on Fair Valuation	(20.02)	(33.97)
Provision for Investment Written Back	-	(316.03)
Profit on sale of investment	-	(0.25)
Interest income	(307.63)	(264.48)
Sundry Balances written back	(250.77)	(32.45)
(Profit)/ loss on sale of Property, plant and Equipment (net)	46.92	64.74
Operating profit before working capital changes	3,480.07	4,525.34
Adjustments for:		
(Increase)/Decrease in trade & other receivables	(169.08)	523.22
(Increase)/Decrease in inventories	(82.63)	222.82
(Increase)/ Decrease in Current other assets	(1,175.25)	(947.40)
(Increase)/ Decrease in other financial assets	(15.32)	(150.91)
Increase/ (Decrease) in other financial liabilities	(178.87)	171.71
Increase/ (Decrease) in Lease Liabilities	55.92	304.03
Increase/(Decrease) in trade & other payables	(1,094.49)	1,060.18
Increase/ (Decrease) in other current liabilities	(573.01)	622.13
Increase/(Decrease) in provisions	5.30	11.96
Less: Direct taxes paid (net of refunds)	(256.50)	(406.24)
<b>Net cash flows (used in)/ generated from operating activities</b>	<b>(3.87)</b>	<b>5,936.86</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>INFLOWS</b>		
Sale proceeds of property, plant and equipment	54.61	133.75
Interest received	311.48	247.58
Decrease in Other Bank Balance ( including Deposit within 3 to 12 Months Maturity)	23.58	-
Sale proceeds from Investments	-	17.17
	<b>389.67</b>	<b>398.50</b>
<b>OUTFLOWS</b>		
Purchase of property, plant and equipment/ intangible assets	(5,388.53)	(4,797.81)
Addition in ROU assets	(68.85)	(406.14)
Increase in Other Bank Balance (including Deposit within 3 to 12 Months Maturity)	-	(2,549.58)
	<b>(5,457.38)</b>	<b>(7,753.52)</b>
<b>Net cash (used in)/ generated from investing activities</b>	<b>(5,067.71)</b>	<b>(7,355.03)</b>

# CASH FLOW STATEMENT

For the year ended 31st March 2023

(Rs. In Lacs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
<b>INFLOWS</b>		
Proceeds of Short Term Borrowings (net)	5,216.50	1,523.27
Proceeds of Long Term Borrowings (net)	1,934.80	1,319.00
	<b>7,151.30</b>	<b>2,842.27</b>
<b>OUTFLOWS</b>		
Repayment of Lease Liability (Principal and interest)	(120.46)	(86.37)
Divident and DDT paid on Equity Share	(188.59)	(150.87)
Interest paid	(1,373.17)	(1,211.92)
	(1,682.22)	(1,449.16)
<b>Net cash (used in) / generated from financing activities</b>	<b>5,469.08</b>	<b>1,393.11</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>397.50</b>	<b>(25.06)</b>
<b>Add : Cash and cash equivalent at beginning of the year</b>	<b>6.86</b>	<b>31.92</b>
<b>Cash and cash equivalent at end of the year</b>	<b>404.36</b>	<b>6.86</b>

**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	2022-23	2021-22
- In Current Accounts	398.98	2.78
- In Saving Accounts (against Employee's Security)	1.98	2.03
Cash on Hand	3.40	2.05
Balances as per statement of Cash Flows	404.36	6.86

The accompanying notes are an integral part of these standalone financial statements

As per our Report of even date

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

For & on behalf of Board of Directors

**P.K. JAIN**  
Partner  
M.No. 010479

**UTKARSH GAUR**  
Company Secretary  
M.No. A60237

**R. CHANDRASEKARAN**  
Chief Financial Officer

**SANJIV SHROFF**  
Managing Director  
DIN -00296008

**AMEYA SHROFF**  
Executive Director  
DIN - 05315616

Place : New Delhi

Dated : 26th May 2023

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

## NOTE NO. 1

## PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>Gross Block</b>							
Cost as at 1st April, 2021	350.00	3,734.53	8,913.98	221.96	170.93	109.21	13,500.61
Additions during the year	-	385.82	3,469.24	9.04	7.21	38.16	3,909.48
Deduction/Adjustment during the year	-	0.05	338.45	-	21.99	0.43	360.92
<b>Balance as at 1st April, 2022</b>	350.00	4,120.30	12,044.77	231.00	156.15	146.95	17,049.17
Additions during the year	-	142.98	2,148.54	13.40	144.43	20.55	2,469.92
Deduction/Adjustment during the year	-	-	161.51	-	0.41	-	161.93
<b>Balance as at 31st March, 2023</b>	350.00		14,031.80	244.40	300.17	167.50	19,357.15
<b>Accumulated Depreciation</b>							
Balance as at 1st April, 2021	-	648.77	1,672.51	121.83	109.26	65.38	2,617.75
Depreciation for the year	-	136.73	505.97	24.56	10.41	14.25	691.92
Reclassified on account of adoption of Ind AS 116							
Deduction/Adjustment during the year	-	-	144.22	-	18.05	0.11	162.38
<b>Balance as at 31st March, 2022</b>	-	785.50	2,034.26	146.39	101.62	79.52	3,147.29
Depreciation for the year	-	146.89	593.27	25.35	13.57	18.10	797.19
Deduction/Adjustment during the year	-	-	59.99	-	0.41	-	60.40
<b>Balance as at 31st March, 2023</b>	-	932.39	2,567.55	171.73	114.78	97.62	3,884.07
<b>Net Block</b>							
Balance as at 31st March, 2022	350.00	3,334.80	10,010.51	84.61	54.53	67.43	13,901.88
Balance as at 31st March, 2023	350.00	3,330.89	11,464.25	72.67	185.39	69.88	15,473.08

Note : Preoperative Expenses allocated to Fixed Assets or lying in capital work in progress includes:

Particulars	2022-23
Interest on Loan	104.70
Processing Fees and Charges	123.09
Salaries and Wages	122.37
Professional Fees	42.91
Other	7.91
<b>Total</b>	<b>400.99</b>

## NOTE NO.1A

Ageing of Capital work in progress.

Amount in CWIP for a period of	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress as on 31.03.2023	3,837.88	56.00	-	-	3,893.88
Projects in Progress as on 31.03.2022	1,015.20	-	-	-	1,015.20

Ageing of Intangible Assets Under Development	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Development in Progress as on 31.03.2023	38.54	-	-	-	38.54
Development in Progress as on 31.03.2022	-	-	-	-	-

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

## NOTE NO. 2

### INVESTMENT PROPERTY

Particulars	Leasehold Land
<b>Gross Block</b>	
Cost as at 1st April, 2021	225.51
Additions during the year	-
Deduction/Adjustment during the year	-
<b>Balance as at 31st March, 2022</b>	<b>225.51</b>
Additions during the year	-
Deduction/Adjustment during the year	-
<b>Balance as at 31st March, 2023</b>	<b>225.51</b>
<b>Accumulated Depreciation</b>	
Balance as at 1st April, 2021	18.48
Depreciation for the year	3.70
Deduction/Adjustment during the year	-
<b>Balance as at 31st March, 2022</b>	<b>22.18</b>
Depreciation for the year	3.70
Deduction/Adjustment during the year	-
<b>Balance as at 31st March, 2023</b>	<b>25.88</b>
<b>Net Block</b>	
Balance as at 31st March, 2022	203.33
Balance as at 31st March, 2023	199.63

The Fair Value of Investment Property as at 31st March, 2023 is Rs. 284.62 Lacs (PY Rs. 225.00 Lacs) after considering the rental income from Current Lease and other assumptions that market participants would use while pricing Investment Property under current market condition.

The fair value of investment property is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Information regarding Income and Expenditure of Investment Property	Year ended 31.03.2023	Year ended 31.03.2022
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
<b>Profit (Loss) arising from Investment Properties</b>	<b>(0.10)</b>	<b>(0.10)</b>

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

## NOTE NO. 3

### OTHER INTANGIBLE ASSETS

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>OTHER INTANGIBLE ASSETS '(Computer Software)</b>		
<b>Gross Block</b>		
Opening Balance	39.70	35.98
Additions during the year	1.40	3.72
Closing Balance	41.09	39.70
<b>Amortisation</b>		
Opening Balance	34.30	32.53
Amortization during the year	1.95	1.77
Closing Balance	36.25	34.30
<b>Net Block</b>	<b>4.84</b>	<b>5.40</b>

## NOTE NO. 4

### Right of Use Assets (Lease Property)

Particulars	Land	Building	Total
Balance as at April 1, 2021	3,644.96	85.34	3,730.30
Additions	-	406.14	406.14
Deletions	-	-	-
Depreciation / Amortization	65.09	90.50	155.59
Balance as at March 31, 2022	3,579.87	400.98	3,980.85
Balance as at April 1, 2022	3,579.87	400.98	3,980.85
Additions	-	68.85	68.85
Deletions	-	-	-
Depreciation / Amortization	65.09	107.77	172.86
Balance as at March 31, 2023	3,514.78	362.06	3,876.85

