



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

RCIL/SEC/18-19/  
Dated:01.10.2018

To,

The General Manager (Listing)  
Bombay Stock Exchange Limited  
24 Pheroze Jeejeebhoy Tower,  
Dalal Street,  
Mumbai-40001

SUBJECT: Submission of Annual Report of Financial Year 2017-18 under  
Regulation 34(1) of SEBI (LODR) REGULATION 2015.

Dear Sir,

With Reference to Regulation 34(1) of SEBI (LODR) REGULATION  
2015 , please find enclosed herewith annual report of Financial Year 2017-  
18 approved and adopted in 40<sup>th</sup> ANNUAL GENERAL MEETING

This information may kindly be treated as Compliance of Regulation 34 (1) of  
SEBI (LODR) Regulation, 2015.

Thanking You

For Reliance Chemotex Industries Limited

(Vimal Tank)  
Company Secretary

**RELIANCE**  
CHEMOTEX INDUSTRIES LIMITED



**FORTIETH ANNUAL REPORT**  
**2017-2018**



S.L. SHROFF - Chairman Emeritus

## BOARD OF DIRECTORS

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

**CHIEF FINANCIAL OFFICER**  
AMAR INDER SINGH JASSAR

**COMPANY SECRETARY**  
VIMAL TANK

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

**SOLICITORS**  
Khaitan & Co., LLP, Kolkata

**AUDITORS**  
JAIN PRAMOD JAIN & CO.  
Chartered Accountants  
New Dehli

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

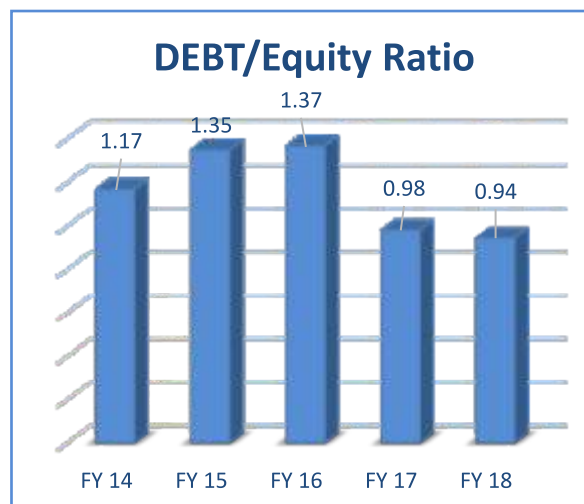
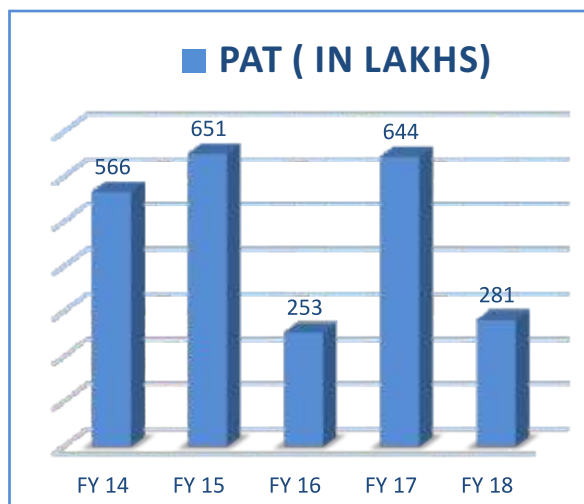
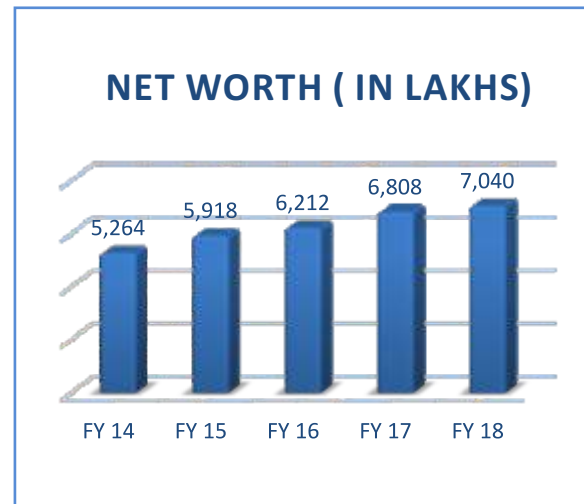
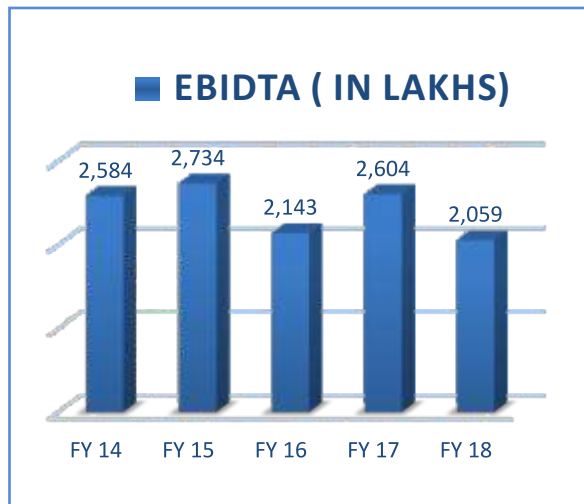
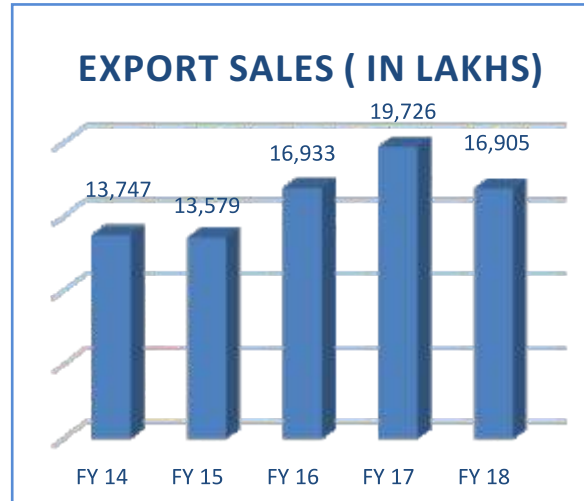
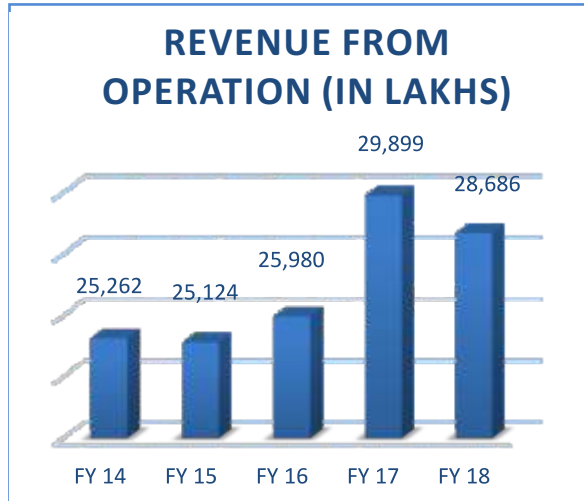
**REGISTRAR & SHARE TRANSFER AGENT**  
Bigshare Services Pvt Ltd, Mumbai

**REGISTERED OFFICE & WORKS**  
Village Kanpur, Udaipur -313 003 (Raj.)

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## FINANCIAL OVERVIEW





## DIRECTOR'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

Your Directors are pleased to present the 40<sup>th</sup> Annual Report on the affairs of the Company along with the Audited Financial Statements for the financial year ended on 31<sup>st</sup> March, 2018.

### FINANCIAL HIGHLIGHTS

The Company's Financial Performance for the year ended 31<sup>st</sup> March, 2018 is summarized below:

(Rs. in Lakh)

Particular	FINANCIAL YEAR 2017-2018		FINANCIAL YEAR 2016-2017	
Revenue from operation including other income		28685.78		29898.68
Earning Before Depreciation Interest and Tax (EBIDTA)		2058.76		2604.49
Less : Depreciation	739.35		736.26	
Less : Finance Cost	1237.94	1977.29	1389.23	2125.49
Profit Before Tax		81.48		479.00
Tax Expenses		(178.29)		(169.00)
Profit After Tax		259.77		648.00
Other Comprehensive Income		21.15		(3.880)
PAT after Other Comprehensive Income		280.92		644.12
Earning Per Shares Basic & Diluted		6.53		16.29

### INDUSTRIAL STRUCTURE AND DEVELOPMENTS

#### Global Economy

According to the World Bank Report, the global economy is experiencing a revival. Global economic growth was 3.7% in 2017, up from 3.1% in 2016. Furthermore, this growth was broad-based with most economies around the world registering increased growth.

#### USA

Growth in the world's largest economy has remained strong in the year under review. The US has registered growth of 2.3% in 2017 compared with 1.6% in 2016. Furthermore, according to IMF forecasts, the US economy is expected to strengthen further with growth in 2018 projected to be 2.9% in 2018 and 2.7% in 2019 on the back of increased government spending, significant tax cuts and a growth in private consumption.

#### Europe

As per the International Monetary Fund (IMF), the European Union (EU) has enjoyed strong growth in 2017 on the back of healthy economic activity across the EU. In 2017, the EU

registered growth of 2.8% compared to 1.6% in 2016. Furthermore, the IMF has estimated growth to be a strong 2.6% in 2018.

#### India

India has experienced a brief economic slowdown in the year under review. After registering strong GDP growth of over 7% for 3 successive years until FY 16-17, the India's GDP slowed to 6.7% in FY 17-18. This can largely be attributed to the lingering impact of demonetization and the temporary disruptions caused by the implementation of the historic Goods and Services Tax (GST).

The year under review has witnessed a number of structural reforms in addition to GST: the resolution of the problems associated with non-performing assets in the banking sector, the recapitalization of national banks, the privatization of coal mines, the emphasis on robust infrastructure development and the improvement in the country's Ease-of-Doing-Business ranking are all expected to provide great impetus to the Indian economy.

#### The Textile Industry in India

India is the second largest exporter of textiles in the world. The textile sector accounts for 10% of India's industrial production and contributes 2% to the country's GDP. The Indian Textile Industry is currently estimated at USD 120 billion and is expected to grow to USD 230 billion by 2020, according to IBEF. Textiles exports in FY 18 stood at USD 37.7 billion, while the export of synthetic yarns, fabrics and made-ups grew by 2% to 4.8 billion.

Furthermore, the technical textile industry in India is estimated at USD 18 billion in FY 18 and is estimated to grow at a CAGR of 13% in the next 5 years. This is expected to be a key growth market in the coming years.

India enjoys an enviable global advantage due to abundant supply of raw materials, heavy investment in world-class manufacturing, continuous innovation, strategic market expansion and a focus on quality.

#### OPERATIONS

India has moved to the GST Regime from 1<sup>st</sup> July, 2017 wherein several taxes were subsumed by GST. The one-time implementation of the GST has led to a downturn in first half of the financial year; however, we have seen domestic demand gain momentum in the second half of the financial year. Keeping in mind the lingering effects of demonetization in the beginning of the current financial year and the downturn in the economy caused by implementation of GST in the month of July 2017, your Company has performed well in the year under review.

The Company's revenue from operations (including other income) stood at Rs. 28685.79 Lakh compared to Rs. 29898.68 Lakh in the previous fiscal. Yarn production stood at 14170 MT compared to 14077 MT in FY17. The operating profit of the company was impacted by a sharp rise in power cost, which increased by 21%





from Rs. 2935.09 Lakh to Rs 3542.14 Lakh. Earnings before Depreciation, Interest and Tax (EBDIT) was Rs. 2058.76 lakhs compared to Rs. 2604.49 lakhs in the previous fiscal.

Your company's continuous focus on value added products and cost rationalization along with its versatile product range will yield results in terms of improved profitability. Your company's competitive edge lies in its unrelenting focus on customer-centricity, consistency and product quality. Consequently, the company is evaluating the need to modernise some of its existing spindles, which will result in savings in power, cost efficiencies and increase in capacity, all of which will enable the company to further enhance its competitive advantage. Furthermore, your company is exploring opportunities to expand its capacity in the coming years. This planned expansion will utilise the company's existing land bank.

#### **FINANCE**

Your company has been in strong financial health during the year under review. During the year, the Company has made repayments of term loans amounting to Rs. 1307.32 Lakh to banks and financial institution and the Company's bankers have readily provided your company with need-based working capital.

Please note that your company has adopted the Indian Accounting Standard (Ind-AS) from April 1<sup>st</sup>, 2017.

#### **RISK & RISK MANAGEMENT**

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

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

#### **OPPORTUNITIES AND THREATS**

The key structural reforms initiated by the government, the rise in consumerism and disposable income, increasing population and increased ease of access are all major growth drivers for the Indian Textile Industry. The influx of global retail chains and the rapid growth of e-commerce in India are also providing incremental opportunities to local manufacturers.

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

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Human resources are the driving force behind any organization and there is no doubt that the company has consistently achieved its business targets due to the hard work, dedication and diligence of its employees. This year is no exception. The employer - employee relations have continued to remain cordial throughout this year. The management of the Company is convinced that the Company's vision can only be achieved by maintaining a high level of organizational vitality. The Company is committed to leveraging its human resource capital to further enhance its competitiveness in the globally challenging business environment.

In the year under review, your Company has focused on improving human resource efficiencies by adopting new and proven technologies. Therefore, we have witnessed a very positive Industrial Relations Scenario across all manufacturing locations for the Automotive and Farm Equipment Sectors. The employee strength at the end of the financial year was 1671. This includes both skilled and unskilled manpower.

#### **DIVIDEND ON EQUITY SHARES**

Your Directors are pleased to recommend a dividend of 10% (i.e. Rs. 1.00/- per Share) on Equity Shares of Rs. 10/- each for the Financial Year ended 31<sup>st</sup> March 2018. If the dividend, as recommended above, is approved by the Members at the Annual General Meeting, the total outflow towards dividend on Equity Shares for the year would be Rs. 47.87 Lakh (including dividend distribution tax).

#### **DIVIDEND ON PREFERENCE SHARES**

Your Directors are pleased to recommend a dividend of 10% (i.e. Rs. 10.00/- per Share) on 10% Cumulative Redeemable Preference shares of Rs. 100/- each for the Financial Year ended 31<sup>st</sup> March 2018. The dividend has to be paid as per the terms of the issue for the year; the total dividend payout will absorb a sum of Rs. 277.73 Lakh (including dividend distribution tax).



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

### **RE-APPOINTMENT OF MR. SANJIV SHROFF AS MANAGING DIRECTOR**

The term of Mr. Sanjiv Shroff, Managing Director of the company got completed on 31<sup>st</sup> August, 2017. He was re-appointed as the Managing Director after obtaining shareholders' approval by the way of Special Resolution at the Previous Annual General Meeting of the company which was held on 28<sup>th</sup> August, 2017.

### **APPOINTMENT OF MR. AMARINDER SINGH JASSAR AS CHIEF FINANCIAL OFFICER**

During the year, Mr. Kiran Firodiya, Chief Financial Officer has resigned from the company w.e.f 16<sup>th</sup> September, 2017 and Mr. Amarinder Singh Jassar, has been appointed as Chief Financial Officer of the Company in the meeting of board of Directors held on 02<sup>nd</sup> December, 2017.

### **PROPOSE RE-APPOINTMENT OF MR. RAHUL SHROFF AS A WHOLE-TIME DIRECTOR**

The term of contract of Mr. Rahul Shroff, Executive Director of the Company is up to 26<sup>th</sup> September, 2018. The Board of Directors on recommendation of Nomination and Remuneration Committee wishes to re-appoint him as a Whole-time Director of the Company designated as Executive Director for a period of three years, with effect from 26<sup>th</sup> September, 2018. The resolution seeking approval of shareholders for the re-appointment of Mr. Rahul Shroff, Executive Director has been incorporated in the notice of Annual General Meeting along with brief detail about him.

### **CONTINUOUS RE-APPOINTMENT OF MR. K.L SONTHALIA AND MR. NARAYAN SHROFF**

According to sub-regulation (1A) of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 inserted by the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018, approval of the Members by way of a Special Resolution is necessary for appointment / continuation of appointment of any Non-Executive Director who has attained the age of 75 (Seventy Five) years. The Board of Directors in its meeting held on 13<sup>th</sup> August, 2018 seeking for continuous appointment of Mr. K.L. Sonthalia and Mr. Narayan Shroff, the Independent Directors of the company, who have attained the age of 75 years, and whose first term of office will get completed on 28<sup>th</sup> September, 2019.

### **PROPOSE RE-APPOINTMENT OF ROTATIONAL DIRECTOR**

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Ram Niwas Sharma (Non-

Executive & Non-Independent Director) is liable to retire by rotation at the ensuing AGM and being eligible have offered himself for re-appointment. The resolution seeking approval of shareholders for the re-appointment of Mr. R.N. Sharma has been incorporated in the notice of ensuing Annual General Meeting.

The Board of Directors recommended the aforementioned appointments/re-appointments of Mr. Rahul Shroff and Mr. R.N Sharma.

The Company has received declarations from all the Independent Directors of the Company confirming that they continue to meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and rules issued thereunder as well as Regulation 16 of Listing Regulations..

Familiarization program has been conducted for Independent Director and the details are given in Corporate Governance Report as **Annexure - 8** and also uploaded on the company's website [www.reliancechemotex.com](http://www.reliancechemotex.com). The web link of the Familiarization program is <http://www.reliancechemotex.com/reports/miscellaneous-reports/Familiarization-program>

### **BOARD EVALUATION**

Pursuant to Provisions of the Companies Act, 2013 read with Rules issued there under and the SEBI (Listing Regulations), 2015 and the guidance note on Performance Evaluation of Board dated 5<sup>th</sup> January, 2017 published by SEBI, structured assessment sheets were finalized in consultation with the board members to evaluate the performance of the Board, Committees of the Board and individual performance of each director including the Chairman. The Board and Nomination and Remuneration Committee reviewed the performance of the Board, Individual Directors and Committees of the Board in the Board meeting held on 17<sup>th</sup> May, 2018.

### **MEETINGS OF BOARD**

The Board of Directors met four times during the year on 27.05.2017, 09.09.2017, 02.12.2017 and 09.02.2018. The frequency and the quorum at these meetings were in conformity with the provisions of the Companies Act, 2013, Secretarial Standard -1 and the SEBI (Listing Regulations). Attendance and other details are given in Corporate Governance Report as **Annexure - 8**. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and SEBI (Listing Regulations), 2015 and Secretarial Standard-1.

### **STATUTORY AUDITORS**

The Board appointed M/s. Jain Pramod Jain & Co, Chartered Accountant, New Delhi (Firm Registration No. 016746N), as the statutory auditors of the Company, for a term of five succeeding years, from the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> August, 2017 till the conclusion of the 44<sup>th</sup> Annual General Meeting to be held in the year 2022, and subject to the approval of shareholders of the Company at every



AGM, based on the recommendation of the Audit Committee was recorded for the same.

In accordance with Section 40 of the Companies Amendment Act, 2017, notified on May 07, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

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

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

There is no reservation, qualification or adverse remark contained in the Auditor's Report attached to Financial Statements of company as at 31<sup>st</sup> March, 2018. The information referred in Auditor's Report of Financial Year 2017-18 is self-explanatory and do not call for any further comments.

#### **COST AUDITORS & COST AUDIT REPORT**

In Board Meeting held on 9<sup>th</sup> September, 2017 M/s HMVN & Associates was appointed as Cost Auditor to undertake the Cost Audit for the Financial Year 2017-18. The Cost Audit Report for the Financial Year 2017-18 was completed and shall be submitted in stipulated time.

M/s. N.N. & Associates, Cost Accountants, New Delhi (FRN: 2322) has been appointed by the Board to conduct the Audit for the Financial Year 2018-19. As required under the Companies Act, 2013 the remuneration payable to the Cost Auditors is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking member's ratification for remuneration payable to M/s. N.N. & Associates, Cost Accountant, New Delhi is included in the Notice of Annual General Meeting.

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

#### **SECRETARIAL AUDITORS & SECRETARIAL AUDIT REPORT**

Pursuant to Provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. V.M & Associates, Practicing Company Secretary (Firm Registration No.: P1984RJ039200), Jaipur to undertake the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report in form MR-3 is included as **Annexure-2** and forms integral part of the Report.

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

The Board of Directors has re-appointed M/s. V.M & Associates, Practicing Company Secretary, Jaipur to conduct the Secretarial Audit for the Financial Year 2018-19.

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

#### **INTERNAL AUDITORS**

Pursuant to Provision of Section 138 of the Companies Act, 2013 read with Companies Accounts Rules) 2014, the Company appointed M/s. Rajeev Amitabh & Co, {FRN: 009942N} Chartered Accountant, New Delhi to undertake the Internal Audit for the Financial Year 2017-18. The Scope of Internal Audit closely monitor by the Audit Committee. The Internal Auditor submits their report on half yearly basis and same has been placed before the Audit Committee along with Management response, if required. Board of Directors in its meeting held on 17<sup>th</sup> May, 2018 has re- appointed M/s. Rajeev Amitabh & Co, Chartered Accountant, New Delhi to conduct the Internal Audit of the Company for the Financial Year 2018-19.

#### **FIXED DEPOSITS**

During the Financial Year 2017-18, your Company has not invited, accepted or renewed any deposits within the meaning of Section 73, 74 and 76 of the Companies Act., 2013 read together with the Companies (Acceptance of Deposit) Rules, 2014 as amended. The borrowing taken from the directors was stated in financial statements Note No. 14.

#### **SHARE CAPITAL**

During the year under review, Forfeiture of 21000 partly paid up shares and conversion of 4200 partly paid up shares into fully paid up was implemented on account of Resolution passed by the Directors on 27<sup>th</sup> March, 2018.

The present capital structure of the company as on 31.03.2018 is as under:

Equity Share Capital	:	Rs. 399.69 Lakh
Preference Share Capital	:	Rs. 2307.50 Lakh

#### **RESERVE**

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

#### **EXTRACT OF ANNUAL RETURN**

The Extract of the Annual Return in Form MGT-9 containing details as on the financial year ended 31<sup>st</sup> March, 2018, as required under Section 92 (3) of the Companies Act, 2013, read with the





Companies (Management and Administration) Rules 2014, is included in the Report as an **Annexure-7**.

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

There were no material changes and commitment affecting the financial position of the Company between the end of the financial year as on 31<sup>st</sup> March, 2018 and date of this report affecting the financial position of the company.

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

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

#### **SUBSIDIARY COMPANY**

During the year, the Company has no Subsidiaries/ associate companies / Joint Venture as on 31<sup>st</sup> March, 2018.

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

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

#### **INTERNAL FINANCIAL CONTROL SYSTEM**

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

#### **REPORT ON CORPORATE GOVERNANCE**

A separate section on Corporate Governance and a certificate from Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchange forms a part of the Annual Report as given in **Annexure-8**.

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

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

The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time. Your Company affirms that no director/employee has been denied to access the Chairman of the Audit Committee and that no complaint was received during the year. Brief details about the policy are given in the Corporate Governance Report.

