



BOARD OF DIRECTORS

S. L. SHROFF
Chairman

SANJIV SHROFF
Vice Chairman &
Managing Director

N. G. KHAITAN

V. B. L. MATHUR

K. L. SONTHALIA

B. K. AGRAWAL

NARAYAN SHROFF

SHANKAR MENON

R. N. SHARMA
Wholetime Director

RAHUL SHROFF
Executive Director

AMEYA SHROFF
Additional Director

**COMPANY SECRETARY &
CHIEF FINANCIAL OFFICER**
M. K. GUPTA

MANAGEMENT
S. L. SHROFF
Chairman

SANJIV SHROFF
Vice Chairman &
Managing Director

R. N. SHARMA
Wholetime Director

RAHUL SHROFF
Executive Director

BANKERS
STATE BANK OF INDIA
IDBI BANK LTD.
STATE BANK OF BIKANER & JAIPUR

AUDITORS
G. P. KEJRIWAL & CO.
Chartered Accountants
JAIPUR (Raj.)

SOLICITORS
KHAITAN & CO., KOLKATA

REGISTERED OFFICE & WORKS
Village - Kanpur
UDAIPUR - 313 003 (Raj.)



NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RELIANCE CHEMOTEX INDUSTRIES LIMITED will be held at Alka Hotel, Shastri Circle, Udaipur-313 001 on Monday the 16th Day of September, 2013 at 10.30 A.M. to transact with or without modification(s), as may be permissible, the following business;

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with reports of the Directors and Auditors thereon.
2. To declare a Dividend on 10% Cumulative Preference Shares.
3. To declare a Dividend on Equity Shares.
4. To appoint a Director in place of Shri S.L. Shroff, who retires by rotation, but being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri N.G. Khaitan, who retires by rotation, but being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri B.K.Agrawal, who retires by rotation, but being eligible, offers himself for re-appointment.
7. To consider and if though fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution;
"RESOLVED THAT Messrs. G.P. Kejriwal & Co., Chartered Accountants, be and are hereby re-appointed as Auditors of Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors/ Audit Committee plus re-imbusement of travelling and other incidental expenses, if any, incurred in connection with the Audit."

SPECIAL BUSINESS:

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution;
"RESOLVED THAT pursuant to the provision of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Ameya Shroff, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable

to retirement by rotation, under the provisions of the Articles of Association of the Company."

9. To consider and if thought fit to pass with or without modification(s), the following Resolution as a **Special Resolution**;

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 311 and other applicable provisions, if any and Schedule XIII of the Companies Act, 1956. Shri Rahul Shroff be and is hereby re-appointed as Wholetime Director, designated as Executive Director of the Company for a further period of 3 years with effect from 1st August, 2013 on payment of such remuneration by way of salary and other perquisites during the tenure of his re-appointment as Executive Director as set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of such appointment and remuneration as agreed to between the Board of Directors of the Company and Shri Rahul Shroff."

10. To consider and if thought fit to pass with or without modification(s), the following Resolution as a **Special Resolution**;

"RESOLVED THAT in accordance with the provisions of Section 198, 269,309 and 311 and other applicable provisions, if any and Schedule XIII of the Companies Act, 1956. Shri Ameya Shroff be and is hereby appointed as Wholetime Director, designated as Executive Director of the Company for a period of 3 years with effect from 1st August, 2013 on payment of such remuneration by way of salary and other perquisites during the tenure of his appointment as Executive Director as set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of such appointment and remuneration as agreed to between the Board of Directors of the Company and Shri Ameya Shroff."

11. To consider and if thought fit to pass with or without modification(s). the following Resolution as a **Special Resolution**;

"RESOLVED THAT pursuant to provisions of section 81(1A) and other applicable provisions if any, of the Companies Act, 1956 and other applicable laws, if any, consent of the Company be and is hereby given and the Board of Directors is authorised to issue 6,00,000 (Six Lacs) 10% Cumulative Redeemable Preference Shares of Rs.100/- (Rupees one hundred) each amounting to Rs. 600.00 Lacs forming part of

the authorised share capital of the Company at par to any person(s) as the Board of Directors deem fit on the following terms and conditions:

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

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to take all the steps as may be necessary in this regard and comply with the provisions of SEBI guidelines, Companies Act and Listing Agreement as may be necessary."

NOTES FOR MEMBERS' ATTENTION

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member.
Proxies in order to be effective must reach to the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 8 to 11 of the notice set out above is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 9th September, 2013 to 16th September, 2013 both days inclusive.
4. If a Dividend on Share as recommended by the Directors is passed at the meeting, payment of such Dividend will be made on or after 17th September, 2013

- to those members whose names are on Company's Register of Members as on 16th September, 2013. As regards Shares held in electronic form, the Dividend will be payable to 'beneficial owners' of Shares whose names appear in the statement of Beneficial Ownership furnished by the Depositories as at the end of business hours on 8th September, 2013.
5. The Company's Equity Shares are listed with Bombay Stock Exchange Limited, Mumbai. The Company has paid the listing fees for the year 2013-2014 to the aforesaid Stock Exchange.
6. Pursuant to Section 205C of the Companies Act, 1956, all unclaimed/unpaid dividend for a period of 7 years from the date of transfer to the 'Unpaid Dividend Account' are required to be transferred by the Company to the "Investors Education and Protection Fund" established by the Central Government. Accordingly, the unclaimed dividends upto the financial year ended 31st March, 2005, have been transferred by the Company to the said Fund on the due date. Those members who have not so far claimed their dividends for the financial years ended 31st March 2006 and the subsequent financial years are advised to claim it from the Company.
7. Members holding Shares in physical forms are requested to notify any change in address immediately to the Share Department of the Company/Registrar & Share Transfer Agent, quoting their Folio numbers and members holding Shares in Electronic forms are requested to inform any change in address to their respective Depository Participants.
8. M/s Bigshare Services Pvt. Ltd is the Registrar and Share Transfer Agent (R&T Agent) for physical shares and also depository interface of the Company with both NSDL and CDSL.
9. The shareholders who have not converted their shares into demat form are requested to do so in their own interest.
10. Shareholders who are holding Shares in Physical form are requested to furnish their Bank A/C No., name and address of their Bank to enable us to transfer their Dividend amount through electronic payment mode as required by SEBI vide its circular reference no. CIR/MRD/DP/10/2013 dated March 21, 2013.
11. Queries on accounts and operations may please be sent to the Company 7 days in advance of the Annual General Meeting so that the answers can be made available at the meeting.



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 8

The Board of Directors of the Company through Circular Resolution dated June 29, 2013 ("The Board") had, appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 ("The Act") and Articles of Association of the Company, Shri Ameya Shroff, as Additional Directors of the Company.

In terms of the provision of section 260 of the Act, Shri Ameya Shroff will hold the office up to the date of this Annual General Meeting.

The Company has received notices in writing from members proposing the candidatures of Shri Ameya Shroff for the office of Director of the Company under the provisions of section 257 of the Act.

Brief resume of Shri Ameya Shroff, nature of his expertise in specific functional areas and names of Companies in which he holds Directorship, number of shares held in the Company and membership/Chairmanship of Board Committees as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India, are as under :-

Shri Ameya Shroff, son of Shri Sanjiv Shroff, Vice Chairman & Managing Director of the Company, aged 23 years is an Engineering Graduate from MIT Cambridge, USA.

Shri Ameya Shroff, neither holds any Directorship nor any Committee Membership in other Company's Board. He doesn't hold any shares in the Company.

Shri Ameya Shroff may be deemed to be concerned or interested in the resolution relating to his respective appointment. Shri S.L. Shroff, Shri Sanjiv Shroff, Shri Rahul Shroff and Shri N.G.Khaitan are relative of Shri Ameya Shroff. Except them none of the other Director is interested in the resolution.

ITEM NO. 9

The terms of appointment of Shri Rahul Shroff, Wholetime Director designated as Executive Director of the Company will expire on 31st July, 2013 and the Remuneration Committee of the Company in its meeting held on 27th July, 2013 recommended the re-appointment of Shri Rahul Shroff as Executive Director of the Company for a further period of 3 years with effect from 1st August, 2013 to 31st July, 2016 for the sake of continuity of the present systems of the Management and the efficient running of the Company.

Approval of Shareholders is sought for the re-appointment of Shri Rahul Shroff, Wholetime Director designated as Executive Director of the Company and the remuneration payable to him. The detail of remuneration payable to him is as under.

(a) Salary

Basic Salary Rs.1,25,000/- (Rupees One Lac Twenty Five Thousand only) per month, with such periodic increments as may be decided by the Board of

Directors from time to time. However the total increased basic salary will not exceed more than Rs.3,00,000/- per month.

(b) Perquisites

In addition to the above, the Executive Director shall be entitled to the following perquisites;

- Housing** : Residential accommodation or in lieu thereof House Rent Allowance @40% of the Basic Salary.
- Gas, Electricity, Water and Furnishing** : The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules 1962, which will be subject to a ceiling of 10% of the Salary.
- Medical re-imbusement** : Re-imbusement of expenses incurred for self and family subject to a ceiling of 5% of the annual salary.
- Leave Travel Concession** : Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company, but it shall not exceeding one month's salary in year.
- Personal Accident Insurance** : Actual premium on personal accidental insurance.
- (a) Company's contribution to Provident Fund @12% or such other rate as may be applicable to the employees under the Provident Fund Rules.
(b) Company's contribution to super-annuation Scheme as may be applicable from time to time provided, however that the Company's contribution to the super-annuation Scheme shall not exceed 25% of the Salary.
- Gratuity** : The gratuity payable shall not exceed half a month's salary for each completed year of service.
- Car for use on Company's business and telephone at residence will not be considered as perquisites, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.
- Earned Leave** : On full pay and allowance as per the Rules of the Company, but not exceeding one month's leave for every eleven months' of service. Encashment of leave accumulation but not availed at the end of the tenure as per the rules of the Company.
- Exgratia in lieu of Bonus** : Exgratia in lieu of Bonus not exceeding 20% of the Salary as and when become payable as per the Rules of the Company.

RELIANCE

CHEMOTEX INDUSTRIES LIMITED

Shri Rahul Shroff shall be paid aforesaid remuneration and perquisites as minimum remuneration in the event of absence or inadequacy of profit in any financial year.

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

Statement of informations as required to be published alongwith notice as per para (B) of Section – II of Part – II of the amended Schedule XIII of the Companies Act, 1956 are as under :

I. General Information :

1. **Nature of Industry** : Manufacturing and marketing of Synthetic Blended Yarn.
2. **Date or expected date of commencement of Commercial Production** : The Company has already commenced commercial production in the month of August ,1979.
3. **In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus** : Not Applicable.
4. **Financial performance based on given indicators** :

Particulars for the Financial year ended 31.03.2013	Rs. in lacs
Sales including other Income	20,764
Profit (before exceptional & extraordinary items & tax)	808
Profit Before Tax	770

5. **Export Performance and net foreign exchange earnings and collaborations** : The earning in Foreign Exchange by Exports & others for the year ended 31.03.2013 was Rs. 11,591 Lacs.
6. **Foreign Investment of collaborators, if any** : Not Applicable.

II. Information about the Wholetime Director :

1. **Background** : Shri Rahul Shroff, son of Shri Sanjiv Shroff, Vice Chairman & Managing Director of the Company aged about 27 years is a US Citizen and an Engineering graduate from MIT Cambridge USA, is Wholetime Director designated as Executive Director of the Company since 01st August 2010. He is fully involved in day to day affairs of the Company from last 4 years.
2. **Past Remuneration** : The last remuneration of Shri Rahul Shroff approved by the members of the Company at their 32nd Annual General meeting held on 27th September 2010 is as under :
Basic Salary and perquisites : Rs. 70,000/- P.M.

Thereafter the Board of Director of the Company has increased his basic salary amounting to Rs. 1,00,000/- P.M. w.e.f. 1st November, 2011 at its meeting held on November 5, 2011.

3. **Job Profile and his suitability** : Shri Rahul Shroff, Executive Director of the Company is responsible for day to day affairs of the Company. He has substantial powers under the supervision, control and directions of the Managing Director the Company.
4. **Remuneration Proposed** : The Remuneration Committee at their meeting held on 27th July, 2013 approved the re-appointment of Shri Rahul Shroff for a period of 3 years commencing from 1st August, 2013 as mentioned above. The Board of Directors also confirmed the same in their meeting held on 27th July, 2013.
5. **Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and persons** : Looking to the size, nature, Business of the Company and the duties and responsibilities carried out by Shri Rahul Shroff as Executive Director of the Company, the remuneration payable to him is according to the ceiling specified in Schedule XIII and comparable with the salary payable by other Companies to managerial persons.
6. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnels, if any** : Beside the proposed Remuneration payable to Shri Rahul Shroff does not have any pecuniary relationship with the Company.

III. Other Informations :

1. **Reasons of loss or inadequate profits** : Increase in cost of Production and lower sales realization have caused pressure on profit margins.
2. **Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms** : With a view to improve overall profitability and financial performance, the Company has taken major steps which inter-alla includes marketing re-structuring, reduction in production cost through implementation of various measures. In the current financial year, the Company expects increase in turnover and Profit.
The Company has also taken expansion of its plant situated at village Kanpur, Udaipur by adding 10,080 spindles and modernization of 4,800 Spindles and the Commercial Production has started during the current financial year 2013-2014.
3. **Expected increase in productivity and profits in measurable terms** : The Company expects further increase in turnover and profit as the expansion and modernization is completed.



Shri Rahul Shroff is interested in this resolution to the extent he will receive remuneration from the Company. Shri S.L.Shroff, Shri Sanjiv Shroff and Shri N.G. Khaitan Director of the Company are relative of Shri Rahul Shroff except them none of the other Directors is interested in the resolution.

This may be treated as an abstract of the terms of the contract in terms of Section 302(2) of the Companies Act, 1956.

Since the payment of remuneration may be more than 10% of the net profit of the Company, this Resolution is proposed as Special Resolution.

ITEM NO. 10

The Board of Directors of the Company in its meeting held on 27th July, 2013 On recommendation of Remuneration Committee has appointed Shri Ameya Shroff as Wholetime Director designated as Executive Director for a period of three years w.e.f. 01st August 2013, as he is fully involved in day to day affairs of the Company, subject to approval of Shareholders in the next Annual General Meeting and in accordance with the provision laid down in Section 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956.

Approval of Shareholders is sought for the appointment of Shri Ameya Shroff, Wholetime Director designated as Executive Director of the Company and the remuneration payable to him.

The details of remuneration payable to him is as under :

(a) Salary

Basic Salary Rs.75,000/- (Rupees Seventy Five only) per month, with such periodic increments as may be decided by the Board of Directors from time to time. However the total increased basic salary will not exceed more than Rs. 3,00,000/ per month.

(b) Perquisites

In addition to the above, the Executive Director shall be entitled to the following perquisites;

1. **Housing** : Residential accommodation or in lieu thereof House Rent Allowance @40% of the Basic Salary.
2. **Gas, Electricity, Water and Furnishing** : The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules 1962, which will be subject to a ceiling of 10% of the Salary.
3. **Medical re-imburement** : Re-imburement of expenses incurred for self and family subject to a ceiling of 5% of the annual salary.
4. **Leave Travel Concession** : Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company, but it shall not exceeding one month's salary in year.

5. **Personal Accident Insurance** : Actual premium on personal accidental insurance.

6. (a) Company's contribution to Provident Fund @ 12% or such other rate as may be applicable to the employees under the Provident Fund Rules.

(b) Company's contribution to super-annuation Scheme as may be applicable from time to time provided, however that the Company's contribution to the super-annuation Scheme shall not exceed 25% of the Salary.

7. **Gratuity** : The gratuity payable shall not exceed half a month's salary for each completed year of service.

8. Car for use on Company's business and telephone at residence will not be considered as perquisites, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

9. **Earned Leave** : On full pay and allowance as per the Rules of the Company, but not exceeding one month's leave for every eleven months' of service. Encashment of leave accumulation but not availed at the end of the tenure as per the rules of the Company.

10. **Exgratia in lieu of Bonus** : Exgratia in lieu of Bonus not exceeding 20% of the Salary as and when become payable as per the Rules of the Company.

Shri Ameya Shroff shall be paid aforesaid remuneration and perquisites as minimum remuneration in the event of absence or inadequacy of profit in any financial year.

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

Statement of informations as required to be published alongwith notice as per para (B) of Section – II of Part – II of the amended Schedule XIII of the Companies Act, 1956 are as under :

1. General Information :

1. **Nature of Industry** : Manufacturing and marketing of Synthetic Blended Yarn.
2. **Date or expected date of commencement of Commercial Production** : The Company has already commenced commercial production in the month of August, 1979.
3. **In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus** : Not Applicable.

4. **Financial performance based on given indicators :**

Particulars for the Financial year ended 31.03.2013	Rs. in lacs
Sales including other Income	20,764
Profit (before exceptional & extraordinary items & tax)	808
Profit Before Tax	770

5. **Export Performance and net foreign exchange earnings and collaborations :** The earning in Foreign Exchange by Exports & others for the year ended 31.03.2013 was Rs. 11,591 Lacs.
6. **Foreign Investment of collaborators, if any :** Not Applicable.

II. **Information about the Wholetime Director :**

1. **Background :** Shri Ameya Shroff, son of Shri Sanjiv Shroff, Vice Chairman & Managing Director of the Company, aged 23 years is an Engineering Graduate from MIT Cambridge, USA.
2. **Past Remuneration :** Not Applicable.
3. **Job Profile and his suitability :** Shri Ameya Shroff, Executive Director of the Company is responsible for day to day affairs of the Company. He has substantial powers under the supervision, control and directions of the Managing Director the Company.
4. **Remuneration Proposed :** The Remuneration Committee at their meeting held on 27th July, 2013 approved the appointment of Shri Ameya Shroff for a period of 3 years commencing from 1st August, 2013 as mentioned above. The Board of Directors also confirmed the same in their meeting held on 27th July, 2013.
5. **Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and persons :** Looking to the size, nature, Business of the Company and the duties and responsibilities carried out by Shri Ameya Shroff as Executive Director of the Company, the remuneration payable to him is according to the ceiling specified in Schedule XIII and comparable with the salary payable by other Companies to managerial persons.
6. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnels, if any :** Beside the proposed Remuneration payable to Shri Ameya Shroff does not have any pecuniary relationship with the Company.