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

	As at 31.03.2023	As at 31.03.2022
<b>NOTE NO. 5</b>		
<b>Other Financial Assets ("Unsecured, Considered Good")</b>		
Security Deposit (Others)	308.49	260.50
Fixed deposit accounts having maturity of more than 12 months	87.91	137.90
Security Deposit For Rental Premises	220.27	200.25
	<b>616.68</b>	<b>598.64</b>
<b>NOTE NO. 6</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Capital Advances ( Unsecured Considered Good)	979.32	526.95
	<b>979.32</b>	<b>526.95</b>
<b>NOTE NO. 7</b>		
<b>INVENTORIES</b>		
Raw Materials (including in Transit Rs. 176.22 Lacs (PY Rs. 193.04 Lacs))	1,750.33	1,272.20
Work-in-Progress	1,073.97	1,119.04
Finished Goods (Packed) (Including Transit Rs. 912.45 Lacs (PY Rs. 1143.05 Lacs))	1,459.92	1,883.70
Stores and Spares (including in Transit Rs. 18.89 Lacs (PY Rs. 7.45 Lacs))	239.49	165.40
Waste	0.39	1.15
Scrap and Residual Materials	2.86	2.84
	<b>4,526.96</b>	<b>4,444.33</b>
<b>NOTE NO. 8</b>		
<b>TRADE RECEIVABLES (Unsecured, Considered Good)</b>		
Trade Receivables Considered Good	740.56	543.43
Trade Receivables which have significant increase in Credit Risk	8.45	36.50
	749.01	579.93
Less : Allowances for Credit Losses	8.45	36.50
	<b>740.56</b>	<b>543.43</b>

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Less than 6 month	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables - Considered Good</b>							
As on 31.03.2023	663.04	47.13	5.74	-	-	-	715.91
As on 31.03.2022	505.10	0.51	-	-	37.82	-	543.43
<b>Disputed Trade Receivables *</b>							
As on 31.03.2023	-	-	-	-	-	33.11	33.11
As on 31.03.2022	-	-	-	-	-	36.50	36.50

\* Provision for the same made in the books.



# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

	As at 31.03.2023	As at 31.03.2022
<b>NOTE NO. 9</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Balances with Banks		
- In Current Accounts	398.98	2.78
- In Saving Accounts (against Employee's Security)	1.98	2.03
Cash in Hand	3.40	2.05
	<b>404.36</b>	<b>6.86</b>
<b>NOTE NO. 10</b>		
<b>OTHER BANK BALANCES OTHER THAN (9) ABOVE</b>		
In Unclaimed Dividend Account	22.47	18.88
In Fixed Deposit Accounts	5,727.13	5,754.30
	<b>5,749.60</b>	<b>5,773.18</b>
<b>NOTE NO. 11</b>		
<b>OTHER FINANCIAL ASSETS</b>		
<b>(Unsecured and Considered good)</b>		
Export Incentive Receivable	166.35	418.14
Staff & Other Advances	148.78	73.58
Interest Subsidy Receivable	307.18	113.28
Interest receivable on deposits	33.91	37.77
	<b>656.22</b>	<b>642.77</b>
<b>NOTE NO. 12</b>		
<b>CURRENT TAX ASSETS (NET)</b>		
Advance Income Tax/Tax Deducted at Source	340.20	540.61
Less:- Provision for Income Tax	(148.96)	(484.37)
	<b>191.25</b>	<b>56.23</b>
<b>NOTE NO. 13</b>		
<b>OTHER CURRENT ASSETS</b>		
<b>(Unsecured and Considered good)</b>		
Prepaid Expenses	246.23	109.70
Balance With Government Authorities	1,861.32	1,242.74
Advance to Suppliers	148.15	130.35
Advance towards Expenses	88.65	138.68
	<b>2,344.35</b>	<b>1,621.47</b>

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

	As at 31.03.2023	As at 31.03.2022
<b>NOTE NO.14</b>		
<b>EQUITY SHARE CAPITAL</b>		
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. 75,84,813) Equity Shares of Rs. 10/- each	758.48	758.48
	758.48	758.48
Subscribed and Fully Paid	-	-
75,43,563 (P.Y. 75,43,563) Equity Shares of Rs.10/- each	754.36	754.36
	-	-
# Forfeited Shares (amount originally paid up Rs. 5/-)	1.61	1.61
	-	-
Total Subscribed and Paid up Capital	755.97	755.97

# Amount Originally paid on 41250 forfeited shares during earlier year.

(a) Promoters Shareholding

Sl. No.	Promoter Name	As at	% of Total Shares	% Change During the year
		31 <sup>st</sup> December, 2023		
		No. of Shares		
(i)	SHANKER LAL SANJIV SHROFF HUF	0	0.00%	-0.20%
(ii)	SANJIV SHROFF (HUF)	7680	0.10%	Nil
(iii)	NAND GOPAL KHAITAN	100	0.00%	Nil
(vi)	DIPIKA SHROFF	231150	3.06%	Nil
(v)	SANJIV SHROFF	161180	2.14%	0.20%
(vi)	RAHUL SHROFF	195600	2.59%	2.58%
(vii)	SHANKER LAL SHROFF	50	0.00%	-2.58%
(viii)	BIMLA DEVI SHROFF	173180	2.30%	Nil
(ix)	AMEYA SHROFF	124000	1.64%	Nil
(x)	MODERN FIBOTEX INDIA LIMITED	3119719	41.36%	Nil
(xi)	A R FIBTEX PRIVATE LIMITED	300000	3.98%	Nil
(xii)	A R COMMERCIAL PRIVATE LIMITED	192300	2.55%	Nil
(xiii)	A S CHEMOTEX PRIVATE LIMITED	305380	4.05%	Nil
(xiv)	SUNRISE PRODUCERS PRIVATE LIMITED	295380	3.92%	Nil

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

(b) Reconciliation of the number of equity shares:

Description	Year ended 31.03.2023	Year ended 31.03.2022
	No. of Shares	No. of Shares
Outstanding at the beginning of the year	75,43,563	75,43,563
Outstanding at the end of the year	75,43,563	75,43,563

(c) Term/Right attached to Equity Shares:

The Company has 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.

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

Name of the Shareholder	Year ended 31.03.2023		As at 31.03.2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Modern Fibotex India Limited	3119719	41.13%	3119719	41.13%

	As at 31.03.2023	As at 31.03.2022
<b>NOTE NO.15</b>		
<b>OTHER EQUITY</b>		
<b>Securities Premium Account</b>		
Opening Balance	2,561.96	2,561.96
Add : Received during the year	-	-
Closing Balance	2,561.96	2,561.96
<b>General Reserve</b>		
Opening Balance	644.79	644.79
Add : Transferred from surplus in the Statement of Profit and Loss	-	-
Closing Balance	644.79	644.79
<b>Retained Earnings</b>		
Opening Balance	8,179.66	6,476.16
Add : Profit for the year	1,241.92	1,813.22
Add : Transfer from Other Comprehensive Income	5.00	41.15
Less: Appropriations	-	-
Tax on Dividend on Equity Shares	188.59	150.87
Closing Balance	9,237.99	8,179.66
<b>Other Comprehensive Income (OCI)</b>		
Opening Balance	-	-
Add: Re-measurement of Defined Benefit Plans	5.00	41.15
Less : Transferred to Retained Earnings	5.00	41.15
Closing Balance	-	-
<b>TOTAL</b>	<b>12,444.74</b>	<b>11,386.41</b>

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

	As at 31.03.2023	As at 31.03.2022
<b>NOTE NO.16</b>		
<b>BORROWINGS (NON CURRENT)</b>		
<b>(i) Term Loans from Banks (Secured)</b>		
(a) State Bank of India (COVID Loan)	-	45.00
(b) Export Import Bank of India	1,584.00	270.50
(c) ICICI Bank Term Loan	675.00	53.00
(d) HDFC Bank Ltd. (Vehicle Loan)	-	6.05
(e) IDBI GECL Loan	28.66	41.25
(f) Union Bank Of India (Vehicle Loan)	3.96	6.57
(g) ICICI Bank (Vehicle Loan)	123.76	-
	2,415.38	422.36
<b>(ii) Term Loan from Others Parties - (Secured)</b>		
(a) Rajasthan State Industrial Development & Investment Corporation Limited (RIICO)	3,029.98	3,248.76
(b) Deferred Payment Credit of Supplier	587.01	268.23
	3,616.99	3,516.99
Total (i) & (ii)	6,032.37	3,939.35
Less: Installments payable of Term Loan under (i) & (ii) above shown in Current Liability in Note No. 25	933.02	775.30
	5,099.35	3,164.05
<b>(iii) Loans and Advances (Unsecured)</b>		
Loans from other parties (Bodies Corporate)	100.00	351.00
Loans from related parties (Bodies Corporate)	1,440.50	1,190.00
	1,540.50	1,541.00
	6,639.85	4,705.05

## REMARKS :

### (i) Term Loans from Banks (Secured)

#### a) Term Loan from State Bank of India

The Company had availed COVID Loan from State Bank of India, outstanding Rs. Nil as on 31.03.23 (P.Y. Rs. 45 Lacs) is secured by way of joint first charge ranking pari-passu of all present and future current assets of the company including stock and receivables and second charge over immovable properties (by way of deposit of Title Deeds of Lease Hold Land). This loan has been repaid in full during the year.

#### b) Term Loan from Export Import Bank of India

Term Loan of Rs.1300.00 Lacs , Outstanding Rs. Nil as on 31.03.23 (P.Y. Rs. 162.50 Lacs ) from EXIM Bank 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 Lacs have also been guaranteed by Managing Director and one other Director of the Company. This loan has been repaid in full during the year.

ECLGS Loan of Rs. 108.00 Lacs , Outstanding Rs. 84 Lacs as on 31.03.23 (P.Y. Rs. 108.00 Lacs ) from EXIM Bank is secured by way of second ranking charge of hypothecation of current assets and second charge on company's entire fixed assets at Udaipur on pari passu basis with other working capital lenders.