#### **NOMINATION & REMUNERATION POLICY**

The Board of Directors has framed the policy on Nomination & Remuneration which lays down the framework in relation to remuneration of Directors, Key Managerial Person and Senior Management of the Company. This policy also lays down the criteria for selection and appointment of Board Members. The Nomination & Remuneration policy has been posted on the Company's website <http://www.reliancechemotex.com/investor>.

#### **RELATED PARTY TRANSACTIONS**

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

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

All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited



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

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

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2017-18:

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

**COMMITTEES OF THE BOARD**

The Board of Directors has following committees:

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

The details of committees along with their composition, number of meetings and attendance of the meetings and other details are provided in the Corporate Governance Report in **Annexure-8**.

**CORPORATE SOCIAL RESPONSIBILITY**

In terms of requirements of Section 135 of the Companies Act, 2013 and rules issued there under, the Board of Directors of your company has constituted a CSR Committee comprising of Mr. K.L. Sonthalia, Mr. R.N. Sharma and Mr. Rahul Shroff as members of the committee. This committee is responsible for formulating, implementing and monitoring the CSR Policy of the company. The policy on CSR may be accessed on the Company website at [www.reliancechemotex.com](http://www.reliancechemotex.com).

During the year under review, the company has spent Rs. 12.58 Lakh/- towards CSR activities.

The Report on CSR Activities as required under the Companies Act, 2013 are set out in the **Annexure-4**.

**PARTICULARS OF EMPLOYEES & THEIR DISCLOSURES:**

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

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

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

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) In the preparation of the annual accounts for the year ended March 31, 2018 the applicable accounting standards and schedule III of the Companies Act, 2013 had been followed and there are no material departure from the same;
- (ii) Appropriate accounting policies have been selected and these have been applied consistently and that the judgments and estimates that have been made are reasonable and prudent so as to provide a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 to safeguard the assets of the Company and to prevent or detect fraud and other irregularities;
- (iv) The annual accounts for the year ended 31<sup>st</sup> March, 2018 have been prepared on a going concern basis;
- (v) Robust and detailed Internal Financial Controls to be followed by the Company have been laid down. These controls are adequate and were operating effectively; and
- (vi) The proper system to ensure compliance with the provisions of all applicable law is in place.



#### **CAUTIONARY STATEMENT**

Certain statements in this Board's Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward-looking statements," within the meaning of applicable laws and regulations. Forward-looking statements are identified in this report by using words like "anticipates", "believes", "expects", "intends" and other similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. Some of these risks and uncertainties have been discussed in the section on "Risk Management". The Company takes no responsibility for any consequence of decisions made, based on such statements, and holds no obligation to update these in the future. Market data and information are gathered from various published and unpublished reports. Their accuracy, reliability and completeness cannot be assured.

#### **APPRECIATION & ACKNOWLEDGMENT**

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

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

**Place: Mumbai**  
**Date: 13<sup>th</sup> August, 2018**

(Sanjiv Shroff)  
DIN: 00296008

(Rahul Shroff)  
DIN: 02301693



**Annexure- 1**

**A. Form for disclosure of particulars with respect to conservation of energy 2017-18**

**A. CONSERVATION OF ENERGY**

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

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

- Replacement of 36W conventional Tube Lights with LED tube lights (Unit 1 C, D & E Section and Unit 2A Winding/TFO & Unit 2B)
- Replacement of 28W conventional Tube Lights with LED tube lights (Unit 2A Preparatory and Ring Frame)
- Optimization of Dyeing machine pump speed through VFD (Dyeing M/c No. 6)
- Optimization of Supply Fans speeds in H-Plant through VFD (Unit B Ring Frame)
- Replacement of 4 Nos. Old Spray pumps with new Energy Efficient Pumps in Unit 1 H-Plant.
- Installation of Steam Shut off Valve and Steam Flow meter at Drier No. 2 in Dye House to avoid steam consumption during Drier stoppages.

These measures have also led to reduced impact on environment, reduced maintenance time and cost, and improved productivity.

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

- In Boiler, "Biomass" is being used instead of Petcoke / Coal.
- The company is proposing to install roof top solar power plant.

**3. Total investment on energy conservation Rs. 20,58,988.00**

**B TECHNOLOGY ABSORPTION**

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

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

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

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

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

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

- 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

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

**Capital** : Rs. NIL

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

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

(Rs. in Lakh)

1. Foreign Exchange Earnings	:	16411.23
2. Foreign Exchange outgo	:	1145.86

**Annexure- 2**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2018

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

To,

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 ('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, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)** 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 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. Further, independent director(s) were present at Board Meetings which were called at shorter notice to transact business which were considered urgent by the management in compliance of Section 173(3) of the Act. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period the company has forfeited 21,000 equity shares in pursuance of the above referred laws, rules, regulation, guidelines, standards, etc.

**Place: Jaipur**  
**Date: 13<sup>th</sup> August, 2018**

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

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

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





**Form No. AOC-2**

**Annexure- A'**

**Annexure- 3**

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

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

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

**Place: Jaipur**  
**Date: 13<sup>th</sup> August, 2018**

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

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

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

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

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

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

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

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

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

**PLACE: Mumbai** (Sanjiv Shroff) (Rahul Shroff)  
**DATE: 13<sup>th</sup> August, 2018** Managing Director Executive Director  
DIN: 00296008 DIN: 02301693



**Annexure- 4**

**Corporate Social Responsibility (CSR)**

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

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

RCIL CSR policy is to focus on environmental, Education and health and rural development sector. The CSR policy placed on the website of the company [www.reliancechemotex.com](http://www.reliancechemotex.com)

2. The Composition of the CSR Committee: Mr. K.L Sonthalia, Chairman- Independent Director, Mr. R.N Sharma – Member – Non- Executive Director, Mr. Rahul Shroff –Member- Executive Director.
3. Average net profit of the company for last three financial years: The Average Net Profit of Last Three Years is Rs. 347.13 Lakhs.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): The Company's is required to spent of Rs. 6.94 Lakhs.
5. Details of CSR spent during the financial year:
  - (a) Total amount to be spent for the financial year 2017-18; Rs. 12.43 Lakhs.
  - (b) Amount unspent, if any; : Nil
  - (c) Manner in which the amount spent during the financial year is detailed below.

In accordance with the Company's CSR policy and in compliance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, RCIL has undertaken the

project to prepare the “Anicut” for water harvesting in the local area of Udaipur District under Jal Swalambhan Yojna introduced by the State of Rajasthan. During the year, the Company got the permission from state government and spent 12.58/- lakhs for making “Anicut” in Girwa Block, Udaipur.

(Rs. in Lakhs)

S.No.	CSR Project or Activity Identified	Sector in which the projects is covered	Project or Programmer	Amount outlay	Amount spent on project or programe	Cumulative expenditure upto to the reporting period.	Amount Spent on CSR Activity Director or through agency.
1	Ensuring the Environmental Safety, sustainability, protection	Anicut for water harvesting	Udaipur Rajasthan	12.58/-	12.58/-	12.58/-	Direct

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. : N.A
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**Responsibility Statement:**

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

**Managing Director**

**Chairman of CSR Committee**

**Annexure-5**

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

Sr. no.	Particulars	Disclosure										
1.	The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	<table border="1"> <thead> <tr> <th>Name of Director</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>Mr. Sanjiv Shroff</td> <td>81.87</td> </tr> <tr> <td>Mr. Rahul Shroff</td> <td>71.10</td> </tr> <tr> <td>Mr. Ameya Shroff</td> <td>63.00</td> </tr> </tbody> </table>	Name of Director	Ratio	Mr. Sanjiv Shroff	81.87	Mr. Rahul Shroff	71.10	Mr. Ameya Shroff	63.00		
Name of Director	Ratio											
Mr. Sanjiv Shroff	81.87											
Mr. Rahul Shroff	71.10											
Mr. Ameya Shroff	63.00											
2.	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<table border="1"> <tbody> <tr> <td>Mr. Sanjiv Shroff, MD</td> <td>26%</td> </tr> <tr> <td>Mr. Rahul Shroff, ED</td> <td>18.56%</td> </tr> <tr> <td>Mr. Ameya Shroff, ED</td> <td>19.13%</td> </tr> <tr> <td>Mr. Amarinder Singh Jassar, CFO</td> <td>Nil</td> </tr> <tr> <td>Mr. Vimal Tank, CS</td> <td>43.22%</td> </tr> </tbody> </table> <p>Mr. Amarinder Singh Jassar has been appointed as CFO W.e.f from 2<sup>nd</sup> December, 2017</p>	Mr. Sanjiv Shroff, MD	26%	Mr. Rahul Shroff, ED	18.56%	Mr. Ameya Shroff, ED	19.13%	Mr. Amarinder Singh Jassar, CFO	Nil	Mr. Vimal Tank, CS	43.22%
Mr. Sanjiv Shroff, MD	26%											
Mr. Rahul Shroff, ED	18.56%											
Mr. Ameya Shroff, ED	19.13%											
Mr. Amarinder Singh Jassar, CFO	Nil											
Mr. Vimal Tank, CS	43.22%											



3.	the percentage increase in the median remuneration of employees in the financial year;	During the Financial Year 2018, the percentage increase in the median remuneration of the employees as compared to previous year 6.7% (approx.)
4.	the number of permanent employees on the rolls of company;	1671
5.	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Increase in the remuneration of Employee & Worker around 15% average. Taking into account the turnover of the company and responsibilities of the directors, the increasing remuneration of MD/ED decided on the basis of performance, inflation and prevailing industry trend and benchmarks, which is in accordance of peer industry.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, It is confirmed.

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

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

**Annexure-6**

Name	Designation	Remuneration	Qualification	Experience	Joining Date	Age	Last Employment
Mr. Sanjiv Shroff	Managing Director	8,187,160/-	Science Graduate	30 Years	01-09-88	58 Years	-
Mr. Rahul Shroff	Executive Director	7,111,410/-	Master in Engineering in Electrical and Computer Science	9 Years	28-07-08	31 Years	-
Mr. Ameya Shroff	Executive Director	6,349,400/-	Master in Engineering in Electrical and Computer Science	5 Years	29-06-13	29 Years	-
Mr. Kiran Firodia	Chief Financial Officer	2,523,036/-	Chartered Accountant	18 Years	01-12-16	44 Years	Omkar & Kargwal Group
Mr. Azad Singh Arya	President	4,217,100/-	B.Tech	37 Years	24-07-15	64 Years	Spintex Industries Ltd.
Mr. Anil Majumdar	Vice President Engineering	1,805,760/-	Diploma In Electrical	36 Years	30-09-15	56 Years	Gimatex Industries Ltd.
Mr. S.S. Saxena	Vice President Personnel	2,053,740/-	Master in Social Works	36 Years	26-05-14	61 Years	Birla Textile Mills Ltd.
Mr. Amarinder Singh Jassar	Chief Financial Officer	1,779,482/-	Chartered Accountant	30 Years	02-12-17	50 Years	Oswal Woolens Mills Ltd.
Mr. Ashok Shrivastav	Vice President Marketing	1,983,164/-	BSC Hon. M.B.A.	22 Years	27-12-16	46 Years	Pratibha Sintex Ltd.
Mr. Vibhor Gupta	Asst. Vice President HR	1,962,100/-	M.B.A.	15 Years	03-05-17	44 Years	Mewar Politech Ltd.



**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31<sup>st</sup> March, 2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION AND OTHER DETAILS:**

1	CIN	L40102RJ1977PLC001994
2	Registration Date	23.08.1977
3	Name of the Company	RELIANCE CHEMOTEX INDUSTRIES LIMITED
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON-GOVERNMENT COMPANY
5	Address of the Registered office & contact details	Village Kanpur, Post Box No. 73, Udaipur (Rajasthan)-313001, India Contact : 0294-2490488 Email : cs@reliancechemotex.com, Website : www.reliancechemotex.com
6	Whether listed company	Yes
7	Name, Address & contact details of the	Big Shares Services Private Limited, Bharat Tin works Building, 1st Floor, Opposite Vasant Oasis, next to Keys Hotel Marol Maroshi Road, Andheri East, Mumbai – 400059, Tel- 022-62638200/210 Emailid : Investors@bigsharesonline.com

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

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

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

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

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	854500	-	854500	21.35%	854500	-	854500	21.47%	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1153179	-	1153179	28.82%	1153179	-	1153179	28.97%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>2007679</b>	<b>-</b>	<b>2007679</b>	<b>50.17%</b>	<b>2007679</b>	<b>-</b>	<b>2007679</b>	<b>50.43%</b>	<b>-</b>



<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bank/FI									
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL (A) (A1+A2)</b>	<b>2007679</b>	-	<b>2007679</b>	<b>50.17%</b>	<b>2007679</b>	-	<b>2007679</b>	<b>50.43%</b>	-
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	150	150	-	-	150	150	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	<b>150</b>	<b>150</b>		-	<b>150</b>	<b>150</b>	-	-
<b>2. Non-Institutions</b>									-
a) Bodies Corp.									-
i) Indian	152806	7200	160006	4.00%	151370	700	152070	3.82%	4.96%
ii) Overseas-				-			-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	734772	-	734772	18.36%	641810	282928	924738	23.23%	25.85%
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	621753	421259	1043012	26.06%	701518	-	701518	17.62%	32.74%
c) Others (specify)	-	-	-	-	-	-	-	-	--
Non Resident Indians	40850	12901	53751	1.34%	21192	30800	51992	1.31%	
Overseas Corporate Bodies									
Foreign Nationals	200	-	200	-	-	-	-	-	-
Clearing Members	980	-	980	0.02%	8756	-	8756	0.22%	793.47%
Trusts									
Director or Director Relative	1000	-	1000	0.02%	1000	-	1000	0.03%	-
IEPF AUTHORITY	-	300	300	0.01%	-	300	300	0.01%	-
<b>Sub-total (B)(2):-</b>	<b>1552361</b>	<b>441660</b>	<b>1994021</b>	<b>49.83%</b>	<b>1658293</b>	<b>314728</b>	<b>1973021</b>	<b>49.56%</b>	<b>-1.05%</b>
<b>Total Public (B1+B2)</b>	<b>1552361</b>	<b>441810</b>	<b>1994171</b>	<b>49.83%</b>	<b>1658443</b>	<b>314728</b>	<b>1973171</b>	<b>49.57%</b>	<b>-1.05%</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>3560040</b>	<b>441810</b>	<b>4001850</b>	<b>100.00%</b>	<b>3666122</b>	<b>314728</b>	<b>3980850</b>	<b>100.00%</b>	<b>-0.52%</b>





**(ii) Share holding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 1.04.2017			Shareholding at the end of the year 31.03.2018			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Modern Fibotex India Limited	783179	19.57%	-	783179	19.67%	-	0.00%
2	Mr. Shankar Lal Shroff	195650	4.89%	100%	195650	4.91%	100%	0.00%
3	M/s. A.S Chemotex Private Limited	190000	4.75%	-	190000	4.77%	-	0.00%
4	M/s. Sunrise Producers Private Limited	180000	4.50%	-	180000	4.52%	-	0.00%
5	Smt. Bimla Devi Shroff	157800	3.94%	100%	157800	3.96%	100%	0.00%
6	Smt. Dipika Shroff	231150	5.78%	100%	231150	5.81%	64.53%	0.00%
7	Mr. Sanjiv Shroff	145800	3.64%	100%	145800	3.66%	57.48%	0.00%
8	Mr. Ameya Shroff	124000	3.10%	-	124000	3.11%	-	0.00%
9	Mr. Nand Gopal Khaitan	100	0.00%	-	100	0.00%	-	0.00%
	<b>Total</b>	<b>2007679</b>	<b>50.19%</b>	<b>-</b>	<b>2007679</b>	<b>50.43%</b>	<b>-</b>	<b>0.00%</b>

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

Sr. No	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
			No. of shares	% of total shares of	No. of shares	% of total shares of
	<b>At the beginning of the year</b>	<b>01.04.2017</b>	<b>2007679</b>	<b>50.17%</b>	<b>2007679</b>	<b>50.43%</b>
	<b>Changes during the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>THERE IS NO CHANGE IN THE HOLDING OF PROMTER GROUP</b>						
	<b>At the end of the year</b>	<b>31.03.2018</b>	<b>2007679</b>	<b>50.17%</b>	<b>2007679</b>	<b>50.43%</b>

\* During the year the Company has forfeited the 21000 Partly paid up Equity shares of Rs. 10/- each, Due to this slight change in % of holding of promtoer group.

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

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

Sr. No.	For each of the Top 10 shareholders*	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>INDU BHANDARI</b> At the beginning of the year Changes during the year At the end of the year	01.04.2017 - 31.03.2018		175005 - 175005	4.37% - 4.37%	175005 175005 175005	4.40% 4.40% 4.40%



2	<b>RAJESH AGARWAL</b>						
	At the beginning of the year	01.04.2017		153746	3.84%	153746	3.86%
	Changes during the year	07.07.2017	Transfer	(10000)	-0.25%	143746	3.59%
		19.01.2018	Transfer	(5000)	-0.12%	138746	3.47%
	At the end of the year	26.01.2018	Transfer	(5000)	-0.12%	133246	3.35%
		31.03.2018		133246	3.35%	133246	3.35%
3	<b>IEPF AUTHORITY</b>						
	At the beginning of the year	01.04.2017		-	-	132647	3.33%
	Changes during the year	30.11.2018	Transfer	132647	3.31%	132647	3.33%
At the end of the year	31.03.2018		132647	3.31%	132647	3.33%	
4	<b>MUSKESH CHOURADIYA</b>						
	At the beginning of the year	01.04.2017		62737	1.57%	62737	1.58%
	Changes during the year	26.01.2018	Transfer	(11000)	-0.27%	51737	1.30%
At the end of the year	31.03.2018		51737	1.29%	51737	1.30%	
5	<b>SANGEETHA S</b>						
	At the beginning of the year	01.04.2017		61090	1.53%	61090	1.53%
	Changes during the year				0.00%	61090	1.53%
At the end of the year	31.03.2018		61090	1.53%	61090	1.53%	
6	<b>MILI CONSULTANTS &amp; INVESTMENT PVT. LTD.</b>						
	At the beginning of the year	01.04.2017		40059	1.00%	40059	1.01%
	Changes during the year	12.05.2017	Transfer	75	0.00%	40134	1.00%
		07.07.2017	Transfer	(1901)	-0.05%	38233	0.96%
		14.07.2017	Transfer	(2000)	-0.05%	36233	0.91%
	At the end of the year	26.01.2018	Transfer	(1000)	-0.02%	35233	0.88%
	31.03.2018		35233	0.89%	35233	0.89%	
7	<b>BHARAT JAMAN DAS DATTANI</b>						
	At the beginning of the year	01.04.2017		59810	1.49%	59810	1.50%
	Changes during the year	28.07.2017	Transfer	(15000)	-0.37%	44810	1.13%
At the end of the year	31.03.2018		44810	1.12%	44810	1.13%	
8	<b>KUSHAL JAYESH KHANDWALA</b>						
	At the beginning of the year	01.04.2017		-	0.00%	-	0.00%
	Changes during the year	10.11.2017	Transfer	21000	0.52%	21,000	0.52%
		24.11.2017	Transfer	4978	0.12%	25,978	0.65%
		08.12.2017	Transfer	540	0.01%	26,518	0.66%
		29.12.2017	Transfer	676	0.00%	27,194	0.68%
		12.01.2018	Transfer	1543	0.04%	28,737	0.72%
		19.01.2018	Transfer	11141	0.28%	39,878	0.00%
		26.01.2018	Transfer	1000	0.02%	40,878	1.02%
		02.02.2018	Transfer	1	0.00%	40,879	1.02%
	At the end of the year	31.03.2018		40879	1.03%	40879	1.03%
9	<b>BHARATI BHARAT DATTANI</b>						
	At the beginning of the year	01.04.2017		54311	1.36%	54311	1.36%
	Changes during the year	02.06.2017	Transfer	1442	0.04%	55753	1.40%
		09.06.2017	Transfer	1619	0.04%	57372	1.44%
		16.06.2017	Transfer	204	0.01%	57576	1.45%
		30.06.2017	Transfer	300	0.01%	57876	1.45%
		18.08.2017	Transfer	7534	0.19%	65410	1.64%
		22.09.2017	Transfer	880	0.02%	66290	1.67%
		19.01.2018	Transfer	5000	0.12%	71290	1.79%
		26.01.2018	Transfer	10	0.00%	71300	1.79%
	At the end of the year	31.03.2018		71300	1.79%	71300	1.79%



10	<b>BHARATJAMNADAS</b> At the beginning of the year Changes during the year At the end of the year	01.04.2017 31.03.2018		24892 - 24892	0.62% 0.00% 0.62%	24892 24892 24892	0.63% 0.63% 0.63%
11	<b>RAI INVESTMENTS LTD.</b> At the beginning of the year Changes during the year At the end of the year	01.04.2017 15.09.2017 31.10.2017 03.11.2017 17.11.2017 31.03.2018	Transfer Transfer Transfer Transfer	18799 4836 450 6000 8296 38381	0.47% 0.12% 0.01% 0.15% 0.21% 0.96%	18799 23635 24085 30085 38381 38381	0.47% 0.59% 0.60% 0.75% 0.96% 0.96%
12	<b>SUSHILA BEN MEHTA</b> At the beginning of the year Changes during the year At the end of the year	01.04.2017 31.10.2017 03.11.2017 08.12.2017 19.01.2018 31.03.2018	Transfer Transfer Transfer Transfer	62500 (27025) (15241) (180) (10054) 10000	1.56% -0.68% -0.38% 0.00% -0.25% 0.25%	62500 35475 20234 20054 10000 10000	1.57% 0.89% 0.51% 0.50% 0.25% 0.25%
13	<b>SATNAM SINGH AHUJA</b> At the beginning of the year Changes during the year At the end of the year	01.04.2017 31.03.2018		49400 (49400) -	1.23% -1.23% 0.00%	49400 - -	1.24% - -

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Sanjiv Shroff</b> At the beginning of the year Changes during the year At the end of the year	01.04.2017 31.03.2018		145800 - 145800	3.64% 0.00% 3.64%	145800 145800 145800	3.66% 3.66% 3.66%
2	<b>Rahul Shroff</b> At the beginning of the year Changes during the year At the end of the year	01.04.2017 31.03.2018		- - -	- - -	- - -	- - -
3	<b>Ameya Shroff</b> At the beginning of the year Changes during the year At the end of the year	01.04.2017 31.03.2018		124000 - 124000	3.10% 0.00% 3.10%	124000 124000 124000	3.11% 3.11% 3.11%
4	<b>N.G Khaitan</b> At the beginning of the year Changes during the year At the end of the year	01.04.2017 31.03.2018		100 - 100	0.00% 0.00% 0.00%	100 100 100	0.00% 0.00% 0.00%

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



Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
5	<b>R.N Sharma</b>						
	At the beginning of the year	01.04.2017		50	0.00%	50	0.00%
	Changes during the year			-	0.00%	50	0.00%
	At the end of the year	31.03.2018		50	0.00%	50	0.00%
6	<b>Dipika Shroff</b>						
	At the beginning of the year	01.04.2017		231150	5.78%	231150	5.81%
	Changes during the year			-	0.00%	231150	5.81%
	At the end of the year	31.03.2018		231150	5.78%	231150	5.81%
7	<b>K.L Sonthalia</b>						
	At the beginning of the year	01.04.2017		200	0.00%	200	0.01%
	Changes during the year		-		0.00%	200	0.01%
	At the end of the year	31.03.2018		200	0.00%	200	0.01%
8	<b>Ramadoss Srinivasan</b>						
	At the beginning of the year	01.04.2017		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2018		-	-	-	-
9	<b>Narayan Shroff</b>						
	At the beginning of the year	01.04.2017		50	0.00%	50	0.00%
	Changes during the year			-	0.00%	50	0.00%
	At the end of the year	31.03.2018		50	0.00%	50	0.00%
10	<b>Amarinder Singh Jassar</b>						
	At the beginning of the year	01.04.2017		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2018		-	-	-	-
11	<b>Vimal Tank</b>						
	At the beginning of the year	01.04.2017		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2018		-	-	-	-



**(vi) INDEBTEDNESS**

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

(Rs. In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I Principal Amount	6151.53	1004.50		7156.03
ii) Interest due but not paid		36.58		36.58
iii) Interest accrued but not due	30.58			30.58
<b>Total (i+ii+iii)</b>	<b>6182.11</b>	<b>1041.08</b>	<b>-</b>	<b>7223.19</b>
Change in Indebtedness during the financial year				
* Addition		213.62		213.62
* Reduction	292.72			292.72
<b>Net Change</b>	<b>292.72</b>	<b>213.62</b>		<b>(79.10)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	5867.50	1213.00		7080.50
ii) Interest due but not paid		41.70		41.70
iii) Interest accrued but not due	21.89			21.89
<b>Total (i+ii+iii)</b>	<b>5889.39</b>	<b>1254.70</b>		<b>7144.09</b>

\* Indebtedness excluding preference shares.