III. **Other Informations :**

1. **Reasons of loss or inadequate profits :** Increase in cost of Production and lower sales realization have caused pressure on profit margins.

2. **Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms :** With a view to improve overall profitability and financial performance, the Company has taken major steps which inter-alla includes marketing re-structuring, reduction in production cost through implementation of various measures. In the current financial year, the Company expects increase in turnover and Profit.

The Company has also taken expansion of its plant situated at village Kanpur, Udaipur by adding 10,080 spindles and modernization of 4,800 Spindles and the Commercial Production has started during the current financial year 2013-2014.

3. **Expected increase in productivity and profits in measurable terms :** The Company expects further increase in turnover and profit as the expansion and modernization is completed.

Shri Ameya Shroff is interested in this resolution to the extent he will receive remuneration from the Company. Shri S.L.Shroff, Shri Sanjiv Shroff, Shri. Rahul Shroff and Shri N.G. Khaitan Director of the Company are relative of Shri Ameya Shroff except them none of the other Directors is interested in the resolution.

This may be treated as an abstract of the terms of the contract in terms of Section 302(2) of the Companies Act, 1956.

Since the payment of remuneration may be more than 10% of the net profit of the Company, this Resolution is proposed as Special Resolution.

ITEM NO. 11

The Company has plans for expansion/ modernization/ diversification. Since substantial fund will be required. For this purpose the Company will be issuing 6,00,000 (Six Lacs) 10% Cumulative Redeemable Preference Shares of Rs. 100/- each amounting to Rs.600.00 Lacs on Private placement basis to Promoters, their relatives, associates and other Companies which Directors deem fit. Pursuant to section 81(1A) and other applicable provisions of the Companies Act., 1956, your permission is sought as stated in the above mentioned resolutions.

The Directors recommend this resolution for your approval.

None of the Directors of your Company is, in any way, concerned or interested in this resolution except those Directors who may be deemed to be concerned or interested to the shares that may be subscribed to, by them or their relatives and associates including the Companies in which they or their relatives are Directors and / or Members.

Mumbai
27th July, 2013

By order of the Board

Registered Office:

Village - Kanpur
Post Box No. 73
Udaipur - 313 003

M. K. GUPTA
Company Secretary



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have the pleasure of presenting you the THIRTY FIFTH Annual Report along with the Audited Accounts of the Company for the year ended 31st March 2013.

FINANCIAL RESULTS	Year ended 31.03.2013 (Rs. in lacs)		Year ended 31.03.2012 (Rs. in lacs)	
Profit before Depreciation & amortisation, exceptional items and Tax	1278.27		877.23	
Less : Depreciation & amortisation	470.27		469.88	
	<u>808.00</u>		<u>407.35</u>	
Less : Exceptional item	37.92		114.01	
Profit before Tax	770.08		293.34	
Less : Provision for Taxation				
Current Year	154.00	60.21		
Earlier Year Tax	4.45	—		
Deferred Tax	8.16	166.61	10.79	71.00
Profit after tax		<u>603.47</u>		<u>222.34</u>
Add : Profit brought forward from previous year		901.55		882.80
		<u>1505.02</u>		<u>1105.14</u>
Out of which the following appropriations have been made				
Transfer to General Reserve		10.00		10.00
Proposed Dividend:				
Preference Shares	132.71		130.50	
Equity Shares	36.07	168.78	36.07	166.57
Tax on Proposed Dividend		28.65		27.02
Leaving a balance to be carried forward		1297.59		901.55
		<u>1505.02</u>		<u>1105.14</u>

DIVIDEND ON EQUITY SHARES

Your Directors propose to maintain a Dividend of 10% on Equity Shares i.e. Rs.1.00 per Share of Rs.10/- each. The Dividend, if approved by the Members at the Annual General Meeting, will absorb a sum of Rs. 36.07 Lacs and Rs. 6.12 Lacs by way of Dividend Distributions tax thereon.

DIVIDEND ON PREFERENCE SHARES

The Dividend @ 10% on Cumulative Redeemable Preference shares of Rs. 100/- each has to be paid as per the terms of the issue for the year, which will absorb a sum of Rs. 132.71 Lacs for such Dividend and Rs. 22.53 Lacs by way of Dividend Distribution Tax thereon.

OPERATIONS

During the year under review, your Company performed reasonably well inspite of the economic challenges in India and abroad. The highlights of the performance are as under :

- (i) Revenue from operation increased by 3.41% to Rs.21,128.69 Lacs.

- (ii) Cash Profit increased by 62.35% to Rs.1240.35 Lacs.
- (iii) PBDIT increased by 39.41% to Rs.1728.05 Lacs.
- (iv) Net Profit increased by 271.41% to Rs.603.46 Lacs.

EXPORTS

Exports (FOB) during the year were Rs.11591 Lacs as against Rs.12937 Lacs in the previous year.

CURRENT OUTLOOK

Current Outlook, Industry Structure & Development along with Opportunities and Threats are discussed in detail in the Management Discussion & Analysis Report, which forms part of this report.

FINANCE

During the year under review the Company has repaid Rs. 582.13 Lacs of term loans to Financial Institutions. Disbursements totaling of Rs. 1889.54 were also received from State Bank of India and RIICO against sanctioned term loans of Rs 23 Crores. The Company's bankers have provided need-based working capital limits during the year.

RATINGS

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

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

FIXED DEPOSITS

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

EXPANSION & MODERNIZATION OF PLANT

During the previous year the Company had undertaken the expansion and modernization of its existing plant situated at Village: Kanpur, Udaipur (Raj.) at an estimated cost of Rs. 35 Crores for the installation of an additional 10,080 Spindles and the modernization of 4800 Spindles. Commercial production of the expanded plant begin in the month of May, 2013.

SHARE CAPITAL

There is no change in Authorised Equity & Preference Share Capital during the year. However, the Company has allotted 1,80,000 Equity Shares of Rs.10/- each and

6,02,500 Preference Shares of Rs. 100/- each to its promoter group Company on a private placement basis. Subsequently the present issued Equity Share Capital is Rs. 3.83 Crores as against 3.52 Crores and Preference Share Capital is Rs.19.07 Crores as against Rs.13.05 Crores in last year.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the annual accounts for the year ended March 31, 2013 the applicable accounting standards have been followed alongwith proper explanation relating to material departures. The notes to the accounts are self explanatory.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company.
- (iii) The Directors have taken proper and sufficient care to maintain an adequate accounting records in accordance with the provisions of the Companies Act, 1956 allowing them to safeguard the assets of the Company and to prevent or detect fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts for the year ended 31st March, 2013 on a going concern basis.

REPORT ON CORPORATE GOVERNANCE

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

DIRECTORS

Shri S.L.Shroff, Shri N.G. Khaitan and Shri B.K.Agrawal retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Information as required pursuant to Clause 49 of the Listing Agreement with the Stock Exchange on the Directors, including those retiring by rotation is provided in the Report on Corporate Governance.

MANAGEMENT

The tenure of Shri Rahul Shroff, Wholetime Director designated as Executive Director of the Company is expiring on 31st July, 2013. His re-appointment as Wholetime Director of the Company for a further period of 3 years will be discussed in the coming Remuneration Committee and Board Meeting of the Company.

SUBSIDIARY COMPANY

The Company has no Subsidiaries as on 31st March, 2013.

AUDIT COMMITTEE

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

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

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

The composition, role, functions and powers of the 'Audit Committee' are in accordance with Clause 49 of the Listing Agreement with the Stock Exchange and Section 292A of the Companies Act, 1956.

PERSONNEL & INDUSTRIAL RELATIONS

A detailed discussion on Human Resources & Industrial Relations is made in the "Management Discussion & Analysis Report" which forms a part of this report. The Board places on record their appreciation for the effort and contribution made by each employee for their continued high level of performance.

There are no employees of the Company in receipt of a remuneration of Rs.5,00,000/- per month or more as, required to be furnished under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Rules, 1975) as amended.

AUDITORS :

STATUTORY AUDITORS

M/s G. P. Kejriwal & Co. Chartered Accountants, Jaipur, the retiring Auditors, offer themselves for re-appointment. The Company has received acceptance from the Auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

COST AUDITORS

Cost Audit Report for the year 2011-12 was filed with the MCA on 07.01.2013 before the due date. The Cost Audit Report for the year 2012-13 shall become due for filing on 30th September, 2012. This report is under process and will be filed before the due date.

M/s HVMN & Associates, Cost Accountants, 31, Community Centre, Golden Palace, 2nd Floor, Ashok Vihar, Delhi-110052 have been appointed as Cost Auditors of the Company for the Financial Year 2013-14 subject to approval of the Central Government, on such remuneration as may be determined by the Managing Director.



AUDITORS' REPORT

The observations of the Auditors' together with the notes in Accounts they referred to in their report are self-explanatory. However, in this regard we have to state further as under :

- i. With regard to the Auditors' remark in note no 1(xii) B (c) of Note 26 stating that the Company has not booked profit on outstanding forward contracts as on 31.3.2013, we would like to clarify that as per the past practice all losses are booked in the statement of Profit & Loss but gain is not booked. Accordingly this year we have not booked profit on outstanding forward contracts.
- ii. Based on the undertakings received from unsecured loan providers as on 31.3.2012 stating that they will not seek repayment of their loans before 30.4.2013, Company had treated these unsecured loans of Rs 12,88,50,000/- as long term loans as on 31.3.2012. However as some of these parties demanded repayment of their loans during the year, the Company had repaid such loans of Rs 5,53,00,000/- during this financial year and regrouped and reclassified such borrowings of Rs 5,53,00,000/- as short term borrowings in the figures of the previous year. This ensures that figures of long term loans are not overstated in the figures of the previous year.
- iii. During the year the Company has given loans to some Body Corporates. The Company has been advised that the provisions of Section 149(2A) of the Companies Act, 1956 are not applicable to lending of such funds as this is covered under Objects incidental or ancillary to the attainment of the main Objects.

iv. There were slight delays in payment of certain dues towards works contract Tax, TDS and ESI etc. Though such delays were insignificant in nature, the concerned officers have been requested to ensure timely payments and deposits.

v. As disputes are pending with various Authorities for Rs.0.24 Lacs on a/c of Excise Duty, Rs.47.63 Lacs on a/c of Service Tax, no payment on account of these dues have been made.

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

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

ACKNOWLEDGMENT

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

On behalf of the Board

R. N. SHARMA

Place : Mumbai
25th May, 2013

Wholetime Director

SANJIV SHROFF

Vice Chairman &
Managing Director

ANNEXTURE '1'

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2013.

A. CONSERVATION OF ENERGY

1. Energy Conservation Measures Taken

- a) The Company is continuing with the energy conservation measures taken in earlier years.
- b) Pumps at two more Humidification Towers were replaced by energy saver pumps & motors.
- c) At Boiler, the VFD installed on ID and FD fan motors to conserve electrical energy.
- d) Installed the control system on two more Humidification plant for supply of Air and return air fans to work intermittently as per the condition required in the department.

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

- a) Two more pumps at Humidification Plant will be replaced by energy saver pumps & motors.
- b) At Dyeing machine we are planning to install V.F.D. on main pump.
- c) On one Humidification Plant pumps are to control through V.F.D. to conserve energy.

(2) Coal/ Petcoke

Quantity	B. Grade	B. Grade
Where used	Boiler	Boiler
Quantity (Tonnes)	1085.59	1,904
Total Cost (Rs.)	82,01,225	1,50,76,469
Average Rate/ Ton (Rs.)	7,555	7,918

(3) Other/ Internal Generation

NA NA

(B) Consumption per unit of production

Product	Synthetic Blended Yarn	Synthetic Blended Yarn
	Current Year	Previous Year
Units	Per Kg.	Per Kg.
Electricity	3.28	3.37
Furnace Oil	NA	NA
Coal (Specify Quality)	NA	NA
Other (Specify)	NA	NA

B. TECHNOLOGY ABSORPTION

1. RESEARCH & DEVELOPMENT (R & D)

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

Macro coarse count yarn developed in polyester suitable for industrial end use (belting).

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

New business in industrial textile category.

(c) Further plan of action.

To develop industrial yarn at roving stage itself.

(d) Expenditure on R & D.

Capital : Rs. NIL

Recurring : R & D expenses can not be segregated.

2. TECHNOLOGICAL ABSORPTION, ADOPTION AND INNOVATION

Installed Link coners on 10,000 spindles.

C. FOREIGN EXCHANGE EARNINGS AND OUT GO

	(Rs. in Lacs)
1. Foreign Exchange Earnings (FOB Value of Export)	11,591.38
2. Foreign Exchange outgo	1,089.84

FORM 'A'

Form for disclosure of particulars with respect to conservation of energy 2012-2013.

(A) Power and Fuel Consumption

	Current Year	Previous Year
	31.03.2013	31.03.2012

(1) Electricity

a) Purchased Unit (KWH)	3,44,98,050	3,49,46,680
Total Amount (Rs.)	16,51,80,921	13,48,82,790
Rate/ Unit (Rs.)	4.79	3.86

b) Own Generation

i) Through Diesel

Generator (Unit KWH)	67,480	19,640
Units per Ltr. of Diesel oil	3.29	2.48
Cost/ Unit (Rs.)	11.00	23.64

ii) Through Furnace oil

Generator (Unit KWH)	—	34,790
Units per Ltr. of F.O.	—	3.58
Cost/ Unit (Rs.)	—	16.25

On behalf of the Board

Place : Mumbai **R. N. SHARMA** **SANJIV SHROFF**
 25th May, 2013 Wholetime Director Vice Chairman & Managing Director



REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on the Code of Governance

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

2. Code of Conduct

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

3. Board of Directors

(i) **Composition** : The Company has a combination of Executive and Non – Executive Directors. As on 31st March, 2013 Company's Board comprises of ten Directors. Seven Directors, including the Chairman, are Non – Executive. Though the Company has a Non – Executive Chairman but being Promoter Director of the Company he is not regarded as Independent Director of the Company. So excluding Chairman five Directors are Independent which is sufficient compliance of listing agreement. All the Independent Directors have met the independent criteria as mentioned under clause 49 of the listing agreement.

(ii) **Number of Board Meetings held and their dates of holding** : Dates of Board Meeting were fixed in advance for the financial year and agenda papers were circulated to all the Directors in advance during the year 2012 – 13. Four Board Meetings were held at the following dates 26.05.2012, 31.07.2012, 08.11.2012 and 12.02.2013 respectively. The maximum time gap between any two consecutive meetings was less than four months. The attendance at the Board Meetings during the year, at the last Annual General Meeting and other details regarding other Directorship in Indian Public Companies etc are as follows :

Name of Director	Category	No. of Board Meetings attended	Last AGM attended	No. of other Directorships and Committee Member/Chairmanship			Shares held	
				Other Directorship	Committee Membership	Committee Chairmanship	Equity	Preference
Shri Shanker Lal Shroff (Chairman)	Promoter Not Independent Non-Executive	-	NO	1	-	-	195650	60000
Shri Sanjiv Shroff (Vice Chairman & Managing Director)	Not Independent Executive	3	YES	1	-	-	83800	140000
Shri N. G. Khaitan	Not Independent Non-Executive	3	NO	8	9	3	100	-
Shri V. B. L. Mathur*	Independent Non-Executive	3	NO	2	3	-	-	-
Shri K. L. Sonthalia*	Independent Non-Executive	4	YES	-	-	-	200	-
Shri B. K. Agrawal	Independent Non-Executive	-	NO	3	-	2	-	-
Shri Shankar Menon	Independent Non-Executive	2	NO	-	-	-	-	-
Shri Narayan Shroff	Independent Non-Executive	-	NO	-	-	-	50	-
Shri R. N. Sharma (Wholetime Director)	Not Independent Executive	1	YES	-	-	-	50	-
Shri Rahul Shroff (Executive Director)	Not Independent Executive	3	YES	-	-	-	-	-

*The Audit Committee had in its meeting held on 31.07.2012 authorised Shri K.L. Sonthalia to present at the AGM as the Deemed Chairman of the Audit Committee as Shri V.B.L. Mathur was scheduled to be abroad on the said date.

4. Committees of the Board

The Board of Directors has Constituted 3 Committees of the Directors with adequate delegation of powers to discharge urgent business of the Company. These Committees are (a) Audit Committee (b) Shareholders/ Investors Grievance Committee and (c) Remuneration Committee.

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

(a) Audit Committee

(i) Terms of reference

Audit Committee was constituted in terms of reference as contained in the Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956. The functions of Audit Committee are according to the Statutory and Regulatory requirements. The Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board.

(ii) Composition of Audit Committee

The Committee Comprises of 4 Non-executive Directors who have requisite Financial and Management expertise. The Statutory Auditors, Internal Auditors and Cost Auditors are being invited to the meetings. Shri M.K. Gupta, Company Secretary is the Secretary of the Committee. The attendance of the members at the meeting during the year are as follows :

Names of Members	Category	No. of Meetings held during tenure	Number of meetings attended	Sitting Fees
Shri V. B. L. Mathur Chairman	Independent Non-Executive	4	3	15000/-
Shri N. G. Khaitan	Not Independent Non-Executive	4	3	15000/-
Shri Shankar Menon	Independent Non-Executive	4	2	10000/-
Shri K. L. Sonthalia	Independent Non-Executive	4	4	20000/-

The meetings of the Audit Committee during the year were held on the following dates: 26.05.2012, 31.07.2012, 08.11.2012 and 12.02.2013 respectively.

(b) Shareholders / Investors Grievances Committee

(i) Terms of reference

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

(ii) Composition of Shareholders / Investors Grievances Committee

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

Names of Members	Category	No. of Meetings held during tenure	Number of meetings attended	Sitting Fees
Shri V. B. L. Mathur Chairman	Independent Non-Executive	4	3	4500/-
Shri K. L. Sonthalia	Independent Non-Executive	4	4	6000/-
Shri Sanjiv Shroff	Not-Independent Executive	4	3	-
Shri R. N. Sharma	Not-Independent Executive	4	1	-

The Committee held its meetings during the year on following dates: 26.05.2012, 31.07.2012, 08.11.2012 and 12.02.2013 respectively.