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

Term Loan of Rs.3700.00 Lacs , Outstanding Rs. 1500.00 Lacs as on 31.03.23 (P.Y. Rs. Nil) from EXIM Bank, 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. 3700.00 Lacs has also been guaranteed by Managing Director and one other Director of the Company. This Loan is repayable in 28 quarterly structured instalments commencing from April, 1 2024 along with Exim Bank MCLR plus 3.60% per annum and the last instalment is payable by April 2030.

## c) Term Loan from ICICI Bank Limited

ECLGS Loan of Rs. 53.00 Lacs , Outstanding Rs. 45.64 Lacs as on 31.03.23 (P.Y. Rs. 53.00 Lacs ) from ICICI Bank is secured by way of second ranking charge of hypothecation of current assets and second charge on company's entire fixed assets at Udaipur on pari passu basis with other working capital lenders.

Term Loan of Rs.3700.00 Lacs , Outstanding Rs. 629.36 Lacs as on 31.03.23 (P.Y. Rs. Nil) from ICICI Bank, 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. 3700.00 Lacs has also been guaranteed by Managing Director and one other Director of the Company. This Loan is repayable in 24 quarterly instalments commencing from April 2024 along with I-MCLR plus spread of 1.25% per annum.

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

Vehicle Loan from HDFC Bank Ltd. of Rs. 22.00 Lacs outstanding Rs. Nil as on 31.03.2023 (P.Y. Rs. 6.05 Lacs ) is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from July, 2019 along with interest @ 8.70% per annum and the loan has been repaid in full.

## e) IDBI GECL Loan

GECL Loan of Rs. 41.25 Lacs , Outstanding Rs. 28.66 Lacs as on 31.03.23 (P.Y. Rs. 41.25 Lacs ) from IDBI Bank is secured by way of second ranking charge of hypothecation of current assets and second charge on company's entire fixed assets at Udaipur on pari passu basis with other working capital lenders.

## f) Term Loans (Vehicle Loans) from Union Bank

Vehicle Loan from Union Bank of Rs. 7.00 Lacs outstanding Rs. 3.96 Lacs as on 31.03.2023 (P.Y. Rs. 6.57 Lacs ) is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from April, 2022 along with interest @ 7.40% per annum.

## g) Term Loans (Vehicle Loans) from ICICI Bank

Vehicle Loan from ICICI Bank Ltd. of Rs. 127.00 Lacs outstanding Rs. 123.76 Lacs as on 31.03.2023 (P.Y. Rs. Nil) is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 60 monthly instalment commencing from February, 2023 along with interest @ 8.40% per annum.

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

a) Term Loan of Rs.3550.00 Lacs , Outstanding Rs. 3029.98 Lacs as on 31.03.23 (P.Y. Rs. 3196.66 Lacs) 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 Lacs 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 @ 8.50% p.a.

Term Loan of Rs.1250.00 Lacs , Outstanding Rs. Nil as on 31.03.23 (P.Y. 52.10 Lacs ) 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

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

Bankers for working capital facilities. The above loans of Rs.1250.00 Lacs have also been guaranteed by Managing Director and one other Director of the Company. This loan carried an interest rate @11.5% p.a. and has been repaid in full during the year.

## b) Deferred Payment Credit of Orb Energy

Term Loan of Rs. 1047.19 Lacs (P.Y. Rs. 415.63 Lacs), Outstanding Rs. 587.01 Lacs as on 31.03.23 (P.Y. Rs. 268.23 Lacs) is secured by way of hypothecation of the Solar Power Plant of the capacity 300 KW, 1100 KW and 2059

KW installed during the year at the plant at Udaipur. The plant has been supplied and commissioned by Orb Energy and also financed the same.

This loan is repayable in 36 monthly equal installments from May 20, April 21 and May 22 for the 300 KW, 1100 KW and 2059 KW respectively. The corresponding last installment will be payable by April 2023, March 2024 and April 2025. The above loans carry interest @11.1% p.a.

## iii) Terms of Repayment of Unsecured Loans

Aggregate Amount outstanding	Rate of Interest	
Rs.1540.50 Lacs (P.Y. Rs.1541.00 Lacs)	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 31.03.2023, only after 31.03.2024.

	As at 31.03.2023	As at 31.03.2022
<b>NOTE NO.17</b>		
<b>TRADE PAYABLES ( Unsecured )</b>		
Due to Micro Enterprises and Small Enterprises	-	-
Due to other than Micro Enterprises and Small Enterprises	220.03	241.98
<b>Total</b>	<b>220.03</b>	<b>241.98</b>

Particulars	Unbilled	Outstanding for following periods from due date of payments					Total
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>i) Undisputed Trade Payable as at 31.03.23</b>							
Due to Micro and Small Enterprises	-	-	-	-	-	-	-
Due to other than Micro and Small Enterprises	-	-	-	-	6.44	5.23	11.67
<b>ii) Undisputed Trade Payable as at 31.03.22</b>							
Due to Micro and Small Enterprises	-	-	-	-	-	-	-
Due to other than Micro and Small Enterprises	-	-	-	-	33.62	-	33.62
<b>iii) Disputed Trade Payable as at 31.03.23</b>							
Due to Micro and Small Enterprises							-
Due to other than Micro and Small Enterprises						208.36	208.36
<b>iv) Disputed Trade Payable as at 31.03.22</b>							
Due to Micro and Small Enterprises							-
Due to other than Micro and Small Enterprises						208.36	208.36

\* Principal amount outstanding as at the year end, there is no overdue amount and is not over 45 days towards 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.

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

	As at 31.03.2023	As at 31.03.2022
<b>NOTE NO.18</b>		
<b>Other Financial Liabilities</b>		
Security Deposits	44.87	16.02
	<b>44.87</b>	<b>16.02</b>
<b>NOTE NO.19</b>		
<b>PROVISIONS (NON CURRENT)</b>		
<b>Provision for Employee Benefits</b>		
Provision for compensated absence	47.59	49.29
	<b>47.59</b>	<b>49.29</b>
<b>NOTE NO.20</b>		
<b>DEFERRED TAX LIABILITIES (NET)</b>		
(a) Deferred Tax Liabilities	2,952.39	2,710.72
(b) Deferred Tax Assets	180.68	209.15
<b>Total (a-b)</b>	<b>2,771.71</b>	<b>2,501.57</b>
<b>NOTE NO.21</b>		
<b>SHORT TERM BORROWING (CURRENT)</b>		
Loan repayable on demand from banks (Secured)	2,122.03	1,804.30
Temporary Overdraft from bank against fixed deposits	3,618.45	6.30
Current Maturities of Long Term Borrowings (Refer Note No. 16)	933.02	775.30
Bill Discounted (Suppliers from Banks, Unseured)	6,312.18	5,183.29
	<b>12,985.68</b>	<b>7,769.18</b>

(a) Borrowings of Rs. 2122.48 Lacs- (P.Y. Rs. 1810.60 Lacs ) 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 31.03.2023	As at 31.03.2022
<b>NOTE NO.22</b>		
<b>TRADE PAYABLES ( Unsecured)</b>		
Due to Micro Enterprises and Small Enterprises	99.41	119.29
Due to other than Micro Enterprises and Small Enterprises	1337.82	2641.2
<b>Total</b>	<b>1,437.23</b>	<b>2,760.53</b>

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

Particulars	Outstanding for following periods from due date of payments						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>i) Undisputed Trade Payable as at 31.03.23</b>							
Due to Micro and Small Enterprises\$	7.13	92.28	-	-	-	-	99.41
Due to other than Micro and Small Enterprises	187.98	965.61	178.21	6.02	-	-	1,337.82
<b>ii) Undisputed Trade Payable as at 31.03.22</b>							
Due to Micro and Small Enterprises	2.15	117.14	-	-	-	-	119.29
Due to other than Micro and Small Enterprises	198.39	652.11	1,776.22	14.52	-	-	2,641.24
<b>iii) Disputed Trade Payable as at 31.03.23</b>							
Due to Micro and Small Enterprises							-
Due to other than Micro and Small Enterprises							-
<b>iv) Disputed Trade Payable as at 31.03.22</b>							
Due to Micro and Small Enterprises							-
Due to other than Micro and Small Enterprises							-

\* Principal amount outstanding as at the year end, there is no overdue amount and is not over 45 days towards 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 31.03.2023	As at 31.03.2022
<b>NOTE NO.23</b>		
<b>OTHER FINANCIAL LIABILITIES</b>		
Interest Accrued but not due on Loans	84.39	83.78
Unclaimed Dividend	22.47	18.88
Expenses Payable	1,237.95	1,494.38
Other Payable for Expenses	103.40	58.89
	1,448.20	1,655.92
<b>NOTE NO.24</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Advance From Customers	498.22	1,070.63
<b>Total</b>	<b>498.22</b>	<b>1,070.63</b>
<b>NOTE NO.25</b>		
<b>PROVISIONS (CURRENT)</b>		
Provision for Employee Benefits		
Provision for compensated absence	92.98	85.97
<b>Total</b>	<b>92.98</b>	<b>85.97</b>



# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

	As at 31.03.2023	As at 31.03.2022
<b>NOTE NO.26</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>A Sale of Products</b>		
	35,805.17	34,742.77
<b>B Other Operating Revenue</b>		
Net Gain/(Loss) on Foreign Currency translation and transactions - sales	(95.16)	494.56
Duty drawback benefits	661.00	836.05
Sale of Scrap	96.58	66.84
Claim Receipt	20.19	37.02
	777.77	1,434.46
	<b>36,487.78</b>	<b>36,177.23</b>
<b>NOTE NO.27</b>		
<b>OTHER INCOME</b>		
Interest Income	307.63	264.48
Unspent Liabilities/Sundry Balances Written Back (Net)	250.77	32.45
Rent Received	3.60	3.60
Provision for Diminution in value of Investment Written Back	-	316.03
Gain on Security Deposit	20.02	33.97
Misc Receipt	5.85	3.58
Profit on fair valuation of Investment	-	0.25
Provision for doubtful debts written back	28.05	4.35
	<b>615.92</b>	<b>658.73</b>
<b>NOTE NO.28</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Opening Stock of Raw Material	1,272.20	2,052.19
Add:- Purchases and incidental Expenses	19,040.35	14,973.67
Less:- Closing Stock of Raw Materials	1,750.33	1,272.20
	<b>18,562.22</b>	<b>18,298.05</b>
<b>NOTE NO.29</b>		
<b>(INCREASE)/DECREASE IN INVENTORIES ON FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS, ETC.</b>		
<b>Closing Inventories</b>		
Work-in-Progress	1,073.97	1,119.04
Finished Goods	1,459.92	1,883.70
Waste	0.39	1.15
Scrap and Residual Materials	2.86	2.84
<b>Total</b>	<b>2,537.15</b>	<b>3,006.73</b>

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

	As at 31.03.2023	As at 31.03.2022
Opening Inventories		
Work-in-Progress	1,119.04	1,326.10
Finished Goods	1,883.70	1,123.87
Waste	1.15	10.87
Scrap and Residual Materials	2.84	1.57
Total	3,006.73	2,462.41
	469.58	(544.32)
<b>NOTE NO.30</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages, Bonus and Benefits, etc.	4,444.68	4,056.87
Contribution to Provident and Other Funds, etc.	326.31	293.43
Employees Welfare Expenses	71.26	52.14
Workman Compensation	14.85	2.31
Commission on Profit	162.00	216.00
Incentive to Director (Variable Pay)	90.00	90.00
	<b>5,109.09</b>	<b>4,710.75</b>
<b>NOTE NO.31</b>		
<b>FINANCE COSTS</b>		
Interest Expense*	845.26	800.25
Dividend Distribution Tax on Preference shares	6.95	-
Other Borrowing Costs	540.97	414.60
	<b>1,393.18</b>	<b>1,214.85</b>
*(After adjustment of Rs 1,97,44,075/- (PY Rs 5,48,454/- ) towards interest subsidies under TUFs/ state schemes.		
<b>NOTE NO.32</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
On Property, Plant and Equipment & Intangible Assets	970.04	762.48
On Right to use Assets	1.95	89.81
On Investment Property	3.70	0.69
	<b>975.69</b>	<b>852.98</b>
<b>NOTE NO.33</b>		
<b>OTHER EXPENSES</b>		
Consumption of Stores and Spares	973.64	943.22
Packing Materials	770.81	772.80
Power and Fuel	3,265.27	3,080.27
Freight and Transportation	2,168.19	2,762.30

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

	As at 31.03.2023	As at 31.03.2022
Rent	5.10	16.55
Repair & Maintenance		
- Plant & Equipments	84.45	62.00
- Buildings	101.32	88.64
Insurance	67.47	63.18
Rates & Taxes	13.15	17.67
Travelling and Conveyance	187.21	62.39
Commission and Brokerage on sales	670.03	607.05
Miscellaneous Expenses	513.09	595.50
Corporate Social Responsibility (CSR) Expenses	31.86	19.12
Loss on Sales of Fixed Assets	46.92	64.74
Loss on disposal of Long Term Investment	-	309.19
Loss on Sales of Duty Script	20.10	29.07
Exchange Difference	4.57	74.83
	<b>8,923.19</b>	<b>9,568.52</b>
<b>NOTE NO.34</b>		
<b>Income Tax</b>		
<b>Amount Recognised in the Statement of Profit and Loss</b>		
Current Tax	280.00	501.00
Tax for earlier year	11.78	4.08
Deferred Tax	268.09	416.82
Mat Credit Entitlement	(131.04)	-
<b>Total Tax Expense</b>	<b>428.83</b>	<b>921.91</b>
<b>Reconciliation of effective tax rate:</b>		
<b>Particulars</b>		
<b>Net profit before income tax</b>	892.98	1,337.68
Applicable Statutory Income Tax Rate	0.00	0.00
Income Tax Expenses calculated at 27.82% (previous year was 29.12%)	248.43	389.53
<b>Add:- Tax Incidence on additions</b>		
i) Disallowance u/s 43B	48.86	22.66
ii) Other Disallowances	13.05	37.44
<b>TOTAL- A</b>	<b>310.34</b>	<b>449.63</b>
<b>Less:- Tax incidence on deduction</b>		
i) Difference of Book Dep and Income tax Dep	311.66	278.31
ii) Allowance u/s 43-B	24.06	22.66
iii) Others	42.32	54.73
<b>TOTAL- B</b>	<b>378.04</b>	<b>355.69</b>
Reported Income Tax Expenses	NET (A-B)	(67.70)
Effective Tax Rate (%)	(7.58)	7.02

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

## 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, 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 2017 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 in case of free hold land & lease hold land 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. Expenditure incurred on intangible assets which are under development is included under intangible assets under development.

##### (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 reviewed at the end of year which is same as given in schedule II of the Companies Act 2013 except as under:-

- Office Equipments are depreciated over 10 years.
- 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) 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

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

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 reliable value.

## (vi) Lease

The Company's lease asset class 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 that have a 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.

## (vii) 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.

## (viii) 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.

## (ix)(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.

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

**(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 enter 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

**(x) 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.

**(xi) 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 recognized 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.

**(xii) 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.

**(xiii) 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.

**(xiv) 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

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

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.

## (xv) 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.

## (xvi) 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.

## (xvii) 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

Sr. No.	Particulars	as at 31st March, 2023		as at 31st March, 2022	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>I</b>	<b>Financial Assets</b>				
	At Amortised Cost				
	- Trade Receivables	740.56	740.56	543.43	543.43
	- Loans, Security Deposit and Others	1,272.90	1,272.90	1,241.41	1,241.41
	- Cash and Cash Equivalents	404.36	404.36	6.86	6.86
	- Other Bank Balances	5,749.60	5,749.60	5,773.18	5,773.18
	<b>Total Financial Assets</b>	<b>8,167.42</b>	<b>8,167.42</b>	<b>7,564.88</b>	<b>7,564.88</b>
<b>II</b>	<b>Financial Liabilities</b>				
<b>(a)</b>	At Amortised Cost				
	- Borrowings	19,625.53	19,625.53	12,474.23	12,474.23
	- Trade Payables	1,657.26	1,657.26	3,002.51	3,002.51
	- Lease Liabilities	309.05	309.05	321.98	321.98
	- Other Financial Liabilities	1,493.07	1,493.07	1,671.94	1,671.94
	<b>Total Financial Liabilities</b>	<b>22,864.91</b>	<b>22,864.91</b>	<b>17,470.66</b>	<b>17,470.66</b>

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:

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.

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

## 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 31st March, 2023		as at 31st March, 2022	
		In Foreign Currency	in Rs. Lacs	In Foreign Currency	in Rs. Lacs
<b>Hedged : Forward exchange contracts outstanding</b>					
Long-term borrowing	USD				
Export Outstanding	Rs.		302.77		366.98
<b>Total</b>	<b>Rs.</b>	<b>-</b>	<b>302.77</b>	<b>-</b>	<b>366.98</b>
<b>Unhedged :</b>					
Long-term borrowings	USD	-	-	-	-
	EUR	-	-	-	-
Long-term borrowings FCNR	USD	-	-	-	-
	EUR	-	-	-	-
Commission in Export Sales	USD	1,40,949.00	115.82	1,76,038	133.42
	EUR				
Bank/ Cash Balances	USD	1,000.00	0.82	-	-
	EUR	150.00	0.13	150	0.13
	TRY	76.00	0.00	-	-
Import	USD	-	-	-	-
<b>Total</b>	<b>USD</b>	<b>1,41,949.00</b>	<b>116.64</b>	<b>1,76,038</b>	<b>133.42</b>
	<b>EUR</b>	<b>150.00</b>	<b>0.13</b>	<b>150</b>	<b>0.13</b>



# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

## (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 31st March, 2023	As at 31st March, 2022
Change in USD	-3%	-3%
Effect on profit before tax (Rs. In Lacs)	(3)	(4)
Change in USD	3%	3%
Effect on profit before tax (Rs. In Lacs)	3	4

Particulars	As at 31st March, 2023	As at 31st March, 2022
Change in EUR	5%	5%
Effect on profit before tax (Rs. In Lacs)	0	0
Change in EUR	-7%	-7%
Effect on profit before tax (Rs. In Lacs)	(0)	(0)

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.