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

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

Sr. No	Particular of Remuneration	Name of MD/ED & WTD			Total Amount
		Sanjiv Shroff (Managing Director & CEO)	Rahul Shroff (Executive Director)	Ameya Shroff (Executive Director)	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.00	37.80	33.00	118.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28.11	28.77	26.53	83.42
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as% of profit - Others, specify...	-	-	-	-
5.	Others, (Retirement Benefit)	5.76	4.53	3.96	14.25
6.	<b>Total(A)</b>	<b>81.87</b>	<b>71.11</b>	<b>63.49</b>	<b>216.47</b>
	Ceiling as per the Act	Ceiling on Managerial Remuneration as provided in section 197 of the Companies Act, 2013 is not applicable, the Managerial Remuneration as per Schedule V of the Companies Act 2013			





**B. Remuneration to other directors**

	Particulars of Remuneration	Name of Directors						Total (Rs/Lac)
		R.N.Sharma	Ramadoss Srinivasan	K.L. Sonthalia	Narayan Shroff	N.G Khaitan	Dipika Shroff	
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify	-	0.31	0.71	0.33	-	-	1.35
	Total(1)	-	0.31	0.71	0.33	-	-	1.35
2	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	0.26	-	-	-	0.60	0.40	1.26
	Total (2)	0.26	-	-	-	0.60	0.40	1.26
	Total(B)=(1+2)	0.26	0.31	0.71	0.33	0.60	0.40	2.61
	Total Managerial Remuneration							219.09
	Overall Ceiling as per the Act	Ceiling on Managerial Remuneration as provided in Section 197 of the Companies Act,2013 is not applicable, since the company has inadequate profit in terms of Section 198 of the act						

**C. Remuneration to Key Managerial Persons**

S.No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		KIRAN FIRODIYA	AMAR INDER SINGH JASSAR	Vimal Tank	
	Name				
	Designation	CFO - UPTO 16.09.2017	CFO FROM 01.12.2017	CS	
1	Gross salary	-	-	-	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25.23	17.79	9.73	52.75
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	0.25	0.25
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	0.94
	<b>Total</b>	<b>25.23</b>	<b>17.79</b>	<b>9.98</b>	<b>53.00</b>



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

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

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

Place: Mumbai  
 Date: 13<sup>th</sup> August, 2018

(Sanjiv Shroff)  
 DIN: 00296008

(Rahul Shroff)  
 DIN: 02301693



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

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE.

The company firmly believes in following the best standards of business practices and ethics to conduct its operations and follows the principle of transparency, integrity, accountability and equity while dealing with its shareholders, lenders, employees, government, other stakeholders and society at large. The Company's philosophy on Corporate Governance is in line with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (here in after called as Listing Regulation). The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

The Company's Governance framework is based on the following principles:

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

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

### 2. BOARD OF DIRECTORS

#### a) Composition of the Board

The composition of Board of Directors of the company is in conformity with the requirements of Regulation 17 of SEBI Listing Regulation and Companies Act, 2013. The Board is broad-based and consists of eminent personalities from Industrial, Managerial, Technical, Financial and Marketing backgrounds. The Company is managed by the Board of Directors in co-ordination with the Senior Management Team. The composition and strength of the Board was 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, 2018, the Board comprised of 9 Directors out of which three are Executive Directors, three are Independent Directors and three are Non-Executive Directors.

The Chairman of the Board is an Independent- Non-Executive Director. All the Independent Directors satisfy the criteria of independence as defined under the Companies Act, 2013 and the Listing Regulation.

**Board Independence:** The Non-Executive Independent Directors fulfill the conditions of Independence specified in Section 149 of the Companies Act, 2013 and Regulation 16 (b) of Listing Regulation. Format of Letter of Appointment of Independent Directors is uploaded on the website of the company <http://www.reliancechemotex.com/investor>. None of the Independent Directors of the company serve as Independent Directors in more than seven listed companies and none of the Whole time director of any listed company serve as Independent Director in more than three listed companies in accordance with Regulation 25(1) of SEBI (Listing Regulations).

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

Four Board Meetings were held during the Financial Year 2017-2018 at the following dates: 27.05.2017, 09.09.2017, 02.12.2017, 09.02.2018 respectively. The maximum time gap between any two consecutive meetings was less than one hundred and twenty days as prescribed in the SEBI (Listing Obligations and Disclosure Requirement) Regulation 2015 and the Companies Act, 2013 read with Secretarial Standard 1 on Board Meetings. The attendance at the Board Meetings during the year, at the last Annual General Meeting and other details regarding other Directorship in other listed Companies etc. are as follows:



Name of Director & DIN	Category of Director	No. of B.M attended	Last AGM attended	No. of other Directorship and committee Member/ Chairmanship			Relationship Director inter- se	Shares held	
				Other Directorship	Committee Membership	Committee Chairmanship		Equity	Preference
Mr. Ramadoss Srinivasan <b>Chairman</b> DIN : 00235831	Independent Director	2	No	-	-	-		-	-
Mr. Sanjiv Shroff <b>(Managing Director)</b> DIN00296008	Promoter/ Managing Director	4	Yes	-	-	-	Related to Mr. S.L Shroff, Mr. Rahul Shroff, Mr. Ameya Shroff, Smt Dipika Shroff & Mr. N.G Khaitan	145800	115000
Mr. N.G.Khaitan DIN: 00020588	Promoter/ Non -Executive Director	4	Yes	6	3	3	Related to Mr. S.L Shroff, Mr. Sanjiv Shroff, Mr. Rahul Shroff, Mr. Ameya Shroff & Smt. Dipika Shroff	100	-
Mr. K.L. Sonthalia DIN: 00899958	Independent Director	4	Yes	1	2	-	-	200	-
Mr. Narayan Shroff DIN: 05207412	Independent Director	2	No	-	-	-	-	50	-
Mr. R.N. Sharma DIN: 00368947	Non-Executive Director	2	No	-	-	-	-	50	-
Mr. Rahul Shroff <b>(Executive Director)</b> DIN: 02301693	Promoter/ Executive Director	4	Yes	-	-	-	Related to Mr. S.L Shroff, Mr. Sanjiv Shroff, Mr. Ameya Shroff, Smt Dipika Shroff & Mr. N.G Khaitan	-	40000
Mr. Ameya Shroff <b>(Executive Director)</b> DIN: 05315616	Promoter/ Executive Director	4	Yes	-	-	-	Related to Mr. S.L Shroff, Mr. Sanjiv Shroff, Mr. Rahul Shroff, Smt Dipika Shroff & Mr. N.G Khaitan	124000	-
Smt. Dipika Shroff <b>(Director)</b> DIN: 00226941	Promoter/ Non -Executive Director	4	No	-	-	-	Related to Mr. S.L Shroff, Mr. Sanjiv Shroff, Mr. Rahul Shroff, Mr. Ameya Shroff & Mr. N.G Khaitan	231150	-

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



this Annual General Meeting and is eligible for re-appointment.

- Mr. K.L.Sonthalia & Mr. Narayan Shroff, Independent Directors, whose term of office will get completed on 28.09.2019, are proposed for continuous appointment at the ensuing Annual General Meeting.
- The Board of Directors in its meeting held on 13<sup>th</sup> August, 2018 proposed the re-appointment of Mr. Rahul Shroff, Executive Director for a period of three years w.e.f. 26.09.2018.

**Familiarization Programme for Independent Directors:** To familiarize a new independent director with the company, an information kit containing documents about the company - such as its Annual Reports, Investor Presentations, Recent Press Releases, and code of conduct of Directors and the memorandum and articles of association is provided. The new independent director individually meets with board members and senior management. Visits to plants are organized for the director. The Managing Director also has one on one discussion with the newly appointed directors to familiarize with the company and its operations. The company has put the Familiarization programme on the website of the company [www.reliancechemotex.com](http://www.reliancechemotex.com). The weblink of Familiarization program is <http://reliancechemotex.com/wp-content/uploads/2017/07/Familarisation-programme-Training-Hours.pdf>

#### **Code of Conduct**

In tune with the corporate philosophy stated in the preceding paragraph, the Board of Directors of the Company has laid down a Code of Conduct for the entire Board Members and Senior Management of the Company. Additionally, all Independent Directors are bound by duties of Independent Directors as set out in the Companies Act, 2013 read with schedule IV and rules there under. The Code of Conduct is displayed at Company's website [www.reliancechemotex.com](http://www.reliancechemotex.com) under the head "Code of Conduct". The weblink for the Code of Conduct is <http://www.reliancechemotex.com/investor>. All Board members and senior management personnel (as per Regulation 26 (3) of the Listing Regulations) have affirmed the compliance with the applicable Code of Conduct. A declaration to this effect, signed by the Managing Director & CEO forms a part of this Report.

#### **CODE FOR PREVENTION OF INSIDER TRADING**

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code of Conduct for Fair disclosure of unpublished price sensitive information and Regulating, Monitoring and Reporting of Trading by Insiders to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. The trading window is closed during the time of declaration of results and occurrence of any material event as per the code, as decided by the Compliance Officer. The Board of Directors had appointed Mr. Vimal Tank, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The code is displayed on the Company's website viz. [www.reliancechemotex.com](http://www.reliancechemotex.com).

#### **COMMITTEES OF THE BOARD**

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the company and need a closer review. The Board Committees are framed with the approval of Board and function in the respective areas. The Board Committees play a vital role in the management of day to day affairs and governance of the company. The Board of Directors has Constituted 5 Committees of the Directors with adequate delegation of powers to discharge urgent business of the Company. These Committees are:

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





### 3. AUDIT COMMITTEE

#### Composition

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

#### Meeting and Attendance:

The Audit Committee met four times during the Financial Year 2017-18. The Maximum gap between two meetings was not more than 120 days. The committee met on 27.05.2017, 09.09.2017, 02.12.2017 and 09.02.2018. Mr. K.L.Sonthalia, Chairman of Audit Committee was present in the Annual General Meeting held on 28<sup>th</sup> August, 2017. The Attendance of the members of the committee is as follows:

Name of Member	Nature of Membership / Category	No.of Meetingsheld during Tenure	Number of Meetings attended
Mr. K.L.Sonthalia Chairman	Independent Non-Executive	4	4
Mr. Ramadoss Srinivasn Member	Independent Non-Executive	4	2
Mr. Narayan Shroff Member	Independent Non-Executive	4	2
Mr. N.G. Khaitan Member	Non-Executive	4	4

#### Internal Control

The Company has appointed a Firm of Chartered Accountants as Internal Auditors to review and report on the Internal Control Systems of the Company. The Company has also laid down the Internal Financial Control System which was also reviewed by the Audit Committee. The Statutory Auditor of the Company has submitted their report on Internal Financial Control for the F.Y. ended on 31<sup>st</sup> March, 2018. The Internal Auditor reviewed the Internal Control System and report of the Internal Auditors is reviewed by the Audit Committee.

#### Terms of reference

Audit Committee was constituted in terms of reference as contained in the provision of Regulation 18 of Listing Regulation and comply with the provisions of Section 177 (1) of Companies Act, 2013.

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report as per the terms of clause (c) of sub-section 3 of section 134 of the Act.



- Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit finding.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualification in the draft audit report.
- Reviewing, with the management, the quarterly/half yearly financial statements before submission to the board for approval;
  - Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - Review and monitor the auditors' independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the Company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Examination of the financial statement and the auditors' report thereon;
  - Valuation of undertakings or assets of the company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
  - Approval and appointment of Chief Financial Officer.
  - Formulating in consultation with Internal Auditor the Scope, functioning, periodicity, and mythology of conducting audit.
  - Management Discussion and Analysis of Financial Condition and results of operations.
  - Statement of Significant Related Party Transactions, submitted by the Management.
  - Management letter/letter of Internal Control Weakness issued by Statutory Auditor.
  - Internal Audit Report related to Internal Control Weakness.
  - Statement of deviation as per Regulation 32 of SEBI (LODR) Regulation, 2015.

#### 4) NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises with 4 Non-Executive Directors and Mr. K.L.Sonthalia, is the Chairman of the Committee. Nomination Remuneration Committee recommended the approval of the remuneration payable to the managerial persons with reference to provisions of Schedule V of the Companies Act, 2013. The Committee met three times during the F.Y 2017-18 on 27.05.2017, 09.09.2017 & 02.12.2017. The composition of Nomination and Remuneration Committee of the Board of Directors of the Company along with details of meeting held and attended by the members of the committee during the Financial Year 2017-18 is detailed below:

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

- Mr. Vimal Tank, Company Secretary is officiated as Secretary of the Committee. The Chairman of the Committee was present in the Annual General Meeting.



## TERMS OF REFERENCE

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

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Senior Management (one level below the Board of Directors);
- To help in determining the appropriate size, diversity and composition of the Board;
- To recommend to the Board appointment/re-appointment and removal of Directors;
- To frame criteria for determining qualifications, positive attributes and independence of Directors;
- To recommend to the Board remuneration payable to the Directors (while fixing the remuneration of executive Directors the restrictions Contained in the Companies Act, 2013 are to be considered)
- To create an evaluation framework for the Independent Directors;
- To provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- To assist in developing a succession plan for the Board;
- To assist the Board in fulfilling the responsibilities entrusted from time to time; and

## 5. Remuneration Policy:

As recommended by Nomination & Remuneration Committee, the Board has adopted a Remuneration Policy for Directors, KMP and other employees. The company pays remuneration by the way of salary, benefits, perquisites and allowances to it's Managing Director and Executive Directors. The non-executive directors are paid remuneration by way of sitting fees for the meetings plus travelling and other expenses for attending meetings. The Non-Executive Directors do not have any material pecuniary relationship or transaction with the Company. The total Sitting Fees paid during the year was Rs. 261000/- as follow :-

Name of Director	Sitting fee for (Amount in Rs.)	
	Board Meeting	Committee Meeting
Mr. N.G. Khaitan	40000	20000
Mr. K.L. Sonthalia	40000	30500
Mr. Ramadoss Srinivasan	20000	11500
Mr. R.N Sharma	20000	6000
Mr. Narayan Shroff	20000	13000
Smt. Dipika Shroff	40000	-

The remuneration paid to the Managing Director and Executive Directors during the Financial Year 2017-18 including details of Service contract, Notice period and Severance Fees is mentioned below:

Name of Executive Directors	Basic Salary	Ex-gratia	Allowances	Contribution to P.F	Total	Service Contract (Years)	Period	Notice Period and Severance Fees
Mr. Sanjiv Shroff	48,00,000	7,20,000	20,91,160	5,76,000	81,87,160	3	1.09.2017 to 31.08.2020	6 Month Notice & 3 Month Salary in lieu thereof
Mr. Rahul Shroff	37,80,000	6,36,000	22,41,810	4,53,600	71,11,410	3	26.09.2015 to 25.09.2018	6 Month Notice & 3 Month Salary in lieu thereof
Mr. Ameya Shroff	33,00,000	5,40,000	21,13,400	3,96,000	63,49,400	3	1.08.2016 to 31.07.2019	6 Month Notice & 3 Month Salary in lieu thereof



## Performance Evaluation

Pursuant to the provision of Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has adopted a Formal Evaluation Mechanism for evaluating the performance of the Board, Committees thereof, individual directors and the Chairman of the Board. The evaluation is based on structured questionnaire which is prepared in consultation with the Directors. The questionnaire involves criteria which includes attendance and preparedness for the meetings, contribution at the meetings, effective decision making ability, role of the committees and other related criteria's.

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

1. Time & level of Participation
2. Contribution in the implementation of good corporate governance.
3. Information and expertise in their respective domains.
4. Managing Relationships.
5. Performance of Duties and level of oversight
6. Professional conduct and independent judgment.
7. Maintain Confidentially.
8. Aware about roles and duties of Directors
9. Updated with latest Development in the Corporate Sector.

## 6) STAKEHOLDERS RELATIONSHIP COMMITTEE

### (i) Composition of Stakeholders Relationship Committee

The Composition of Stakeholders Relationship Committee is in compliance with provision of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Committee comprises of 2 (Two) Non-executive Directors Mr. K.L Sonthalia, Mr. R.N Sharma and 1 (one) executive director viz. Mr. Sanjiv Shroff, Managing Director. Mr. K.L Sonthalia, Independent Director is the Chairman of the Committee. Mr. Vimal Tank, Company Secretary is the Secretary of the Committee and Compliance officer of the Company. The Committee met four times during the year on 27.05.2017, 09.09.2017, 02.12.2017 and 09.02.2018 and the attendance of the members at the meeting is as follows:

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

### (ii) Terms of reference

The committee is constituted to specifically look into the redressal of grievances of shareholders, debenture holders and other security holders including complaints regarding transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

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



The Company Secretary obtains half-yearly certificate from a Company Secretary in practice under Regulation 40 (9) of the listing regulation, confirming the issue of certificates for transfer, transmission etc. and submits a copy thereof to the Stock Exchange in terms of Regulation 40 (10) of Listing Regulations. Further, a compliance certificate under Regulation 7 (3) of the Listing Regulations, confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with Securities and Exchange Board of India is also filed with the Stock Exchanges on a half-yearly basis.

In accordance with Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996 and SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated 31<sup>st</sup> December, 2002, a qualified Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital. The audit report confirms that the total no. of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

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

The Company has received 4 letters/complaints from Investors which have been resolved during the year. There was one complaint remaining unresolved as on 31<sup>st</sup> March, 2018 which has been resolved on 02<sup>nd</sup> April, 2018. Share holder complaints generally attended within seven working days except where constrained by dispute or legal impediment. The details of complaints received by the Company and Registrar & Share Transfer Agent and resolved during the year 2017-18 are as under:

Quarter ended on	No. of Complaints received	No. of Complaint Resolved	No. of Complaints Pending
30.06.2017	-	-	-
30.09.2017	2	2	-
31.12.2017	-	-	-
31.03.2018	2	1	1
Total	4	3	1

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

All investor grievances received by the company were resolved within reasonable time limit to the satisfaction of the investors.

**7) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility (CSR) Committee comprises of Three Directors. Mr. K.L Sonthalia, Independent Directors the Chairman of the Committee and the other members of the CSR Committee include Mr. R.N Sharma & Mr. Rahul Shroff. The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company has formulated CSR Policy, which is uploaded on the website of the Company [www.reliancechemotex.com](http://www.reliancechemotex.com). The weblink of the same is <http://www.reliancechemotex.com/investor>. The CSR Committee met once during the year on 27.05.2017. The table below provides the attendance of CSR Committee members;

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



**8) FINANCE COMMITTEE**

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

**9) MEETING OF INDEPENDENT DIRECTORS**

As per provision of Regulation 16 of Listing Regulation and Section 149 of the Companies Act, 2013. A Meeting of Independent Directors of the Company was held on 09<sup>th</sup> February, 2018 and Mr. K.L Sonthalia & Mr. Ramadoss Srinivasan were present in the Meeting.

During the year under review, the Independent Directors discussed the following matters in the Meeting:

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

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

**POLICY ON DEALING WITH RELATED PARTY TRANSACTION**

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

**10. General Body Meetings**

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

Year	AGM	Location	Date	Time
2014-15	37 <sup>th</sup> AGM	Alka Hotel, Udaipur	26 <sup>th</sup> September, 2015	10.30 A.M
2015-16	38 <sup>th</sup> AGM	Alka Hotel, Udaipur	12 <sup>th</sup> September, 2016	10.30 A.M
2016-17	39 <sup>th</sup> AGM	Alka Hotel, Udaipur	28 <sup>th</sup> August, 2017	10:30 A.M

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

**a) In the AGM held on 28<sup>th</sup> August, 2017**

- 1) To re-appoint Mr. Sanjiv Shroff (DIN: 00296008) as Managing Director of the company.

**b) In the AGM held on 12<sup>th</sup> September, 2016**

- 1) To re-appoint Mr. Ameya Shroff as Executive Director for three years w.e.f 01<sup>st</sup> August, 2016 to 31<sup>st</sup> July, 2019.
- 2) To enhance the remuneration of Mr. Sanjiv Shroff, Managing Director of the company w.e.f from 01<sup>st</sup> April, 2016.
- 3) To enhance the remuneration of Mr. Rahul Shroff, Executive Director of the company w.e.f. 01<sup>st</sup> April, 2016.





**c) In the AGM held on 26<sup>th</sup> September, 2015**

- 1) To re-appoint Mr. Rahul Shroff as Executive Director for three years w.e.f 26<sup>th</sup> September, 2015 to 25<sup>th</sup> September, 2018
- 2) To adopt new set of Article of Association of the Company.

**11. Disclosures**

- 1) None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.
- 2) No penalties or Strictures have been imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority on any matter related to Capital Markets for Non-Compliance by the Company during the last three years.
- 3) The Company has Vigil Mechanism/ Whistle Blower Policy the same was posted on the Company website <http://www.reliancechemotex.com/investor>. The detailed disclosure on the policy is else where in the Board's Report.
- 4) The entire mandatory requirement has been appropriately complied with and the non-mandatory requirements are dealt with at the end of this report.