(iii) Transfer of Shares :

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

(iv) Investors Complaints received and resolved during the year

The Company has received 20 letters/complaints from Investors which have been resolved during the year. There was one complaint remained unresolved as on 31st March, 2013, since resolved. There were no transfer of shares pending for registration for more than 15 days as on 31st March, 2013. The details of complaints received by the Company and Registrar & Share Transfer Agent and resolved as quarter wise during the year 2012-2013 are as under:

Quarter ended on	No. of Complaints received
30.06.2012	4
30.09.2012	4
31.12.2012	6
31.03.2013	6
Total	20

(c) Remuneration Committee

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

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

Names of Members	Category	No. of Meetings held during tenure	Number of meetings attended	Sitting Fees
Shri V. B. L. Mathur Chairman	Independent Non-Executive	2	1	1500/-
Shri K. L. Sonthalia	Independent Non-Executive	2	2	3000/-
Shri Shankar Menon	Independent Non-Executive	2	1	1500/-

There were 2 (two) meeting of the Remuneration Committee held during the year on 31.07.2012 to re-appoint Shri R.N.Sharma as Wholetime Director, of the Company for a further period of 3 (Three) years w.e.f. 01st November 2012 and on 12.02.2013 to increase the remuneration payable to Shri R.N.Sharma, Wholetime Director of the Company w.e.f. 01st November, 2012 for the remaining period of his tenure of his office as Wholetime Director ending on 31st October, 2015, respectively.

5. Details of remuneration paid to Directors for the year 2012-2013

(i) Executive Directors

(Amount in Rs)

Name of Executive Director	Basic Salary	Exgratia	Allowances & Perquisites	Contribution to PF	Total	Service Contract (Years)	Period
Shri Sanjiv Shroff	18,00,000	2,10,000	10,27,575	2,16,000	32,53,575	3	01/09/11 to 31/08/14
Shri R. N. Sharma	11,50,000	1,80,000	2,95,388	1,38,000	17,63,388	3	01/11/12 to 31/10/15
Shri Rahul Shroff	12,00,000	1,98,000	6,00,000	1,44,000	21,42,000	3	01/08/10 to 31/07/13

(ii) Non-executive Directors

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

The details of Directors fee paid during the year 2012-2013 are as follows :

Name of Director	Sitting fee for (Amount in Rs.)	
	Board Meeting	Committee Meeting
Shri S. L. Shroff	-	-
Shri N. G. Khaitan	30,000	15,000
Shri V. B. L. Mathur	30,000	21,000
Shri K. L. Sonthalia	40,000	29,000
Shri Shankar Menon	20,000	11,500
Shri B. K. Agrawal	-	-
Shri Narayan Shroff	-	-

6. General Body Meetings

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

Year	AGM	Location	Date	Time
2009-10	32 nd AGM	Hotel India International, Udaipur	27 th Sept. 2010	10:30 AM
2010-11	33 rd AGM	Hotel India International, Udaipur	28 th Sept. 2011	10:30 AM
2011-12	34 th AGM	Alka Hotel, Udaipur	27 th Sept. 2012	10:30 AM

(ii) Extra Ordinary General Meeting :

Year	AGM	Location	Date	Time
2012-13	EGM	Village : Kanpur, Udaipur	29 th March 2013	10:30 AM

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

(a) In the AGM held on 27th September, 2012

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

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

(b) In the AGM held on 28th September, 2011

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

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

(c) In the AGM held on 27th September, 2010

To appoint Shri Rahul Shroff as Wholetime Director designated as an Executive Director of the Company for a period of 3 (three) years w.e.f. 1st August, 2010 and to accord consent of the Company for remuneration payable to him.

To alter the Article of Association of the Company by adding another Article No.133, under the heading "Members approval for change in Business" for seeking approval of members by way of Ordinary/ Special Resolution through Postal Ballot after complying the requirements under the Companies (passing the Resolution by Postal Ballot) Rules, 2001 whether or not such business is specified as the mandatory business under rule 4 of the said rules.

(d) Extra ordinary General Meeting held on 29th March, 2013

Following Special Resolutions were passed :

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



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

- (iv) No Special Resolution was passed last year through postal ballot.
- (v) Presently no Special Resolution is proposed to be conducted through Postal Ballot in the ensuing AGM.
- (vi) Following Special Resolutions are proposed to be passed in the ensuing AGM :

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

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

7. Disclosures

- (i) During the year, there was no materially significant transactions except as set out in Note 26 of the Annual Report with the related parties viz Promoters, Directors or the Management, their subsidiaries or relatives etc that may have a potential conflict with the interest of the Company at large.
- (ii) There has not been any Significant changes in the accounting policies during the year.
- (iii) Pecuniary relationship or transaction of the Non-Executive Directors :
There is no material transaction with any Non-Executive as well as Independent Director that require a separate disclosure.
- (iv) 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.
- (v) The Company does not have any Whistle Blower Policy as on now but no personnel is being denied an access to the Audit Committee.
- (vi) All the mandatory requirement have been appropriately complied with and the non-mandatory requirements are dealt with at the end of this report.

8. Means of Communication

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

9. General Shareholder's Information

(a)

1.	Annual General Meeting Date, Time and Venue	16 th September, 2013 at 10.30 A.M. at Alka Hotel, Shastri Circle, Udaipur (Rajasthan)
2.	Financial Calendar: Financial Year Quarterly Financial reporting	1 st April to 31 st March Within 45 days of each quarter except fourth quarter when Audited Annual Results are published within 2 Months
3.	Book Closure	The Register of Members and Share Transfer Books of the Company will remain closed from 9 th September, 2013 to 16 th September, 2013 (both days inclusive)
4.	Dividend payment date	20 th September, 2013
5.	Listing on Stock Exchanges and Stock Code	The Shares of the Company are listed at Bombay Stock Exchange Limited Mumbai with the Code No. 503162
6.	Registrar and Share Transfer Agent	In terms of SEBI regulations regarding appointment of common share transfer agency, the Company has appointed M/s. Bigshares Services Pvt. Ltd Mumbai as its Registrar & Share Transfer Agent to deal with physical as well as electronic transfer of shares.

RELIANCE

CHEMOTEX INDUSTRIES LIMITED

7.	Dematerialization of Shares and Liquidity	As on 31 st March 2013, 30,70,799 (84.55%) of the total number of shares are in dematerialized form out of the 36,31,850 listed Equity Shares of the Company. Further 1,80,000 Equity Shares allotted on 30.03.2013 are yet to be listed at Bombay Stock Exchange (BSE), however the Company has already filed an application with BSE for necessary listing of the said shares. The Company's shares are compulsorily traded at the Stock Exchange in dematerialized form. Equity Shares' International Securities Identification Number (ISIN) is INE750D01016 for dematerialization of Share with NSDL and as well as CDSL.
8.	Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity	N. A.
9.	Plant Location	The Company has its plant located at following address : Village : Kanpur, District : Udaipur – 313 003 (Raj.)
10.	Address for Correspondence	Registered Office : Reliance Chemotex Industries Limited Post Box No. 73, Village : Kanpur Dist. : Udaipur – 313 003 (Raj.) Ph. No. : 0294-2490488, 2491489, 2491490 Fax No. : 0294-2490067 e-mail : udaipur@reliancechemotex.com Website : reliancechemotex.com Registrar & Share Transfer Agent : M/s. Bigshare Services Pvt. Ltd. E- 2 & 3, Ansa Industrial Estate, Saki Vihar Road Saki Naka, Andheri (E), Mumbai – 400 072 Ph. No. : 28470652, 40430200 Fax : 28475207 e-mail : info@bigshareonline.com

(b) Distribution of Shareholding as on 31st March 2013 are as under :

(i) According to category of holding :

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters	11	0.10	18,18,079	47.70
FI's & Banks	1	0.01	150	0.01
Individuals	10,650	98.18	16,84,041	44.18
Body Corporates	126	1.16	2,47,567	6.49
Trusts	1	0.01	1,000	0.02
NRIs	53	0.49	57,827	1.52
Clearing Members	5	0.05	3,186	0.08
TOTAL	10,847	100.00	38,11,850	100.00

(ii) According to Number of Equity Shares :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	10,568	97.43	8,24,358	21.62
501-1000	159	1.47	1,26,898	3.33
1001-5000	88	0.81	1,92,757	5.06
5001-10000	12	0.11	86,907	2.28
Over 10000	20	0.18	25,80,930	67.71
TOTAL	10,847	100.00	38,11,850	100.00



(c) Market Price Data :

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

Month	MUMBAI STOCK EXCHANGE		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
Apr'12	121.00	106.50	17664.10	17010.16
May'12	116.00	95.00	17432.33	15809.71
Jun'12	114.15	99.00	17448.48	15748.98
Jul '12	126.00	82.00	17631.19	16598.48
Aug'12	91.50	38.20	17972.54	17026.97
Sep'12	45.45	32.80	18869.94	17250.80
Oct'12	55.15	43.65	19137.29	18393.42
Nov'12	47.50	38.30	19372.70	18255.69
Dec'12	45.00	36.00	19612.18	19149.03
Jan'13	42.50	36.00	20203.66	19508.93
Feb'13	39.80	28.15	19966.69	18793.97
Mar'13	32.90	27.10	19754.66	18568.43

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

10. Disclosures regarding Appointment or Re-appointment of Directors

The Term of Shri Rahul Shroff, Wholtime Director designated as Executive Director of the Company will expire on 31st July, 2013 and his appointment as Wholtime Director of the Company for a further period of 3 years will be discussed in the coming Remuneration Committee and Board Meeting of the Company and resolution will be included in the notice convening the Annual General Meeting for obtaining necessary approval of Shareholders of the Company to re-appoint him as Director designated as Executive Director of the Company for a further period of 3 Years w.e.f. 1st August, 2013.

Shri Rahul Shroff, Son of Shri Sanjiv Shroff, Vice Chairman and Managing Director of the Company aged about 27 years is a US citizen and an Engineering graduate from MIT Cambridge USA, who is holding the position of Wholtime Director designated as an Executive Director of the Company since 1st August, 2010. He is responsible for day to day affairs of the Company from last 3 years and has substantial power under the supervision, control and directions of the Managing Director of the Company. He is a Director of M/s Indo Textile & Fibres Ltd. and does not hold membership in any Committee of other Company.

Term of three Non-Executive Directors Shri S.L.Shroff, Shri N.G.Khaitan and Shri B.K.Agrawal are due for retirement by rotation at this Annual General Meeting and are eligible for re-appointment. The brief particulars of Shri S.L.Shroff, Shri N.G.Khaitan and Shri B.K.Agrawal are as under :

Shri S.L. Shroff, aged 76 years is a Commerce Graduate from the Calcutta University. He is associated with the Textile Industry for the last 45 years. He is Chairman, Promoter and a founder member of the Company. He is also associated in past with Rajasthan Spinning and Weaving Mills Limited and Hindustan Electro Graph Limited. He has more than four decades of industrial experience. He is Managing Director of M/s. Modern Fibres India Limited and does not hold membership in any Committee of other Company.

Shri N.G. Khaitan aged about 62 years is a Legal Expert and Solicitor. He is also a senior partner of M/s. Khaitan & Co. He has over 35 years of experience in business and industry. He is a Director of the Company since 1978 and is also Director of various Companies. He is holding membership in 9 Committees of other Companies. He is Chairman in 3 Committees of other Companies. Name of the Indian public Companies in which Shri N.G.Khaitan is a Director and member/chairman of the Committee are as under :

S. No.	Name of the Company	Chairman / Director	Particulars of Committee	Chairman / Member of Committee
1.	Chase Bright Steel Ltd.	Director	-	-
2.	DPSC Ltd.	Director	Audit Committee Remuneration Committee	Member Chairman

RELIANCE

CHEMOTEX INDUSTRIES LIMITED

3.	HSIL Ltd.	Director	Audit Committee Shareholders/ Investors Grievance Committee Remuneration Committee	Member Member Member
4.	J. K. Laxmi Cement Ltd.	Director	Audit Committee Shareholders/ Investors Grievance Committee	Member Member
5.	Manglam Cement Ltd.	Director	Audit Committee Investment Committee Remuneration Committee	Member Chairman Member
6.	Manglam Timber Products Ltd.	Director	Audit Committee Share Transfer Committee	Chairman Member
7.	Naga Dhunseri Group Ltd.	Director	-	-
8.	Rasoi Ltd.	Director	-	-

Shri B.K. Agrawal, aged 67 years is a Commerce Graduate from the Calcutta University. He is a prominent and renowned Industrialist. He has over 35 years of experience in Manufacturing of Packing, Steel, Iron and Aluminium products. He is holding membership in 2 Committees of other Companies and not holding the position of Chairmanship in any committee of other Companies. Name of the Indian Public Companies in which Shri B.K.Agrawal is a Director and member of the committee are as under :

S. No.	Name of the Company	Chairman / Director	Particulars of Committee	Chairman / Member of Committee
1.	Agrim Steel Industries Limited	Director	-	-
2.	Manaksia Limited	Director	Share Transfer Grievances Committee	Member
3.	Manaksia Steels Limited	Director	-	-

The Shares held by the above Directors have already been disclosed under the caption Board of Directors under serial no.3 above.

11. Non-Mandatory requirements

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

Declaration regarding affirmation of Code of Conduct

In terms of the requirement of the amended Clause 49 of the Listing Agreement, Code of Conduct as approved by the Board of Directors of the Company has been displayed at Reliance Chemotex Industries Limited's website www.reliancechemotex.com under the head of Code of Conduct. All the members of the Board and the Senior Management personnel have affirmed compliance of the Code for the period ended 31st March, 2013..

Place : Mumbai
Date : 25th May, 2013

SANJIV SHROFF
Vice Chairman &
Managing Director



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

To the Members of the Reliance Chemotex Industries Limited

We have examined the compliance of conditions of Corporate Governance by Reliance Chemotex Industries Limited, for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

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

Dated : 25th May, 2013
Camp : Mumbai

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

(C. P. JAIN)
Partner
M.N. 70156

MANAGEMENT DISCUSSION AND ANALYSIS

The Management of Reliance Chemotex Industries Limited is pleased to present its report on Management Discussions and Analysis. The core business of the Company is the manufacturing and marketing of Spun Synthetic Blended Yarn. This report contains the expectations of the Company's business based on the current market environment.

a) Industry structure and developments:

In India, substantial capacity expansion and modernization took place with the concessional rate of interest under TUF and RTUF Schemes. However, these schemes have been discontinued by the Government of India and this will affect the future of the Textile Industry.

The textile industry performed reasonably well during the year under review inspite of the general economic slow down and a lack of demand in the domestic and export markets. During the year under review the Indian economy also recorded a lower growth rate. Though the agriculture and service sectors performed well, weak industrial growth was a major contribution to India's slowdown. However, there is a general awareness and concern about the need to revive industry and exploit its export potential. The government also plans to introduce various incentives to increase exports.

Therefore we expect that although yarn exports have had a setback on account of adverse economic conditions globally the international demand for synthetic yarn is likely to increase and a better realization is expected in the future.

b) Opportunities and threats:

The Indian Textile Industry faces stiff competition in the international market. There is ample scope for the export of synthetic yarns to Europe, USA and Latin America. Thus the Company is targeting these countries for growth. Apart from that ample raw material is available in India which helps the industry to control costs and to reduce the lead time across the operations.

The Company's philosophy of continuous modernization, strict quality control and continuous innovation will enable it to meet future challenges. The Company has taken steps to enhance economies of scale, integrate its product chain, increase its productivity and provide a shorter lead time in order to increase its competitiveness in the market.

However, the following things have affected the future of the textile industry in India and also the Company:

- 1) Rise in the Interest Cost of Working Capital and Term Loans.
- 2) Shortage of both skilled and unskilled workers in Rajasthan.
- 3) Rise in Interest Rates on Export Packing Credit Limits in Rupees.
- 4) Flucation in Exchange Rates i.e. USD and EURO against INR.
- 5) Discontinuation of RTUF Schemes for the future expansions.
- 6) Frequent changes in government policies for Export Incentives.

- 7) Increase in the rates of power by the State Electricity Board.

c) Performance review and analysis:

The Company is only in one line of business, namely the manufacturing and marketing of Synthetic Blended yarn. The Company has no activity outside India except the export of yarn manufactured in India. The Production of yarn during the year 2012-13 was 10,528 M.Ton as against 10,128 M.Ton in previous year. During the year under review, the Company performed reasonably well inspite of the economic challenges in India & abroad. The highlights of the performance are as under :

- 1) Revenue from operation increased by 3.41% to Rs.21,128.69 Lacs.
 - 2) Cash Profit increased by 62.35% to Rs. at Rs.1,240.35 Lacs.
 - 3) PBDIT increased by 39.41% to Rs.1,728.05 Lacs.
 - 4) Net Profit increased by 271.41% to Rs.603.46 Lacs.
- Exports (FOB) during the year were Rs.11,591 Lacs as against Rs.12,937 Lacs in the previous year.

The Company has completed the expansion and modernization of its existing plant situated at Village: Kanpur, Udaipur (Raj.) with the installation of 10,080 Spindles and the modernization of 2880 Spindles. For this the Company had been sanctioned a term loan of Rs.1000 Lacs and Rs.1300 Lacs each from RIICO & State Bank of India (SBI) respectively. Disbursements totaling Rs.1889.54 Lacs were also received from State Bank of India and RIICO during the year. After this expansion and modernization the Company expects that the revenues from operation and the Net Profit during the current year 2013-14 will be better.

d) Outlook:

Although the outlook for the textile industry is uncertain due to the economic challenges in India & abroad, the Directors hope that foreseeable improvements in the international scenario along with a change in the product mix and development of new qualities, would make it possible to meet the challenges faced by the Indian Textile Industry. The Company's strategy to maximize gains and reduce costs in order to overcome market challenges continues.

e) Risks and concerns:

The Company is focusing on expanding its Export Market. During the year under review the main earning of the Company was due to its export. The Company has relied on exports for its profitability. The fast changing global economy will have an impact on the overall performance of the Company. Key business processes such as market development, order procurement and supply chain management have been re-engineered and new practices adopted at all levels to ensure profitability. Technological obsolescence is an inherent business risk in a fast changing world and being quick to adapt to change is crucial for the survival of any business. The Company follows a well-documented and established foreign exchange risk policy which is reviewed by the Audit Committee on a regular basis.



In light of the changing scenario of the Forex market, currency risks are hedged meticulously.