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

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	1 to 5 years
<b>As at 31st March 2023</b>				
Borrowings*	19,625.53	12,985.68	933.02	5,706.83
Trade and Other Payables	1,657.26	-	1,437.23	220.03
<b>Total</b>	<b>21,282.79</b>	<b>12,985.68</b>	<b>2,370.25</b>	<b>5,926.86</b>
<b>As at 31st March 2022</b>	-	-	-	-
Borrowings*	12,474.23	7,769.18	775.30	3,929.75
Trade and Other Payables	3,002.51	-	2,760.53	241.98
<b>Total</b>	<b>15,476.74</b>	<b>7,769.18</b>	<b>3,535.83</b>	<b>4,171.73</b>

\* 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	As at 31st March, 2023	As at 31st March, 2022
Borrowings*	19,625.54	12,474
Less: Cash and Cash equivalents and Bank balance	6,153.96	5,780
<b>Net debt</b>	<b>13,471.58</b>	<b>6,694</b>
Equity Share Capital	755.97	756
Other Equity	12,444.74	11,386
<b>Total Capital</b>	<b>13,200.71</b>	<b>12,142</b>
<b>Capital and net debt</b>	<b>26,672.29</b>	<b>18,837</b>
<b>Gearing ratio</b>	<b>0.51</b>	<b>0.36</b>

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

	As at 31.03.2023	As at 31.03.2022
<b>NOTE NO. 39</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for	3,077	3,868
<b>NOTE NO. 40</b>		
Contingent Liabilities not provided for in respect of		
i) Bonds executed in favour of Customs and Excise Authorities	100.00	100.00
ii) Claims not acknowledged as debts (Disputed by the Company and or appealed against);		
a) Demand of Income Tax	1,175.79	1,055.15
b) Demands by Excise department (including Service Tax )	2.65	2.65
c) Demands of workers	15.48	9.95
iii) Others	389.23	389.23
<b>NOTE NO. 41</b>		
<b>A) Amount Paid/Payable to Auditors:</b>		
a) Statutory Audit Fee	7.00	7.00
b) Tax Audit Fee	2.44	2.44
c) Other Certification Charges	1.62	1.60
d) Reimbursement of Expenses	2.43	-
	<b>13.49</b>	<b>11.04</b>
<b>B) Amount Paid/Payable to Cost Auditors Included in Misc. Expenses</b>		
a) Audit Fees	1.20	0.60
b) Reimbursement of Expenses	0.26	0.23
	<b>1.46</b>	<b>0.83</b>

**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**

The Board of Directors in their meeting held on 26th May 2023 has recommended a dividend of 25% i.e. Rs. 2.5/- on per fully paid up equity share of Rs. 10/- each aggregating to Rs. 188.59 lacs for the

financial year ended on 31st March 2023. The same is subject to the approval by the Shareholders in the ensuing Annual General Meeting of the Company.

**NOTE NO. 44**

Additional Regulatory Information pursuant to amendment in Schedule III of the Companies Act 2013 dated 24.03.2021 has been given to the extent applicable to the Company.

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

## NOTE NO. 45

Sr. No.	Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% changes from previous year
(I)	Current Ratio (in Times)	Total Current Assets	Total Current Liabilities	0.94	0.96	-2.08
(II)	Debt Equity Ratio (in Times)	Total Debt*	Shareholder's Equity	1.50	1.03	45.63
	Explanation: Change in Debt Equity Ratio is Due to Increase of Debt					
(III)	Debt Service Coverage Ratio (in Times)	Earning for Debt Service	Debt Service	1.51	1.90	-20.53
	Explanation : Change in DSCR is due to lower profitability of the current year as compared to previous year.					
(IV)	Return on Equity (in %)	Net profits After Taxes	Average Shareholder's Equity	9.86%	16.59%	-40.57
	Explanation : Change in ROE is due to lower profitabilty of the current year as compared to previous year.					
(V)	Inventory Turnover Ratio (in Times)	Sales	Average Inventory	7.98	7.63	4.59
(VI)	Trade Receivable Turnover ratio (in Times)	Sales	Average Trade Receivables	48.35	63.93	-24.37
	Explanation : Change in Trade Receivables Turnover Ratio is due to higher debtors at the end of the current year.					
(VII)	Trade Payable Turnover Ratio (in Times)	Purchase	Trade Payables at Year End	11.50	5.81	97.93
	Explanation: Changes in due to reduction in trade payables.					
(VIII)	Net Capital Turnover Ratio (in Times)	Net Sales	Working capital	-16.65	-59.71	-72.12
	Explanation : Change in Net Capital Turnover Ratio is due to increase in sales of the current year as compared to previous year combined with reduction in net working capital.					
(IX)	Net Profit Ratio (in %)	Net Profit After Tax	Net Sales	3.47%	5.22%	-33.52
	Explanation : Change in Net Profit Ratio is due to reduction in net profit as compared to previous year.					
(X)	Return on Capital Employed	Earning Before Interest & Taxes	Capital Employed#	8.64%	14.61%	-40.86
	Explanation : Change in Return on Capital Employed is due to lower profitabilty of the current year as compared to previous year.					
(XI)	Return On Investment	-	-	-	-	-
	(Not Applicable since no investment as at 31.03.2023)					

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

## NOTE NO. 46

### Disclosure on Corporate Social Responsibility Expenses:

a) Gross Amount required to be spent by the Company during the year 2022-23 in pursuance to the provision of Section 135 of the Companies Act, 2013 and rules made thereunder is Rs. 31.86 Lacs (Previous year Rs. 19.11 Lacs)

	Particulars	2022-23			2021-22		
		Amount Spent	Amount Overspent	Total	Amount Spent	Amount Overspent	Total
a)	Promoting Education and Employment. Enhancing Vocational Skills among children and livelihood enhancement projects	9.66	-	9.66	18.53	0.65	17.88
	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe "drinking water" and "disaster management", including relief and rehabilitation activities.	25.30	3.09	22.21	1.23	-	1.23
	<b>Total</b>	<b>34.96</b>	<b>3.09</b>	<b>31.86</b>	<b>19.76</b>	<b>0.65</b>	<b>19.12</b>

## NOTE NO. 47

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.

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
(i)	The Principal amount and interest due thereon remaining unpaid to any supplier at the end of each financial year.	99.41	119.29
(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. 48

Earnings Per Share (EPS)	31st March 2023	31st March 2022
The numerators and denominators used to calculate Basic and Diluted Earnings Per Share:		
i) Net Profit (after tax)	1,242	1813.22
ii) Basic/Weighted average number of Equity Shares outstanding during the year (B)	75,43,563	75,43,563
iii) Nominal value of Equity shares (Rs.)	10	10
iv) Basic/Diluted Earnings per Share (Rs.)	16.46	24.04

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

## NOTE NO. 49

### 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 :

Sr. No.	Geographical Segments	2022-23	2021-22
1	Domestic Market (Within India)	14,498.99	9,951.92
2	Overseas Market (Outside India)	21,306.18	24,790.85
	<b>Total</b>	<b>35,805.17</b>	<b>34,742.77</b>

- (c) Sales to Two (P.Y. Three) Export Customers of the Company is Rs.11246.13 Lacss (Previous Year Rs. 13878.39 Lacss) which is more than 10% of the Company's total turnover.

## NOTE NO. 50

### Revenue from contracts with customers :

- (a) Disaggregated revenue information (Refer Note No. 52)
- (b) Contract Balances

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables	740.56	543.43
Contract Liabilities	363.74	943.83

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 clearance of goods sold.

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Revenue as per the Contracted Price	35,815.20	34,870.69
<b>Adjustment</b>		
Customer Claim	10.02	127.93
Revenue from Contract with Customers	35,805.17	34,742.77

## NOTE NO. 51

### Right-of-use Assets (Building) :

#### a. Lease Liabilities Reconciliation

Sr. No.	Geographical Segments	2022-23	2021-22
i)	Opening Lease Liabilities	321.98	104.31
ii)	Lease Liabilities accrued during the year	68.86	292.43
iii)	Interest on Lease Liabilities	19.42	11.61
iv)	Repayment / Actual Rent	101.21	86.37
v)	Closing Lease Liabilities	309.05	321.98

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

b. The Company has taken certain offices and residential premises under operating lease agreements for short period. The aggregate lease rental of Rs. 101,21,000 (Previous year Rs. 86,37,000) on such lease has been charged to the Statement of Profit and Loss.

## NOTE NO. 52

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):

	2022-2023	2021-2022
Provident Fund	107.03	85.89
Family Pension Fund	119.12	120.20
Employees State Insurance Scheme	81.87	69.92

### 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.

Sr. No.		Gratuity (Funded)	Gratuity (Funded)
		2022-2023	2021-2022
a.	Reconciliation of opening and closing balances of Defined Benefit Obligation		
	Defined Benefit obligation at beginning of the year	456.45	466.58
	Current Service Cost	72.49	79.8
	Interest Cost	30.35	29.62
	Past Service Cost	-	-
	Actuarial (gain)/ Loss	(10.24)	(58.84)
	Benefits paid	(58.11)	(60.71)
	Defined Benefit Obligation at year end	490.94	456.45
b.	Fair value of plan assets at beginning of the year	513.30	466.13
	Expected return on plan assets	(3.19)	(0.79)
	Interest Incurred	34.48	32.19
	Employer contribution	2.71	76.48
	Benefits Paid	(58.11)	(60.71)
	Fair Value of plan assets at year end	489.19	513.30