**5) Web link**

- a) Familiarization programme for Independent Directors. <http://www.reliancechemotex.com/investor>.
- b) Related party transaction policy <http://www.reliancechemotex.com/investor>.
- c) Material Subsidiary : NA
  - i) There have not been any significant changes in the accounting policies during the year.
  - ii) No Pecuniary relationship or transaction of the Non-Executive Directors.
  - iii) There is no material transaction with any Non-Executive as well as Independent Director that require a separate disclosure.
  - iv) A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
  - v) During the year, there is no such share certificate which lying in Demat Suspense/Unclaimed suspense account.
  - vi) All Accounting Standard mandatorily require have been followed without exception in preparation of financial statement.

**12. Means of Communication**

The quarterly, half yearly financial results along with Statement of Assets and Liabilities and annual audited financial results of the Company have been sent to the Stock Exchange immediately after they are approved by the Board of Directors. The results are normally published in Financial Express (English) and Rashtrdoot (Hindi). Financial Results and Share holding Pattern are also available at Company's website [www.reliancechemotex.com](http://www.reliancechemotex.com). Further Press Release and Investor Presentation are also displayed On Company Website.

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



**13. General Shareholders' Information**

1.	Annual General Meeting Date, Time and Venue	10 <sup>th</sup> September, 2018 at 10:30 A.M. at Alka Hotel, Shastri Circle, Udaipur, Rajasthan.
2.	Financial Year	2017-18
3.	Dividend payment date and book closure date	on or after 11 <sup>th</sup> September, 2018
4.	Listing on Stock Exchanges and Stock Code	The shares of the company are listed on BSE Ltd, 25 PJ Tower, Dalal Street, Mumbai, The Annual Listing Fees for the Financial Year 2018-19 has been paid on 26.04.2018
5.	Stock Code	503162
6.	Registrar and Share Transfer Agent	M/s Bigshare Services Pvt. Ltd.
7.	Share Transfer System	The request of transfer of shares in physical form is processed and completed by Registrar and Transfer Agent within a period of 15 days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out Audit of System of Transfer and certifies the same. In accordance with Regulation 40 of SEBI Listing Regulation, Report of RTA was placed before the Board at every Board Meeting held during the Financial Year 2017-18.
8.	Dematerialization of Shares and Liquidity	As on 31 <sup>st</sup> March, 2018 3665972 Equity Shares are in Demat Form out of 3980850 Listed Equity Shares of the Company.
9.	Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity	Nil
10.	Plant Location	Village Kanpur, Post Box No.73, Distt. Udaipur-313003
11.	Address for Correspondence	<b>Registered Office :</b> Reliance Chemotex Industries Limited Post Box No.73, Village: Kanpur Dist: Udaipur-313003 (Raj.) Ph.No. : 0294-2490488, 2491489, 2491490 FaxNo. : 0294-2490067 E-mail: cs@reliancechemotex.com Website: www.reliancechemotex.com <b>Registrar &amp; Share Transfer Agent :</b> M/s Bigshare Services Pvt. Ltd. E-2 & 3 Ansa Industrial Estate, Saki Vihar Road Saki Naka, Andheri (E), Mumbai-400072 Ph. No. 28470652, 40430200 Fax: 28475207 E-mail: info@bigshareonline.com



**b) Tentative Calendar for the Financial Year ending March 31, 2019**

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

S.No.	Particular of Quarter	Tentative dates
1	First Quarter Result	On or before 14 <sup>th</sup> August, 2018
2	Second Quarter & Half yearly Result	On or before 14 <sup>th</sup> November, 2018
3	Third Quarter & Nine Months Result	On or before 14 <sup>th</sup> February, 2019
4	Fourth Quarter & Annual Audited Result	On or before 30 <sup>th</sup> May, 2019

**Dividend**

Pursuant to the recommendation of the Board on May 17, 2018, your Company will paid a final dividend of Rs. 1/- per equity share of face value of Rs.10/- each, to shareholders whose names were present on the register of members as on closing hours of 03<sup>rd</sup> September, 2018. Total dividend for the year ended March 31, 2018 will be Rs.1/- per equity share of face value of Rs.10/- each.

The company provides the facility of payment of dividend to the shareholders by directly crediting the dividend amount to the shareholder's Bank Account. Members are therefore urged to avail this facility to ensure safe and speedy credit of their dividend into their bank account through the Bank's Automated Clearing House ("ACH") and/or any other permitted mode for credit of dividend.

Pursuant to Section 124 of Companies Act, 2013, the Company has transferred the unpaid or unclaimed final dividend for the financial year 2009-10 and unpaid or unclaimed interim dividend for the financial year 2010-11, on the due date to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Pursuant to the Rule 5 (8) of Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31<sup>st</sup> July, 2018 on the website of the Company ([www.reliancechemotex.com/investors](http://www.reliancechemotex.com/investors)). After completion of seven years, no claims shall lie against the Company for the amounts of Dividend so transferred nor shall any payment be made in respect of such claims under the Companies Act, 2013. The Companies Act, 2013 provides for claiming such Dividends from the Central Government.

**Details of Unclaimed Dividend as on March 31, 2018 and due dates for transfer are as follows:**

SR.NO	FINANCIAL YEAR	UNCLAIMED AMOUNT (Rs.)	DUE DATE FOR TRANSFER TO IEPF ACCOUNT
1	2010-11	529233	02-11-18
2	2011-12	432395	02-11-19
3	2012-13	293862	21-10-20
4	2013-14 Intrim	243108	16-03-21
	2013-14 Final	91088	03-11-21
5	2014-15	336299	31-10-22
6	2015-16	333538	18-10-23
7	2016-17	345751	02-10-24



**Distribution of Share holding as on 31<sup>st</sup> March 2018 are as under:**

**i) According to category of holding:**

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters	8	0.05	854500	21.47
Corporate Bodies Promoter Company	3	0.03	1153179	28.97
Director&DirectorRelatives	3	0.07	300	0.01
FI's & Banks	1	0.01	150	0.00
Individuals	8188	97.93	1626256	40.85
Body Corporates	88	1.05	152070	3.82
Government Companies	1	0.01	132647	3.33
Trusts	1	0.01	1000	0.02
NRI	51	0.61	51992	1.31
Clearing Members	17	0.20	8756	0.22
<b>TOTAL</b>	<b>8361</b>	<b>100</b>	<b>3980850</b>	<b>100</b>

**ii) According to Number of Equity Shares:**

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	8110	97.00	620932	15.60
501-1000	132	1.58	106767	2.68
1001-5000	72	0.86	140442	3.53
5001-10000	16	0.19	113723	2.86
Over 10000	31	0.37	2998986	75.33
<b>TOTAL</b>	<b>8361</b>	<b>100.00</b>	<b>3980850</b>	<b>100.00</b>

**b) Market Price Data :**

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

(Amount in Rs per Share)

RCIL Share Data			BSE Sensex	
Month	High(Rs.)	Low(Rs.)	High	Low
Apr'17	80.5	65.65	30184.22	29241.48
May'17	77.95	65	31255.28	29804.12
Jun'17	83.8	66.5	31522.87	30680.66
Jul'17	117.7	85.05	32672.66	31017.11
Aug'17	104	76	32686.48	31128.02
Sep'17	105	82.15	32524.11	31081.83
Oct'17	99.8	86.05	33340.17	31440.48
Nov'17	100	70.1	33865.95	32683.59
Dec'17	98.9	80	34137.97	32565.16
Jan'18	154.5	87.1	36443.98	33703.37
Feb'18	122.9	89.8	36256.83	33482.81
Mar'18	97.6	74.2	34278.63	32483.84

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

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



**Declaration regarding affirmation of Code of Conduct**

In terms of the requirement of the Regulation 26 (3) of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of conduct of Board of Directors and Senior Management for the period ended 31<sup>st</sup> March, 2018. Code of Conduct as approved by the Board of Directors of the Company has been displayed at Reliance Chemotex Industries Limited's website [www.reliancechemotex.com](http://www.reliancechemotex.com) under the head of Code of Conduct. Weblink of the same is <http://reliancechemotex.com/investors>.

Place: Mumbai

Date: 13<sup>th</sup> August, 2018

(Sanjiv Shroff)

Managing Director

DIN: 00296008

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**CEO & CFO CERTIFICATION**

To,

The Board of Directors  
RELIANCE CHEMOTEX INDUSTRIES LTD

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

1. We have reviewed the financial statements and the cash flow statement for the period ended 31<sup>st</sup> March, 2018 and that of the best of our knowledge and belief;
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company and have disclosed to the auditors and the audit committee, deficiencies in the design or operations of internal controls, pertaining to financial reporting, if any, of which we are aware and the steps we have taken, propose to take to rectify these deficiencies
4. We have indicated to the auditors and the audit committee;
  - (i) Significant changes in internal controls for financial reporting, during the period;
  - (ii) Significant changes in accounting policies during the period and that the same have been disclosed in the Notes to the Financial Statements, and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management of an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai

Dated: 13<sup>th</sup> August, 2018

Amarindar Singh Jassar  
CFO

Sanjiv Shroff  
Managing Director & CEO



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

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

1. The Corporate Governance Report prepared by Reliance Chemotex Industries Limited ('the Company') contains details 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations') ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This Certificate is required by the Company for annual submission to the stock exchange and to be sent to the shareholders of the Company.

**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 that the Company compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India .

**Auditors' Responsibility**

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

**Opinion**

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018 referred to in paragraph 1 above.

**Other matters and Restriction on Use**

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

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





## INDEPENDENT AUDITOR'S REPORT

To The Members of Reliance Chemotex Industries Limited

### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial Statement of Reliance Chemotex Industries Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (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) prescribed under section 133 of the Act.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Other Matter

The comparative financial information of the Company for the year ended 31<sup>st</sup> March 2017 and the transition date opening Balance Sheet as at 1<sup>st</sup> April 2016 included in these Ind AS financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rule, 2006 audited by G.P. Kejriwal & Co. Chartered Accountants for the year ended 31.03.2016 and 31.03.2017, whose reports dated 24.05.2016 and 27.05.2017 respectively expressed an unmodified opinion on those financial statements as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind As, which have been audited by us. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A"
  - a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;
    - ii. As per information & explanation given to us the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amount, required to be transferred to the investor education and protection fund by the company.

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

Date: 17<sup>th</sup> May, 2018

Place : Mumbai

**(P.K.JAIN)**

Partner

M No.010479



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

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

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) Fixed assets have been physically verified by the management according to the regular programme of periodical verification in phased manner designed to cover all items over a period of 3 years, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification;
- (c) The title deeds of immovable properties are held in the name of the company.
- ii. The inventories of the Company at all its locations (except stock in transit) have been physically verified by the management at reasonable intervals and the discrepancies which were noticed on physical verification of inventory as compared to book records were not material;
- iii. The Company has not granted any loan to companies, firms, or other parties covered in the Register maintained under section 189 of the Act. Therefore the provisions of clause 3 (iii) of the order are not applicable to the company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the Companies Act, 2013 with respect of loans, investments, guarantees and securities. .
- v. The Company has not accepted any deposit from public.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima-facie, prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate and complete;
- vii.(a) According to the information and explanations and records of the Company, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues for a period of more than six months from the date they became payable as on 31st March, 2018;
- (b) According to the records and information and explanations given to us, there are no dues in respect of custom duty that have not been deposited on account of any dispute. In our opinion and according to the information and explanations given to us, the dues in respect of income tax or sales tax or service tax or excise duty or value added tax that have not been deposited with the appropriate authority on account of dispute and the forum where the dispute is pending are given below:
- viii. The Company has not defaulted in repayment of loans or borrowings to a financial institution, banks or government.
- ix. In our opinion the term loans have been applied for the purpose for which the loans were raised,

Nature of Statute	Nature of dues	Amount involved in Rs.	Period to which it relates to (Year ended)	Forum where dispute is pending
Income Tax Act 1961	Income Tax	1,54,33,480	F.Y. 2011-12	The Commissioner of Income Tax, Appeals Kolkata
Income Tax Act 1961	Income Tax	5,56,540	F.Y. 2013-14	The Commissioner of Income Tax, Appeals Kolkata
Service Tax Act	Service Tax	2,40,837	16.07.2017 to 16.10.2018	The Asst. commissioner (Appeals ) Central Excise, Udaipur
Central Excise Act	Excise Duty	23,567	F.Y 1979-80	The Asst. Commissioner Central Excise, Udaipur
Central Excise Act	Excise Duty	60,73,552	F.Y 2012-13 to 2015-16	Commissioner (Appeals) Jodhpur

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

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

Date: 17<sup>th</sup> May, 2018  
Place : Mumbai

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



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

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

We have audited the internal financial controls over financial reporting of Reliance Chemotex Industries Limited. as at March 31, 2018 in conjunction with our audit of the standalone 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 Standard on Auditing, issued by ICAI 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 not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has in all material respect, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company Considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"

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

Date: 17<sup>th</sup> May, 2018  
Place : Mumbai

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



**BALANCE SHEET**  
**AS AT 31<sup>ST</sup> MARCH 2018**

PARTICULARS	NOTE NO.	As at 31.03.2018 (Rs. In Lacs)	As at 31.03.2017 (Rs. In Lacs)	As at 01.04.2016 (Rs. In Lacs)
<b>ASSETS</b>				
<b>(1) Non - current assets</b>				
(a) Property, Plant and Equipment	1	14,527.09	15,142.95	15,404.89
(b) Capital work - in - progress		-	-	109.43
(c) Other intangible assets	2	16.01	22.74	28.40
(d) Financial assets				
(i) Investments	3	-	-	-
(ii) Others	4	417.01	327.26	304.82
<b>Total Non - current assets</b>		<b>14960.11</b>	<b>15,492.95</b>	<b>15,847.54</b>
<b>(2) Current assets</b>				
(a) Inventories	5	4,145.02	3,809.81	3,921.44
(b) Financial Assets				
(i) Trade receivables	6	1,726.50	1,835.22	2,083.18
(ii) Cash and cash equivalents	7	22.88	77.86	95.75
(iii) Bank Balances	8	413.24	406.38	381.76
(iv) Others	9	425.33	595.43	644.99
(c) Current tax assets (net)	10	97.89	79.14	87.52
(d) Other current assets	11	985.61	424.76	969.68
<b>Total Current assets</b>		<b>7,816.47</b>	<b>7,228.60</b>	<b>8,184.32</b>
<b>Total ASSETS</b>		<b>22,776.58</b>	<b>22,721.55</b>	<b>24,031.86</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity share capital	12	399.69	399.48	399.48
(b) Other Equity	13	6,641.98	6,408.29	5,812.03
<b>Total Equity</b>		<b>7041.67</b>	<b>6807.77</b>	<b>6211.51</b>
<b>LIABILITIES</b>				
<b>(1) Non - current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	14	5,170.32	6,013.24	7,387.67
(ii) Other financial liabilities	15	70.27	79.22	71.36
(b) Provisions	16	186.13	254.58	337.12
(c) Deferred tax liabilities (net)	17	1,039.73	1,326.41	1,658.33
<b>Total Non - current liabilities</b>		<b>6,466.45</b>	<b>7,673.45</b>	<b>9,454.48</b>
<b>(2) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	18	3,147.10	2,123.81	2,358.68
(ii) Trade payables	19	3,570.39	3,513.17	3,229.45
(iii) Other financial liabilities	20	2,194.20	2,369.81	2,418.62
(b) Other current liabilities	21	314.89	196.80	359.12
(c) Provisions	22	41.88	36.74	-
<b>Total Current liabilities</b>		<b>9,268.46</b>	<b>8,240.33</b>	<b>8,365.87</b>
<b>Total EQUITY AND LIABILITIES</b>		<b>22,776.58</b>	<b>22,721.55</b>	<b>24,031.86</b>

Significant Accounting Policies and Notes to Accounts ( Note No. 32 to 51)  
As per our Report of even date.

For & On behalf of Board of Directors

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

**P.K. JAIN**  
Partner  
M.No. 010479  
Place : Mumbai  
Dated : 17<sup>th</sup> May, 2018

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

**AMARINDER SINGH JASSAR**  
Chief Financial  
Officer

**SANJIV SHROFF**  
Managing Director  
DIN- 00296008

**RAHUL SHROFF**  
Executive Director  
DIN - 02301693



**STATEMENT OF PROFIT & LOSS**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

PARTICULARS	NOTE NO.	2017-18 (Rs. In Lacs)	2016-17 (Rs. In Lacs)
<b>Revenue</b>			
I Revenue from operations	23	28,545.65	29,499.61
II Other income	24	140.13	399.07
<b>III Total income (I + II)</b>		<b>28,685.78</b>	<b>29,898.68</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	25	15,972.93	16,334.58
(Increase)/Decrease in Inventories of Finished Goods, Work-in-Progress etc.	26	(447.09)	(2.80)
Employee Benefits Expense	27	3,675.06	3,544.67
Finance Costs	28	1,237.94	1,389.23
Depreciation and Amortisation Expense	29	739.35	736.26
Excise Duty		90.72	404.08
Other Expenses	30	7,335.39	7,013.66
<b>Total expenses</b>		<b>28,604.30</b>	<b>29,419.68</b>
<b>V Net Profit before tax (I - IV)</b>		<b>81.48</b>	479.00
<b>VI Tax expense</b>	31		
(1) Current Tax		108.00	161.00
(2) Tax for earlier year		0.39	-
(2) Deferred Tax		(254.48)	(206.55)
(3) Mat Credit Entitlement		(32.20)	(123.45)
		<b>(178.29)</b>	<b>(169.00)</b>
<b>VII Net Profit for the year (V - VI)</b>		<b>259.77</b>	648.00
<b>VIII Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss		31.60	(5.80)
i) Remeasurement (gain)/loss on dividend benefit plan		(10.45)	1.92
ii) Tax (i) above			
<b>IX Total Comprehensive Income for the period (VII+VIII)</b>		<b>280.92</b>	<b>644.12</b>
<b>X Earnings per equity share</b>			
(1) Basic		6.53	16.29
(2) Diluted		6.53	16.29

Significant Accounting Policies and Notes to Accounts ( Note No. 32 to 51)  
As per our Report of even date.

For & On behalf of Board of Directors

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

**P.K. JAIN**  
Partner  
M.No. 010479  
Place : Mumbai  
Dated : 17<sup>th</sup> May, 2018

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

**AMARINDER SINGH JASSAR**  
Chief Financial  
Officer

**SANJIV SHROFF**  
Managing Director  
DIN- 00296008

**RAHUL SHROFF**  
Executive Director  
DIN - 02301693



Amount in Lakhs

**CASH FLOW STATEMENT**

	Current Year 31 <sup>st</sup> March, 2018	Previous Year 31 <sup>st</sup> March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before exceptional Items and tax as per statement of profit and loss</b>	<b>81.48</b>	<b>479.00</b>
Adjustments for:		
Depreciation and amortization expenses	739.35	736.26
Finance cost	1,237.94	1,389.23
Unrealised exchange difference	14.15	(21.02)
Interest income	(97.13)	(141.84)
Balances written back	(20.39)	(125.37)
(Profit)/ loss on sale of fixed assets (net)	(2.19)	(15.37)
	<b>1953.21</b>	<b>2300.89</b>
<b>Operating profit before working capital changes</b>		
Adjustments for:		
(Increase)/decrease in trade & other receivables	129.12	373.33
(Increase)/decrease in inventories	(335.21)	111.63
(Increase)/ Decrease in other current assets	(572.54)	498.25
(Increase)/ Decrease in other financial assets*	80.34	27.12
Increase/ (Decrease) in other current financial liabilities	(184.56)	(40.95)
Increase/(decrease) in trade & other payables	57.22	283.72
Increase/ (Decrease) in other current liabilities *	118.09	(162.32)
Increase/(decrease) in provisions	(63.30)	(45.80)
	<b>1,182.37</b>	<b>3,345.87</b>
Less: Direct taxes	(108.00)	(161.00)
<b>Net cash flows (used in)/ generated from operating activities (A)</b>	<b>1,074.37</b>	<b>3,184.87</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>Inflows</b>		
Sale proceeds of property, plant and equipment	4.17	18.81
Interest received	97.13	141.84
Other Bank Balance including Deposits within 3 to 12 Months Maturity	6.85	24.62
	<b>108.15</b>	<b>185.27</b>
<b>Outflows</b>		
Purchase of property, plant and equipment/ intangible assets including CWIP	(118.74)	(362.66)
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(10.59)</b>	<b>(177.39)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
<b>Inflows</b>		
Proceeds from Issuance of Share Capital	0.21	-
Proceeds from Premium on issue of Shares	0.63	-
Proceeds of short term borrowings (net)	1,023.28	-
	<b>1,024.12</b>	-
<b>Outflows</b>		
Repayment of long term borrowings	(857.07)	(1353.41)
Repayment of Short Term Borrowings	-	(234.87)
Dividend paid	(230.75)	(230.75)
Dividend distribution tax	(46.98)	(46.98)
Dividend and DDT paid on equity share	(47.86)	(47.85)
Interest paid	(960.22)	(1,111.51)
	(2142.88)	(3025.36)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(1118.77)</b>	<b>(3025.36)</b>





**RELIANCE**  
CHEMOTEX INDUSTRIES LIMITED  
CIN L40102RJ1977PLC 001994

<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES (A+B+C)</b>	<b>(54.99)</b>	<b>(17.88)</b>
Add : Cash and cash equivalence at beginning of the year	77.86	95.74
<b>Cash and cash equivalence at end of the year</b>	<b>22.87</b>	<b>77.86</b>

**Notes:**

1. 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.		
2. Cash and Cash equivalent as per above comprises of the following	<b>31.03.2018</b>	<b>31.03.2017</b>
Balances with Banks		
- In Current Accounts	15.29	52.05
- In Saving Accounts (ag. Employee Security)	1.59	1.93
Cash on Hand	5.99	23.88
	<b>22.87</b>	<b>77.86</b>

As per our Report of even date.

For & On behalf of Board of Directors

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

<b>P.K. JAIN</b> Partner M.No. 010479 Place : Mumbai Dated : 17 <sup>th</sup> May, 2018	<b>VIMAL TANK</b> Company Secretary M.No. 22370	<b>AMARINDER SINGH JASSAR</b> Chief Financial Officer	<b>SANJIV SHROFF</b> Managing Director DIN- 00296008	<b>RAHUL SHROFF</b> Executive Director DIN - 02301693
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**A. Equity Share Capital**

Particulars	Amount(Rs. in Lacs)
Balance at 1 <sup>st</sup> April, 2016	399.48
Movement during the year	-
Balance at 31 <sup>st</sup> March, 2017	399.48
Movement during the year	0.21
Balance at 31 <sup>st</sup> March, 2018	399.69

**B. Other Equity**

Particulars	Reserve and Surplus			Other Comprehensive	Total
	Securities Premium	General Reserve	Retained Earning	Re-measurement Gain/(Loss) on Defined Benefit Plans	(Rs. in Lacs)
<b>Balance as at 1<sup>st</sup> April, 2016</b>	643.33	644.79	4,523.91	-	5,812.03
Profit for the year			648.00		648.00
Other comprehensive income for the year			-	(3.88)	(3.88)
Transfer from retained earnings			-	-	-
Final Equity Dividend and Tax			(47.85)	-	(47.85)
<b>Balance as at 31<sup>st</sup> March, 2017</b>	643.33	644.79	5,124.05	(3.88)	6,408.29
Profit for the year			259.77	-	259.77
Premium Received during the year	0.63	-	-	-	0.63
Other comprehensive income for the year	-	-	-	21.15	21.15
Final Dividend and Tax			(47.86)	-	(47.86)
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>643.96</b>	<b>644.79</b>	<b>5,335.96</b>	<b>17.27</b>	<b>6,641.98</b>

As per our Report of even date.