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

f) Internal Control System & their adequacy:

The Company has proper and adequate Internal Audit and Control Systems and policies in every sphere of activity to ensure that all transactions are authorized, recorded and reported correctly. The Company's Internal Control Systems allow the effective monitoring of operations to ensure that there is maximum utilization of resources. This also ensures that all assets are safeguarded and protected against loss from unauthorized use and dispositions and also that all transactions are authorized, recorded and reported diligently. The Management of the Company reviews the reports of the Internal Auditors regularly, and then presents any deviations to the Audit Committee which then recommends suitable steps of action.

g) Company's financial performance and analysis:

The Operating performance of the Company has been detailed in the first two paragraphs of the Directors' Report under the Operation and Finance head. The profit before tax for the financial year 2012-13 was Rs.770.08 Lacs as against Rs.293.34 Lacs during the financial year 2011-12 Lacs.

h) Developments in Human Resources and Industrial Relations:

There is no doubt that the Company has achieved its business targets every year due to the dedicated efforts of the Human Resources of the Company. This

year is no exception. Employer-Employee relations continued to be cordial throughout the year. The Company has an existing system of regular interaction between its senior management and operators at the shop floor level which enables sharing of business information and solutions to the problems at the preliminary level. The Company is committed to leveraging its human resources to enhance competitiveness in a globally challenging environment. A high level of organizational vitality is sought to be constantly maintained to achieve the Company's vision. The Company has 1,287 nos. of Skilled and Unskilled manpower on its roll.

i) Cautionary Statement:

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

CEO & CFO CERTIFICATION

To,

The Board of Directors
Reliance Chemotex Industries Limited

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

1. We have reviewed the financial statements and the cash flow statement for the period ended 31st March, 2013 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 violating 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 there in, if any, of the Management of an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : 25th May, 2013

M. K. GUPTA
Company Secretary
& Chief Financial Officer

SANJIV SHROFF
Managing Director
& Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

To the members of Reliance Chemotex Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Chemotex Industries Ltd. ("the Company"), which comprise the Balance Sheet as at 31.03.2013 and the Statement of Profit and Loss and cash flow statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements, the procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the Companies preparation and fair presentation of the financial statement in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and subject to Clause no. 1 (xii) B (c) of Note 26 regarding accounting treatment of premium/discount on forward contract, give a true and fair view in conformity with the accounting principle generally accepted in India.

(a) In the case of the Balance Sheet, of the State of affairs of the Company as at March 31, 2013,

- (b) In the case of Statement of Profit and Loss, of the profit/loss for the year ended on that date, and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our report, we draw attention to Note 3 regarding reclassification of unsecured loans and Clause 6 of note 26 regarding temporarily lending of funds of the Company.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2003("the order") issued by the Central Government of India in terms of sub-section 4A of section 227 of the Companies Act 1956. We give in the Annexure a statement on the matters specified in Paragraph 4 and 5 of the order
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - c. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement subject to Clause no. 1 (xii) B (c) of Note 26 regarding accounting treatment premium/discount on forward contracts, comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956.
 - e. On the basis of Written Representation received from the Directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act. 1956 .
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

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

Dated : 25th May, 2013
Camp : Mumbai

(C. P. JAIN)
Partner
M.N. 70156



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph (1) of our Report of even date of RELIANCE CHEMOTEX INDUSTRIES LTD. as at and for the year ended 31st March, 2013)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that :

- i. (a) The Company is in our opinion maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) In accordance with the programme of verifying the fixed assets once in three years Fixed Assets are reported to have been physically verified by the management during the year ended 31.03.2011. The periodicity of physical verification in our opinion is reasonable having regard to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us the fixed assets have been disposed off during the year were not substantial part of fixed assets so as to effect the going concern status of the Company.
 - ii. (a) The inventories lying with the Company are reported to have been physically verified by the management at the year end.
 - (b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion the Company is maintaining proper records of inventories and according to the records of the Company the discrepancies noticed on physical verification of stocks as compared to books records, which in our opinion were not material in relation to the operation of the Company which have been properly dealt with in the books of accounts.
 - iii. (a) (i) According to the information and explanation given to us the Company has not granted any loans, secured or unsecured to Companies firm or other Parties covered in the register maintained under section 301 of the Companies Act, 1956 and accordingly clauses (iii)(b) of paragraph 4 of the aforesaid order are in our opinion not applicable to the Company.
 - (ii) According to the information and explanations given to us the Company has during the year taken unsecured loan of Rs. 795.00 lacs from a party covered in the register maintained under section 301 of the Companies act 1956.
 - (b) In our opinion and according to the information and explanation given to us, the rates of interest and other terms and conditions of unsecured loans taken by the Company during the year are not, prima-facie, prejudicial to the interest of the Company.
- (c) In absence of stipulation for repayment of unsecured loans to certain parties, we have no comments to make as to whether or not the Company repaying the principal amount as stipulated and is also regular in payment of interest and whether or not there is any overdue amount more than one lacs for which steps need to be taken by the Company for payment of principal amount and interest there on.
 - iv) In our opinion and according to the information and explanations given to us and on the basis of test checks carried out by us, and considering the explanations given by the management that alternative sources not being available for certain OEM and other purchases, it appears that there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to major purchases of inventory, Fixed Assets and for the Sale of goods and services. Further, on the basis of our examinations of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have we been informed by the management or the Internal Auditors of the Company of any instance of major weakness in the aforesaid internal control procedures, which would require major corrective action.
 - v) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, we are of the opinion that the contracts or arrangements that need to be entered in the register maintained in pursuance of section 301 of the Companies Act 1956 have been entered in the said register.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts and agreements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
 - vi) In our opinion and according to the Information and explanations given to us, the Company has not accepted any deposits from the Public during the year under the provisions of section 58 A and 58AA or any other relevant provisions of the Act. Therefore the provisions of clause (vi) of the aforesaid order are not applicable to the Company.

vii) In our opinion, the internal audit system is by and large commensurate with the size of the Company and nature of its business except that formal internal audit systems need to be introduced at Mumbai branch with proper scope and adequate coverage.

viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to rules made by the central government for the maintenance of cost record under clause (d) of the sub-section (1) of section 209 of the Companies act 1956 and are of the opinion that prima-facie, the prescribed accounts and record have been maintained. However, we have not made a detailed examination of the said records and accounts.

ix (a) According to the records of the Company has regularly deposited during the year undisputed statutory dues (to the extent applicable) including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, VAT (Sales Tax), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, and other statutory dues with the appropriate authorities though there has been some delays in depositing dues of Works Contract Tax, TDS, and ESI.

According to the information and explanations given to us there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2013 for a period more than 6 months from the date they become payable.

(b) On the basis of our examination of the document produced to us and according to the information and explanations given to us the dues (to the extent applicable) of Excise Duty and Service Tax which have not been deposited on account of dispute and the forum where the dispute is pending are as under :

Nature of the statute	Nature of the dues	Amount involved Rs.	Period to which it relates to (years ended)	Forum where dispute is pending
Central Excise Act	Excise duty	23,567	31.03.80 to 31.03.92	The Asst. Commissioner, Central Excise, Udaipur
Service Tax Act	Service Tax	47,63,158	31.03.03 to 31.03.07	The Asst. Commissioner (Appeals), Central Excise, Jaipur
	Total	47,86,725		

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

(x) The Company has no accumulated losses as on 31-03-2013 and has not incurred cash loss in the financial year ended on that date and in the immediately preceding financial year.

- (xi) According to the records of the Company as per the information and explanations give to us the Company has not defaulted in repayment of dues to financial institution or banks.
- (xii) According to the information and explanations given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares debentures and other securities.
- (xiii) In our opinion the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debenture and other investment.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- (xvi) In our opinion and according to information and explanations given to us on an overall basis, the Term Loan have been applied for the purpose for which they were obtained.
- (xvii) On the basis of review of utilization of fund on overall basis as on 31.03.2013 and related information explanation and statement as made available to us and as represented to us by the management no funds raised on short term basis have been used for long term application.
- (xviii) During the year the Company has made preferential allotment of Equity and Preference Shares at the price of Shares which is not prejudicial to the interest of the Company to parties covered in the register maintained under section 301 of the Companies act 1956.
- (xix) The Company has neither issued nor had any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) During the course of our examination of the books of account and records of the Company, carried out according with the generally accepted auditing practices in India and according to the information and explanations given to us we have neither come across any instance of material fraud on or by the Company notice and reported during the year nor have we been informed of such case by the management or the Internal Auditors of the Company.

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

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

Dated : 25th May, 2013
Camp : Mumbai

(C. P. JAIN)
Partner
M.N. 70156



**BALANCE SHEET
AS AT 31st MARCH, 2013**

PARTICULARS	Note No.	31 st March, 2013		31 st March, 2012	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES :					
(1) Shareholders' Funds					
(a) Share Capital	1	22,87,98,375		16,67,48,375	
(b) Reserves and Surplus	2	25,16,11,066	48,04,09,441	20,54,27,610	37,21,75,985
(2) Non Current Liabilities					
(a) Long-term borrowings	3	46,14,18,292		32,38,13,790	
(b) Deferred Tax liabilities(Net)	4	1,35,75,072	47,49,93,364	1,27,58,918	33,65,72,708
(3) Current Liabilities					
(a) Short-term borrowings	5	14,07,68,017		20,79,49,238	
(b) Trade Payables	6	12,14,45,267		16,52,28,661	
(c) Other current liabilities	7	21,64,86,911		16,99,37,477	
(d) Short-term provisions	8	3,38,28,718	51,25,28,913	2,86,74,862	57,17,90,238
TOTAL			1,46,79,31,718		1,28,05,38,931
II. ASSETS :					
(1) Non-current Assets					
a. Fixed Assets					
(i) Tangible assets	9	66,00,97,763		66,42,19,673	
(ii) Intangible assets	9	14,69,736		16,28,154	
(iii) Capital work-in-progress (Tangible)	9	16,63,22,185		2,26,45,238	
b. Non-current Investments	10	3,16,03,480		2,25,60,000	
c. Long-term loans and advances	11	2,07,60,619		2,31,12,241	
d. Other non-current assets	12	—	88,02,53,783	—	73,41,65,306
(2) Current Assets					
(a) Current Investments	13	—		6,00,35,541	
(b) Inventories	14	23,08,53,133		23,68,55,428	
(c) Trade Receivable	15	11,09,98,144		12,09,08,693	
(d) Cash and Bank Balances	16	4,93,28,811		5,91,42,619	
(e) Short-term loans and advances	17	13,39,94,548		3,82,73,166	
(f) Other current assets	18	6,25,03,299	58,76,77,935	3,11,58,178	54,63,73,625
TOTAL			1,46,79,31,718		1,28,05,38,931

Notes 1 to 18 and Note 26 form part of this Balance Sheet,
As per our attached Report of even date.

Above Laxmi Dharam Kanta, For **G. P. KEJRIWAL & CO.**
Hawa Sadak, 22 Godown, Chartered Accountants
Jaipur - 302 006 Firm Reg. No. 001036C

On behalf of the Board of Directors

Camp : Mumbai
Dated : 25th May, 2013

C. P. JAIN
Partner
M.No. 70156

M. K. GUPTA
Company Secretary
& Chief Financial Officer

R. N. SHARMA
Wholetime Director

SANJIV SHROFF
Vice Chairman &
Managing Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH, 2013

PARTICULARS	Note No.	31 st March, 2013		31 st March, 2012	
		Rs.	Rs.	Rs.	Rs.
I Revenue from Operations	19		2,11,28,69,100		2,04,32,77,379
Less: Excise Duty			<u>6,98,90,649</u>		<u>4,98,67,606</u>
			2,04,29,78,451		1,99,34,09,773
II Other Income	20		3,34,07,916		72,68,024
III Total Revenue (I + II)			<u>2,07,63,86,367</u>		<u>2,00,06,77,797</u>
IV EXPENSES					
Cost of Materials Consumed	21		1,15,65,05,337		1,20,80,72,653
Changes in Inventories of Finished Goods, Work in Progress and stock in trade	22		3,63,92,616		(1,15,81,343)
Employee Benefits Expense	23		20,41,90,185		19,33,88,625
Finance Costs	24		9,34,15,622		9,79,64,150
Depreciation and amortisation Expense	9		4,70,27,368		4,69,88,490
Other Expense	25		45,80,54,750		42,51,09,936
Total Expenses			<u>1,99,55,85,878</u>		<u>1,95,99,42,511</u>
V Profit before exceptional and extraordinary items and Tax (III-IV)			<u>8,08,00,489</u>		<u>4,07,35,286</u>
VI Exceptional Items			<u>37,92,486</u>		<u>1,14,01,251</u>
VII Profit before extraordinary items and tax (V-VI)			7,70,08,003		2,93,34,035
VIII Profit before tax (VII - VIII)			7,70,08,003		2,93,34,035
IX Tax Expense :					
1. Current Tax		1,54,00,000		60,20,607	
2. Earlier Year Tax		4,45,253		—	
3. Deferred Tax		<u>8,16,154</u>	<u>1,66,61,407</u>	<u>10,79,393</u>	<u>71,00,000</u>
X Profit for the Year (IX-X)			<u>6,03,46,596</u>		<u>2,22,34,035</u>
XI Earning per equity share (Basic and Diluted)			12.42		1.96
Also refer Note 26 Clause II.					

Notes 19 to 26 form part of this Statement of Profit and Loss,
As per our attached Report of even date.

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

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

On behalf of the Board of Directors

Camp : Mumbai
Dated : 25th May, 2013

C. P. JAIN
Partner
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Wholetime Director

SANJIV SHROFF
Vice Chairman &
Managing Director



NOTES

Notes "1" to "26" Annexed to and forming part of the Company's Balance Sheet as at 31st March, 2013 and Statement of Profit and Loss for the year ended on that date.

	31 st March, 2013		31 st March, 2012	
	Rs.	Rs.	Rs.	Rs.
1. SHARE CAPITAL				
i. Authorised Share Capital :				
1,35,00,000 Equity Shares of Rs.10/- each	13,50,00,000		13,50,00,000	
25,25,000 (P.Y. 25,25,000) Preference Shares of Rs.100/- each	<u>25,25,00,000</u>	<u>38,75,00,000</u>	<u>25,25,00,000</u>	<u>38,75,00,000</u>
Issued:				
38,32,100 (P.Y. 36,52,100) Equity Shares of Rs.10/- each	3,83,21,000 (a)		3,65,21,000	
19,07,500 (P.Y. 13,05,000) 10% Cumulative Redeemable Preference Shares of Rs.100/- each	<u>19,07,50,000 (b)</u>	<u>22,90,71,000</u>	<u>13,05,00,000</u>	<u>16,70,21,000</u>
Subscribed and Fully Paid :				
37,86,650 (P.Y. 36,06,650) Equity Shares of Rs.10/- each	3,78,66,500 (a)		3,60,66,500	
Subscribed but not Fully Paid :				
25,200 Equity Shares of Rs.10/- each	2,52,000		2,52,000	
Less: Calls unpaid (Other than Directors & Officers) Forfeited	(1,26,000)		(1,26,000)	
19,07,500 (P.Y. 13,05,000) 10% Cumulative Redeemable Preference Shares of Rs.100/- each	<u>55,875 (#)</u>	<u>3,80,48,375</u>	<u>55,875 (#)</u>	<u>3,62,48,375</u>
Total Subscribed and Paid up Capital		<u>19,07,50,000 (b)</u>		<u>13,05,00,000 (b,c,d)</u>
		<u>22,87,98,375</u>		<u>16,67,48,375</u>

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

(a) Includes 1,80,000 Equity Shares allotted on 30.03.2013 ranking pari-pasu with the existing Equity Shares of the Company.

(b) No. of Preference Share Allotted	Dates of Allotment
2,16,000	28.03.2002 (A)
16,000	31.10.2002 (A)
11,000	31.01.2003 (A)
82,000	29.04.2006 (B)
2,75,000	28.01.2011 (C)
72,000	24.03.2011 (C)
1,33,000	26.03.2011 (C)
5,00,000	31.03.2011 (C)
3,25,000	07.03.2013 (C)
2,77,500	30.03.2013 (C)
<u>19,07,500</u>	

(A) These shares are redeemable at par on expiry of 13 years from the respective dates of allotment.

(B) These shares are redeemable at par on expiry of 14 years from the respective dates of allotment.

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

Consent letters of financial institutions were not available for auditor's inspection.

RELIANCE

CHEMOTEX INDUSTRIES LIMITED

		31 st March, 2013		31 st March, 2012	
		Rs.	Rs.	Rs.	Rs.
(c) After redemption at par of 4,79,500 Preference Shares earlier than the dates of redemption (during the year 2011-12) on dates, as stated under					
<u>No. of Preference Share Redeemed</u>	<u>Dates of Redemption</u>				
36,500	11.02.2011				
80,000	17.02.2011				
18,000	17.03.2011				
1,85,000	25.03.2011				
1,60,000	29.03.2011				
<u>4,79,500</u>					

(d) 4,79,500 (Part of Allotted Shares) Preference Shares as mentioned under (b) above were redeemed during the year 2010-2011, though such Preference Shares were redeemable on dates mentioned under note (b) above, as per terms of issue vide equity and preference shareholders resolution dt 05.01.2011 after the expiry of 13 or 14 years, in pursuance to Board resolution dated 28.01.2011. The balance 3,25,000 Preference Shares are pending redemption.

II. As stated under Note no. 1 in Note "3" of Long Term Borrowings : Term Loans of Rs. 1,919 Lacs from IDBI Ltd., the Company shall agree that unsecured loans amounting to Rs.4 Crores were to be converted into equity capital as per SEBI formula within 6 months from date of first disbursement. The Company has converted an amount of Rs. 118.24 Lacs and for the balance amount, the Company has taken up the matter with IDBI Bank Ltd. and such Conversion is to be done, on finalisation of the matter. However no evidence were available for auditor's inspection.