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

Sr. No.		Gratuity (Funded)	Gratuity (Funded)
<b>c</b>	<b>Other Comprehensive Income</b>		
	Actuarial (Gain)/Loss for the year	(10.24)	(58.84)
	Return of Plan Assets	3.19	0.79
	Actuarial (Gain)/Loss for the year recognised in OCI	(7.05)	(58.05)
<b>d</b>	Major Categories of Plan Assets as % of Total plan Assets Interest based Scheme with Insurance companies	100%	100%
<b>e</b>	Sensitivity Analysis		
	Discount Rate 1 % increase	455.06	421.55
	Discount Rate 1 % Decrease	533.51	498.00
	Change in Salaries increase 1 % increase	532.22	496.59
	1 % Decrease	455.63	482.22
<b>f</b>	Estimated expected benefit payments (in absolute terms i.e. undiscounted)		
	F.Y.		
	First Year	140.88	119.21
	Second Year	24.30	25.77
	Third Year	10.67	24.71
	Fourth Year	37.03	10.22
	Fifth Year	24.83	33.91
	Sixth to Tenth Year	132.08	119.21
<b>g</b>	Actuarial Assumption		
	Particulars		
	Discount Rates	7.29%	7.10%
	Salary Escalation	4.00%	4.00%
	Mortality Rates	IALM (2012-14)	IALM (2012-14)
	Retirement age	58 Years	58 Years



# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

**NOTE NO. 53****Related Party Disclosures :**

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 for the year ended March 31, 2023

**(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. Nand Gopal Khaitan (Non Executive Director)

Mrs. Dipika Shroff (Non Executive Director)

Mr. Ram Niwas Sharma ( Non Executive Director)

Mr. Narayan Shroff ( Non Executive Director)

Mr. Chandrasekaran Rajagopalan (CFO)

Mr. Utkarsh Gaur (Company Secretary)

**Relative of Key Managerial Person**

Mr. Shanker Lal Shroff, Chairman Emeritus (Father of Mr. Sanjiv Shroff)

Mrs. Bimla Devi Shorff (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

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

	Key Managerial Person refer to (i)		Enterprises over which KMP is able to exercise significant influence, refer to (ii)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>Legal &amp; Professional Expenses Paid</b>				
Khaitan and Co. LLP			8.00	9.00
<b>Lease Rent Received</b>				
Spell Fashions Pvt Ltd			3.60	3.60
<b>Interest on Security Deposit</b>				
A.R. Commercial Private Limited			8.34	14.34
Indo Textiles & Fibres Limited			10.01	17.00
A.S. Chemotex pvt. Ltd.			1.67	2.63
<b>Interest paid/ payable on Loans taken</b>				
Sanjiv Shroff	9.51	4.99		
Rahul Shroff	8.16	10.47		
Ameya Shroff	6.53	4.83		
Modern Fibotex India Limited			89.85	109.54
Sunrise Producers Pvt Ltd			10.51	10.81
<b>Loan Received</b>				
Rahul Shroff	98.00	66.00		
Ameya Shroff	107.00	44.00		
Sanjiv Shroff	433.50	30.00		
Modern Fibotex India Limited			19.50	688.00
Sunrise Producers Pvt Ltd			-	2.00
<b>Repayment of Loans Received</b>				
Rahul Shroff	89.50	65.00		
Ameya Shroff	66.00	-		
Sanjiv Shroff	210.00	-		
Modern Fibotex India Limited			42.00	732.00
Sunrise Producers Pvt Ltd			-	2.00
<b>Rent paid/Payable</b>				
Indo Textiles & Fibres Limited			46.35	46.35
A.S. Chemotex pvt. Ltd.			18.90	18.90
A.R. Commercial Private Limited			14.40	14.40
<b>Purchase for Sales Promotion</b>				
Spell Fashions Pvt Ltd			19.81	12.17
Sale of Yarn				
Year end Balance receivable			-	202.00
Year end Balance payable	-	241.22	-	962.55
<b>Commission on sale of yarn</b>				
A.R.Fibtex Pvt. Ltd.			47.97	40.39

# NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

	Key Managerial Person refer to (i)		Enterprises over which KMP is able to exercise significant influence, refer to (ii)	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>Compensation to Key managerial Person (Year End)#</b>				
<b>Short Term employee benefit</b>				
1 Rahul Shroff	193.43	259.01		
2 Ameya Shroff	181.40	247.20		
3 Sanjiv Shroff	202.40	268.95		
4 R. Chandrasekaran	53.06	55.55		
5 Utkarsh Gaur \$	5.92	-		
6 Chirag gupta *	-	7.34		
<b>Sitting Fees to Non Executive Directors (Year End)</b>	14.85	4.85		

**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. Utkarsh Gaur joined as Company Secretary of the Company w.e.f May 25, 2022. Further, his salary also includes Leave encashment.

\* Mr. Chiraj Gupta ceased to be company secretary of the company w.e.f January 01, 2022.

**Note No : 54**

**Relationship with struck off companies ( as identified by consultant on the basis of information furnished by the company)**

**Shares held by struck off Companies**

Name of struck off company	No of shares held at 31.03.2023	No of shares held at 31.03.2022	Relationship
Vaishak Shares Limited	1	1	Not a Related Party

**Other Transation**

Name of struck off company	Nature of Transation at	No of shares held at 31.03.2023	No of shares held at 31.03.2022	Relationship
Neeraj Enterprises (P) Ltd.	payable	4581		Not a Related Party

**Note No : 55**

Quarterly return or statement of current assets filed by the company with banks in respect of borrowings from banks on the basis of security of current assets are not having material variation with the books of accounts.

**Note No : 56**

The company has utilised the borrowings received from banks and financial institution for the purpose for which it was taken during the year.

**Note No : 57**

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

Signatures to notes 1 to 57

Significant Accounting Policies and Notes to Accounts (Note No. 35 to 57)

As per our Report of even date

For Jain Pramod Jain & Co.

Chartered Accountants

(Firm Registration No. 016746N)

For & on behalf of Board of Directors

P.K. JAIN  
Partner  
M.No. 010479

UTKARSH GAUR  
Company Secretary  
M.No. A60237

R. CHANDRASEKARAN  
Chief Financial Officer

SANJIV SHROFF  
Managing Director  
DIN -00296008

AMEYA SHROFF  
Executive Director  
DIN - 05315616

Place : New Delhi

Dated : 26th May 2023

# NOTICE OF FORTY-FIFTH (45<sup>th</sup>) ANNUAL GENERAL MEETING

Notice is hereby given that the 45<sup>th</sup> Annual General Meeting of the Members of Reliance Chemotex Industries Ltd. will be held on Thursday, September 21, 2023, at 11.00 A.M. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following business:

## ORDINARY BUSINESS:

### Item No. 1 - Adoption of Audited Financial Statements

To adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.

### Item No. 2 - Declaration of Dividend

To declare a Final Dividend of Rs. 2.5 /- per Equity Share of face value Rs. 10 each for the Financial Year 2022-23.

### Item No. 3 - Appointment of a Director retiring by rotation

To appoint a Director in place of Mr. Nand Gopal Khaitan (DIN: 00020588), who retires by rotation and being eligible, offers himself for re-appointment.

### Item No. 4 - Appointment of a Director retiring by rotation

To appoint a Director in place of Mr. Rahul Shroff (DIN: 02301693), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

### Item No. 5 - Ratification of Remuneration of Cost Auditors

To ratify the remuneration payable to M/s. N. N. & Associates, Cost Accountants (Firm Registration No.: 002322) Cost Auditors of the Company.

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

"RESOLVED THAT pursuant to 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), the payment of remuneration of Rs. 70,000/- (Rupees Seventy Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals to M/s. N. N. & Associates, Cost Accountants (Firm Registration No.: 002322), who has been appointed by the Board of Directors of the Company, as "Cost Auditors" to conduct an audit of the cost records maintained

by the Company for the Financial Year ending on March 31, 2024, 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 expedient and desirable for the purpose of giving effect to this resolution."

### Item No. 6 - Re-appointment of Mr. Sanjiv Shroff (DIN: 00296008) as Managing Director of the Company

To consider the re-appointment of Mr. Sanjiv Shroff (DIN: 00296008) as Managing Director of the Company for a period of three years.

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 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 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 Articles of Association of the Company and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals as may be applicable, and based on the recommendation of the Nomination and Remuneration Committee and Board of Directors, approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Sanjiv Shroff (DIN: 00296008) as Managing Director of the Company for a further period of 3 years (Three years) w.e.f. September 01, 2023 to August 31, 2026 on the terms and conditions including remuneration, as set out below, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration as it may deem fit, subject to the same not exceeding the limits as mentioned in this resolution and as 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. 5,25,000/- upto Rs. 7,00,000/- Per Month
Commission	upto 2.5% commission on the net profit of the Company, computed in the manner laid down in the Companies Act, 2013. This is also subject to the over and above remuneration payable to all the Whole Time Directors and Managing Directors, as prescribed under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) thereto or re-enactment(s) thereof for the time being in force).

House Rent Allowance/ RFHA	From Rs. 2,10,000/ upto Rs. 2,80,000/- Per Month
Other Allowances	From Rs. 3,78,000/ upto Rs. 5,04,000/- Per Month
Ex-gratia in lieu of Bonus	From Rs. 1,05,000/- upto Rs. 1,40,000/- Per Month
Variable pay	As may be decided by the Board of Directors, on the Performance as special incentive to be paid every year 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 the Managing Director for business purpose as well as for personal use. Perquisite value for the use of Car with Driver has been included in his Computation of Income as per Section 17(2) of the Income Tax Act, 1961. However, telephone provided to the Executive Director is not a Taxable perquisite as per section 17(2) of the Income Tax Act, 1961.	
Encashment of leave as per rules of the Company.	
Club Fees is subject to a maximum of two clubs, this will not include admission and life membership fees.	
He is liable to Retire by rotation.	

**RESOLVED FURTHER THAT** when in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to Mr. Sanjiv Shroff, Managing Director in accordance with the applicable provisions of Schedule V of the Companies Act, 2013.

**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, expedient and desirable for the purpose of giving effect to this resolution.”