For & On behalf of Board of Directors

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

<b>P.K. JAIN</b> Partner M.No. 010479 Place : Mumbai Dated : 17 <sup>th</sup> May, 2018	<b>VIMAL TANK</b> Company Secretary M.No. 22370	<b>AMARINDER SINGH JASSAR</b> Chief Financial Officer	<b>SANJIV SHROFF</b> Managing Director DIN- 00296008	<b>RAHUL SHROFF</b> Executive Director DIN - 02301693
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## NOTES TO FINANCIAL STATEMENTS

### Note No. 1

#### PROPERTY, PLANT AND EQUIPMENT

Rs. in Lakhs

	Free Hold Land	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>Gross Block</b>								
<b>Cost as at 1<sup>st</sup> April, 2016</b>	350.00	4,195.92	3,269.08	7,200.82	201.79	147.03	40.25	15,404.89
Additions during the year	-	-	104.97	326.67	5.30	20.48	13.18	470.59
Deduction/Adjustment during the year	-	-	-	67.27	1.78	-	-	69.06
<b>Balance as at 31<sup>st</sup> March, 2017</b>	350.00	4,195.92	3,374.05	7,460.22	205.31	167.50	53.43	15,806.43
Additions during the year	-	-	21.76	57.53	4.96	21.25	12.14	117.64
Deduction/Adjustment during the year	-	-	-	0.22	1.93	18.62	-	20.77
<b>Balance as at 31<sup>st</sup> March, 2018</b>	350.00	4,195.92	3,395.81	7,517.53	208.34	170.13	65.57	15,903.30
<b>Accumulated Depreciation</b>								
<b>Balance as at 1<sup>st</sup> April, 2016</b>	-	-	-	-	-	-	-	-
Depreciation for the year	-	68.79	123.57	457.16	27.67	32.42	19.49	729.10
Deduction/Adjustment during the year	-	-	-	63.91	1.71	-	-	65.62
<b>Balance as at 31<sup>st</sup> March, 2017</b>	-	68.79	123.57	393.25	25.96	32.42	19.49	663.48
Depreciation for the year	-	68.79	127.84	459.50	27.69	31.39	16.32	731.53
Deduction/Adjustment during the year	-	-	-	0.19	0.91	17.70	-	18.80
<b>Balance as at 31<sup>st</sup> March, 2018</b>	-	137.58	251.41	852.56	52.74	46.11	35.81	1,376.21
<b>Net Block</b>								
<b>Balance as at 1<sup>st</sup> April, 2016</b>	350.00	4,195.92	3,269.08	7,200.82	201.79	147.03	40.25	15,404.89
<b>Balance as at 31<sup>st</sup> March, 2017</b>	350.00	4,127.13	3,250.48	7,066.97	179.34	135.09	33.94	15,142.95
<b>Balance as at 31<sup>st</sup> March, 2018</b>	350.00	4,058.33	3,144.40	6,664.97	155.60	124.02	29.76	14,527.09

### Note No. 2

#### OTHER INTANGIBLE ASSETS

Particulars	Amount(Rs. in Lacs)
<b>(Computer Software)</b>	
<b>Gross carrying amount</b>	
<b>Cost as at 1<sup>st</sup> April, 2016</b>	28.40
Additions during the year	1.50
Deduction/Adjustment during the year	-
<b>Balance as at 31<sup>st</sup> March, 2017</b>	29.90
Additions during the year	1.10
Deduction/Adjustment during the year	-
<b>Balance as at 31<sup>st</sup> March, 2018</b>	31.00
<b>Accumulated amortisation</b>	-
Amortisation for the year	7.16
Deduction/Adjustment during the year	-
<b>Balance as at 31<sup>st</sup> March, 2017</b>	7.16
Amortisation for the year	7.83
Deduction/Adjustment during the year	-
<b>Balance as at 31<sup>st</sup> March, 2018</b>	14.99
<b>Net carrying amount</b>	
<b>Balance as at 1<sup>st</sup> April, 2016</b>	28.40
<b>Balance as at 31<sup>st</sup> March, 2017</b>	22.74
<b>Balance as at 31<sup>st</sup> March, 2018</b>	16.01



	As at 31 <sup>st</sup> March, 2018 (Rs. In Lacs)	As at 31 <sup>st</sup> March, 2017 (Rs. In Lacs)	As at 1 <sup>st</sup> April, 2016 (Rs. In Lacs)
<b>NOTE NO. 3</b>			
<b>INVESTMENTS (UNQUOTATED)</b>			
<b>("Class A" Shares of M/s V S Lignite Power Pvt.Ltd.)</b>			
16,74,719 Equity Shares of Rs.10/- each	167.47	167.47	167.47
1485629, 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each	148.56	148.56	148.56
Less:- Provision for diminution in value of Investement	<b>(316.03)</b>	<b>(316.03)</b>	<b>(316.03)</b>
Aggregate book value of unquoted Investment	<u>-</u>	<u>-</u>	<u>-</u>
<b>NOTE NO. 4</b>			
<b>OTHER FINANCIAL ASSETS</b>			
Security Deposits	185.01	111.23	112.05
Staff and other advances	81.74	79.43	68.59
Security Deposit For Rental Premises	150.26	136.60	124.18
	<u>417.01</u>	<u>327.26</u>	<u>304.82</u>
<b>NOTE NO. 5</b>			
<b>INVENTORIES</b>			
Raw Materials (including in Transit Rs. 74.04)	1,175.41	1,267.92	1,397.93
Stores and Spares (including in Transit Rs. 14.22)	142.54	161.91	146.34
Work-in-Progress	1,022.94	1,115.54	1,294.34
Finished Goods (inluding in Transit Rs. 487.28)	1,790.46	1,248.29	1,073.45
Waste	10.89	15.54	6.64
Scrap and Residual Materials	2.78	0.61	2.74
	<u>4,145.02</u>	<u>3,809.81</u>	<u>3,921.44</u>
<b>NOTE NO. 6</b>			
<b>TRADE RECEIVABLES (Unsecured)</b>			
Considered Good	1,726.50	1,835.22	2,083.18
	<u>1,726.50</u>	<u>1,835.22</u>	<u>2,083.18</u>
<b>NOTE NO. 7</b>			
<b>CASH AND CASH EQUIVALENTS</b>			
Balances with Banks			
- In Current Accounts	15.29	52.05	55.55
- In Saving Accounts (against Employee's Security)	1.59	1.93	2.24
Cash on Hand	6.00	23.88	37.96
	<u>22.88</u>	<u>77.86</u>	<u>95.75</u>
<b>NOTE NO. 8</b>			
<b>OTHER BANK BALANCES</b>			
In Unpaid Dividend Account	26.05	28.07	29.91
In Fixed Deposit Accounts	387.19	378.31	351.85
	<u>413.24</u>	<u>406.38</u>	<u>381.76</u>



	As at 31 <sup>st</sup> March, 2018 (Rs. In Lacs)	As at 31 <sup>st</sup> March, 2017 (Rs. In Lacs)	As at 1 <sup>st</sup> April, 2016 (Rs. In Lacs)
<b>NOTE NO. 9</b>			
<b>OTHER FINANCIAL ASSETS</b>			
(Unsecured and Considered good)			
Export Incentive Receivable	232.27	451.99	355.00
Staff & Other Advances	69.08	57.62	55.55
Interest Subsidy Receivable	119.23	80.84	227.93
Interest receivable on deposits	4.75	4.98	6.51
	<b>425.33</b>	595.43	644.99
<b>NOTE NO. 10</b>			
<b>CURRENT TAX ASSETS (NET)</b>			
Advance Income Tax/Tax Deducted at Source	205.89	240.14	122.52
Less:- Provision for Income Tax	(108.00)	(161.00)	(35.00)
	<b>97.89</b>	79.14	87.52
<b>NOTE NO. 11</b>			
<b>OTHER CURRENT ASSETS</b>			
(Unsecured and Considered good)			
Prepaid Expenses	58.60	48.23	51.03
Balance With Government Authorities	845.41	240.18	678.20
Advance to Suppliers	56.66	98.45	228.41
Other Advances	24.94	37.90	7.71
Advance for Capital Commitment	-	-	4.33
	<b>985.61</b>	424.76	969.68
<b>NOTE NO.12</b>			
<b>EQUITY SHARE CAPITAL</b>			
Authorised			
1,35,00,000 Equity Shares of Rs. 10/- each	1,350.00	1,350.00	1,350.00
30,25,000 Preference Shares of Rs. 100/- each	3,025.00	3,025.00	3,025.00
	<b>4,375.00</b>	4,375.00	4,375.00
Issued			
40,22,100 Equity Shares of Rs. 10/- each	402.21	402.21	402.21
	<b>402.21</b>	402.21	402.21
Subscribed and Fully Paid			
39,80,850 (P.Y. 39,76,650) Equity Shares of Rs.10/- each	398.08	397.66	397.66
Subscribed but not fully paid :			
Nil Equity Shares of Rs.10/- each (PY 25200 Shares)	-	2.52	2.52
Less : Calls in arrear (Other than Directors and Officers)	-	(1.26)	(1.26)
# Forfeited Shares (amount originally paid up Rs. 5/-)	1.61	0.56	0.56
	<b>399.69</b>	399.48	399.48

# Amount Originally paid on 20250 forfeited shares during earlier year.

# During the FY 2017-18 21000 Partly paid up Equity Shares are forfeited on 26.03.2018 and intimation for forfeiture has been made to the BSE.



**(a) Reconciliation of the number of equity shares:**

Description	As at 31 <sup>st</sup> March, 2018 No. of Shares	As at 31 <sup>st</sup> March, 2017 No. of Shares	As at 1 <sup>st</sup> April, 2016 No. of Shares
Outstanding at the beginning of the year	3,976,650	3,976,650	3,976,650
Addition	4,200	-	-
Outstanding at the end of the year	3,980,850	3,976,650	3,976,650

**(b) Term/Right attached to Equity Shares:**

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

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

Name of the Shareholder	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April 2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Modern Fibotex India Limited	783179	19.67%	783179	19.69%	783179	19.69%
Shri S L Shroff	195650	4.91%	195650	4.92%	319650	8.04%
Smt. Dipika Shroff	231150	5.81%	231150	5.81%	231150	5.81%

	As at 31 <sup>st</sup> March, 2018 (Rs. In Lacs)	As at 31 <sup>st</sup> March, 2017 (Rs. In Lacs)	As at 1 <sup>st</sup> April, 2016 (Rs. In Lacs)
<b>NOTE NO.13</b>			
<b>OTHER EQUITY</b>			
<b>Securities Premium Account</b>			
Opening Balance	643.33	643.33	643.33
Add : Received during the year	0.63	-	-
Closing Balance	643.96	643.33	643.33
<b>General Reserve</b>			
Opening Balance	644.79	644.79	644.79
Add : Transferred from surplus in the Statement of Profit and Loss	-	-	-
Closing Balance	644.79	644.79	644.79
<b>Retained Earnings</b>			
Opening Balance	5,124.04	4,523.91	4,523.91
Add : Profit for the year	259.77	647.99	-
Less: Appropriations			
Proposed Dividend on Equity Shares	39.76	39.76	-
Tax on Dividend on Equity Shares	8.09	8.09	-
Closing Balance	5,335.95	5,124.05	4,523.91
<b>Other Comprehensive Income (OCI)</b>			
Opening Balance	(3.88)	-	-
Add: Re-measurement of Defined Benefit Plans	21.15	(3.88)	-
Closing Balance	17.27	(3.88)	-
<b>TOTAL</b>	<b>6,641.98</b>	<b>6,408.29</b>	<b>5,812.03</b>



	As at 31 <sup>st</sup> March, 2018 (Rs. In Lacs)	As at 31 <sup>st</sup> March, 2017 (Rs. In Lacs)	As at 1 <sup>st</sup> April, 2016 (Rs. In Lacs)
<b>NOTE NO.14</b>			
<b>BORROWINGS (NON CURRENT)</b>			
(i) 23,07,500 10% Cumulative Redeemable Preference Shares of Rs. 100 each . (Unsecured)	<b>2,307.50</b>	2,307.50	2,307.50
	<u><b>2,307.50</b></u>	<u>2,307.50</u>	<u>2,307.50</u>
(ii) Term Loans from Banks (Secured)			
(a) IDBI Bank Limited (IDBI)	-	217.82	493.25
(b) State Bank of India (SBI)	<b>325.16</b>	594.81	1,109.02
(c) SBI Corporate Loan	<b>500.00</b>	739.07	1,008.85
(d) Export Import Bank of India (including buyers credit)	<b>975.00</b>	1,187.23	1,323.07
(e) HDFC Bank Ltd. (HDFC) (Vehicle Loan)	<b>9.81</b>	18.03	15.66
(f) ICICI Bank Ltd. (ICICI) (Vehicle Loan)	<b>14.73</b>	-	9.46
	<u><b>1,824.70</b></u>	<u>2,756.96</u>	<u>3,959.31</u>
(iii) Term Loan from Others Parties - (Secured) Rajasthan State Industrial Development & Investment Corporation Limited (RIICO)	<b>895.70</b>	1,270.76	1,645.82
	<u><b>895.70</b></u>	<u>1,270.76</u>	<u>1,645.82</u>
	<u><b>2,720.40</b></u>	<u>4,027.72</u>	<u>5,605.13</u>
Less: Installments payable of Term Loan under (ii) & (iii) above shown in Current Liability in Note No. 20	<b>1,070.58</b>	1,326.48	1,524.96
	<u><b>1,649.82</b></u>	<u>2,701.24</u>	<u>4,080.17</u>
(iv) Loans and Advances (Unsecured)			
Loans from other parties (Bodies Corporate)	<b>594.00</b>	601.00	574.50
Loans from related parties (Bodies Corporate)	<b>599.00</b>	403.50	425.50
Loans from related parties (Director)	<b>20.00</b>		
	<u><b>1,213.00</b></u>	<u>1,004.50</u>	<u>1,000.00</u>
	<u><b>5,170.32</b></u>	<u><b>6,013.24</b></u>	<u><b>7,387.67</b></u>
<b>REMARKS :</b>			
(i) 10% Redeemable Preference Shares			
No. of 10% Redeemable Preference Shares Allotted		Dates of Allotment	
216000		28.03.2002 (a)	
16000		31.10.2002 (a)	
11000		31.01.2003 (a)	
82000		29.04.2006 (a)	
275000		28.01.2011 (a)	
72000		24.03.2011 (a)	
133000		26.03.2011 (a)	
500000		31.03.2011 (a)	
325000		07.03.2013 (a) (b)	
277500		30.03.2013 (a) (b)	
100000		01.03.2014 (a) (b)	
300000		17.01.2015 (a) (b)	
<b>2307500</b>			





(a) Preference Shares have a face value of Rs 100/- Each, these shares are redeemable at par on expiry of 20 years from their respective date of allotment.

(b) However the Company can redeem the Preference Shares before the date of maturity.

**(ii) Term Loans from Banks (Secured)**

**a) Term Loans from IDBI Bank Limited**

Term Loan of Rs. 1919.00 Lacs, outstanding of Rs. NIL (P.Y. 217.81 Lacs) including Rs. NIL (P.Y. Rs. 217.81 Lacs) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 21, is secured by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future and hypothecation charge over movable (save and except book debts) machinery, spares, tools and accessories, present and future, subject to prior charges created in favour of Bankers for working capital facilities. The above loan of Rs. 1919.00 Lacs has also been guaranteed by the Managing Director and one other Director of the Company and are also secured by way of extension of pledge of 5,86,400 Equity Shares of the Company in the names of Directors and their relatives.

This loan is repaid in 96 monthly Instalments commencing from 01.04.2010 and last instalment is payable by 31.03.2018 and carry floating interest rate at base rate + 4%.

**b) Term Loan from State Bank of India**

Term Loan of Rs. 1964.00 Lacs , outstanding Rs. NIL (P.Y. 60.50 Lacs) including Rs. NIL (P.Y. Rs. 60.50 Lacs) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 21, is secured by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future and hypothecation charge over movable (save and except book debts) machinery, spares, tools and accessories, present and future, subject to prior charges created in favour of Bankers for working capital facilities. The above loans of Rs. 1964.00 Lacs have also been guaranteed by the Managing Director and one other Director of the Company and are also secured by way of extension of pledge of Preference Shares of the face value of Rs. 175.00 Lacs of the Company belonging to Directors and pledge of Preference Shares of the face value of Rs. 150.00 Lacs belonging to a Promoter Company.

This loan is repaid in 84 monthly Instalments commencing from July 2010 and the last instalment is payable by 30th June 2017 and carry floating interest rate at base rate+ 3.70%.

Term Loan of Rs. 1300.00 Lacs, Outstanding of Rs. 325.16 Lacs (P.Y. 534.30 Lacs) including Rs. 216.60 Lacs (P.Y. 209.14 Lacs) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 21, is secured by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future and hypothecation charge over movable (save and except book debts) machinery, spares, tools and accessories, present and future, subject to prior charges created in favour of Bankers for working capital facilities. The above loans of Rs.1300.00 lacs have also been guaranteed by the Managing Director and one other Director of the Company and are also secured by way of extension of pledge of Preference Shares of the face value of Rs. 175.00 Lacs of the Company belonging to Directors and pledge of Preference Shares of the face value of Rs. 150.00 Lacs belonging to a Promoter Company.

This loan is repayable in 72 monthly Instalments from Oct.2013 and last instalment is payable by September 2019 and carry floating interest rate at base rate + 3%.

**c) Corporate Loan of Rs. 1000.00 Lacs, Outstanding of Rs. 500.00 Lacs (P.Y. 739.06Lacs) including Rs. 249.99 Lacs (P.Y. Rs. 239.06 Lacs) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 21, is secured by First Pari Passu charges on Entire Current Assets of the Company present and future. Collateral security by way of 1st pari passu charge on Entire Fixed Assets of the Company including Factory Building at Village : Kanpur, Udaipur. The above loans of Rs.1000.00 Lacs have also been guaranteed by the Managing Director and one other Director of the Company.**

This loan is repayable in 48 monthly Instalments starting from April 2016 and last instalment is payable by March 2020 and carry floating interest rate at base rate + 3.60%.

**d) Term Loan from Export Import Bank of India**

Term Loan of Rs.1300.00 Lacs , Outstanding Rs. 974.99 Lacs as on 31.03.18 (P.Y. 1187.23 Lacs ) which includes buyer credit of EURO NIL (Previous Year EURO 5,42,032) equivalent to Rs. NIL (Previous Year Rs. 380.46 Lacs ) availed from PNB Hongkong against LOU from EXIM Bank, including Rs. 216.66 Lacs (P.Y. Rs. 216.66 Lacs ) shown under the head Other Current Liabilities for Current



Maturities of Long Term Debts in Note 9, is secured by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future and hypothecation charge over movable (save and except book debts) machinery, spares, tools and accessories, present and future, Finished and semi finished products, other goods and uncalled capital, subject to prior charges created in favour of Bankers for working capital facilities. The above loans of Rs.1300.00 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 November 2016 and last installment is payable by August 2022. The above term loan carry interest @LTMLR + 2.60% p.a.

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

- i) Vehicle Loan from HDFC Bank Ltd. of Rs. 6.50 Lacs outstanding Rs. NIL as on 31.03.2018 (P.Y. 0.62 Lacs ) including Rs. NIL (P.Y. Rs. 0.62 Lacs ) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 21 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from July, 2014 along with interest @ 10.50% per annum and the last instalment is payable by June, 2017 .
- ii) Vehicle Loan from HDFC Bank Ltd. of Rs. 6.50 Lacs outstanding Rs. NIL as on 31.03.2018 (P.Y. Rs. 1.22 Lacs ) including Rs. NIL (P.Y. Rs. 1.22 Lacs ) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 21 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from October, 2014 along with interest @ 10.50% per annum and the last instalment is payable by September, 2017 .
- iii) Vehicle Loan from HDFC Bank Ltd. of Rs. 7.18 Lacs outstanding NIL as on 31.03.2018 (P.Y. Rs. 0.68 Lacs ) including Rs. NIL (P.Y. Rs. 0.68 Lacs ) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 21 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from July, 2014 along with interest @ 10.50% per annum and the last instalment is payable by June, 2017 .
- iv) Vehicle Loan from HDFC Bank Ltd. of Rs. 6.00 Lacs outstanding Rs.3.54 Lacs as on 31.03.2018 (P.Y. 5.41 Lacs ) including Rs. 3.54 Lacs (P.Y. 5.41 Lacs ) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 21 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from December, 2016 along with interest @ 9.66% per annum and the last instalment is payable by November, 2019 .
- v) Vehicle Loan from HDFC Bank Ltd. of Rs. 6.00 Lacs outstanding Rs.3.54 Lacs as on 31.03.2018 (P.Y. 5.41 Lacs ) including Rs.3.54 Lacs (P.Y. 5.41 Lacs) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 21 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from December, 2016 along with interest @ 9.66% per annum and the last instalment is payable by November, 2019 .
- vi) Vehicle Loan from HDFC Bank Ltd. of Rs. 6.00 Lacs outstanding Rs.2.71 Lacs as on 31.03.2018 (P.Y. 4.65 Lacs ) including Rs.2.71 Lacs (P.Y. 1.94 Lacs) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 21 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from July, 2016 along with interest @ 9.75% per annum and the last instalment is payable by June 2019 .

**f) Term Loans (Vehicle Loans) from ICICI Bank Limited**

Vehicle Loan from ICICI Bank Ltd. of Rs. 18.50 Lacs outstanding Rs.14.73 Lacs as on 31.03.2018 (P.Y. NIL ) including Rs.5.99 Lacs (P.Y. NIL) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 21 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 August, 2017 along with interest @ 8.25% per annum and the last instalment is payable by July 2020 .

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

- i) Term Loan of Rs.1000.00 Lacs , Outstanding Rs. 166.70 Lacs as on 31.03.18 (P.Y. 333.36 Lacs ) including Rs. 166.66 Lacs (P.Y. 166.66 Lacs) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 21, 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.1000.00 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 May 2013 and last installment is payable by February 2019. The above term loan carry interest @11.00% p.a.



ii) Term Loan of Rs. 1250.00 Lacs , Outstanding Rs. 729.00 Lacs as on 31.03.18 (P.Y. 937.40 Lacs ) including Rs. 208.40 Lacs (P.Y. 208.40 Lacs) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 21, is secured by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future and hypothecation charge over movable (save and except book debts) machinery, spares, tools and accessories, present and future, Finished and semi finished products, other goods and uncalled capital, subject to prior charges created in favour of Bankers for working capital facilities. The above loans of Rs. 1250.00 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 November 2015 and last installment is payable by August 2021. The above term loan carry interest @11.5% p.a.