III. Terms/ rights attached to Equity Shares

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

IV. Terms/ rights attached to Preference Shares

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

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

Name of Shareholders	No. of Shares	% Held	No. of Shares	% Held
1. M/s. Modern Fibotex India Ltd.	10,51,179	27.58	10,55,097	29.05
2. Shri Shanker Lal Shroff	1,95,650	5.13	1,95,650	5.39

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

Name of Shareholders	No. of Shares	% Held	No. of Shares	% Held
1. M/s. Modern Fibotex India Ltd.	13,24,500	69.44	7,22,000	55.33
2. M/s. Nistha Investment & Consultancy Private Limited	—	—	2,75,000	21.07
3. Shri Sanjiv Shroff	1,40,000	7.34	1,15,000	8.81



	31 st March, 2013		31 st March, 2012	
	Rs.	Rs.	Rs.	Rs.
VI. Reconciliation of the number of Shares outstanding at the beginning and at the end of the reporting period as under :				
	No. of	Amount	No. of	Amount
Equity Shares :	Shares	Rs.	Shares	Rs.
Shares at the beginning of the year	36,52,100	3,65,21,000	36,52,100	3,65,21,000
Add : Issued during the year	1,80,000	18,00,000	—	—
Shares at the end of the year	<u>38,32,100</u>	<u>3,83,21,000</u>	<u>36,52,100</u>	<u>3,65,21,000</u>
Preference Shares :				
Shares at the beginning of the year	13,05,000	13,05,00,000	13,05,000	13,05,00,000
Add : Issued during the year	6,02,500	6,02,50,000	—	—
Shares at the end of the year	<u>19,07,500</u>	<u>19,07,50,000</u>	<u>13,05,000</u>	<u>13,05,00,000</u>
2. RESERVES AND SURPLUS				
Capital Reserve :				
Central Cash Subsidy		15,00,000		15,00,000
Securities Premium Reserve				
Share Premium Account	5,82,51,138		5,26,71,138	
Less: Amount unpaid	3,78,000	5,78,73,138	3,78,000	5,22,93,138
Other Reserves :				
General Reserve				
As per last Account	6,14,79,390		6,04,79,390	
Add : Transferred from Profit & Loss Account	10,00,000	6,24,79,390	10,00,000	6,14,79,390
Surplus :				
As per last Balance Sheet	9,01,55,082		8,82,79,824	
Add : Profit for the year	6,03,46,596		2,22,34,035	
	15,05,01,678		11,05,13,859	
Less Appropriations :				
Transfer to General Reserve	10,00,000		10,00,000	
Proposed Dividend :				
on Equity Shares	36,07,143		36,06,650	
[Dividend per Share Re.1/- (Previous year Re.1/-)]				
on Cumulative Redemable Preference Shares	1,32,71,302		1,30,50,000	
[Dividend per Share Rs.10/- (Previous year Rs.10/-)]				
Tax on proposed Dividends	28,64,695	12,97,58,538	27,02,127	9,01,55,082
		<u>25,16,11,066</u>		<u>20,54,27,610</u>
3. Long Term Borrowings				
i. Term Loans from Banks (Secured)				
First Term Loan from IDBI Bank Limited	54,50,000(a)&(b)		1,34,75,000(a)&(b)	
Second Term Loan from IDBI Bank Ltd.	9,59,50,017(a)&(c)		11,79,38,554(a)&(c)	
Term Loan from State Bank of India	20,98,06,572(d)		11,88,50,236(d)	
Vehicle loans	15,10,123	31,27,16,712	—	25,02,63,790
ii. Term Loans from Others				
RIICO Term Loan		4,23,01,580		—
iii. Loans and Advances (Unsecured)				
From Bodies Corporate (Related parties)	—		2,77,50,000	
From Bodies Corporate (Other than related parties)	10,63,00,000		4,57,00,000	
From Directors	1,00,000		1,00,000	
		<u>10,64,00,000</u>		<u>7,35,50,000</u>
		<u>46,14,18,292</u>		<u>32,38,13,790</u>

REMARKS :

1. (a) Term Loan of Rs. 750 lacs, outstanding Rs. 161.50 Lacs as on 31.03.13 (P.Y. 241.75 Lacs) including Rs. 107 Lacs (P.Y. Rs. 107 Lacs) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts, is secured by hypothecation by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future including movable (save and except book debts) machinery, spares, tools and accessories, present and future, subject to prior charges created in favour of Bankers for working capital facilities. As per Certificate of the Management, the above loan, has also been guaranteed by Managing Director and one other Director of the Company and are also secured by way of extension of pledge of 5,86,400 Equity Shares of the Company in the names of Directors and their relatives.
This loan is repayable in 28 quarterly Instalments commencing from 01.10.2007 and last instalment is payable by 31.03.2016.
 - (b) Term Loan of Rs. 1,919 lacs, outstanding Rs. 1199.38 Lacs as on 31.03.13 (P.Y. 1,419.26 Lacs) including Rs. 239.87 Lacs (P.Y. Rs. 239.87 Lacs) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts, is secured by hypothecation by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future including movable (save and except book debts) machinery, spares, tools and accessories, present and future, subject to prior charges created in favour of Bankers for working capital facilities. As per Certificate of the Management, the above loan, has also been guaranteed by Managing Director and one other Director of the Company and are also secured by way of extension of pledge of 5,86,400 Equity Shares of the Company in the names of Directors and their relatives.
This loan is repayable in 96 monthly Instalments commencing from 01.04.2010 and last instalment is payable by 31.03.2017.
 - (c) Term Loan of Rs. 1,964 lacs, outstanding Rs. 1,188.50 Lacs as on 31.03.13 (P.Y. 1470.50 Lacs) including Rs. 282 Lacs (P.Y. Rs. 282 Lacs) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts, is secured by hypothecation by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future including movable (save and except book debts) machinery, spares, tools and accessories, present and future, subject to prior charges created in favour of Bankers for working capital facilities. As per Certificate of the Management, the above loans, have also been guaranteed by Managing Director and one other Director of the Company and are also secured by way of extension of pledge of Preference Shares of the face value of Rs. 1.75 Crores of the Company belonging to Directors and pledge of Preference Shares of the face value of Rs. 1.50 Crores belonging to a Promoter Company.
This loan is repayable in 84 monthly Instalments commencing from July 2010 and the last instalment of Rs. 13.50 lacs payable by 30th June 2017.
 - (d) Term Loan of Rs.1,300 Lacs, Outstanding Rs. 1,299.86 Lacs (P.Y. Nil) including Rs. 108.30 Lacs (P.Y. Nil) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts, is secured by hypothecation by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future including movable (save and except book debts) machinery, spares, tools and accessories, present and future, subject to prior charges created in favour of Bankers for working capital facilities.
This loan is repayable in 72 instalments from Oct. 2013 and last instalment is payable by September 2019.
 - (e) Term Loan of Rs.1,000 Lacs, Outstanding Rs. 589.68 Lacs (P.Y. Nil) including Rs. 166.66 Lacs (P.Y. Nil) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts, is secured by hypothecation by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future including movable (save and except book debts) machinery, spares, tools and accessories, present and future, finished and semi finished products, other goods and uncalled capital, subject to prior charges created in favour of Bankers for working capital facilities.
This loan is repayable in 24 quarterly equal instalments from May 2013 and last instalment is payable by 15th February 2019. The above term loan carry interest @13% p.a. with 2% LD in case of default.
2. In respect of Term Loan of Rs. 1919 lacs
 - (i) The Company shall deploy 50% of total promoter's contribution i.e. Rs.6.42 Crores in the Project upfront. The unsecured Loans brought in would be sub-ordinated to this loan and the Company would seek approval from the leading institution for payment of interest, if any, on the unsecured loans and
 - (ii) Rs. 4 Crores to be converted into equity capital as per SEBI formula within 6 months from date of first disbursement. Also refer Note 1 Clause II.
3. Term Loans from bank (except vehicle loan) & RIICO are sanctioned and carry floating interest rate of Base rate + 4% to 4.50%.
4. (a) Vehicle Loan of Rs. 6 Lacs outstanding Rs. Nil as on 31.03.2013 (P.Y. Rs. 0.39 Lacs) including Rs. 0.39 Lacs (P.Y. Rs. 0.39 Lacs) shown under the head Other Current Liability for Current maturity of Long Term debts is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalments commencing from 01.07.2009 along with interest @ 11.50% per annum and the last instalment is payable by 01.06.2012, The charge documents are still to be filed with the concerned authorities.
 - (b) Vehicle Loan of Rs. 7.50 Lacs outstanding Rs. NIL Lacs as on 31.03.2013 (P.Y. Rs. 1.21Lacs) including - Lacs (P.Y. Rs. 1.21 Lacs) shown under the head Other Current Liability for Current maturity of Long Term debts is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from 05.10.2009 along with interest @ 10.80% per annum and the last instalment is payable by 05.08.2012. The charge documents are still to be filed with the concerned authorities.
 - (c) Vehicle Loan of Rs. 10.80 Lacs outstanding Rs. 9.75 Lacs as on 31.03.2013 (P.Y. Nil) including 3.36 Lacs (P.Y. Rs. Nil) shown under the head Other Current Liability for Current maturity of Long Term debts is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from 05.12.2012 along with flat interest @ 5.39% per annum and the last instalment is payable by 05.11.2015. The charge documents are still to be filed with the concerned authorities.
 - (d) Vehicle Loan of Rs. 12.00 Lacs outstanding Rs. 12.00 Lacs as on 31.03.2013 (P.Y. Nil) including Rs.3.29 Lacs (P.Y. Rs. Nil) shown under the head Other Current Liability for Current maturity of Long Term debts is secured by way of Hypothecation of respective car



	31 st March, 2013		31 st March, 2012	
	Rs.	Rs.	Rs.	Rs.

- acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from 05.05.2013 along with interest @ 10% per annum and the last instalment is payable by 05.04.2016. The charge documents are still to be filed with the concerned authorities.
5. The aggregate amount of Term Loans guaranteed by Directors and others, is Rs. 4,439 Lacs (P.Y. Rs. 3,132 Lacs)
6. Terms of Repayment of Unsecured Loans :

Aggregate Amount outstanding (Rs. In Lacs)	Rate of Interest	Maturity Terms
(a) Rs. 1064.00 Lacs	11.00 to 11.50%	There are no Stipulations for Repayments. However the Company has received letter/ undertaking from lenders that they will seek repayments of their outstanding Loans as on 31.03.2013, only after 31.03.2014. However out of loans outstanding as on 31.03.2012 of Rs. 12,88,50,000/-, Rs. 2,77,50,000/- were converted into Preference Shares and Rs. 4,53,00,000/- were repaid during 2012-13 in respect of which relative Lenders had given letter/ undertaking not to seek repayment prior to April 2013 were repaid during the year 2012-13 resulting in such borrowings being short term borrowings instead of long term borrowings and accordingly the figures of previous year in this regards have been regrouped under the head Short Term Borrowings. Rs.2,77,50,000/- have not been reclassified as the funds remain available for long term use in the form of Preference share capital.
(b) Rs. 100.00 lacs shown under the head "short term borrowings"		

7. The nature of securities, guarantees and other terms as stated, above, under Remarks 1 to 6 are subject to confirmations of the respective lenders.

4. Deferred Tax Liabilities (Net)

Deferred Tax Liabilities

Timing Difference of Depreciation

3,34,52,503

3,02,25,974

Deferred Tax Assets

Expenditure u/s 43B of IT Act 1961

(1,98,77,431)

1,35,75,072

(1,74,67,056)

1,27,58,918

5. Short Term Borrowings

Loans repayable on Demand

From Banks (Secured)

13,07,68,017 (a)

10,42,30,637 (a)

Unsecured Borrowings

1,00,00,000

10,37,18,601 (b)

14,07,68,017

20,79,49,238

- (a) Borrowings of Rs. 13,07,68,017/- (P.Y. 10,42,30,637/-) from SBI and IDBI Bank Ltd. for working capital are secured by hypothecation of raw materials, stock in transit, process stock, finished goods, consumables stores and spares and book debts and are reported to have also been guaranteed by the Managing Director and one other Director of the Company. Such borrowings are also secured by second charge of fixed assets of the Company.

- (b) Includes channel Financing arrangements Rs. 4,84,18,601/-.

- (c) The nature of securities, guarantees and other information as stated, above and status of compliance of terms and conditions, are subject to confirmations of respective lenders/ others.

6. Trade Payables

12,14,45,267

16,52,28,661

7. Other Current Liabilities

Current Maturities of Long Term Debt

9,10,48,682

6,30,47,059

Interest accrued and due on borrowings

43,03,754

67,83,758

Interest accrued but not due (RIICO)

11,68,418

—

Advances from Customers

49,40,607

80,00,961

Advances against sale of Machinery

2,25,00,000

—

Security Deposits

18,12,319

15,00,682

Statutory Dues

1,93,38,857

1,74,17,264

Unpaid Dividend Accounts (as per Contra)

29,21,011 (a)

31,03,689 (a)

Other Payables

6,84,53,263

21,64,86,911

7,00,84,064

16,99,37,477

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

RELIANCE
CHEMOTEX INDUSTRIES LIMITED

	31 st March, 2013		31 st March, 2012	
	Rs.	Rs.	Rs.	Rs.
8. Short Term Provisions				
Provision for Employee Benefits		1,10,66,329		87,16,350
Proposed Dividend				
On Equity Shares	36,07,143		36,06,650	
On Preference Shares	<u>1,32,71,302</u>	1,68,78,445	<u>1,30,50,000</u>	1,66,56,650
Tax on Proposed Dividends		28,64,695		27,02,127
Provision for Tax (Net of Advances of Rs. 1,23,80,467/-) (P.Y. Rs. 53,00,265/-)		<u>30,19,249</u>		<u>5,99,735</u>
		<u>3,38,28,718</u>		<u>2,86,74,862</u>

9. FIXED ASSETS

(Figure in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2012	Additions	Deductions/ adjustments	As at 31.03.2013	Upto 31.03.2012	For the year	Deductions/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible Assets										
(a) Land :										
Free Hold	8,01,041			8,01,041					8,01,041	8,01,041
Lease Hold	10,68,421			10,68,421	3,65,287	10,792		3,76,079	6,92,342	7,03,134
(b) Buildings	21,30,06,913	3,30,91,205		24,60,98,118	4,64,93,335	67,33,730		5,32,27,065	19,28,71,053	16,65,13,578
(c) Plant & Equipments	77,83,25,159	3,33,43,346	6,98,63,295	74,18,05,210	29,37,80,839	3,84,38,866	4,30,14,198	28,92,05,927	45,25,99,683	48,45,44,320
(d) Furniture & Fixtures	97,56,515	2,03,310	1,68,189	97,91,636	51,52,055	4,16,488	1,27,483	54,41,060	43,50,576	46,04,460
(e) Vehicles	96,88,785	27,79,600	3,97,834	1,20,70,551	39,36,602	9,52,772	2,35,991	46,53,383	74,17,168	57,52,183
(f) Office Equipments	38,60,043	4,51,687	9,53,841	33,57,889	25,59,086	2,46,949	8,14,047	19,91,988	13,65,901	13,00,957
Sub Total	1,01,65,06,877	6,98,69,148	7,13,83,159	1,01,49,92,866	35,22,87,204	4,67,99,617	4,41,91,719	35,48,95,102	6,60,99,764	66,42,19,673
Intangible Assets										
Computer Software	4,94,748	69,333	—	5,64,081	3,55,644	62,301		4,17,945	1,46,136	1,39,104
Corporate Club Membership	16,54,500	—	—	16,54,500	1,65,450	1,65,450		3,30,900	13,23,600	14,89,050
Sub Total	21,49,248	69,333	—	22,18,581	5,21,094	2,27,751	—	7,48,845	14,69,736	16,28,154
Capital Work in Progress (Tangible)									16,63,22,185	2,26,45,238
As at 31.03.2013	1,01,86,56,125	6,99,38,481	7,13,83,159	1,01,72,11,447	35,28,08,298	4,70,27,368	4,41,91,719	35,56,43,947	82,78,89,665	68,84,93,065
As at 31.03.2012	99,74,02,212	3,64,16,880	1,51,62,967	1,01,86,56,125	31,82,75,060	4,69,88,489	1,24,55,251	35,28,08,298	68,84,93,065	

NON CURRENT ASSETS

10. NON CURRENT INVESTMENTS (AT COST)

Trade Investments :

(Fully Paid Unquoted) ("Class A" Shares
of M/s V S Lignite Power Private Limited)

16,74,719 (P.Y. 7,70,371) Equity

Shares of Rs.10/- each

1,67,47,190

77,03,710

14,85,629, 0.01% Cumulative Redeemable

Preference Shares of Rs.10/- each

1,48,56,290

3,16,03,480 (a)

1,48,56,290

2,25,60,000 (a)

3,16,03,480

2,25,60,000

(a) Refer Note 12 in Note 26.