**Item No. 7 - To alter Articles of Association of the Company:**

To consider the alteration of Articles of Association of the Company with respect to removal of Common Seal clause

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

“**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such other approvals

as may be necessary or required, the consent of the members of the company be and is hereby accorded for altering the Articles of Association (AOA) of the Company by way of deletion of clause 92 of AOA as under:

**THE SEAL**

- i. The Board shall provide for the safe custody of the seal.
- ii. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one Director or the Manager, if any, or of the Secretary or such other person as the Board may appoint for the purpose; and such Director or Manager or the Secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to sign, execute and file all the papers, documents etc as may be required and to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper expedient and desirable for the purpose of giving effect to this resolution and to give such directions/instructions as may be necessary to settle any question, difficulty or doubt that may arise in this regard.”

By order of the Board  
For Reliance Chemotex Industries Ltd.

**Utkarsh Gaur**  
Company Secretary & Compliance Officer  
Membership No. ACS 60237

Place: Udaipur  
Date: May 26, 2023

Registered Office: Village Kanpur, Post Box No.73, Udaipur, Rajasthan, 313003  
CIN: L40102RJ1977PLC001994  
Tel: +91 (0) 294 2491489 ; +91 (0) 294 2491490 | Fax: +91 (0) 294 2490067  
E-mail: cs@reliancechemotex.com | Website: www.reliancechemotex.com

## NOTES FOR MEMBERS' ATTENTION

1. Ministry of Corporate Affairs ('MCA') has vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and December 28, 2022 respectively (collectively referred to as "MCA Circulars"), permitted the holding of the Annual General Meeting ("AGM / Meeting") through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') and MCA Circulars, the 45th AGM of the Company is being held through VC/OAVM facility. The registered office of the Company shall be deemed to be the venue for the AGM.
2. Pursuant to the provisions of the Companies Act, 2013 ("Act"), a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars 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 Attendance Slip and Proxy Form are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes on e-voting.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without the restriction of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.reliancechemotex.com](http://www.reliancechemotex.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited, and National Stock Exchange of India Ltd at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
6. The relevant Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business under Item Nos. 5 - 7 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 36 (3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/ re-appointment at this AGM are also annexed.
7. **Book Closure and Dividend:**
  - a) The Register of Members and the Share Transfer Books of the Company will remain closed from September 15, 2023 to September 21, 2023 (both days inclusive) for the purpose of payment of dividend.
  - b) If a dividend on Equity Shares, as recommended by the Board, is approved at the AGM, the payment of such dividend will be made within 30 days from the date of AGM, as under:
    - i. To all beneficial owners in respect of Shares held in electronic form as per details furnished by the Depositories for this purpose at end of September 14, 2023.
    - ii. To all Members in respect of Shares held in physical form, after giving effect to valid transfer, transmission or transposition requests lodged with the Company on or before September 14, 2023.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:
  - a) For shares held in electronic form: to their Depository Participants (DPs)
  - b) For shares held in physical form: to the Company/ Registrar and Share Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021.
9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed dividend account; exchange of securities certificate; sub-division of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4 to Company's Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd. It may be noted that any service request can be processed only after the folio is KYC Compliant.
10. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including

transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Bigshare Services Pvt. Ltd (RTA), for assistance in this regard.

11. In case of joint holders attending the AGM, 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.

**12. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):**

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/Claimants whose shares and unclaimed dividend amount have been transferred to IEPF may claim the shares or apply for a refund by making an application to IEPF Authority in Form IEPF 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)). The Member/Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

It is in the Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

**13. Payment of Dividend through electronic means:**

- a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH). Members holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9-digit MICR and 11-digit IFS Code), along with their Folio Number, to the Company's Registrar and Share Transfer Agent - M/s. Bigshare Services Pvt. Ltd. Members holding shares in electronic form are requested to provide the said details to their respective Depository Participants.
- b) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its

Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

**14. Nomination Facility:**

As per the provisions of Section 72 of the Act and Rule 19 (1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.

15. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to the Company Secretary at [shareholders@reliancechemotex.com](mailto:shareholders@reliancechemotex.com).
16. Electronic copy of the Annual Report 2022-23 is being sent to those Members whose e-mail address is registered with the Company / Depositories for communication purpose, unless any Member has requested for a physical copy of the same. Members may note that this Annual Report will also be available on the Company's website at [www.reliancechemotex.com](http://www.reliancechemotex.com).
17. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ their Depository Participants, in respect of shares held in physical/electronic mode, respectively.
18. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Registrar and Share Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15C/15H, to avail the benefit of non-deduction of tax at source by sending an email to [tds@bigshareonline.com](mailto:tds@bigshareonline.com) latest by 11:59 p.m. (IST) on September 10, 2023.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under the tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an

email to [tds@bigshareonline.com](mailto:tds@bigshareonline.com). The aforesaid declarations and documents need to be submitted by the shareholders latest by 11:59 p.m. (IST) September 10, 2023.

19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

**INSTRUCTIONS TO MEMBERS FOR REMOTE E-VOTING AND FOR JOINING THE AGM, ARE AS UNDER:**

1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system will be provided by NSDL.
2. The remote e-voting period commences at 9.00 A.M. (IST) on Sunday, September 17, 2023, and ends at 5.00 P.M. (IST) on Wednesday, September 20, 2023. During this period, Members holding shares either in physical or de-materialized form as on the Cut-Off Date i.e., Thursday, September 14, 2023, may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter. 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. The voting rights of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-Off Date.

3. The Company has appointed CS Mohit Vanawat (FCS: 11834), Practicing Company Secretary, as Scrutinizer to scrutinize the voting at the meeting and remote e-voting process, in a fair and transparent manner.
4. 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.
5. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on September 14, 2023 ("Cut-Off Date").
6. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the AGM Notice is sent through e-mail and holding shares as on the 'cut-off date' i.e. September 14, 2023, may obtain the login ID and password by sending a request to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company / Registrar & Transfer Agent. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on Toll Free No. 1800 1020 990 and 1800 22 44 30. In case of individual shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending the AGM Notice and holding shares as of the cut-off date i.e. September 14, 2023 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
7. **E-voting Instructions:** The details of the process and manner for remote e-voting are explained herein below:

**How do I vote electronically using NSDL e-Voting system?**


The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDEAS</b>' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDEAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>



Type of shareholders	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="699 604 1040 814" style="text-align: center;"> <p>NSDL Mobile App is available on</p>  </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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 folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- 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. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .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'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. 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.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csmohitvanawat@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. 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 available on www.evoting.nsdl.com to reset the password.
3. 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.nsdl.com or call on: 022 - 4886 7000 and 022 - 2499 7000 or send a request to (Ms. Pallavi Matre) at evoting@nsdl.co.in

### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

1. In case shares are held in physical mode please provide 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) by email to cs@reliancechemotex.com/investor@bigshareonline.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID+CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@reliancechemotex.com/investor@bigshareonline.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted 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 in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the 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 to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (cs@reliancechemotex.com). The same will be replied by the company suitably.

**OTHER INFORMATION:**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.

The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.reliancechemotex.com](http://www.reliancechemotex.com) and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

2. Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of AGM shall be deemed to be passed on the date of the AGM i.e., Thursday, September 21, 2023.

**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT**

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 7 of the accompanying Notice:

**ITEM NO. 5**

The Board, on the recommendation of the Audit Committee, has approved the re-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, 2024.

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, 2024.

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.

**ITEM NO. 6**

The Members of the Company at the 42<sup>nd</sup> Annual General Meeting held on September 28, 2020 had approved the re-appointment of Mr. Sanjiv Shroff (DIN) as Managing Director of the Company for a period of 3 years with effect from September 01, 2020 to August 31, 2023.

The present term of Mr. Sanjiv Shroff comes to complete on August 31, 2023. The Board of Directors at their meeting held on May 26, 2023 (based on the recommendations of the Nomination & Remuneration Committee and subject to the approval of the Members in the General Meeting), re-appointed Mr. Sanjiv Shroff as Managing Director of the Company for a further period of 3 years with effect from September 01, 2023 to August 31, 2026.

Mr. Sanjiv Shroff is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("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-I of Schedule V to the Act, for being eligible for his appointment.

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

Further, Mr. Sanjiv Shroff has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated 20<sup>th</sup> June, 2018 issued by BSE Limited and the National Stock Exchange of India Ltd.

Brief resume and other details of Mr. Sanjiv Shroff is provided in annexure to the Notice pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Statement of Particulars pursuant to Schedule-V of the Act

## 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.	<b>Particulars for the Financial year ended 31.03.2023</b>	<b>(Rs. in Lakh)</b>
	Sales including other Income	37103.70
	Profit (before exceptional & extraordinary items & tax)	1670.75
	Profit After Tax before other comprehensive income	1241.92
Foreign Investment and Collaboration if any	No such foreign investment or collaboration except minor shareholding of Non Resident Indians, if any.	

## 2. Information about the appointee

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 Ltd. since 1988. He has been associated with the textile industry for the last 35 years.
Past Remuneration paid during the year 2022-23	Rs. 1,94,40,000 Paid during the FY 2022-23
Recognition or awards	-
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	Salary, perquisites and other terms as fully set out in item no. 6 of the Notice as shall be decided by the Board of Directors from time to time on recommendation of Nomination and Remuneration Committee
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	Taking into account the responsibilities of the Managing Director, remuneration proposed to be paid to him is reasonable and in line with the remuneration levels in the industry across the country.
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel or other Director if any.	Father of Mr. Rahul Shroff & Mr. Ameya Shroff, Executive Directors & husband of Mrs. Dipika Shroff, Non-Executive - Non Independent Director of the Company.