(iii) Terms of Repayment of Unsecured Loans

Aggregate Amount outstanding	Rate of Interest	
Rs.1213.00 Lacs (P.Y. Rs.1004.50 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 31.03.2018, only after 31.03.2019 (P.Y. as on 31.03.2017, only after 31.03.2018)

	As at 31 <sup>st</sup> March, 2018 (Rs. In Lacs)	As at 31 <sup>st</sup> March, 2017 (Rs. In Lacs)	As at 1 <sup>st</sup> April, 2016 (Rs. In Lacs)
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**NOTE NO.15**

**Other financial liabilities**

Security Deposits	7.92	25.69	30.01
Other Payables	62.35	53.53	41.35
	<u>70.27</u>	<u>79.22</u>	<u>71.36</u>

**NOTE NO.16**

**PROVISIONS (NON CURRENT)**

**Provision for Employee Benefits**

Provision for Gratuity	146.17	220.28	256.87
Provision for Leave Encashment	39.96	34.30	80.25
	<u>186.13</u>	<u>254.58</u>	<u>337.12</u>

**NOTE NO.17**

**DEFERRED TAX LIABILITIES (NET)**

(a) Deferred Tax Liabilities	1,570.66	1,795.99	2,335.77
	<u>1,570.66</u>	<u>1,795.99</u>	<u>2,335.77</u>
(b) Deferred Tax Assets	202.78	173.63	504.95
(c) MAT credit Entitlement	328.15	295.95	172.49
	<u>530.93</u>	<u>469.58</u>	<u>677.44</u>
<b>Total (a-b)</b>	<u>1,039.73</u>	<u>1,326.41</u>	<u>1,658.33</u>

**NOTE NO.18**

**SHORT TERM BORROWING (CURRENT)**

Loan repayable on demand from banks (Secured)	3,147.10	2,123.81	2,358.68
	<u>3,147.10</u>	<u>2,123.81</u>	<u>2,358.68</u>

(a) Borrowings of Rs. 3147.10 (P.Y. Rs 2123.81 ) from SBI, IDBI and ICICI Bank Ltd. for working capital are secured on pari passu basis by way of joint hypothecation first charge on entire inventories, trade receivables and other current assets present & future and secured by second pari passu charge on fixed assets of the Company. Such borrowings are also guaranteed by the Managing Director and one other Director of the Company.



	As at 31 <sup>st</sup> March, 2018 (Rs. In Lacs)	As at 31 <sup>st</sup> March, 2017 (Rs. In Lacs)	As at 1 <sup>st</sup> April, 2016 (Rs. In Lacs)
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**NOTE NO.19**

**TRADE PAYABLES ( Unsecured)**

Micro Enterprises and Small Enterprises\*  
Others

	-	-	-
	<u>3,570.39</u>	<u>3,513.17</u>	<u>3,229.45</u>
<b>Total</b>	<u><b>3,570.39</b></u>	<u><b>3,513.17</b></u>	<u><b>3,229.45</b></u>

\* Principal amount outstanding as at the year end, there is no overdue amount of principal and interest due to Micro and Small Enterprises . During the period, no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

**NOTE NO.20**

**OTHER FINANCIAL LIABILITIES**

Interest Accrued but not due on Loans  
Premium on Exchange Forward Contract payable  
Unclaimed Dividend  
Expenses Payable  
Current maturities of Long Term Borrowings  
**Total**

	<u>63.59</u>	<u>67.16</u>	<u>81.05</u>
	<u>46.72</u>	<u>-</u>	<u>-</u>
	<u>26.05</u>	<u>28.07</u>	<u>29.91</u>
	<u>987.26</u>	<u>948.10</u>	<u>782.70</u>
	<u>1,070.58</u>	<u>1,326.48</u>	<u>1,524.96</u>
<b>Total</b>	<u><b>2,194.20</b></u>	<u><b>2,369.81</b></u>	<u><b>2,418.62</b></u>

**NOTE NO.21**

**OTHER CURRENT LIABILITIES**

Statutory dues  
Advance From Customers  
**Total**

	<u>61.11</u>	<u>84.37</u>	<u>219.49</u>
	<u>253.78</u>	<u>112.43</u>	<u>139.63</u>
<b>Total</b>	<u><b>314.89</b></u>	<u><b>196.80</b></u>	<u><b>359.12</b></u>

**NOTE NO.22**

**PROVISIONS (CURRENT)**

**Provision for Employee Benefits**  
Provision for Leave Encashment  
**Total**

	<u>41.88</u>	<u>36.74</u>	<u>-</u>
<b>Total</b>	<u><b>41.88</b></u>	<u><b>36.74</b></u>	<u><b>-</b></u>

As at 31<sup>st</sup> March, 2018  
As per IND AS

As at 31<sup>st</sup> March, 2017  
As per IND AS

**NOTE NO.23**

**REVENUE FROM OPERATIONS**

**A Sale of Products**

27,006.90 27,075.68

**B Other Operating Revenue**

Net Gain/(Loss) on Foreign Currency translation and transactions - sales  
Duty drawback benefits  
Premium on transfer of Duty credit scripts  
Sale of Scrap  
Claim Receipt

	<u>306.28</u>	<u>612.77</u>
	<u>789.59</u>	<u>1,388.90</u>
	<u>365.45</u>	<u>374.23</u>
	<u>33.71</u>	<u>47.91</u>
	<u>43.72</u>	<u>0.12</u>
	<u><b>28,545.65</b></u>	<u><b>29,499.61</b></u>



As at 31<sup>st</sup> March, 2018  
As per IND AS

As at 31<sup>st</sup> March, 2017  
As per IND AS

**NOTE NO.24**

**OTHER INCOME**

Interest Income	97.13	141.84
Unspent Liabilities/Sundry Balances Written Back (Net)	20.39	125.37
Rent Received	3.60	3.60
Profit on Disposal of Fixed Assets (Net)	2.20	15.37
Net Gain/(Loss) on Foreign Currency transactions - other	-	97.13
Gain on Security Deposit	13.66	12.42
Misc Receipt	3.15	3.34
	<u>140.13</u>	<u>399.07</u>

**NOTE NO.25**

**COST OF MATERIAL CONSUMED**

Opening Stock of Raw Material	1,267.92	1,397.93
Add:- Purchases and incidental Expenses	15,880.42	16,204.57
Less:- Closing Stock of Raw Materials	1,175.41	1,267.92
	<u>15,972.93</u>	<u>16,334.58</u>

**NOTE NO.26**

**(INCREASE)/DECREASE IN INVENTORIES ON FINISHED GOODS,  
WORK-IN-PROGRESS AND TRADED GOODS, ETC.**

**Closing Inventories**

Work-in-Progress	1,022.94	1,115.54
Finished Goods	1,790.46	1,248.29
Waste	10.89	15.54
Scrap and Residual Materials	2.78	0.61
<b>Total</b>	<u>2,827.07</u>	<u>2,379.98</u>

**Opening Inventories**

Work-in-Progress	1,115.54	1,294.34
Finished Goods	1,248.29	1,073.46
Waste	15.54	6.64
Scrap and Residual Materials	0.61	2.74
<b>Total</b>	<u>2,379.98</u>	<u>2,377.18</u>

(447.09)

(2.80)

**NOTE NO.27**

**EMPLOYEE BENEFITS EXPENSES**

Salaries, Wages, Bonus and Benefits, etc.	3,321.10	3,138.36
Contribution to Provident and Other Funds, etc.	271.19	254.26
Employees Welfare Expenses	51.66	56.09
Workman Compensation	31.11	95.96
	<u>3,675.06</u>	<u>3,544.67</u>



As at 31<sup>st</sup> March, 2018  
As per IND AS

As at 31<sup>st</sup> March, 2017  
As per IND AS

**NOTE NO.28**

**FINANCE COSTS**

Interest Expense*	574.75	787.20
Dividend on Preference share	230.75	230.75
Dividend Distribution Tax on Preference shares	46.98	46.98
Other Borrowing Costs	371.31	345.32
Net (Gain)/ Loss on foreign currency Transactions & Tanslations	14.15	(21.02)
Buyer's Credit / FCNR(B) Loans.		
	<u>1,237.94</u>	<u>1,389.23</u>

\*(After adjustment of Rs 159.89 Lacs (PY Rs 193.65 Lacs ) towards interest subsidies under TUFs/ state schemes.

**NOTE NO.29**

**DEPRECIATION AND AMORTISATION EXPENSE**

On Property, Plant and Equipment	731.52	729.10
On Intangible Assets	7.83	7.16
	<u>739.35</u>	<u>736.26</u>

**NOTE NO.30**

**OTHER EXPENSES**

Consumption of Stores and Spares	902.48	1,009.83
Packing Materials	576.45	716.83
Power and Fuel	3,542.14	2,935.09
Freight and Transportation	782.53	697.86
Rent	101.81	109.25
Repair & Maintenance		
- Plant & Equipments	48.98	67.48
- Buildings	49.90	51.76
Insurance	24.38	16.54
Rates & Taxes	8.49	17.04
Travelling and Conveyance	139.86	152.90
Payment to Auditors	10.84	10.60
Commission and Brokerage on sales	692.80	773.61
Loss on Sale/discard of Store Items	1.47	-
Net (gain)/ Loss on Foreign Currency Trasactions & translations - others	44.59	-
Miscellaneous Expenses	396.09	441.39
Corporate Social Responsibility (CSR) Expenses	12.58	13.48
	<u>7,335.39</u>	<u>7,013.66</u>

**NOTE NO.31**

**Income Tax**

Amount Recognised in the Statement of Profit and Loss		
Current Tax	108.00	161.00
Tax for earlier year	0.39	-
Deferred Tax	(254.48)	(206.55)
Mat Credit Entitlement	(32.20)	(123.45)
<b>Total Tax Expense</b>	<u>(178.29)</u>	<u>(169.00)</u>





As at 31<sup>st</sup> March, 2018  
As per IND AS

As at 31<sup>st</sup> March, 2017  
As per IND AS

**Reconciliation of Income Tax**

**Particulars**

<b>Net profit before income tax</b>	<b>81.48</b>	478.99
<b>Applicable Statutory Income Tax Rate</b>	<b>33.063%</b>	33.063%
<b>Computed Tax Expenses</b>	<b>26.94</b>	158.37
Add:- Tax Incidence on additions		
i) Dividend and DDT on Preference Share Capital	<b>91.82</b>	91.82
ii) Exp etc disallowed /other Deductions	<b>46.40</b>	59.70
iii) Others		3.37
<b>TOTAL- A</b>	<b>165.16</b>	<b>313.26</b>
<b>Less:- Tax incidence on additions</b>		
i) Difference of Book Dep and Income tax Dep	<b>25.27</b>	79.82
ii) Allowance u/s 43-B	<b>28.61</b>	72.45
iii) Others	<b>5.12</b>	-
<b>TOTAL- B</b>	<b>58.99</b>	<b>152.27</b>
<b>Reported Income Tax Expenses</b>	<b>NET (A-B)</b>	<b>160.99</b>
Current Tax	<b>108.00</b>	161.00
Tax for earlier year	<b>0.39</b>	-
Deferred Tax Assets - Liabilities	<b>(254.47)</b>	(206.55)
MAT Credit Entitlement	<b>(32.20)</b>	(123.45)
<b>Total</b>	<b>(178.28)</b>	<b>(169.00)</b>



**Note No. 32 :**

**Significant Accounting Policies & Notes on Financial Statements.**

**1 CORPORATE INFORMATION :**

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

**A. Basis of Preparation of Financial Statements:**

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

**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. First Time Adoption of Ind AS:**

These Financial Statements, for the year ended 31<sup>st</sup> March 2018 have been prepared in accordance with Ind AS 101, "First Time Adoption of Ind AS", as these are the Company's first Ind AS compliant financial statements.

For the periods upto and including the year ended 31<sup>st</sup> March 2017, the company prepared its financial statements in accordance with the accounting standards notified under section 133 of Companies Act, 2013, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared its financial statement to comply with the Ind AS for the year ending 31<sup>st</sup> March, 2018, together with the comparative figures as at and for the year ended 31<sup>st</sup> March, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the company opening balance sheet was prepared as at 1<sup>st</sup> April, 2016, the date of transition to Ind AS. 2017.

**C. 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. 1<sup>st</sup> April 2016. The Company has adopted optional exception 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. These assets are stated at cost.

**(iii) Depreciation/Amortisation**

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

- Lease hold Land is amortised over the period of lease.
- Office Equipment are depreciated over 10 years.

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

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

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

**(iv) Non Current Investments :**

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

**(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 and raw material has been computed on First-in-First-out Method, Scrap and waste has been valued on net realisation value. Due allowance is estimated and made for defective and obsolete items, wherever necessary. Scrap and waste has been valued at net realisable value.

**(vi) Lease**

Leases under which the Company assumes substantially all risks and rewards of ownership are classified as finance lease. When acquired such assets are capitalised at fair value or present value of minimum lease payments at the inception of the lease, whichever is lower.

Lease payments under operating lease are recognised as an expenses on a straight line basis in the Statement of Profit and Loss account over the lease term.

**(vii) Revenue/Income Recognition:**

Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is net of returns, trade discounts and taxes & duties.

The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

**(a) Sales of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

**(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 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 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 Leave Encashment**

The Company provides for Gratuity and Leave Encashment, 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. Net Interest Cost are charged as interest Cost in statement of profit and Loss account.

**(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.

**(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 Law on the reporting date. Income tax expense is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such cases the tax is recognised directly in equity or in other comprehensive income.



**(b) Deferred tax:**

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

**(c) MAT :**

Minimum Alternative Tax (MAT) is applicable to the Company. 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 Contingent Assets**

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

**(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 dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

**(xvii) Earning Per Share -**

Basic earnings 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 earnings 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 earnings 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. 33**

**Fair value of Financial Assets and Financial Liabilities**

Rs. In Lacs

Sr.No.	Particulars	Fair Value Hierarchy	Note No.	As at 31 <sup>st</sup> March , 2018		As at 31 <sup>st</sup> March , 2017		As at 31 <sup>st</sup> March , 2016	
				Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>I</b>	<b>Financial Assets</b>								
(a)	At Fair Value :- - Equity, Investment and unquoted Shares	Level 3	A						
(b)	At Amortised Cost								
	- Trade Receivables			1,726.50	1,726.50	1,835.22	1,835.22	2,083.18	2,083.18
	- Loans, Security Deposit and Others			842.35	842.35	922.69	922.69	949.81	949.81
	- Cash and Cash Equivalents		B	22.88	22.88	77.86	77.86	95.75	95.75
	- Other Bank Balances			413.24	413.24	406.38	406.38	381.76	381.76
	<b>Total Financial Assets</b>			<b>3,004.97</b>	<b>3,004.97</b>	<b>3,242.15</b>	<b>3,242.15</b>	<b>3,510.50</b>	<b>3,510.50</b>
<b>II</b>	<b>Financial Liabilities</b>								
(a)	At Amortised Cost								
	- Borrowings			8,317.41	8,317.41	8,137.04	8,137.04	9,746.36	9,746.36
	- Trade Payables		B	3,570.39	3,570.39	3,513.17	3,513.17	3,229.45	3,229.45
	- Other Financial Liabilities			2,264.47	2,264.47	2,479.03	2,479.03	2,489.98	2,489.98
	<b>Total Financial Liabilities</b>			<b>14,152.27</b>	<b>14,152.27</b>	<b>14,129.24</b>	<b>14,129.24</b>	<b>15,465.79</b>	<b>15,465.79</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:

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

**Fair Value Hierarchy**

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

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

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

**NOTE NO.34**

**Financial Risk Management Objectives and Policies:** The Company's activities are exposed to a variety of Financial Risks from its Operations. The key financial risks include Market risk, Credit risk and Liquidity risk.

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

**(b) Foreign Currency Risk:** Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from foreign currency transactions of imports, exports and borrowing primarily with respect to USD and Euro. The Company's exports are denominated generally in USD, providing a natural hedge to some extent against foreign currency payments on account of imports of raw materials and/or the payment of borrowings. The foreign currency transaction risk are managed through selective hedging programmes by way of forward contracts including for underlying transactions having firm commitments or highly probable forecast of crystallisation. The Company uses forward exchange contracts to hedge its exposure in foreign currency. The details of foreign currency exposures hedged by derivative instruments and those have not been hedged are as follows:





Particulars	Currency	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
		In Foreign Currency	Rs. In Lacs	In Foreign Currency	Rs. In Lacs	In Foreign Currency	Rs. In Lacs
<b>Hedged :</b>							
<b>Forward exchange contracts outstanding</b>							
Long-term borrowing	USD	-	-	-	-	1,773,720.42	1,203.14
<b>Total</b>	USD	-	-	-	-	<b>1,773,720.42</b>	<b>1,203.14</b>
<b>Unhedged :</b>							
Long-term borrowings FCNR	USD	-	-	1,509,682.10	990.35	1,201,000.00	809.84
	EUR	<b>123,067.12</b>	<b>99.45</b>	664,605.84	467.62	538,354.00	407.96
Commission in F Export Sales	USD	<b>498,141.78</b>	<b>327.52</b>	416,009.00	272.90	235,245.13	156.32
	EUR	<b>215,561.15</b>	<b>174.77</b>	246,050.00	173.12	192,751.55	144.76
Bank/ Cash Balances	USD	<b>2,600.00</b>	<b>1.65</b>	20,473.00	13.43	19,691.00	12.98
	EUR	<b>150.00</b>	<b>0.12</b>	1,073.00	0.75	895.00	0.67
<b>Total</b>	USD	<b>500,741.78</b>	<b>329.16</b>	<b>1,946,164.10</b>	<b>1,276.68</b>	<b>1,455,936.13</b>	<b>979.14</b>
	EUR	<b>338,778.27</b>	<b>274.34</b>	<b>911,728.84</b>	<b>641.49</b>	<b>732,000.55</b>	<b>553.39</b>

**(c) Foreign Currency Sensitivity:**

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

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Change in USD	+5%	+5%
Effect on profit before tax (Rs. in Lacs)	<b>16.46</b>	63.83
Change in USD	-5%	-5%
Effect on profit before tax (Rs. in Lacs)	<b>(16.46)</b>	(63.83)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Change in EUR	+5%	+5%
Effect on profit before tax (Rs. in Lacs)	<b>13.72</b>	32.07
Change in EUR	-5%	-5%
Effect on profit before tax (Rs. in Lacs)	<b>(13.72)</b>	(32.07)

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 counter party 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 counter parties, 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 are generally not exposed to credit risk.

**(i) Liquidity Risk:**

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

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

Particulars	Carrying Value	Payable on Demand	Upto 12 Months	Rs. in Lakhs
				1 to 5 years
<b>As at 31<sup>st</sup> March 2018</b>				
Borrowings*	7080.49	3047.65	1170.03	2862.82
Preference Share Capital	2307.50	-	-	243.00
Trade and Other Payables	3570.39	-	3570.39	-
<b>Total</b>	<b>12958.38</b>	<b>3047.65</b>	<b>4740.42</b>	<b>3105.82</b>
<b>As at 31<sup>st</sup> March 2017</b>				
Borrowings*	7156.03	2036.65	1413.63	3705.74
Preference Share Capital	2307.50	-	-	216.00
Trade and Other Payables	3513.17	-	3513.17	-
<b>Total</b>	<b>12976.70</b>	<b>2036.65</b>	<b>4926.81</b>	<b>3921.74</b>
<b>As at 1<sup>st</sup> April 2016</b>				
Borrowings*	8963.82	2358.68	1524.96	5080.17
Preference Share Capital	2307.50	-	-	-
Trade and Other Payables	3229.45	-	3229.45	-
<b>Total</b>	<b>14500.77</b>	<b>2358.68</b>	<b>4754.41</b>	<b>5080.17</b>

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



**NOTE NO. 35**

**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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Borrowings*	<b>7080.49</b>	7156.03	8963.82
Less: Cash and Cash equivalents	<b>22.87</b>	77.86	95.74
<b>Net debt</b>	<b>7057.62</b>	<b>7078.17</b>	<b>8868.08</b>
Equity Share Capital	<b>399.48</b>	399.48	399.48
Preference Share Capital	<b>2307.50</b>	2307.50	2307.50
Other Equity	<b>6641.98</b>	6408.29	5812.03
<b>Total Capital</b>	<b>9348.96</b>	<b>9115.27</b>	<b>8519.02</b>
<b>Capital and net debt</b>	<b>16406.58</b>	<b>16193.44</b>	<b>17387.10</b>
<b>Gearing ratio</b>	<b>0.43</b>	<b>0.44</b>	<b>0.51</b>

\* Borrowings does not includes Preference Share Capital.

**NOTE NO. 36**

**Exceptions and Exemptions applied for Transition to Ind AS**

Ind AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adoptions certain mandatory exceptions and optional exemptions from the retrospective application of certain Ind AS, effective from 1<sup>st</sup> April, 2016. In preparing these financial statements , the company has applied the below mentioned optional exemptions and mandatory exceptions.

**(a) Optional Exemptions Availed:**

Property Plant and Equipment, Intangible Assets and Investment Properties

As permitted in para D5-D8B of Ind AS 101, the company has opted to continue with the carrying values under previous GAAP for all the items of Property, Plant and Equipment and investment except free hold land & lease hold land in which the company has opted to carry the fair value as deemed cost on transition date.

**(b) Mandatory Exceptions:**

**(i) Estimates**

Upon an assessment of the estimates made under Previous GAAP, the company has an opinion that there was no necessity to revise such estimates under Ind AS, except where revision in estimates was necessitated as required in Ind AS. The estimates used by the company to present the amounts in accordance with Ind AS reflect conditions existing as at 1<sup>st</sup> April, 2016, the date of transition to Ind AS and as at 31<sup>st</sup> March, 2017 and as at 31<sup>st</sup> March, 2018.

**(ii) Derecognition of Financial Assets and Financial Liabilities**

The Company has opted to apply the derecognition requirements for financial assets and financial liabilities in accordance with Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

**(iii) Classification and Measurement of Financial Assets**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.



**NOTE NO. 37**

**Standards Issued but not yet Effective:**

IND AS 115- Revenue from Contract with Customer: On March 28, 2018 Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principal of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of IND AS 115 is expected to be insignificant.

