



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

RCIL/SEC/16-17/  
Dated: 29.09.2016

To,  
The General Manager (Listing)  
Bombay Stock Exchange Limited  
24 Pheroze Jeejeebhoy Tower,  
Dalal Street,  
Mumbai-400 001

Sub: Submission of Annual Report of Y 2015-16 Approved & Adopted in the 38<sup>th</sup> Annual General Meeting to be held on 12<sup>th</sup> September, 2016 under Regulation 34 (1) of SEBI (LODR) Regulation 2015

Dear Sir,

With reference to Regulation 34 of SEBI (LODR) Regulation 2015, please find enclosed herewith Annual Report of FY 2015-16 approved and adopted in the 38<sup>th</sup> Annual General Meeting held on Monday, 12<sup>th</sup> September, 2016.

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

Thanking You,  
For Reliance Chemotex Industries Ltd

(Vimal Tank)  
Company Secretary

**RELIANCE**  
CHEMOTEX INDUSTRIES LIMITED



**THIRTY EIGHTH ANNUAL REPORT**  
**2015-2016**





S.L. SHROFF - Chairman Emeritus

## BOARD OF DIRECTORS

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

### CHIEF FINANCIAL OFFICER

RAVINDRA KALA

### COMPANY SECRETARY

VIMAL TANK

### BANKERS

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

### SOLICITORS

Khaitan & Co., LLP, Kolkata

### AUDITORS

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

### SECRETARIAL AUDITORS

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

### REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt Ltd, Mumbai

### REGISTERED OFFICE & WORKS

Village Kanpur, Udaipur -313 003 (Raj.)

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## RELIANCE CHEMOTEX INDUSTRIES LIMITED

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

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

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

### NOTICE OF THIRTY EIGHTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE THIRTY EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RELIANCE CHEMOTEX INDUSTRIES LIMITED** will be held at Hotel Alka Udaipur-313 001 on Monday, the 12<sup>th</sup> Day of September, 2016 at 10.30 A.M. to transact the following businesses :-

#### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2016, together with reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend of Rs.10/- per 10% Cumulative Preference Shares of Rs. 100/- each.
3. To declare a final dividend of Rs. 1/- per Equity Shares of Rs. 10/- each.
4. To appoint a Director in place of Mrs. Dipika Shroff, DIN (0226941) who retires by rotation, and being eligible, offers herself for re-appointment.
5. **RATIFICATION OF APPOINTMENT OF THE STATUTORY AUDITORS OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to provisions of Section 139, 142 and other applicable provisions , if any, of the Companies Act, 2013 read with The Companies (Audit & Auditors) Rules, 2014(including any statutory modification(s) or re-enactment(s) thereof for the time in being in force) and pursuant to the resolution passed by the shareholders in the 36<sup>th</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September,2014 the appointment of M/s. G.P Kejriwal & Co. Chartered Accountants (Firm Registration Number: 001036C) as Statutory Auditors of the Company to hold office till the conclusion of 39<sup>th</sup> Annual General Meeting be and is hereby ratified (for the financial year 2016-17) and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year 2016-17 plus reimbursement of travelling and other incidental expenses, if any incurred in connection with the audit."

#### SPECIAL BUSINESS:

#### 6. APPOINTMENT OF MR.R.N SHARMA AS A DIRECTOR OF THE COMPANY

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

**"RESOLVED THAT** pursuant to provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act,2013 read with The Companies (Appointment & Qualification of Directors) Rules 2014 ( including any Statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr. R.N Sharma (DIN : 00368947) , who was appointed as

an Additional Director by the Board of Directors of the Company on 09<sup>th</sup> April,2016 pursuant to the provisions of section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160(1) of Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

#### 7. RE-APPOINTMENT OF MR. AMEYA SHROFF (DIN: 05315616) AS EXECUTIVE DIRECTOR OF THE COMPANY

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), subject to other requirement under the Act, if any and based on the recommendation of Nomination and Remuneration Committee, approval of the members be and is hereby accorded for the re-appointment of Mr. Ameya Shroff (DIN: 05315616) as the Executive Director of the Company with effect from 01.08.2016 for three year with increased remuneration upto Rs. 10.00 Lacs per month inclusive of all allowances and perquisites to Mr. Ameya Shroff, Executive Director w.e.f 01.04.2016, as may be decided by the board from time to time.