	31 st March, 2013		31 st March, 2012	
	Rs.	Rs.	Rs.	Rs.
11. LONG TERM LOANS AND ADVANCES				
(Unsecured, considered good)				
Capital Advances		85,75,939		89,64,428
Loans to Employees recoverable after 12 Months		55,53,800		51,50,900
Security Deposits		66,30,880		89,96,913
		<u>2,07,60,619</u>		<u>2,31,12,241</u>
12. OTHER NON CURRENT ASSETS				
Trade Receivables				
(Unsecured, considered Doubtful)				
Other Debts - Long Term	7,30,780		22,21,698	
Less : Provision for Doubtful	<u>7,30,780</u>	—	<u>22,21,698</u>	—
13. CURRENT INVESTMENT				
Units of Mutual Fund (Unquoted)		—		6,00,35,541
SBI-SHF-Ultra Short Term Funds/PLF-IP-DDR Institutional Plan - Daily Dividend (Reinvestment Dividend)		—		<u>6,00,35,541</u>
14. INVENTORIES				
Raw Materials		8,49,05,298		5,28,65,270
Work-in Progress		4,79,94,573		6,22,24,852
Finished Goods		8,36,56,983 (a)		10,62,78,826 (a)
Stores and Spares		1,33,00,337 (b)		1,49,50,044 (b)
Waste		7,50,064		4,07,903
Scrap and Residual Materials		2,45,878		1,28,533
		<u>23,08,53,133 (c)(d)</u>		<u>23,68,55,428 (c)(c)</u>
(a) Includes stock of value of Rs. 29,40,864/- (P.Y. Rs. 10,28,364/-) lying with outside Parties. Un confirmed.				
(b) Includes Capital Goods in Stock Rs. 2,55,657/- (P.Y. Rs. 4,26,095/-).				
(c) Includes Stock items of the value of Raw Material Rs. Nil, Finished Goods Rs. 1,39,54,799/-, Stores and spares Rs. 9,59,596/- in transit (Previous year Raw Materials Rs. 70,80,395/-, Finished Goods Rs. 2,97,14,295/-, Stores and Spares Rs. 10,56,784/-).				
(d) Refer Note 1 (viii) in Note 26 for mode of valuation.				
15. TRADE RECEIVABLES				
((Unsecured, considered good)				
Outstanding for a period exceeding six months		1,00,000		18,119
Others	11,08,98,144	<u>11,09,98,144</u>	12,08,90,574	<u>12,09,08,693</u>

RELIANCE
CHEMOTEX INDUSTRIES LIMITED

	31 st March, 2013		31 st March, 2012	
	Rs.	Rs.	Rs.	Rs.
16. CASH AND BANK EQUIVALENTS				
Balances with Banks :				
On Current Accounts	2,38,02,578		3,41,36,053	
On Savings Accounts	5,61,245		6,42,426	
On Unpaid Dividend Accounts	29,21,011		31,03,689	
On Margin Money Accounts				
Fixed Deposit with Banks (above 12 months)	1,07,89,836		27,88,997	
Maturity period below 12 months (a)	97,94,089		1,73,63,300	
Cheques, drafts on hand	—		26,173	
Cash on hand (as certified)	14,60,052		10,81,981	
		<u>4,93,28,811</u>		<u>5,91,42,619</u>
(a) Ear-marked deposits Rs. 15,56,270/- (Previous year Rs. 15,37,092/-) and Fixed Deposit Receipts of Rs. 1,93,29,435/- (P.Y. Rs. 1,58,26,208/-) deposited with banks under lien of Bank against Guarantees and letters of Credit.				
The above Fixed Deposits include interest accrued Rs. 2,59,365/- (Previous year Rs. 2,16,370/-).				
17. SHORT TERM LOANS AND ADVANCES				
(Unsecured, considered good)				
Loans		3,30,00,000		
Advances (Recoverable in cash or in kind or for value to be received or pending adjustment)				
Balance with Excise Department	5,829		5,829	
		5,829		5,829
Other Advances	8,09,88,719		3,82,67,337	
Considered Doubtful	45,000		45,000	
	8,10,33,719		3,83,12,337	
Less : Provision for doubtful	45,000	8,09,88,719 (a)	45,000	3,82,67,337 (a)
Security deposit for rented premises		2,00,00,000		—
		<u>13,39,94,548</u>		<u>3,82,73,166</u>
(a) Includes Cenvat Credits for VAT/Service tax and Excise duty rebates etc. receivable Rs. 6,14,78,740/- (Previous year Rs. 2,61,46,170/-) (also refer Notes 1(viii)(b) and 1(x)(b) in Note 26).				
18. OTHER CURRENT ASSETS				
(Unsecured, considered good by the Management)				
DEPB Licence and Export Incentives Receivable	1,94,04,229		2,22,37,983	
Fixed Assets held for disposal	2,50,00,000		—	
Others	1,80,99,070	6,25,03,299	89,20,195	3,11,58,178



	31 st March, 2013		31 st March, 2012	
	Rs.	Rs.	Rs.	Rs.
19. REVENUE FROM OPERATIONS				
(a) Sale of Products		2,05,54,71,927		1,95,52,19,653
(b) Other Operating Revenues				
DEPB licence benefits	2,61,233		5,30,82,914	
Duty Drawback benefits	5,35,19,491		3,03,84,395	
Stores Scrap Sales	36,16,449	5,73,97,173	45,90,417	8,80,57,726
		<u>2,11,28,69,100</u>		<u>2,04,32,77,379</u>
Less : Excise Duty		6,98,90,649		4,98,67,606
		<u>2,04,29,78,451</u>		<u>1,99,34,09,773</u>
20. OTHER INCOME				
1. Interest Income		93,52,287		56,12,027
2. Dividend Income		1,69,245		66,379
3. Other Non Operating Income				
(a) Miscellaneous Sales, Receipts and Realisations		64,066		4,96,929
(b) Liability not required longer than written back		1,28,23,816 (a)		1,35,568
(c) Lease Rent		3,60,000		3,60,000
(d) Insurance Claims		—		5,97,121
4. Exchange Difference		34,05,277		—
5. Interest on Loans		72,33,225		—
		<u>3,34,07,916</u>		<u>72,68,024</u>
(a) Also refer Note 26 Clause 7.				
21. COST OF MATERIALS CONSUMED				
Opening Stock	5,28,65,270		19,76,88,070	
Add : Purchases and Incidental Expenses	1,18,85,45,365	1,24,14,10,635	1,06,32,49,853	1,26,09,37,923
Less : Closing Stock	8,49,05,298	8,49,05,298	5,28,65,270	5,28,65,270
		<u>1,15,65,05,337</u>		<u>1,20,80,72,653</u>
22. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE				
Inventories (At Close)				
Finished Goods	8,36,56,983		10,62,78,826	
Work-in-Progress	4,79,94,573		6,22,24,852	
Others :				
Waste	7,50,064		4,07,903	
Scrap and Residual Materials	2,45,878	13,26,47,498	1,28,533	16,90,40,114
Less : Inventories (At Commencement)				
Finished Goods	10,62,78,826		8,39,94,986	
Work-in-Progress	6,22,24,852		7,31,05,258	
Others :				
Waste	4,07,903		2,90,058	
Scrap and Residual Materials	1,28,533	16,90,40,114	68,469	15,74,58,771
		<u>(3,63,92,616)</u>		<u>1,15,81,343</u>

	31 st March, 2013		31 st March, 2012	
	Rs.	Rs.	Rs.	Rs.
23. EMPLOYEE BENEFITS EXPENSES				
Salaries, Wages and Bonus etc.		17,62,56,451 (a)		16,56,64,681 (a)
Contribution to Provident and Other Funds		2,30,18,934		2,41,47,272
Staff Welfare Expenses		49,14,800 (b,c)		35,76,672 (b)
		<u>20,41,90,185</u>		<u>19,33,88,625</u>
(a) Provisions for Bonus Rs. 34.25 Lacs (Previous year Rs. 38.60 Lacs).				
(b) Includes Insurance Premium Rs. 7,35,586/- (P.Y. Rs. 6,60,240/-).				
(c) Also refer Note 26 Clause 10 (B-19).				
24. FINANCE COSTS				
Interest Expenses		4,87,70,331 (a,b)		4,76,30,884 (a,b)
Other Borrowing Costs		4,46,45,291		5,03,33,266
		<u>9,34,15,622</u>		<u>9,79,64,150</u>
(a) After adjustment of Rs. 1,42,64,772/- (Previous year Rs. 1,74,49,435/-) towards interest subsidy under TUFs.				
(b) Refer note 9(iv) (b) in Note 26.				
25. OTHER EXPENSES				
Consumption of Stores and Spare Parts etc.		12,84,71,184		13,87,13,395
Power & Fuel		16,59,23,136(a)		13,53,25,958(a)
Rent		26,52,760		27,30,404
Repairs to Building		42,91,220		47,45,132
Repairs to Machinery		38,60,354		35,92,272
Insurance (Less realisations Rs.24,05,604/-) (P.Y. Rs.17,75,094/-)		54,769		6,27,226
Rates & Taxes		10,31,089		8,83,907
Miscellaneous Expenses		3,80,17,264		3,24,61,391
Payment to Auditors		8,95,226		6,94,025
Commission and Brokerage		4,58,31,598		3,52,43,777
Freight and Octroi Expenses (Less realisations Rs. 5,03,565/-) (P.Y. Rs. 4,37,286/-)		5,84,76,370		4,96,62,748
Loss on Sale and retirement of Fixed Assets		16,12,205		2,35,522
Bad Debts		7,30,780		—
Fixed Assets Written-off		2,76,401		7,35,698
Exchange Loss		—		1,51,68,698
Excise Duty on Closing Stock		59,30,394		42,89,783
		<u>45,80,54,750</u>		<u>42,51,09,936</u>
(a) i) Refer Note 1(ix) (f)(i) in Note 26.				



26. NOTES :

1. Significant Accounting Policies

i) Basis of Preparation of Financial Statements

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

ii) Use of Estimates

The preparation of financial statements requires estimates and assumption to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/ materialized. All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Based on nature of products/ services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

iii) Fixed Assets

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

b) Fixed assets retired and held for disposal is shown at realizable value.

iv) Depreciation

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

(ii) The Company is providing, (since 1st April, 1993) depreciation on Plant and Machinery (including machineries related to utilities), considering the same as continuous process plant, which is required and designed to operate 24 hours a day, on the basis of technical opinion obtained by the Company in an earlier year, in this regard. This being a technical matter has been relied upon by the auditors.

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

c) Assets of value not exceeding Rs.5000/- are fully depreciated in the year of purchase (Subject to Note 7 (xi) below).

v) Lease Rentals

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

vi) Investments

a) Investments are stated at cost.

b) Dividend income is recognized when right to receive is established.

c) Provision for Diminution in the value of Long Term Investments is made only if such a decline is other than temporary. Company has made investment in Shares of M/s V.S. Lignite Pvt. Ltd. The said Company's performance has shown improvement as compared to earlier years. The said Company is also not suffering from cash loss and therefore, no permanent diminution has been anticipated.

vii) Valuation of Inventories

Inventories are valued at lower of cost (net of Cenvat / VAT credits) and net estimated realisable value, as certified by the management.

a) (i) Cost of Stores, Spares, Packing Materials etc. and Dyes and Chemicals has been computed on the basis of weighted average method.

- (ii) There are no significant machinery spares lying in stock which can be directly used in connection with Plant & Machinery and whose life is expected to be irregular.
- b) Cost of Raw Materials has been computed on the basis of first in first out method.
- c) Cost of Work in process and Finished goods (also refer note (viii) below) has been computed on the basis of estimated cost of materials, labour, cost of conversion and other costs incurred for bringing the inventories to their present location and condition.
- d) Waste and scrap and residual materials are computed on the basis of estimated market price.
- e) Provision of Rs. 12,99,916/- (P.Y. Rs. 3,43,848/-) has been made in respect of stores, spares and raw material of slow moving items. The management has considered that there are no other obsolete/ slow moving stocks for which further provision need to be made in Accounts.

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

- a) The value of closing stock of finished goods lying in factory premises (except goods meant for export) are inclusive of excise duty (also refer note 1(x) (b)).
- b) Benefits of Cenvat/VAT/Service Tax Credits etc to the extent claimed/ availed are accounted for by adjusting to the cost of relative materials/fixed assets/ expenses. Such Credits of Rs. 3,49,23,193/- (P.Y. Rs.99,52,961/-) are outstanding as on 31.03.2013 and are included under "Other Advances" in Note "17" of "Short term Loans and Advances".

The management is confident to get an adjustments for such credits in future. Adjustments for non availability and or short recoveries, the amount whereof is not presently ascertainable, are intended to be made as and when such credits are finally determined/received.

ix) Revenue Recognition

- a) Income and Expenses considered receivable and payable respectively, are accounted for on accrual and prudent basis.
- b) (i) Interest receivable on refunds of Sales Tax / VAT, Income Tax and Excise duty are intended to be accounted as and when the amounts are finally determined or settled.
(ii) The sale value, the amount whereof is not presently ascertainable and hence not stated, in respect of fixed Assets of Rs.2,76,401/- (P.Y. Rs. 7,35,698/-) (WDV) written off during the year is intended to be accounted for only as and when such discarded fixed assets are disposed off.
- c) Claims of Rs.23,07,672/- raised by the Company on a party in an earlier year had been settled by the Bombay High Court and the Company had been granted a decree for recovery of such amount alongwith interest etc. As the whereabouts of the party are not known, the sum of Rs.13,67,265/- payable to the said party as per accounts has been written back to the Profit and Loss Account for the period ended 31.03.2011. The balance amount, recoverable Rs.9,40,407/- from the party alongwith interest is intended to be accounted for in Statement of Profit and Loss, when the position in his regard is finally clear.
- d) Remissions, if any, receivable against Rs.1,49,05,875/- (P.Y. Rs. 1,35,14,755/-) charged in accounts under respective heads of expenditure, for Entry Tax for the period after July, 2006 till the year 2012-13, the deposits of which have been stayed by the Rajasthan High Court, are intended to be accounted for as and when the respective matters are settled. The concerned authority have passed assessment orders for the year 2007-2008 to 2010-2011 raising demands of Rs. 85,88,676/- (P.Y. Rs. 71,42,068/-) in respect of tax, interest & penalty and such amount is included in above for tax & interest. The management has certified that deposits of such demands still remain stayed by such High Court and in absence of evidences auditors have relied on the certificate of management.
- e) Service Tax payments relating to expenses for Exports were debited by the Company to relative expenses heads of account upto 31st March 2010. In view of certain notifications issued by concerned Authority, the Company filed claims for refunds of Rs. 31,06,451/- (P.Y. Rs 31,06,451/-) but such refund claims were rejected by the authorities. The Company has filed appeals in CEGAT against such rejections. Such claims will be accounted for as and when settled.

x) Turnover/Sales

- a) Local sales are recognized on despatch of goods and are inclusive of Excise Duty collected but excluding sales tax / VAT.
- b) Export sales are recognized on basis of dates of Bills of lading and are exclusive of Excise Duty.



xi) Retirement Benefits / Gratuity and Leave Encashment Benefits

- a) (i) The liability for gratuity is covered under the Group Gratuity Scheme with Life Insurance Corporation of India. Annual Contribution made to the Scheme is charged to Statement of Profit and Loss.
- (ii) The Company, having taken out, the group gratuity policy with Life Insurance Corporation of India (LIC) for future payments of gratuity liability to its employees as stated under (i) above, is paying for annual premium as determined by LIC (including Rs. 3,62,787/- (P.Y. Rs. 5,90,912/-) for OYGTA Risk Premium and the same is charged Statement of Profit and Loss.
- b) Liability for Leave encashment benefits is accounted for on basis of actuarial valuation.
- c) The disclosures required under AS-15 (Revised) are set out in Note 15 below.

xii) A. Foreign Currency Transactions

- a) Transactions arising in foreign currency for exports/ imports of goods are accounted for at rates of exchange prevailing on the dates of transactions.
- b) Foreign currency monetary items at the Balance Sheet date are translated at the exchange rates prevailing on the date of the Balance Sheet.
- c) Exchange rate differences resulting from foreign exchange transactions on revenue account, settled during the year, including on year end translation of monetary items, are recognized in Statement of Profit & Loss.
- d) There were no Exchange rate differences resulting on Capital account.

B. Exchange Forward Contract

- a) The Company uses Exchange Forward Contracts hedge to its risks associated with foreign currency related to firm commitments and highly probable forecasted transactions. The management has certified that the Company has not entered into any forwards contract which is intended for trading or speculation purposes. The auditors have relied on the certificate of management in this regard.
- b) Profit/ Loss on cancellation or renewal of forward Exchange contracts are accounted for as income/ Expense for the period.
- c) Any premium/ discount i.e. the difference between the forward exchange rates and the date of transactions is not recognized in respect of outstanding portfolio of exchange forward contracts as on Balance Sheet date. Its impact on the financial results of the Company has not been ascertained and stated.
- d) Net mark to market losses, if any, on the outstanding portfolio of forwards contracts are recognized in the statement of Profit and loss and net gains, if any, are ignored.

xiii) Export Benefits

Consideration/Benefits for transfer of DEPB Licences and benefits (including for entitlements of Rs. Nil (P.Y. Rs. 1,12,51,827/-) in hand as on the close of the year and to be received) are accounted for on accrual basis and are being valued at estimated and or at net estimated realisable value. Adjustments for short/ excess realisations, if any, are made on actual dates of realisations.

xiv) Borrowing Costs

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

xv) Research and Development

Routine research and development expenditure considered as of revenue nature are recognised as an expense in the period in which it is incurred. Such expenditure is included in Note 25, the amount whereof cannot be separately ascertained and stated. The expenditure of capital nature, if any, is capitalised as fixed assets.

xvi) Intangible Assets

- a) Computer Software is amortized over a period of five years.
- b) Corporate Club Membership is amortized over a period of ten years.

xvii) Provision for taxation

A) Current Tax :

- a) Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act., 1961, and is as estimated and certified by the management.
- b) The Company is entitled to credit of Rs. 79.11 Lacs in respect of Minimum Alternate Tax (MAT) under the provisions of Income Tax Act, 1961 which has been considered for calculation of Current Tax.
- c) Demand of Rs. 7,20,58,480/- raised by JCIT, Circle-10, Kolkata for Asst. year 2008-2009 was deleted as the Company's appeal against relative order to the Commissioner of Appeals was decided in favour of the Company. However the department has filed appeal against such order before ITAT, Kolkata in respect of additions of Rs. 8,36,89,307/- (out of total additions of Rs. 16,11,23,096/-) deleted by the 1st Appellate Authority. The liability if any arising on disposal of such departmental appeal, is intended to be provided, as and when such appeal is decided.

B) Deferred Tax :

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

xviii) Impairment of Assets

As required by AS-28 "Impairment of Assets" issued by the Institute of Chartered Accountants of India no provision for impairment loss of assets is required to be made as in view of the management the estimated realisable value of such assets will be more or equal to the carrying amount stated in the Balance Sheet. The Auditors have relied on the Certificate of the Management in this regard.

xix) Provisions, Contingent Liabilities and Contingent Assets

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

	31 st March, 2013	31 st March, 2012
	Rs.	Rs.
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances of Rs. 85,75,939/-) (P.Y. Rs. 89,64,428/-)	3,07,45,961	8,33,11,700
3. Contingent Liabilities are not provided for in respect of		
i) Bonds executed in favour of Customs and Excise Authorities	1,04,00,000	1,04,00,000
ii) Unredeemed Bank Guarantees	1,55,00,000	1,56,00,000
iii) Unexpired Letters of Credit	15,14,89,053	12,23,93,327
iv) Bills discounted with Banks	28,32,92,396	19,51,51,691
v) Claims not acknowledged as debts (Disputed by the Company);		
a) Demands by Excise Department (including for Service Tax)	47,86,725	47,86,725
b) Demands of Sales Tax	31,240	31,240
c) Demands of workers	5,26,385	6,53,495

Except as stated above, there are no other pending cases and or claims against the Company, as certified by the management.