**NOTE NO. 38**

**Reconciliation:**

**The following reconciliations provide a quantification of the effect of significant differences arising as a result of transition from Previous GAAP to Ind AS in accordance with Ind AS 101:**

(a) Effect of Ind AS adoption on the Balance Sheet as at 31<sup>st</sup> March 2017 and 1<sup>st</sup> April 2016:

(Rs. In Lacs)

Particulars	As at 31 <sup>st</sup> March, 2017			As at 1 <sup>st</sup> April, 2016		
	Previous GAAP #	Effect of Transition of Ind AS	As per Ind AS	Previous GAAP #	Effect of Transition of Ind AS	As per Ind AS
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
Property, Plant and Equipment	10,666.93	4,476.02	15,142.95	10,874.95	4,529.94	15,404.89
Capital Work-in-Progress	-	-	-	109.43	-	109.43
Other Intangible Assets	40.00	(17.27)	22.74	49.10	(20.70)	28.40
<b>Financial Assets</b>						
Investments	316.03	(316.03)	-	316.03	(316.03)	-
Trade Receivables	-	-	-	-	-	-
Other Financial Assets	410.66	(83.40)	327.26	400.64	(95.82)	304.82
Non-current Tax Assets (Net)	-	-	-	-	-	-
Other Non-current Assets	-	-	-	-	-	-
<b>Total Non-current Assets</b>	<b>11,433.63</b>	<b>4,059.31</b>	<b>15,492.95</b>	<b>11,750.15</b>	<b>4,097.39</b>	<b>15,847.54</b>
<b>CURRENT ASSETS</b>						
Inventories	3,809.81	-	3,809.81	3,921.44	-	3,921.44
<b>Financial Assets</b>						
Trade Receivables	1,835.22	-	1,835.22	2,083.18	-	2,083.18
Cash and Cash Equivalents	77.86	-	77.86	95.75	-	95.75
Other Bank Balances	411.37	(4.98)	406.38	388.27	(6.51)	381.76
Others Financial Asset	532.83	62.60	595.43	638.48	6.51	644.99
Current Tax Assets (Net)	536.09	(456.95)	79.14	295.01	(207.49)	87.52
Other Current Assets	482.38	(57.62)	424.77	969.68	-	969.68
<b>Total Current Assets</b>	<b>7,685.55</b>	<b>(456.95)</b>	<b>7,228.61</b>	<b>8,391.81</b>	<b>(207.49)</b>	<b>8,184.32</b>
<b>Total Assets</b>	<b>19,119.19</b>	<b>3,602.37</b>	<b>22,721.56</b>	<b>20,141.96</b>	<b>3,889.90</b>	<b>24,031.86</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
Equity Share Capital	399.48	-	399.48	399.48	-	399.48
Other Equity	3,504.06	2,904.23	6,408.29	3,159.87	2,652.16	5,812.03
<b>Total Equity</b>	<b>3,903.54</b>	<b>2,904.23</b>	<b>6,807.77</b>	<b>3,559.35</b>	<b>2,652.16</b>	<b>6,211.52</b>



( Rs. In Lacs )

Particulars	As at 31 <sup>st</sup> March, 2017			As at 1 <sup>st</sup> April, 2016		
	Previous GAAP #	Effect of Transition of Ind AS	As per Ind AS	Previous GAAP #	Effect of Transition of Ind AS	As per Ind AS
<b>LIABILITIES</b>						
<b>NON-CURRENT LIABILITIES</b>						
Financial Liabilities						
Borrowings	6,013.24	-	6,013.24	7,387.67	-	7,387.67
Other Financial Liabilities	79.22	-	79.22	71.36	-	71.36
Provisions	145.16	109.43	254.58	190.95	146.17	337.12
Deferred Tax Liabilities (Net)	573.84	752.57	1,326.41	492.15	1,166.17	1,658.33
Other Non Current Liabilities	-	-	-	-	-	-
<b>Total Non-current Liabilities</b>	<b>6,811.45</b>	<b>862.00</b>	<b>7,673.45</b>	<b>8,142.14</b>	<b>1,312.34</b>	<b>9,454.48</b>
<b>CURRENT LIABILITIES</b>						
Financial Liabilities						
Borrowings	2,123.81	-	2,123.81	2,358.68	-	2,358.68
Trade Payables	3,513.17	-	3,513.17	3,229.45	-	3,229.45
Other Financial Liabilities	2,083.82	285.99	2,369.81	2,132.63	285.99	2,418.62
Other Current Liabilities	196.80	-	196.80	359.12	-	359.12
Provisions	486.59	(449.85)	36.74	360.59	(360.59)	-
Current Tax Liabilities (Net)						
<b>Total Current Liabilities</b>	<b>8,404.19</b>	<b>(163.86)</b>	<b>8,240.33</b>	<b>8,440.47</b>	<b>(74.60)</b>	<b>8,365.87</b>
<b>Total Equity and Liabilities</b>	<b>19,119.19</b>	<b>3,602.37</b>	<b>22,721.56</b>	<b>20,141.96</b>	<b>3,889.90</b>	<b>24,031.86</b>

# Previous GAAP numbers of the Balance Sheet as at 31<sup>st</sup> March 2017 and 1<sup>st</sup> April 2016 have been reclassified as per schedule III of the Companies Act, 2013 for like-to-like Comparison

**NOTE NO. 39**

**Effect of Ind AS adoption on the Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2017:**

( Rs. In Lacs )

Particulars	Previous GAAP #	Effect of Transition of Ind AS	As per Ind AS
<b>REVENUE</b>			
Revenue from Operations	28,473.60	1,026.01	29,499.61
Other Income	1,006.03	(606.96)	399.07
<b>Total Revenue</b>	<b>29,479.63</b>	<b>419.05</b>	<b>29,898.68</b>
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	16,334.58	-	16,334.58
Excise Duty	-	404.08	404.08
(Increase)/ Decrease in Inventories of Finished Goods, Work-in-Progress etc.	(2.80)	-	(2.80)
Employee Benefits Expense	3,583.83	(39.16)	3,544.67
Finance Costs	1,099.18	290.05	1,389.23
Depreciation and Amortisation Expense	671.19	65.07	736.26
Other Expenses	7,004.64	9.02	7,013.66
<b>Total Expenses</b>	<b>28,690.62</b>	<b>729.06</b>	<b>29,419.68</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEM AND TAX</b>	<b>789.01</b>	<b>(310.01)</b>	<b>479.00</b>



( Rs. In Lacs )

Particulars	Previous GAAP #	Effect of Transition of Ind AS	As per Ind AS
<b>Tax Expense</b>			
Current Tax	161.00	-	161.00
Less: MAT Credit Entitlement relating to earlier years	(123.45)	-	(123.45)
Net Current Tax	<b>37.55</b>	-	<b>37.55</b>
Income Tax for Earlier Years	-	-	-
Deferred Tax Charge/(Credit)	81.68	(288.23)	(206.55)
<b>Total Tax Expense</b>	<b>119.23</b>	<b>(288.23)</b>	<b>(169.00)</b>
<b>PROFIT FOR THE YEAR</b>	<b>669.78</b>	<b>(21.78)</b>	<b>648.00</b>
<b>OTHER COMPREHENSIVE INCOME</b>	-		
Items that will not be reclassified to Profit or Loss			
Fair Valuation Gain/(Loss) on Equity Instruments	-	-	-
Remesurement Gain/(Loss) on Defined Benefit Plans	-	(5.80)	(5.80)
Income Tax relating to these items	-	1.92	1.92
<b>Total Other Comprehensive Income</b>	-	<b>(3.88)</b>	<b>(3.88)</b>
<b>Total Comprehensive Income for the year</b>	-	<b>(3.88)</b>	<b>(3.88)</b>
<b>TOTAL INCOME FOR THE PERIOD</b>	<b>669.78</b>	<b>(25.66)</b>	<b>644.12</b>

(c) There are no significant reconciliation items between cash flow prepared under previous GAAP and Prepared under IND AS.

**NOTE NO. 40**

**Reconciliation of Equity as at 31<sup>st</sup> March 2017 and 1<sup>st</sup> April 2016:**

( Rs. In Lacs )

S.No.	Particulars	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>A</b>	<b>Total Equity as reported under previous GAAP</b>	<b>3,504.06</b>	<b>3,159.87</b>
	<b>Ind AS adjustments on account of:</b>		
	Recognition of Fixed assets	14.55	-
	Recognition of Deprecation on Fixed assets	(68.48)	-
	Provision for Dimunition in value of Investment	(316.03)	(316.03)
	Recognition of Intangible assets	(17.27)	(20.70)
	Dividend including tax not recognised as liability until declared	47.86	47.86
	Fair value of land considered as deemed cost	4,529.94	4,529.94
	Fair Value of Rental Security	(83.40)	(95.82)
	Others (Gratuity Provision)	(154.43)	(154.43)
	Deferred Tax Assets / (Liabilites ) adjustment on above (Net)	(1,048.52)	(1,338.66)
<b>B</b>	<b>Total adjustments to equity</b>	<b>2,904.23</b>	<b>2,652.16</b>
<b>C</b>	<b>Total equity under Ind AS (A+B)</b>	<b>6,408.29</b>	<b>5,812.03</b>

Major Adjustment in Note No. 38, 39 and 40 are as under-

**1 Property Plant and Equipment**

The Company has opted the option of fair value as deemed cost for freehold land and lease hold land as on the date of transition to IND AS i.e. as at 01-04-2016 . This has resulted in increase of Rs 4529.94 Lacs in the value of freehold and leasehold land with Corrospounding increase in Retained Earnings of Rs 4529.94 Lacs.





**2 Non Current Investment :-**

The company has treated fair value of Investment of Equity shares of Rs 167.47 Lacs and 0.01% Cumulative Preference Shares of Rs 148.56 Lacs as NIL in view of negative book value and has made provision for diminution in value of investment by debiting to retained earnings as at 01.04.2016

**3 Employee Benefit Expenses:-**

Under IND AS remeasurement i.e. Actuarial Gain and losses and defined benefit obligation are recognised in the other comprehensive Income instead of Statement of Profit & Loss Thus employee benefit expenses are reduced by Rs. 5.79 Lacs and is recognised in OCI in year ended 31<sup>st</sup> March 2017

**4 Security Deposit:-**

Interest free Security Deposit has been accounted for at amortised cost using market rate of interest. The difference between the amount of Deposit and the amortised cost as at 01-04-2016 amounting of Rs. 95.81 Lacs. has been debited to retained earnings.

5 Prior Period Expenses of Employee benefit expenses Rs 154.42 Lacs. have been debited to Retained Earnings as at 01-04-2016

6 Deferred Tax liabilities / Assets has also been recognised due to the Accounting treatment in respect of certain items as per IND AS

7 MAT entitlement credit being of the nature of Deferred Tax on transition to IND AS. MAT credit entitlement of Rs. 172.49 Lacs. as at 01.04.2016 has been regrouped under Deferred Tax Assets from Current Tax Assets (Net)

As at 31<sup>st</sup> March, 2018

As at 31<sup>st</sup> March, 2017

**NOTE NO. 41**

Estimated amount of contracts remaining to be executed on Capital Account and not provided for

Nil

Nil

**NOTE NO. 42**

**Contingent Liabilities not provided for in respect of**

i) Bonds executed in favour of Customs and Excise Authorities	<b>100.00</b>	100.00
ii) Foreign bills discounting with Banks	<b>3,069.71</b>	3,180.64
iii) Claims not acknowledged as debts (Disputed by the Company and or appealed against);		
a) Demand of Income Tax	<b>159.90</b>	159.90
b) Excise/Service Tax Matter	<b>63.38</b>	47.87
c) Demands of Sales Tax.	<b>0.31</b>	0.31
d) Demands of workers	<b>9.36</b>	10.62
iv) Others	<b>389.23</b>	389.23

**NOTE NO. 43**

**A) Amount Paid/Payable to Auditors:**

a) Statutory Audit Fee	<b>7.04</b>	7.04
b) Tax Audit Fee	<b>2.15</b>	2.15
c) Other Certification Charges	<b>0.72</b>	0.72
d) Reimbursement of Expenses	<b>0.93</b>	0.69
	<b>10.84</b>	<b>10.60</b>
<b>B) Amount Paid/Payable to Cost Auditors Included in Misc. Expenses</b>		
a) Audit Fees	<b>0.45</b>	0.45
b) Reimbursement of Expenses	<b>0.23</b>	1.04
	<b>0.68</b>	<b>1.49</b>



**NOTE NO. 44**

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. 45**

The management has certified that the Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures, if any, relating to total outstanding dues of Micro Enterprises and Small Enterprises and the Principal amount and Interest due thereon remaining unpaid and the amount of Interest paid/ payable as required under amended Schedule III of the Companies Act, 2013 could not be compiled and disclosed. The Auditors have relied on the certificate of the management in this regard.

**NOTE NO. 46**

Revenue from operation upto 30<sup>th</sup> June 2017 is inclusive of Excise Duty and thereafter it is net of Goods and Service Tax (GST).

**NOTE NO. 47**

<b>Earnings Per Share (EPS)-</b>	<b>(Rs. In Lacs)</b>	<b>(Rs. In Lacs)</b>
The numerators and denominators used to calculate Basic and Diluted Earnings Per Share:		
i) Net Profit (after tax )	259.77	648.00
Add :		
ii) Basic/Weighted average number of Equity Shares outstanding during the year (B)	3976708	3976650
iii) Nominal value of Equity shares (Rs.)	10	10
iv) Basic/Diluted Earnings per Share (Rs.) (A) / (B)	6.53	16.3

**NOTE NO. 48**

**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 :

<b>Sr.No.</b>	<b>Geographical Segments</b>	<b>2017-18</b>	<b>2016-17</b>
1	Domestic Market (Within India)	10,101.68	7,349.77
2	Overseas Market (Outside India)	16,905.22	19,725.91
	<b>Total</b>	<b>27,006.90</b>	<b>27,075.68</b>

- (c) Sales to one Export Customer of the Company is Rs. 3292.10 Lacs (Previous Year Rs 5903.62 Lacs ) which is more than 10% of the Company's total turnover.

**NOTE NO. 49**

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):

	Rs.	Rs.
Provident Fund	67.31	69.98
Family Pension Fund	99.69	88.82
Employees State Insurance Scheme	83.99	76.27

**Defined - Benefit Plans**

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

Particulars	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Funded) Rs. In Lacs	(Unfunded) Rs. In Lacs	(Funded) Rs. In Lacs	(Unfunded) Rs. In Lacs
a Reconciliation of opening and closing balances of Defined Benefit Obligation	<b>2017-18</b>	<b>2017-18</b>	2016-17	2016-17
Defined Benefit obligation at beginning of the year	371.76	71.04	419.56	80.24
Current Service Cost	47.96	37.49	45.78	27.95
Interest Cost	24.81	4.86	28.25	5.11
Past Service Cost	9.32	-	-	-
Actuarial (gain)/ Loss	(8.92)	(20.23)	11.14	(9.57)
Benefits paid	(76.63)	(11.32)	(132.97)	(32.69)
Defined Benefit Obligation at year end	368.20	81.85	371.76	71.04
b Reconciliation of opening and closing balance of fair value of plan assets	-	-	-	-
Fair value of plan assets at beginning of the year	148.82	-	154.43	-
Expected return on plan assets	(3.59)	-	(4.47)	-
Interest Incurred	13.43	-	11.84	-
Employer contribution	140.00	-	120.00	-
Benefits Paid	(76.63)	-	(132.97)	-
Fair Value of plan assets at year end	222.03	-	148.82	-
c Fair value of Plan assets	148.82	-	148.82	-
Interest Income	13.43	-	11.84	-
d Current Service Cost	47.86	37.49	45.78	27.95
Net Interest Cost	11.38	4.86	16.41	5.11
Past Service Cost (vested benefit)	9.32	(20.23)	-	-
Actuarial (gain)/ Loss	-	(9.57)	16.72	(9.57)
Expenses Recognised in P/L account	68.56	12.55	78.91	23.49
e Other Comprehensive Income				
Actuarial (Gain) / Loss for the year	-8.92	-	11.14	-
Return of Plan Assets	3.59	-	4.47	-
Actuarial (Gain) / Loss for the year recognised in OCI	-5.33	-	15.61	-



Particulars	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Funded) Rs. In Lacs	(Unfunded) Rs. In Lacs	(Funded) Rs. In Lacs	(Unfunded) Rs. In Lacs
f Major Categories of Plan Assets as % of the Total plan Assets Interest based Scheme with Insurance Companies	100%		100%	
g Sensitive Analysis				
Discount Rate 1 % increase	342.42	77.87		
Discount Rate 1 % Decrease	398.93	86.55		
Change in Salaries increase 1 % increase	399.78	86.68		
1 % Decrease	341.35	77.70		
h. Estimated expected benefit payments (in absolute terms i.e. undiscounted)				
<b>F.Y.</b>				
<b>2018-19</b>	<b>12.07</b>	41.89		
<b>2019-20</b>	<b>28.09</b>	17.69		
<b>2020-21</b>	<b>25.15</b>	20.38		
<b>2021-22</b>	<b>31.56</b>	21.49		
<b>2022-23</b>	<b>29.35</b>	22.47		
<b>FROM 2023-24 TO 2027 -28</b>	<b>225.30</b>	<b>25.81</b>		
<b>I. Actuarial Assumption</b>				
<b>Particulars</b>				
Discount Rates	7.67%	7.67%	7.44%	7.44%
Salary Escalation	4.00%	4.00%	4.00%	4.00%
Mortality Rates	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Retirement age	58 Years	58 Years	58 Years	58 Years

Gratuity amount for the current year is higher as compared to the previous year mainly due to change in actuarial assumption and discounting factor. The estimates of future salary increases, considered in actuarial Valuation, take account of inflation, seniority, promotion, and other relevant factors such as demand and supply in the employment market. The above information is as submitted and or obtained from Actuaries and relied upon by the Auditors.

**NOTE NO. 50**

**Related Party Disclosures**

**(As certified by the Management)**

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

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

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



**Relative of Key Managerial Person**

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

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

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

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

Particulars	Key Managerial Person refer to (i)		Enterprises over which KMP is able to exercise significant influence , refer to (ii)	
	31.03.2018 Rs. in Lacs	31.03.2017 Rs. in Lacs	31.03.2018 Rs. in Lacs	31.03.2017 Rs. in Lacs
Legal & Professional Expenses Paid			3.18	13.38
Lease Rent Received			3.60	3.60
Interest on Security Deposit			13.66	12.42
Interest paid/ payable on Loans taken	1.69		55.98	49.24
Loan Received	105.00		243.00	135.00
Repayment of Loans Received	85.00		47.50	157.00
Rent paid/Payable			83.25	81.00
Purchase of Shirts			4.80	5.43
Sale of Yarn			4.22	-
<b>Year end Balance receivable</b>			<b>4.22</b>	-
Year End Balance payable				0.51
<b>Compensation to Key managerial Person #</b>				
Short Term employee benefit	251.23	237.80		
Sitting Fees to Non Executive Director	2.61	2.43		

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

\*Mr. Amar Inder Singh Jassar,CFO appointed on 02.12.2017 and Mr. Kiran Firodiya, was CFO till 14.09.2017

**NOTE NO. 51**

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

Significant Accounting Policies and Notes to Accounts ( Note No. 32 to 51)  
As per our Report of even date.

For & On behalf of Board of Directors

For **Jain Pramod Jain & Co.**

Chartered Accountants  
(Firm Registration No. 016746N)

**P.K. JAIN**  
Partner  
M.No. 010479  
Place : Mumbai  
Dated : 17<sup>th</sup> May, 2018

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

**AMARINDER SINGH JASSAR**  
Chief Financial  
Officer

**SANJIV SHROFF**  
Managing Director  
DIN- 00296008

**RAHUL SHROFF**  
Executive Director  
DIN - 02301693



## RELIANCE CHEMOTEX INDUSTRIES LIMITED

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

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

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

### NOTICE OF FORTIETH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE FORTIETH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF RELIANCE CHEMOTEX INDUSTRIES LIMITED** will be held at Alka Hotel, Near Shastri Circle, Udaipur on Monday 10<sup>th</sup> September, 2018 at 10:30 A.M to transact the following business:-

#### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend of Rs. 10/-per 10% Cumulative Preference Shares of Rs. 100/- each.
3. To declare a final dividend of Rs. 1/- per Equity Shares of Rs. 10/- each.
4. To appoint a Director in place of Mr. R.N. Sharma, (DIN: 00368947) who retires by rotation, and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

5. **To consider continuous appointment of Mr. Kishori Lal Sonthalia as an Independent Director of the company**

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

**“RESOLVED THAT** pursuant to Regulation 17(1A) of the 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 further to the approval granted by the Members in the 36<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2014, approval of the Members be and is hereby granted for the continues appointment of Mr. K.L Sonthalia ( DIN : 00899958) as a 'Non-Executive, Independent Director' of the Company up to 28<sup>th</sup> September, 2019, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. **To consider continuous appointment of Mr. Narayan Shroff as an Independent Director of the company**

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

**“RESOLVED THAT** pursuant to Regulation 17(1A) of the 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 further to the approval granted by the Members in the 36<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2014, approval of the Members be and is hereby granted for the continues appointment of Mr. Narayan Shroff (DIN : 05207412) as a 'Non-Executive, Independent Director' of the Company up to 28<sup>th</sup> September, 2019, not liable to retire by rotation.

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

7. **To re-appoint Mr. Rahul Shroff (DIN: 02301693) as Executive Director of the company**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with 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, the consent of the members of the Company, and based on the recommendation of Nomination and Remuneration Committee, be and is hereby accorded for the re-appointment of Mr. Rahul Shroff (DIN: 02301693) as the Whole-time Director of the Company designated as Executive Director with effect from 26<sup>th</sup> September, 2018 for a period of three years at an overall remuneration up to Rs. 10.00 Lakhs per month inclusive of all allowances and perquisites, as may be decided by the Board of Directors of the Company and on such other terms and conditions, as set out in the Explanatory Statement annexed hereto which shall be deemed to form part hereof, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 and / or any statutory modification(s) or re-enactment(s) thereof.





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

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

**8. To ratify the remuneration of cost auditors for the financial year 2018-19.**

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

**"RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions, if any, of The Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the payment of the remuneration of Rs. 60,000/- (Rupees Sixty Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses at actual to M/s. N.N. & Associates, Cost Accountants (Firm Registration No. 2322) who was appointed by the Board of Directors of the Company, as "Cost Auditors" to conduct the audit of the cost records maintained by the Company for Financial Year ending March 31, 2019, be and is hereby ratified and approved.

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

Place : **Mumbai**  
Date : **13<sup>th</sup> August, 2018** By order of the Board  
For Reliance Chemotex Industries Limited

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

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

## NOTES FOR MEMBERS' ATTENTION

1. An Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of business to be transacted at Annual General Meeting (AGM), as set put under item no.(s) 5, 6, 7 and 8 above and relevant details of the directors seeking re-appointment under item no. 4, 5, 6 & 7 above as required by Regulation 26 (4) and 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and as required under Secretarial Standards - 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed hereto.

**A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll in the meeting instead of himself/herself and the proxy need not be a member of the company. Pursuant to Section 105 of the Act, a person can act as proxy on behalf of members not exceeding Fifty (50) and holding in the aggregate not more than ten percent (10%) of the total paid up share capital of the Company carrying voting rights. However, a member holding more than 10% of the total paid up share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholders. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting.**

2. The instrument appointing the proxy in order to be effective should be, duly stamped, completed and signed and must be deposited at the registered office of the company not less than 48 hours before commencement of the AGM. A proxy form is annexed to the annual report.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a duly certified true copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
4. Members may now avail the facility of nomination as permitted under Section 72 of the Companies Act, 2013 in respect of physical shares held by them in the Company, by nominating in the prescribed form SH-13 which can be procured from Registrar and Share Transfer Agent (Big Shares Services Private Limited) a person to whom their shares in the Company shall vest in the event of their death.