### 3. Other Information

Reasons of inadequate profit	The Company has earned a profit of Rs. 1241.92 Lakhs during the year ended on 31 <sup>st</sup> March, 2023, 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 2022-23 the company is cautiously optimistic for upcoming years. Due to modernization of old ring frame and to continued focus on value-added products, consistent quality and versatile product mix we expect better performance in the upcoming years.

Mr. Sanjiv Shroff, Mrs. Dipika Shroff, Mr. Rahul Shroff and Mr. Ameya Shroff 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 Item No. 6, respectively.

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

#### ITEM NO. 7

With the enactment of the Companies (Amendment) Act, 2015, the use of Common Seal has been made optional. In order to facilitate administrative convenience for execution of documents on behalf of the Company it is proposed to alter the existing Articles of Association ("AOA") of the Company by deleting the relevant clauses pertaining to the common seal.

These amendments are procedural in nature and for smooth working of activities.

Pursuant to Section 14 of the Companies Act, 2013, the said alteration can be effected only with the approval of Shareholders by passing a special resolution. The Board of Directors at their meeting held on May 26, 2023 approved the said alteration and the Board accordingly recommends the passing of the resolution as set out at Item no. 7 in the Notice for approval by the Members as a special resolution.

Copy of the existing Articles of Association of the Company and copy of Articles of Association, indicating the proposed amendments, being referred in the resolution would be available for inspection by the Members free of cost, in physical or electronic form during business hours i.e., 09.30 a.m. to 06.00 p.m. at the Registered Office of the Company, up to and including the last date of Annual General Meeting.

None of the Promoters, Directors, Key Managerial Persons and their Relatives or the entities in which the Promoters, Directors or Key Managerial Persons are interested, concerned or interested, financially or otherwise, in the above resolution.

By order of the Board  
For Reliance Chemotex Industries Ltd.

**Utkarsh Gaur**  
Company Secretary & Compliance Officer  
Membership No. ACS 60237

Place: Udaipur  
Date: May 26, 2023

Registered Office: Village Kanpur, Post Box No.73, Udaipur, Rajasthan, 313003  
CIN: L40102RJ1977PLC001994  
Tel: +91 (0) 294 2491489 ; +91 (0) 294 2491490 | Fax: +91 (0) 294 2490067  
E-mail: cs@reliancechemotex.com | Website: www.reliancechemotex.com

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

Position/Post	Non - Executive - Non Independent Director	Executive Director	Managing Director
Name of the Director	Mr. Nand Gopal Khaitan	Mr. Rahul Shroff	Mr. Sanjiv Shroff
DIN	00020588	02301693	00296008
Date of Birth	21.05.1951	31.12.1986	17.05.1961
Age	72 Years	37 Years	62 Years
Date of Appointment	23.08.1977	28.07.2008	01.09.1988
Qualification (s)	Attorney-At-Law, Advocate & Notary Public & Graduate	Bachelor of Science in Management Science and Master of Engineering in Electrical Engineering and Computer Science	Bachelor of Science
Relationships between the Directors, inter- se Manager and other KMP	None	Related to Mr. Sanjiv Shroff, Mr. Ameya Shroff & Mrs. Dipika Shroff	Related to Mr. Rahul Shroff, Mr. Ameya Shroff & Mrs. Dipika Shroff
Nature of expertise in specific functional areas and Experience	Mr. Khaitan has vast experience in Legal profession and also expertise in Board Procedure, and Corporate Governance	General Management Finance & Risk Management Corporate Governance & Compliance And Overall more than 15 years of experience in textile industry	General Management Finance & Risk Management Corporate Governance & Compliance And Overall more than 35 years of experience in textile industry
Name(s) of the other Companies in which directorship held as on Date.	1. AGI Greenpac Limited 2. JK Lakshmi Cement Limited 3. Mangalam Cement Limited 4. Hindware Home Innovation Limited 5. Shyam Metals and Energy Limited 6. Rowdon Business Pvt Ltd 7. Xenix Servis Pvt Ltd 8. Ushodaya Marketing Pvt Ltd 9. Srijan Vinimay Pvt Ltd	1. Indo Textile & Fibres Limited 2. Sunrise Cotton Industries Limited 3. A S Chemotex Pvt. Ltd. 4. Spell fashions Pvt. Ltd. 5. Sunrise Producers Pvt. Ltd.	1. Spell Fashions Private Limited 2. A. R. Fibtex Pvt. Ltd. 3. A S Chemotex Private Limited 4. Sunrise Producers Private Limited 5. Sunrise Cotton Industries Limited

Membership/ Chairmanship of the Committees of Board of other companies	<p><b>1. JK Lakshmi Cement Limited</b></p> <ul style="list-style-type: none"> <li>· Nomination and Remuneration Committee – Chairman</li> <li>· Audit Committee – Chairman</li> <li>· Stakeholder Relationship Committee – Member</li> <li>· Committee of Directors – Member</li> </ul> <p><b>2. AGI Greenpac Limited</b></p> <ul style="list-style-type: none"> <li>· Audit Committee – Member</li> <li>· Stakeholder Relationship Committee – Chairman</li> <li>· Nomination and Remuneration Committee – Chairman</li> </ul> <p><b>3. Mangalam Cement Limited</b></p> <ul style="list-style-type: none"> <li>· Nomination and Remuneration Committee – Chairman</li> <li>· Investment Committee – Chairman</li> <li>· Audit Committee – Chairman</li> <li>· Internal Complaint Committee – Member</li> <li>· Risk Management Committee – Member</li> </ul> <p><b>4. Hindware Home Innovation Limited</b></p> <ul style="list-style-type: none"> <li>· Audit Committee – Member</li> <li>· Nomination and Remuneration Committee – Member</li> <li>· Stakeholders Relationship Committee – Member</li> <li>· Corporate Social Responsibility Committee – Member</li> </ul>	NIL	NIL
No. of Shares held in the Company	100 Equity Shares	1,95,600 Equity Shares	1,61,180 Equity Shares
Remuneration sought to be paid	Sitting fee(s) for attending meetings of the Board or Committees thereof, reimbursement of actual expenses incurred for attending such meetings	Terms and conditions as approved by Shareholders via Postal Ballot dated February 10, 2021	As per Resolution set out in the Item No. 6 of the Notice
Remuneration last drawn	Details of total compensation for FY 2022-23 are given in the Corporate Governance Report	Rs. 1,85,43,000/- paid during FY 2022-23	Rs. 1,94,40,000/- paid during FY 2022-23
Terms & Conditions of a p p o i n t m e n t / r e - a p p o i n t m e n t	Re-appointment in terms of Section 152(6) of the Companies Act, 2013	Terms and conditions as approved by Shareholders via Postal Ballot dated February 10, 2021 and Re-appointment in terms of Section 152(6) of the Companies Act, 2013	Proposed to re-appoint for 3 years at a remuneration and other terms and conditions specified in the Item No. 6 of the Notice
The number of meetings of the Board attended during the year 2022-23.	4 out of 4 Board Meetings	4 out of 4 Board Meetings	4 out of 4 Board Meetings



Brief resume of the director	Mr. Nand Gopal Khaitan is an Attorney-At-Law, Advocate and Notary Public, practicing in the Hon'ble High Court and the Hon'ble Supreme Court of India. Mr. Khaitan is a Senior Partner of Khaitan & Co, one of the oldest (founded as early as 1911) and largest full service law firms in India having its offices in Kolkata, Mumbai, New Delhi and Bangalore. The Firm comprises of 1300 plus lawyers. Mr. Khaitan passed his Attorneyship 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 is a member of Incorporated Law Society of Kolkata and Bar Council of West Bengal. Mr. Khaitan is the President of Indian Council of Arbitration, New Delhi. He is also a Committee Member of FICCI, New Delhi. He is also President of Bharat Chamber of Commerce, a leading Trade Industry Association in Eastern India. He is an Executive Committee Member of Mahadevi Birla World Academy. He was immediate past President of The Agri-Horticultural Society of India. He was the President of the Calcutta Swimming Club and Bengal Rowing Club, two leading Clubs in Kolkata.	A Master of Engineering (ME) in Electrical Engineering & Computer Science, BS (Bachelor in Science) in Management, and BS (Bachelor in Science) in Electrical Engineering Computer Science from MIT (Massachusetts Institute of Technology), USA. He joined organization in the year 2010 and has been instrumental in streamlining the company's manufacturing processes with a specific emphasis on lean ideologies, analytical reasoning and increased flexibility. He has been driving force behind the organization's focus on diversifying into quality-conscious industrial and medical textile markets.	A Bachelor of Science in Chemistry (Honours) from Kolkata University. Mr. Sanjiv Shroff has been the Managing Director of the Company since 1988. His thorough operational expertise, industry insight and uncompromising value system have moulded Reliance Chemotex Industries Ltd. into the widely-respected organisation it is today.
listed entities from which the person has resigned in the past three years	India Power Corporation Limited Chase Bright Steel Limited	Nil	Nil

Note: For other details please refer to the Corporate Governance report which is a part of this Annual Report

By order of the Board  
For Reliance Chemotex Industries Ltd.

**Utkarsh Gaur**  
Company Secretary & Compliance Officer  
Membership No. ACS 60237

Place: Udaipur  
Date: May 26, 2023

Registered Office: Village Kanpur, Post Box No.73, Udaipur, Rajasthan, 313003  
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**RELIANCE CHEMOTEX**  
INDUSTRIES LIMITED

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