	31 st March, 2013	31 st March, 2012
	Rs.	Rs.
vi) Obligation to Export towards Custom duty saved on Purchase of capital goods under Export Promotion Capital Goods Scheme (Refer Note 6(x))	12,128.62 Lacs	12,122.96 Lacs
4. In the opinion of the Board of Directors, the Current Assets, Loans, Advances and Deposits are approximately of the value stated, if realised in the ordinary course of business, unless otherwise stated. The provisions for liabilities except as stated above are adequate and not in excess of the amount reasonably necessary.		
5. The Company had taken unsecured loan from certain bodies corporate and a Director of the Company during previous year and also in earlier years without any stipulation for repayment. These loans were partly repaid during the previous year and the outstanding amount of such loans as on 31.03.2012 was Rs. 12,88,50,000/-. However the Company had obtained letters of undertakings from such parties to the effect that they will not seek repayment of their such outstanding loans before 30.04.2013. Accordingly the balance of such loans had been considered as Long Term borrowings as on 31.03.2012 within the meaning / provisions of revised Schedule VI of the Companies Act. 1956, but the Company had to repay, during the current financial year, Loans of Rs.5,53,00,000/- resulting into change of character of such borrowings to short term borrowings. The Company has regrouped and reclassified such borrowings as short term borrowings for the purpose of stating figures of previous year.		
6. During the year, the Company has also lent to certain parties funds to utilise the limits on terms which are prima-facie not prejudicial to the interest of the Comopany. The Company has been advised that such lending of funds is in the normal course of business of the Company and the provisions of Section 149 (2A) of the Companies Act, 1956 are not applicable to lending of such funds.		
7. M/s V. S. Lignite Power Pvt. Ltd., from whom Company is purchasing power, was raising bills, part of which was disputed by the Company, though being charged under the head Power & Fuel Account. The dispute was referred to arbitration and during the year, the arbitrators settled the dispute in favour of the Company. Accordingly, a sum of Rs. 1,26,83,136/- charged to Power & Fuel Account till last year but remaining unpaid has been written back and is included under the head liability no longer required written back in Note no 20 of statement of profit and loss for the year. Accordingly the Company has also not provided for disputed amount of Rs. 78,88,358/- in bills raised by M/s V. S. Lignite Power Pvt. Ltd. for the period from 01.04.2012 to 31.03.2013. M/s V. S. Lignite Power Pvt. Ltd. had filed an appeal in Session Court and the Session Court had also decided the matter in favour of the Company. But the said Company filed furter appeal with Honorable Rajasthan High Court at Jaipur Bench and such case for Rs. 2,05,71,494/- is pending in Rajasthan High Court at Jaipur Bench. Liability, if any, arising on such of appeal is intended to be provided as and when the case is decided.		
8. Amount Paid / Payable to Auditors		
a) Statutory Audit Fee	5,00,000	3,61,000
b) Tax Audit Fee	1,50,000	1,21,000
c) Limited Review of Quarterly un-audited results	54,000	45,000
d) Certification for Corporate Governance and others	69,000	65,000
e) For Reimbursement of Expenses for Audit and other matters	72,715	58,920
f) Gratuity Trust Audit Fee	6,000	5,000
g) Service Tax/Education Cess	1,20,190	72,451
h) Income Tax & Company Law Matter	1,93,400	—
	<u>11,65,305</u>	<u>7,28,371</u>
Miscellaneous Expenses as per Note 25 includes Rs. 33,090/- (Previous year Rs.1,35,006/-) paid for taxation matters to a firm in which any of the partners of the firm of Auditors are partners/ proprietors.		
9. i) Accounts in respect of Current Liabilities, trade receivables, Other Current Assets, Loans & Advances and Deposits are subject to confirmation of respective parties.		
ii) The management has certified that the Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures, if any, relating to total outstanding dues of Micro Enterprises and Small Enterprises and the Principal amount and Interest due thereon remaining unpaid and the amount of Interest paid/ payable as required under amended Schedule VI of the Companies Act.1956 could not be compiled and disclosed. The Auditors have relied on the certificate of the management in this regard.		

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CHEMOTEX INDUSTRIES LIMITED

	31 st March, 2013		31 st March, 2012	
	Rs.	Rs.	Rs.	Rs.
iii) Prior period items adjusted under respective account heads in the Statement of Profit & Loss :				
Particulars	Debit (Rs.)	Credit (Rs.)	Debit (Rs.)	Credit (Rs.)
Claim	—	—	26,904	—
Miscellaneous Receipt	—	—	—	9,392
Stores & Spares Parts etc.	—	—	19,934	—
Interest Paid / Received	—	1,57,089	23,537	—
Interest Subsidy Received	49,548	—	—	6,75,324
Consideration (Including Premium / Discount) for transfer of DEPB Licence benefits	—	2,61,233	—	—
Selling Expenses (Net)	—	—	1,36,827	—
Miscellaneous Expenses (Net)	12,272	—	46,796	—
Bills Discounting Charges	1,92,409	—	—	—
Rent	—	—	6,000	—
Bank Charges	—	49,907	—	—
Insurance Premium (EDLI)	36,424	—	—	—
Rates & Taxes	—	—	4,929	—
Excise Duty on Others	1,39,540	—	—	—
	4,30,193	4,68,229	2,64,927	6,84,716

iv) a) Other Financial Charges as per Note 24 includes interest paid on Raw Material payments Rs.17,18,977/- (Previous Year Rs.50,77,491/-).

b) As referred to under Note No.1 of Long Term Borrowing, the Company would seek approval from IDBI Bank Ltd. for payment of interest on Unsecured Loans. The Company has provided interest this year as well as in earlier years on Unsecured Loans (including funds to be deployed as promoter's contribution in the project upfront and amount to be converted Rs. 900 lacs into Equity Capital as per SEBI formula within 6 months from date of first disbursement). Interest so provided (amount not ascertained and stated) is included under the head "Interest on Unsecured Loans" in Note 24 of "Financial Cost". The Company has been advised by the solicitors that no approval of IDBI Bank Ltd. is necessary for making such provisions of interest in accounts. The Company has made certain payments during this year and in previous year out of such provisions for Interest. The Company has applied to IDBI Bank Ltd. for relaxation of certain terms and conditions as per sanction letter for Term Loans and one of the terms for which relaxation has been sought is regarding payments of interest on Unsecured Loans brought in to meet the terms and conditions prescribed by IDBI Bank Ltd. Payment of interest as aforesaid are subject to above referred relaxation by and or approval of IDBI Bank Ltd. in this regard. In absence of evidence auditors have relied on the certificate of management.

v) Capital work in progress as per Note '9' includes

1 Plant & Machinery under installation and Building under construction (including materials at site)	13,25,47,167	1,77,48,984
2 Machinery on Transit	2,52,22,058	—
3 Expenses considered by the Company as incidental expenses on expansion (Pending allocation to Fixed Assets)		
Legal and Professional Fees and expenses	4,86,800	4,86,800
Upfront Fees	36,55,004	36,55,004
Filing and other fees for increase of Authorised Share Capital	7,54,450	7,54,450



	31 st March, 2013		31 st March, 2012	
	Rs.	Rs.	Rs.	Rs.
Interest on Term Loan	52,15,708		—	
Others Misc.	1,42,681		—	
	<u>1,02,54,643</u>		<u>48,96,254</u>	
Less : Allocated to Fixed Assets	17,01,683	85,52,960	—	48,96,254
		<u>16,63,22,185</u>		<u>2,26,45,238</u>

vi) Disclosure in terms of Accounting Standard - 29 on Provisions, Contingent Liabilities and Contingent Assets :

	Rs. in Lacs				Rs. in Lacs			
	Bad Debts	Leave encashment Benefits	Bonus	Gratuity	Bad Debts	Leave encashment Benefits	Bonus	Gratuity
(a) Movement for Provisions for Liabilities								
Balance as on 01.04.2012/01.04.2011	22.67	44.32	38.60	42.84	22.67	40.81	41.00	—
Provided during the year	7.30	15.55	34.25	69.72	—	3.51	38.60	82.84
Amount used during the year	22.22	1.78	38.60	59.99	—	—	41.00	40.00
Balance as at 31.03.2013/01.04.2012	7.75	58.09	34.25	52.57	22.67	44.32	38.60	42.84

(b) No reimbursement is expected in the case of Contingent Liabilities and Liabilities shown respectively under note no. 3 (a) above.

vii) Expenses as per Note 20 of 'Raw Materials Cost', Note 24 of "Other Expenses" includes :

- Octroi etc. in cases levied, amount not separately ascertained and stated (Previous year same).
- Service Tax on expenses in respect of which Cenvat credits have not been claimed/availed (amount not ascertained and stated) (also refer Notes 1(viii)(b) and 1(ix)(e)).

viii) Disclosure of Foreign Currency Exposure as on 31.03.2013

a. Foreign Currency Exposure hedged and forward booking outstanding as on 31.03.2013.

	Currency			Currency		
	Rupees	USD	Euro	Rupees	USD	Euro
1. Exports (USD)	22,96,50,849	40,55,799	—	26,31,06,035	51,88,445	—
2. Exports (Euro)	12,39,80,750	—	16,71,774	25,37,24,632	—	37,62,228

b. Foreign Currency Exposure not hedged and outstanding as on 31.03.2013.

	Currency			Currency		
	Rupees	USD	Euro	Rupees	USD	Euro
1. Export Debtors	1,52,24,615	2,10,931	55,338	3,79,93,169	5,98,200	1,14,176
2. Bank Balances	—	—	—	44,097	997	—
3. Advances from overseas customers	46,77,925	41,511	33,962	70,79,826	1,39,283	—

The particulars as stated above regarding hedged/not hedged are only as per certificate of the Management, in absence of relative evidences, have been relied upon by the Auditors.

ix) Additions to Plant and Machinery as per Note "9" includes Rs. Nil (P.Y. Rs. 95,96,300/-) for purchases under the Export Promotion Capital Goods Scheme of the Government of India. The Company is under an obligation to fulfill quantified exports to the extent of Eight times of Custom Duty saved of Rs. Nil (P.Y. Rs.19,82,748/-) within a period of Eight years apart from annual average Export performance of Rs. 1,19,64,34,480/-.

x) "Other Expenses" as per Note '25' includes Rs. 4,59,300/-, (P.Y. Rs. 2,09,520/-) cost of capital assets / equipments as under :

(a) Assets not exceeding cost of Rs. 5,000/- for each item Rs. 1,50,660/- (P.Y. Rs.1,84,520/-).

(b) Assets exceeding cost of Rs. 5,000/- for each item Rs. 3,08,640/- (P.Y. Rs. 25,000/-).

The Company has considered the cost of above assets/equipments as revenue expenditure as having been made for uninterrupted working of the Factory. Such accounting in respect of cost of capital assets/ vastu

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CHEMOTEX INDUSTRIES LIMITED

31st March, 2013
Rs.

Rs.

31st March, 2012
Rs.

Rs.

equipments (not exceeding cost of Rs. 5,000/- for each item) has not affected materially the results of the Company, as after capitalisation of such assets/ equipments, 100% depreciation was to be claimed thereon. In respect of capital assets/ equipments (Cost for each item exceeding Rs. 5,000/-), the results of the Company for the year have been affected to the extent of such cost of Rs. 3,08,640/- (P.Y. 25,000/- (Less allowable depreciation). Explained that it is for smooth working of the factory.

10. Related Party Disclosures

(A) List of Related Parties

(i) Enterprises over which Key Management Personnel/Directors/Relatives have control or significant influence

- Modern Fibotex India Limited
- Indo Textiles & Fibres Limited
- Spell Fashions Pvt. Limited
- A. R. Fibtex Pvt. Limited
- Khaitan & Co.
- Khaitan & Co. LLP
- Khaitan & Co. AOR
- A. R. Commercial Pvt. Limited
- A. S. Chemotex Pvt. Ltd.
- Sunrise Producers Pvt. Ltd.

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

- Shri Sanjiv Shroff (Managing Director)
- Shri R. N. Sharma (Wholetime Director)
- Shri Shanker Lal Shroff (Father of Shri Sanjiv Shroff)
- Smt. Bimla Devi Shroff (Mother of Shri Sanjiv Shroff)
- Smt. Dipika Shroff (Wife of Shri Sanjiv Shroff)
- Shri Rahul Shroff (Son of Shri Sanjiv Shroff)
- Shri N. G. Khaitan, Partner of Solicitor's Firm

(B) Transactions with Related Parties

Sl. No.	Nature of Transactions	Enterprises over which Key Management Personnel/Directors/Relatives have control or significant influence as referred to para i (a) to (j) above (Rs.)		Key Management Personnel and Relatives of Key Management Personnel as referred to para ii (a) to (g) above (Rs.)		Amount Due (In Rupees)	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
1	Reimbursement of Expenses (received) etc.	11,430	5,050	-	-	-	-
2	Allotment of Preference Shares on Private Placement basis	6,02,50,000	-	-	-	-	-
3	Allotment of Equity Shares on Preferential basis	18,00,000	-	-	-	-	-
4	Loans Received	-	9,77,00,000	-	50,000	-	4,34,50,000
5	Repayment of Loans	2,77,50,000	9,65,00,000	50,000	8,50,000	1,00,000	1,00,000
6	Interest Paid / Payable on Loans	95,88,589	23,76,878	3,61,251	47,582	27,01,176	47,56,590
7	Dividend paid on Equity Shares	10,51,179	11,21,550	5,86,450	5,86,450	-	-



	31 st March, 2013		31 st March, 2012			
	Rs.	Rs.	Rs.	Rs.		
8 Dividend paid on Preference Shares	1,06,70,000	20,71,370	23,80,000	17,76,137	-	-
9 Rent, Leave and Licence fee paid	11,70,000	8,70,000	-	-	-	-
10 Telephone Charges recovered	36,000	-	36,000	36,000	-	-
11 Managerial Remuneration	-	-	71,58,963	59,84,924	-	-
12 Deposit received	-	-	-	-	51,000	51,000
13 Lease Rent Received	3,60,000	3,60,000	-	-	-	-
14 Gurantee Commission	1,50,000	1,50,000	-	-	1,35,000	1,35,000
15 Pledge of Preference Shares with Bank belonging to such parties (A) (3,25,000 Nos.)	-	-	-	-	3,25,00,000	3,25,00,000
16 Legal & Professional Charges	6,63,200	1,29,403	-	-	-	-
17 Pledge of Equity Shares (Nos.) with Bank belonging to such parties (A) (5,86,400 Nos.)	-	-	-	-	58,64,000	58,64,000
18 Security deposit paid	2,00,00,000	-	-	-	2,00,00,000	-
19 Reimbursement of medical Expenses	-	-	4,49,280	-	-	-
20 Directors Sitting Fee	-	-	45,000	-	-	-

(A) For financial accomodation by the banks to the Company.

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

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

11. Earnings Per Share (EPS)

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

(i) Profit (after tax and Dividend on Preference Shares) attributable to the Equity Shareholders (Subject to notes in Schedules 1 and 3 to 23) (A)	4,48,22,822	70,66,998
(ii) Basic/Weighted average number of Equity Shares outstanding during the year (B)	37,86,650 (a)	36,06,650
(iii) Nominal value of Equity Shares (Rs.)	10	10
(iv) Basic/Diluted Earnings Per Share (Rs.) (A)/(B)	12.42	1.96

(a) Including 1,80,000 Equity Shares allotted on 30.03.2013 on which pro-rata dividend provided.

12. The Company had entered into agreement dated 22.02.07 (as amended by agreement dt. 01.07.2008) with M/s Marudhar Power Private Limited (Subsequently name changed to VS Lignite Power Private Limited), setting up a Group Captive Power Plant, at Bikaner in the State of Rajasthan, for supply of 8MW of Power also to the Company and in pursuance to such agreements, the Company had subscribed for 7,70,371 Class "A" Equity Shares of Rs.10/- each fully paid at a total value of Rs.77.04 Lacs and for 14,85,629 Class "A" 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each fully paid at a total value of Rs.148.56 Lacs and the same have been classified as "Non- Current Investments" in Note "12" as Trade Investements.

Further, the Company had agreed to create lien on the aforesaid Shares at appropriate time in favour of M/s VS Lignite Power Private Limited (Formerly known as Marudhar Power Private Limited), as per terms of the Charter Documents as security towards its obligation under the Power delivery Agreement dated 22.02.2007 and as amended by agreement dt. 01.07.2008.

31st March, 2013
Rs. Rs. 31st March, 2012
Rs. Rs.

13. Segment Reporting Policies

(a) Identification of Segments

(i) Primary Segment - Business Segments

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

(ii) Secondary Segment - Geographical Segment

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

Sales within India include sales to customers located within India

Sales outside India include sales to customers located outside India.

(b) Information pertaining to Secondary Segment

(i) Gross Revenue as per Geographical Locations

Within India	82,01,94,715	62,08,61,632
Outside India	<u>1,23,52,77,212(a)</u>	<u>1,33,43,58,021 (a)</u>
Total	<u>2,05,54,71,927</u>	<u>1,95,52,19,653</u>

(a) Includes Rs.4,22,69,355/- Exports through Export House/Merchant Exporters (P.Y. Rs.1,48,14,867/-).

(ii) Fixed Assets as per Geographical Locations

The Company has common fixed assets for producing goods for domestic as well as overseas market. Hence segmentwise information for fixed assets/ additions to fixed assets cannot be furnished.

14. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF SCHEDULE VI OF THE COMPANIES ACT, 1956

(i) C.I.F. Value of Imports

Raw Materials	—	88,90,473		
Capital Goods	7,32,14,166	95,96,300		
Stores & Spare Parts	<u>5,46,575</u>	<u>7,37,60,741</u>	—	<u>1,84,86,773</u>

(ii) Expenditure in Foreign Currency

Travel (Purchase of travellers cheques / foreign exchange / currencies)	46,20,570	33,31,171		
Commission (on remittance basis)	2,98,84,330	2,90,62,182		
Others	<u>7,18,052</u>	<u>3,52,22,952</u>	25,63,355	<u>3,49,56,708</u>

(iii) Value of Raw Materials, Stores and Spare Parts & Components Consumed

	Rs.	% age	Rs.	% age
a) Raw Materials				
Indigenous	1,15,65,05,337	100	1,18,90,11,806	98
Imported	—	—	1,90,60,847	2
	<u>1,15,65,05,337</u>	<u>100</u>	<u>1,20,80,72,653</u>	<u>100</u>
b) Stores, Spares Parts and Components				
Indigenous	5,39,59,033	98	5,70,96,325	99
Imported	8,12,062	2	6,21,038	1
	<u>5,47,71,095</u>	<u>100</u>	<u>5,77,17,363</u>	<u>100</u>
c) Dyes & Chemicals				
Indigenous	<u>2,61,64,406</u>	<u>100</u>	<u>3,36,86,841</u>	<u>100</u>



(iv) Amount remitted during the year in foreign currency on account of Dividend

a) Amount remitted	57,576 (a)	58,752 (a)
b) Year to which Dividend relates	2011-2012	2010-2011
c) Number of non-resident shareholders	52	57
d) Number of equity shares held by non-resident shareholders on which the Dividends are realted.	57,576	58,752
(a) No amount paid in foreign currency but deposited in non resident rupee account.		