- Members holding shares in demat form may contact their respective depository participants for such nominations.
5. Members/Proxies/authorized representatives should bring copy of Annual Report and the duly filled attendance slip enclosed herewith to attend the meeting.
  6. Members are informed that in case of joint holders attending the Meeting, only such Joint holder who is higher in the order of the names will be entitled to vote.
  7. During the period beginning 24 hrs. before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company
  8. Book Closure and Dividend:
    - A. The Register of members and Share Transfer Books of the company will remain closed from 4<sup>th</sup> September, 2018 to 10<sup>th</sup> September, 2018 (both days inclusive) for annual closing and in connection with the payment of final dividend, if declared, for the financial year 2017-18.
    - B. Payment of Dividend for the Financial Year ended 31<sup>st</sup> March, 2018:
      - i. Final Dividend for Financial Year ended 31<sup>st</sup> March, 2018, as recommended by Board of Directors, if approved by the members at the AGM, will be paid on or after 14<sup>th</sup> September, 2018 to those members whose names appear on the Register of members as on the book closure date.
      - ii. Members holding shares in dematerialized form are hereby informed that bank particulars registered with their respective depository participants (DP), with whom they maintain their DEMAT Accounts will be used by the company for the payment of dividend. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, power of attorney, change of address, change of name, email address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then automatically be rejected in the Company's record which will help the Company and the Company's Registrars and Transfer Agents to provide better services. The company or RTA 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 DP of the members.
      - iii. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for the payment of dividend are requested to intimate to Big Share Services Private Limited and/or the company.
  9. In accordance with the amendments to regulation 40 of Listing Regulation, to be made effective w.e.f 5<sup>th</sup> December, 2018, the Securities and Exchange Board of India (SEBI) has revised the provision relating to transfer of Listing securities and has decided that request for effective transfer of listed securities shall not be processed unless the securities are held in dematerialized form with Depository (National Security Depository Limited) and (Central Depository Services India Limited). This measure is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities only in DEMAT form will improve ease; facilitate convenience and safety of transactions for investors. Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.

Members holding shares in physical form under multiple folios are requested to send Company's Registrar and Share Transfer Agent details of such folios together with the share certificates for consolidating their holdings in one folio. Such shareholders are also requested to dematerialize their physical holdings. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
  10. Members desiring any information as regards the Accounts and/or operation of the Company are requested to write to the Company at least Seven days before the date of meeting so as to enable the Management to keep the information ready at the meeting.
  11. The Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which Directors are interested, maintained under Sections 170 and 189 of the Companies Act, 2013 respectively will be available for inspection by the members at AGM.
  12. All the documents referred in the notice will be available



- for inspection by the shareholders at the registered office of the Company between 11.00 AM to 5.00 PM on all the working days excluding Saturdays hereof up to the date of the meeting.
13. Members are requested to address all their correspondence including demat applications, request for share transfers, intimation of change of address and other correspondence to the Company's RTA: -  
**M/s Bigshare Services Pvt. Ltd.**  
Bharat Tin works Building, 1st Floor,  
Opposite Vasant Oasis, next to Keys Hotel Marol  
Maroshi Road, Andheri East, Mumbai - 400059,  
Tel- 022-62638200/210  
Email id: Investors@bigsharesonline.com  
Members are requested to quote their Regd. Folio Number / DP and Client ID Nos. in all their correspondence with the Company or its RTA.
14. Non Resident Indian Members are requested to inform RTA of the Company any change in their residential status on return to India for permanent settlement, particulars of their bank account maintained in India with complete name, branch account type, account number and address of the bank with pin code number, if not furnished earlier.
15. **Pursuant to Circular No. SEBI/HO/ MIRSD/ DOP1/ CIR/P/2018/73 dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Company or its RTA by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative, Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.**
16. The annual report and the notice of AGM is available at the website of the company at [www.reliancechemotex.com](http://www.reliancechemotex.com)
17. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") as Agency to provide e-voting facility.
18. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on 5<sup>th</sup> September, 2018 (Cut-off date).
19. The notice of the meeting along with the Annual Report 2017-18 is being sent through electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2017-18 are being sent by the permitted mode.
20. To support the "Green Initiative" Members who have not registered their e-mail addresses are requested to register the same with Company's Registrar and Share Transfer Agent.
21. In compliance with Section 108 of Companies Act, 2013, read with Rule 20 of The Companies (Management & Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44(3) of SEBI ( Listing Obligations and Disclosure Requirements) Regulations 2015 , the Company has provided a facility to the members to exercise their votes electronically from a place other than the venue of the AGM through the electronic voting service facility arranged by CDSL The facility for voting, through ballot paper, will also made available at the AGM and members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for remote e-voting are annexed to the Notice.
22. The Board of Directors has appointed CS Manoj Maheshwari, FCS 3355, Practicing Company Secretary, Jaipur as the Scrutinizer for the conduct of remote e-voting and polling process in a fair and transparent manner and also for polling at the time of 40<sup>th</sup> AGM of the company.  
The Voting period begins on Thursday, 6<sup>th</sup> September, 2018 at 10.00 AM and ends on Sunday, 9<sup>th</sup> September, 2018 at 5.00 P.M. During this period shareholders of the company, holding shares either in physical form or demat form as on the cut-off date 5<sup>th</sup> September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
23. The Final result including remote e-voting & poll results shall be declared on within 48 hours from conclusion of the Annual General Meeting. The Final result along with the Scrutinizers Report shall be placed on the



Company's website [www.reliancechemotex.com](http://www.reliancechemotex.com) and on the website of CDSL within two days of passing of resolution at the Annual General Meeting of the Company and communicate to BSE Limited simultaneously.

24. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the notice of AGM and holding shares as on the cut-off date i.e 10<sup>th</sup> August, 2018 may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote.
25. A Route map showing direction to reach the venue of the 40<sup>th</sup> Annual General Meeting is given at the end of the Annual Report as part of Notice under requirement of the Secretarial Standard-2 of General Meeting.
26. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any amendments made therein) ('The Rules'), all shares in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more would be transferred to the DEMAT Account created by Investor Education and Protection Fund (IEPF) Authority. The Company has sent reminder letters to the shareholders whose shares are proposed to be transferred to IEPF, relating to transfer of underlying shares. The details of unclaimed dividends along with full details of such shareholders are available on company's website [www.reliancechemotex.com](http://www.reliancechemotex.com).
27. All unclaimed dividend of Financial year FY 2009-10 has been transferred into Investor Education Protection Fund of the Central Government. Pursuant to provision of Investor Education Protection Funds Rules, the Company has uploaded the details of the unpaid and unclaimed dividends amounts lying with the Company on the website of the Company. Un claimed dividend of the FY 2010-11 will fall due for transfer to the said funds in due time. Those members who have not encashed their dividend for the Financial year 2010-11 are requested to claim it from company or Big shares Services private limited, the share transfer agent of the Company, immediately, those members who have not so far claimed their dividend for the subsequent Financial year are also advised to claim it from company.  
The shares transferred to IEPF Authority can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under IEPF rules.

**The instructions for members for voting electronically are as under:-**

- (i) The voting period begins on Thursday, 6<sup>th</sup> September, 2018 and ends on Sunday, 9<sup>th</sup> September, 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, 5<sup>th</sup> September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.





- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- In case of members receiving the physical copy:
- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on Thursday, 6<sup>th</sup> September, 2018 and ends on Sunday, 9<sup>th</sup> September, 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, 5<sup>th</sup> September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



## ANNEXURE TO THE NOTICE

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

#### Item No. 5 & 6

Pursuant to sub-regulation (1A) of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 inserted by the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018, approval of the Members by way of a Special Resolution is necessary for appointment / continuation of appointment of any Non-Executive Director who has attained the age of 75 (Seventy Five) years.

The Members of the Company, at their 36<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2014, granted approval for appointment of Mr. Kishori Lal Sonthalia (DIN : 00899958) & Mr. Narayan Shroff (DIN:5207412) as a “Non-Executive, Independent Director” of the Company for a term of 5 (five) years w.e.f. 29<sup>th</sup> September, 2014, up to 28<sup>th</sup> September, 2019, not liable to retire by rotation. Mr. Kishori Lal Sonthalia holds a degree of Commerce and having 40 Years of Industrial experience and Mr. Narayan Shroff, Commerce Graduate and having 40 Years of Industry experience. A brief resume of Mr. Kishori Lal Sonthalia and Mr. Narayan Shroff and their other details/disclosures under regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India also forms part of this Notice.

The Nomination and Remuneration Committee of the Board of Directors has recommended the continuation of Mr. Kishori Lal Sonthalia & Mr. Narayan Shroff as an “Independent Director” of the Company, considering his rich experience, expertise and valuable contribution made to the Board of Directors of the Company.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the continuation of appointment of Mr. Kishori Lal Sonthalia and Mr. Narayan Shroff as a “Non-Executive, Independent Director” of the Company upto 28<sup>th</sup> September, 2019, not liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set forth in Item No. 5 & 6 for approval of the Members.

#### Item No. 7

Mr. Rahul Shroff was appointed as the Executive Director of the Company for a period of 3 years with effect from 26.09.2015, with approval of the Members. The present term of Mr. Rahul Shroff comes to an end on 25<sup>th</sup> September, 2018. The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment of Mr. Rahul Shroff as Executive Director for a further period of 3 years, post completion of his present term in September 2018.

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

A brief profile of Mr. Rahul Shroff, including nature of his expertise, is annexed with the notice in accordance with Regulation 36 (3) of SEBI (Listing Regulation).

In so far as the remuneration of Mr. Rahul Shroff, as Executive Director is concerned, the Members have by a Special Resolution at the AGM held on 12<sup>th</sup> September, 2016 approved the following maximum limits within which the authority has been delegated to the Board or Committee thereof to fix the remuneration of the Executive Director. The Terms of Remuneration are as under:





<b>Name</b>	<b>Mr. Rahul Shroff</b>
Designation	Executive Director
Basic Salary	From Rs. 2,65,000/- upto Rs. 5,30,000/- Per Month
House Rent Allowance/ RFHA	From Rs. 60,450/- up to Rs. 1,21,000/- Per Month
Other Allowances	From Rs. 85,000/- Up to Rs. 1,70,000/- Per Month
Ex-gratia in lieu of Bonus	From Rs. 53,000/- up to Rs. 1,06,000/- Per Month
Leave Travel Concession	For family and self, once in a year as per rules of the Company, but shall not exceed the one month basic salary.
Medical Reimbursement	Medical Reimbursement expenses incurred for self and family, but shall not exceed One month basic salary a year or 3 Months' basic Salary over a period 3 Years.
Personal Accident /Medical Insurance	Actual premium on personal accidental/ medical insurance for self and the family.
Provident Fund, Superannuation fund and Gratuity as per rules of the Company, subject to ceiling as per guidelines for Managerial Remuneration.	
Car with Driver and telephone at residence are provided to our Executive Director for business purpose as well as for personal use. Perquisite value for the use of Car with Driver has been included in his Computation of Income as per Section 17(2) of the Income Tax Act, 1961. However telephone provided to our Executive Director is not a taxable perquisite as per section 17(2) of the Income Tax Act, 1961.	
Encasement of leave as per rules of the Company.	
Club Fees is subject to a maximum of two clubs, this will not include admission and life membership fees.	

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

### 1. General Information

Nature of industry	Manufacturing and marketing of Synthetic Blended Yarn	
Date or expected date of commencement of commercial production.	The Company is in operation since August, 1979.	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable	
Financial performance based on given indicators.	Particulars for the Financial year ended 31.03.2018	(Rs. in lacs)
	Sales including other Income	28685.78
	Profit (before exceptional & extraordinary items & tax)	81.48
	Profit After Tax before other comprehensive income	259.77
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

<b>Name</b>	<b>Mr. Rahul Shroff</b>
Background Details	Mr. Rahul Shroff, Executive Director of the Company since 1 <sup>st</sup> August, 2010. He is a US Citizen and has a Bachelor of Science in Management Science and Master of Engineering in Electrical Engineering and Computer Science from Massachusetts Institute of Technology, Cambridge USA. He has been the Wholetime Director cum Executive Director of Reliance Chemotex Industries Limited for last 9 Years and has been associated with Textile Industry from Last 9 Years.
Past Remuneration paid during the year 2017-18	Rs. 71.11 Lakhs Paid during the year
Recognition or awards	N.A
Job profile and his suitability	He looks after the day-to-day running of the company and has substantial power under supervision, control, direction of Managing Director. He focuses on streamlining the company's manufacturing processes with specific emphasis on lean ideologies, analytical reasoning and increased flexibility. He is responsible for the organization's increased exports and it's focus on diversifying into quality-conscious industrial and medical textile markets.
Remuneration proposed	Up to Rs. 10.00 Lakhs Per Month
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	The Nomination and Remuneration Committee constituted by the Board of Directors, in terms of Schedule V of the Companies Act, 2013 pursue remuneration of Managerial Person in the Textile Industry and other Companies comparable with the size of the Company, industry benchmark in general, profile and responsibilities of Mr. Rahul Shroff, Executive Director, before approving the remuneration as proposed herein above. Taking into account the turnover of the company and responsibilities of the Executive 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, if any.	Son of Mr. Sanjiv Shroff, Managing Director & Mrs. Dipika Shroff, Director and brother of Mr. Ameya Shroff, Executive Director of the Company.

## 3. Other Information

Reasons of inadequate profit	The last year has been challenging due to twin headwinds in form of lingering effect of demonetization and a subdued economic environment caused by issues faced during implementation of the Goods and Services Tax (GST). The one-time implementation of the GST has led to a downturn in first half of the financial year.
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 2017-18, The company is cautiously optimistic for 2018-19. The Company looking at modernisation of old ring frame and to continued focus on value-added products, consistent quality and versatile product mix and cost cutting will result in increased profit by 2% (approx.) of the revenue in the next fiscal.



**4. Disclosures**

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

The terms of remuneration specified above are now being placed before the Members for their approval.

Mr. Sanjiv Shroff, Mrs. Dipika Shroff, Mr. Rahul Shroff, Mr. Ameya Shroff and Mr. N.G Khaitan Directors of the company for themselves and through their relatives to the extent of their shareholding, if any, in the Company, may be deemed to be concerned or interested, financially or otherwise, in the Resolution at Sl. Nos. 7, 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. 7 of the Notice for approval of the Members by means of Special Resolution

**ITEM NO. 8**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s N.N & Associates, Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019.

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. 8 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2019. 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. 8 of the Notice. The Board recommends the Ordinary Resolution set forth in Item No. 9 of the Notice for approval of the members.

Place : **Mumbai**

Date : **13<sup>th</sup> August, 2018**

By order of the Board  
For Reliance Chemotex Industries Limited

**Registered Office:**

Village- Kanpur Post Box No. 73

Udaipur- 313003

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

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

Name of Director	Mr. Rahul Shroff	Mr. R.N. Sharma	Mr. K.L. Sonthalia	Mr. Narayan Shroff
DIN	02301693	00368947	00899958	05207412
Date of Birth & Age	31.12.1986 32 Years	29.12.1947 71 Years	12.10.1937 81 Years	06.05.1937 81 Years
Date of Appointment on the Board	26-09-2015	09-04-2016	02-12-1987	14-02-2012
Qualification	Bachelor of Science in Management Science and Master of Engineering in Electrical Engineering and Computer Science	Bachelor's degree in Textile technology from TIT	Commerce Graduate	Commerce Graduate
Experience and Expertise	9 years of experience in the Textile Industry.	46 years' experience in the textile industry.	40 year of experience in Business and Industry.	40 year of experience in Business and Industry.
Terms and conditions of appointment/ re-appointment	Refer Item no. 7 of Notice of AGM.	Appointed as Non-Executive Director, liable to retire by rotation.	Appointed as Non-Executive/Independent Director, liable to retire by rotation.	Appointed as Non-Executive/Independent Director, liable to retire by rotation.
Number of Meeting attended during the year	4	2	4	2
Relation between Director inter se	Related to Mr. Sanjiv Shroff, Mr. Ameya Shroff, Mrs. Dipika Shroff & Mr. N.G. Khaitan	Mr. R.N. Sharma is not related to any other director.	Mr. K.L. Sonthalia is not related to any other director.	Mr. Narayan Shroff is not related to any other director.
Details of Remuneration Last Drawn	Rs. 71.11 Lakhs	Sitting Fees of Rs. 26000/-	Sitting Fees of Rs. 70500/-	Sitting Fees of Rs. 33000/-
No. of Shares held in the Company	Nil	50 shares	200 shares	50 shares
List of Directorship held in the Public Companies as on 31.03.2018	1. Indo Textile & Fibres Limited 2. Sunrise Cotton Industries Limited	NIL	Gopala Polyplast Limited	NIL



Registered Office: Village Kanpur, Udaipur-313003 (Raj)  
CIN: L40102RJ1977PLC001994 Contact: 0294-2490488, Fax No. : 0294 -2490067  
Email: cs@reliancechemotex.com Website: www.reliancechemotex.com

## PROXY FORM

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

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

\* Applicable for investors holding shares in electronic form.

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 10<sup>th</sup> day of September, 2017 at 10.30 A.M at Alka Hotel, Near Shastri Circle, Udaipur -313001 and at any adjournment hereof in respect of such resolutions as are indicated below:

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

S.No.	Resolution	For	Against
1	To, consider and adopt the Audited Financial Statements of the Company for the year ended March 31,2018, together with reports of the Board and Auditors thereon.		
2	To declare a Final Dividend of Rs. 10/- per 10% Cumulative Redeemable Preference Shares of Rs. 100/- each.		
3	To declare a Final Dividend of Rs. 1/- per Equity Shares of Rs 10/- each.		
4	To Appoint a Director in place of Mr. R.N. Sharma, who retires by rotation, and being eligible, offer himself for re-appointment.		
5.	To Consider the Continuous appointment of Mr. Kishori Lal Sonthlia as an Independent Director of the company		
6.	To Consider the Continuous appointment of Mr. Narayan Shroff as an Independent Director of the company		
7.	To re-appoint Mr. Rahul Shroff (DIN: 02301693) as Executive Director of the company		
8.	Ratification of Remuneration to the Cost Auditors		

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



Affix Revenue Stamp

Signed this ..... day of..... 2017

Signature of shareholder.....

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

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

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

Affix  
 Revenue  
 Stamp

Notes:

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



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

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

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

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

**ATTENDANCESLIP**

**40<sup>th</sup> ANNUAL GENERAL MEETING ON MONDAY, 10<sup>TH</sup> SEPTEMBER, 2018 AT 10.30 AM**

I/We.....R/o ..... hereby record my presence at the 40<sup>th</sup> ANNUAL GENERAL MEETING of the Company at Alka Hotel, Near Shastri Circle, Udaipur- 313 001 on Monday the 10<sup>th</sup> September, 2018 at 10.30 A.M.

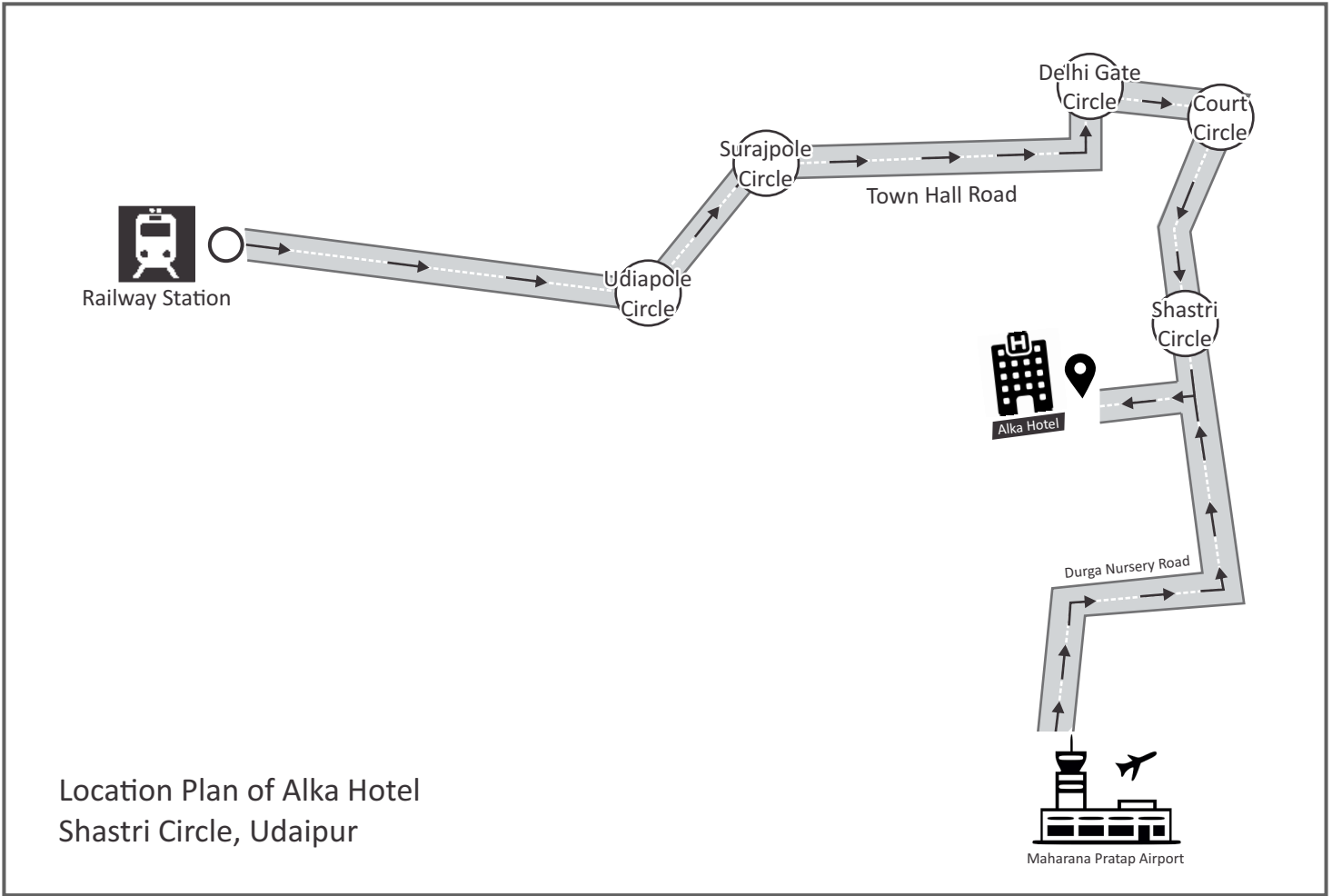
DPID * :	Folio No. :
Client Id * :	No. of Shares :

\* Applicable for investors holding shares in electronic form.

Signature of shareholder(s)/ proxy

Note:

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







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

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

Dear Shareholders,

Re: Green Initiative in Corporate Governance

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

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

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

For Reliance Chemotex Industries Limited

(Vimal Tank)  
 Company Secretary

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

**ECS MANDATE FORM**

Dear Shareholders,

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

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

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

Please enclose the copy of Cancel Cheque for verification

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

Place :

Date :

Signature of Shareholder