(v) Earnings in Foreign Exchange

Exports of Goods

Direct exports calculated on FOB Basis	1,15,91,38,177 (a)	1,29,36,98,484 (a)
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(a) Excluding Rs. 4,22,69,355/- (P.Y. Rs. 1,48,14,867/-) through export houses / merchant exporters.

(vi) Raw Materials Consumed

Particulars	Qty. (Kgs.)	Rs.	Qty (Kgs.)	Rs.
Viscose Fibre	46,07,298	55,67,38,852	57,90,711	73,98,34,220
Polyster Fibre	58,90,404	57,14,81,788	47,38,774	44,95,61,011
Others	2,38,084	2,82,84,697	1,57,432	1,86,77,422
	1,07,35,786	1,15,65,05,337	1,06,86,917	1,20,80,72,653

(vii) Licensed and Installed Capacity (Spindles)

a) Licensed Capacity	Not applicable	Not applicable
b) Installed Capacity (as certified)	38,400	38,400

(viii) Production, Sales and Stocks

DESCRIPTION	OPENING STOCK		PRODUCTION	TURNOVER/SALES		CLOSING STOCK	
	QUANTITY	AMOUNT		QUANTITY	AMOUNT	QUANTITY	AMOUNT
	Kgs.	Rs.		Kgs.	Rs.	Kgs.	Rs.
Yarn	7,43,213	10,21,07,783	1,02,45,129(a)	1,04,00,333	1,98,32,93,334	5,88,009(b)	8,30,34,479
	(4,76,837)	(7,83,52,292)	(1,02,81,955)	(a) (1,00,15,579)	(1,93,14,77,079)	(7,43,213)	(b) (10,21,07,783)
Chennile Yarn	40,258	41,71,043	2,83,454	3,20,049	5,54,14,679	3,663	6,22,504
	(49,409)	(56,42,694)	(1,03,115)	(1,12,266)	(1,90,27,291)	(49,409)	(56,42,694)
Waste	27,065	4,07,903		2,95,355	42,70,438	48,115	7,50,064
	(23,730)	(2,90,058)		(3,82,512)	(47,15,283)	(27,065)	(4,07,903)
		10,66,86,729			2,04,29,78,451		8,44,07,047
		(8,42,85,044)			(1,95,52,19,653)		(10,66,86,729)

Figures in brackets are for previous year.

(a) Excluding 1,526 Kgs. (Previous Year 1,522 Kgs.) Samples etc.

(b) Excluding 2,42,101 Kgs. (Previous Year 1,42,263 Kgs.) transferred to work in process for reprocessing/ for further processing.

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

Defined - Contribution Plans

The Company offers its employees defined contribution plan in the form of provident fund(PF), family pensions fund (FPF) and Employees Insurance Scheme (ESI). Provident Fund, Family Pension Fund Employees State

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SHENKOTEX INDUSTRIES LIMITED

31st March, 2013

31st March, 2012

Rs.

Rs.

Rs.

Rs.

Insurance Scheme cover substantially all regular employees. Contribution are paid during the year into separate funds under certain fiduciary-type arrangements. Both the employees and the Company pay predetermined contribution into the provident funds, family pension fund and the Employees State Insurance Scheme. The Contributions are normally based on a certain proportion of the employee's salary.

Contribution to Defined Benefit Plan, recognized and charged off for the year are as under (excluding for on contracts payments) :

	Rs.	Rs.
Provident Fund	43,22,953	39,71,602
Family Pensions Fund	57,59,583	59,07,283
Employees State Insurance Scheme	49,07,868	49,43,608

Defined - Benefit Plans

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

	Gratuity (Funded) Rs.	Leave Encashment (Unfunded) Rs.	Gratuity (Funded) Rs.	Leave Encashment (Unfunded) Rs.
a. Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit obligation at beginning of the year	2,94,53,079	44,31,957	2,95,28,450	40,80,768
Current Service Cost	35,49,642	29,79,607	29,92,155	28,02,260
Interest Cost	23,39,864	3,69,180	21,27,052	3,24,521
Actuarial (Gain)/ Loss	52,24,191	(17,94,121)	26,08,054	(24,33,849)
Benefits paid	(38,50,529)	(1,77,323)	(78,02,632)	(3,41,743)
Defined Benefit Obligation at year end	3,67,16,247	58,09,300	2,94,53,079	44,31,957
b. Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at beginning of the year	1,25,84,343	-	1,56,60,158	-
Expected return on plan assets	12,46,700	-	12,44,700	-
Actuarial Gain/ (Loss)	1,11,882	-	86,705	-
Employer contribution	56,37,213	-	33,95,412	-
Benefits Paid	(38,50,529)	1,77,323	(78,02,632)	3,41,743
Fair Value of plan assets at year end	1,57,29,609	-	1,25,84,343	-

The Plan Assets of the Company are managed by the LIC and the composition of investments relating to these assets are not available with the Company.



	31 st March, 2013		31 st March, 2012	
	Rs.	Rs.	Rs.	Rs.
c. Reconciliation of fair value of Assets and obligations				
Fair value of plan assets as at 31 st March 2012/2013	1,57,29,609	-	1,25,84,343	-
Present value of obligation as at 31 st March 2012/2013	2,09,86,638	58,09,300	1,68,68,736	44,31,957
Amount recognised in Balance Sheet	<u>52,57,029</u>	<u>58,09,300</u>	<u>42,84,393</u>	<u>44,31,957</u>
d. Expenses recognised during the year (Under the head Employee Benefit Expenses - Schedule - 25)				
Current Service Cost	35,49,642	29,79,607	29,92,155	28,02,260
Interest Cost	23,39,864	3,69,180	21,27,052	3,24,521
Expected return on Plan Assets	(12,46,700)	-	(12,44,700)	-
Actuarial (Gain)/ Loss	51,12,309	(17,94,121)	25,21,349	(24,33,849)
Net Cost	<u>97,55,115(A)</u>	<u>15,54,666</u>	<u>63,95,856 (A)</u>	<u>6,92,932</u>

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

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

Particulars

Discount Rate	8.05%	8.50%	8.50%	7.50%
Salary Escalation	4.00%	4.00%	6.00%	4.00%
Expected Rate of return on Plan Assets	9.25%	-	9.25%	-
Mortality Rates	LIC (1994-96) Ultimate		LIC (1994-96) Ultimate	

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

The contribution expected to be made by the Company for the year ending 31.03.2013 is not readily ascertainable and therefore not disclosed.

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

Signatures to Notes 1 to 26

Above Laxmi Dharam Kanta, For G. P. KEJRIWAL & CO.
Hawa Sadak, 22 Godown, Chartered Accountants
Jaipur - 302 006 Firm Reg. No. 001036C

On behalf of the Board of Directors

Camp : Mumbai
Dated : 25th May, 2013

C. P. JAIN
Partner
M.No. 70156

M. K. GUPTA
Company Secretary
& Chief Financial Officer

R. N. SHARMA
Wholetime Director

SANJIV SHROFF
Vice Chairman &
Managing Director

RELIANCE
CHEMOTEX INDUSTRIES LIMITED

CASH FLOW STATEMENT

CASH FLOW FROM OPERATING ACTIVITIES	Current Year 31.03.2013	Previous Year 31.03.2012
Net Profit before tax and Extraordinary items	7,70,08,003	2,93,34,035
Adjustments for:		
Depreciation	4,70,27,368	4,69,88,490
Interest Income	(1,65,85,512)	(56,12,027)
Dividend Income	(1,69,245)	(66,379)
Interest Expense	4,87,70,331	5,01,20,598
Foreign Exchange Loss (Gain)	(34,05,277)	(1,51,68,698)
Loss (Profit) on sale of intangible assets	16,12,205	2,35,522
Fixed assets discarded	2,76,401	7,35,698
Operating Profit before Working Capital charges	15,45,34,274	10,65,67,239
(Increase)/ Decrease in current investment	6,00,35,541	(4,00,35,541)
(Increase)/ Decrease in trade receivable	99,10,549	(5,31,48,731)
(Increase)/ Decrease in inventories	60,02,295	13,93,15,326
(Increase)/ Decrease in Short Term Loans and advances	(9,57,21,382)	2,85,72,842
(Increase)/ Decrease in other current assets	(3,13,45,121)	67,14,135
(Increase)/ Decrease in other non-current assets*	—	—
(Increase)/ Decrease in Long Term Loans and advances	23,51,622	21,87,675
Increase/ (Decrease) in trade payables	(4,37,83,394)	(9,84,19,478)
Increase/ (Decrease) in provisions	23,49,979	46,35,582
Increase/ (Decrease) in other current liabilities*	2,00,42,075	1,64,22,263
Working Capital Changes	(7,01,57,836)	62,44,073
Cash generated from operations	8,43,76,438	11,28,11,312
Income Taxes paid	(1,34,25,738)	(54,20,872)
Cash flow before extraordinary item	7,09,50,700	10,73,90,440
Extraordinary items (Specifying nature)	—	—
Net cash from investing activities (A)	7,09,50,700	10,73,90,440
Cash flows from investing activities		
Purchase of tangible fixed assets	(21,35,46,095)	(5,56,99,768)
Purchase of intangible fixed assets	(69,333)	(16,72,750)
Purchase of long term investments	(90,43,480)	—
Sale of tangible fixed assets	2,53,02,834	17,36,496
Sale of long term investments	—	—
Interest Received	1,65,85,512	56,12,027
Dividend Received	1,69,245	66,379
Net cash from investing activities (B)	(18,06,01,317)	(4,99,57,616)
Cash Flows from financing activities		
Proceeds from issuance of Share Capital	6,20,50,000	—
Proceeds from Premium on issue of Shares	55,80,000	—
Proceeds from long term borrowings	19,12,33,916	—
Repayment of long - term borrowings	(5,84,77,791)	(6,36,21,210)
Increase/ (Decrease) in Unsecured loans	3,28,50,000	(5,08,00,000)
Increase/ (Decrease) in Short Term Borrowing	(6,71,81,221)	10,24,01,391
Interest paid	(5,00,81,917)	(4,60,54,275)
Dividend paid	(1,66,56,650)	(79,37,033)
Dividend distribution tax	(27,02,127)	(19,48,699)
Foreign Exchange Gain (Loss)	34,05,277	1,51,68,698
Net cash used in financing activities (C)	10,00,19,487	(5,27,91,128)
Net increase in cash and cash equivalents (A)+(B)+(C)	(96,31,130)	46,41,696
Cash & Cash equivalents at beginning of period	5,60,38,930	5,13,97,234
Cash and Cash equivalents at end of period	4,64,07,800	5,60,38,930

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

As per our report of even date.

Above Laxmi Dharam Kanta, For **G. P. KEJRIWAL & CO.**
Hawa Sadak, 22 Godown, Chartered Accountants
Jaipur - 302 006 Firm Reg. No. 001036C

On behalf of the Board of Directors

Camp : Mumbai	C. P. JAIN	M. K. GUPTA	R. N. SHARMA	SANJIV SHROFF
Dated : 25 th May, 2013	Partner	Company Secretary	Wholtime Director	Vice Chairman & Managing Director
	M.No. 70156	& Chief Financial Officer		



RELIANCE
CHEMOTEX INDUSTRIES LIMITED

August 20, 2013

The Secretary,
Bombay Stock Exchange Limited,
Floor 25, Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai – 400 001

31

Annual
Report

Sub: Filing of Form No. A and B

Dear Sir,

In response to Sebi Circular No. CIR/CFD/DIL/7/2012 dated 13/08/2012, we are enclosing herewith Form A and Form B for the qualification given by the Auditors in their report dated 25th May, 2013 for the Annual Accounts of 2012-13.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
For Reliance Chemotex Industries Limited


(Mahesh Kumar Gupta)
Company Secretary

Encl.: a/a

MD & CEO	MKT PLACE	SECRET	SP&P	HR	INVEST & A/C
RCD					DOT/DIT
LEGAL	BSE LTD.				DOT 3RD FLR
MS&D					DOSS
BD&M	27 SEP 2013				
IPF	162430				
INTER'L RELA	NO.....				
ETI	INTER CONT'L	INF. PROD	SME	ESTATE	CORP. COMM
BSE/BOOK	DIS	CSD & ICCL	ADMIN.	SECUR	LISTING

IPO FPO	FURT. LIST	MF LIST
COPML	BSE LTD.	LISTING FEE
BUY BACK	30 SEP 2013	REVOCATION
OTHERS	DEPT. OF CORPORATE SERVICES	CRD
	DEBT	

27 Jolly Maker Chambers No.2, Nariman Point, Mumbai - 400 021.
Phone : +91 22 22028581 / 43420100 Fax : +91 22 22045786
e-mail : Mumbai@reliancechemotex.com website : www.reliancechemotex.com

World Trade Centre, 14/1B, Ezra Street, Kolkata - 700 001.
Phone : +91 33 22358211 Fax : +91 33 22215653

Registered Office & Mills-Village Kanpur, Udaipur - 313 003 (Raj.)
Phone : +91 294 2491489 / 90 Fax : +91 294 2490067

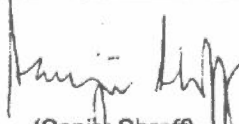
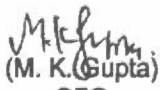


FORM A
Format of covering letter of the annual audit report to be filed with the
stock exchanges

1.	Name of the Company	Reliance Chemotex Industries Ltd.
2.	Annual financial statements for the year ended	31 st March , 2013
3.	Type of Audit observation	<p>Matter of Emphasis</p> <p><u>(i) Ref. Note 26 Clause 5</u></p> <p>The company had taken unsecured loan from certain bodies corporate and a Director of the Company during previous year and also in earlier years without any stipulation for Repayments. These loans were partly repaid during the previous year and the outstanding amount of such loan as on 31.03.2013, was Rs.12,88,50,000/-.</p> <p>However the company has obtained letters of undertakings from such parties to the effect that they will not seek payment of their outstanding loans before 30.04.2013. Accordingly the balance of such loans had been considered as long term borrowing as on 31.03.2012 within the meaning/provision of revised schedule VI of the companies Act,1956, but the company had to repay, during the current financial year, Loans of Rs. 5,53,00,000/- resulting into change of character of such borrowing to short term borrowings. The company has regrouped and reclassified such borrowings as short term borrowings for the purpose of stating figures of previous year.</p> <p><u>(ii) Ref. Note 26 Clause 6</u></p> <p>During the year, the company has also lent to certain parties funds to utilise the limits on terms which are prima-facie not prejudicial to the interest of the company. The company has been advised that such lending of funds is in the normal course of business of the company and the provisions of Section 149 (2A) of the Companies Act, 1956 are not applicable to lending of such funds</p>

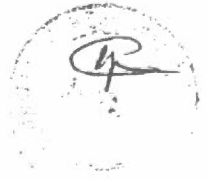


Handwritten signature
M. K. Gupta

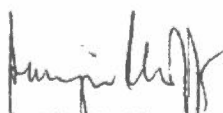
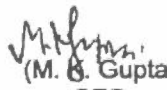


		<p>Ref.: Directors Report</p> <p>(i) Based on the undertakings received from unsecured loan providers as on 31.03.2012 stating that they will not seek repayment of their loans before 30.04.2013, Company had treated these unsecured loans of Rs. 12,88,50,000/- as long term loans as on 31.03 2012. However as some of these parties demanded repayment of their loans during the year, the Company had repaid such loans of Rs. 5,53,00,000/- during this financial year and regrouped and reclassified such borrowings of Rs. 5,53,00,000/- as short term borrowings in the figures of the previous year. This ensures that figures of long term loans are not overstated in the figures of the previous year.</p> <p>(ii) During the year the Company has given loans to some Body Corporates. The Company has been advised that the provisions of Section 149(2A) of the Companies Act., 1956 are not applicable to lending of such funds as this is covered under objects incidental or ancillary to the attainment of the main objects.</p>
4.	Frequency of observation	Refer Note No.4 & 5 in Auditors' Report dated 26 th May, 2012
5.	To be signed by- * CEO/Managing Director * CFO * Auditor of the company * Audit Committee Chairman"	<p> (Sanjiv Shroff) Managing Director</p> <p> (M. K. Gupta) CFO</p> <p> (C. P. Jain) Partner of G. P Kejriwal & Co Auditor of the company</p> <p> (V. B. L. Mathur) Audit Committee Chairman</p>



Dated 20th August, 2013



FORM B
Format of covering letter of the annual audit report to be filed with the
stock exchanges

1.	Name of the Company	Reliance Chemotex Industries Ltd.
2.	Annual financial statements for the year ended	31 st March , 2013
3.	Type of Audit qualification	Subject to
4.	Frequency of qualification	First Time
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Refer Clause 1 (xii) B c of Note 26</p> <p>Any premium/ discount i.e. the difference between the forward exchange rates and the date of transactions is not recognized in respect of outstanding Portfolio of exchange forward contracts as on Balance Sheet date. Its impact on the financial results of the company has not been ascertained and stated.</p> <p><u>Ref.: Directors Report</u></p> <p>With regards to the Auditors' remark in note no. 1 (xii) B (C) of Note 26 stating that the Company has not booked profit on outstanding forwards contracts as on 31.03.2013, we would like to clarify that as per the past practice all losses are booked in the statement of Profit & Loss but gain is not booked. Accordingly this year we have not booked profit on outstanding forward contracts.</p>
6.	Additional comments from the board/audit committee chairman:	In earlier years there were Exchange losses thus recognised in profit & loss but during the year there are notional (unrealized) gain thus not recognised on the ground of prudence.
7.	To be signed by-	
	* CEO/Managing Director	 (Sanjiv Shroff) Managing Director
	* CFO	 (M. S. Gupta) CFO



	<p>* Auditor of the company</p> <p>* Audit Committee Chairman"</p>	<p> (C. P. Jain) Partner of G. P. Kejriwal & Co Auditor of the company</p> <p> (V. B. L. Mathur) Audit Committee Chairman</p>
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Dated 20th August, 2013