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

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

#### 8. INCREASING REMUNERATION OF MR. SANJIV SHROFF, MANAGING DIRECTOR

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



**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and on the recommendation of Nomination and Remuneration Committee consent of the members of the Company be and is hereby accorded for the payment of increased remuneration up to Rs. 10.00 Lacs Per Month inclusive of all allowances and perquisites to Shri Sanjiv Shroff, Managing Director w.e.f 01.04.2016, as may be decided by the board from time to time.

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

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

**9. INCREASING REMUNERATION OF MR. RAHUL SHROFF, EXECUTIVE DIRECTOR**

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

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and on the recommendation of Nomination and Remuneration Committee consent of the members of the Company be and is hereby accorded for the payment of increased remuneration up to Rs. 10.00 Lacs Per Month inclusive of all allowances and perquisites to Shri Rahul Shroff, Executive Director w.e.f 01.04.2016, as may be decided by the board from time to time.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or

ceiling and the said agreement between the Company and Mr. Rahul Shroff be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval.

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

**10. RATIFICATION OF REMUNERATION TO THE COST AUDITORS**

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

**“RESOLVED THAT** pursuant to provisions of Section 148 and all other applicable provisions, if any, of The Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee, the payment of the remuneration of Rs. 45000/- (Forty Five Thousand Only) plus applicable Service Tax and reimbursement of out of pocket expenses at actuals to M/s. HMVN & Associates, Cost Accountants (Firm Registration No.000290) who were appointed by the Board of Directors of the Company, as “Cost Auditors” to conduct the audit of the cost records maintained by the Company for Financial Year ending March 31, 2017, be and is hereby ratified and approved.

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

Place : **Mumbai**

Date : **12<sup>th</sup> August, 2016**

By order of the Board

For Reliance Chemotex Industries Limited

**Registered Office:**

Village- Kanpur Post Box No. 73  
Udaipur- 313003

**Vimal Tank**

Company Secretary  
M.No. 22370

**NOTES FOR MEMBERS' ATTENTION**

1. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of item no.6 to 10 of the notice set out above is annexed here to.
2. A Member entitled to attend and vote at the Annual General Meeting (the “Meeting/ AGM”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and a proxy need not be a Member of the Company. A person can act as proxy on behalf of members not exceeding Fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. However, a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person



as proxy and such person shall not act as proxy for any other person or shareholder/s.

The instrument appointing the proxy in order to be effective must be deposited at the Registered Office of the Company, duly stamped, completed and signed, not less than 48 hours before the time fixed for the meeting. Proxies submitted on behalf of the companies / Societies etc. must be supported by an appropriate authority/resolution as applicable.

3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a duly certified true copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
4. If the Final Dividend, as recommended by the Board of Directors, is approved at the Annual General Meeting, payment of dividend will be made within 30 days as under:
  - a. To all the Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 05<sup>th</sup> September, 2016.;
  - b. To all the Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 05<sup>th</sup> September, 2016.
5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's record which will help the Company and the Company's Registrars and Transfer Agents to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to TSRDL.
6. Members holding shares in physical form under multiple folios are requested to send Company's Registrar and Share Transfer Agent details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
7. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be

entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 days of notice in writing is given to the Company.

8. Members/Proxies/authorized representatives should bring copy of Annual Report and the duly filled attendance slip enclosed herewith to attend the meeting.
9. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36(3) of SEBI (LODR), Regulation, 2015 with the Stock Exchanges, are provided in the Corporate Governance Report.
10. Members are informed that in case of joint holders attending the Meeting, only such Joint holder who is higher in the order of the names will be entitled to vote.
11. Members may now avail the facility of nomination as permitted under Section 72 of the Companies Act, 2013 in respect of shares held by them in the Company, by nominating in the prescribed form SH-13 which can be procured from RTA (Big Shares Services Private Limited) a person to whom their shares in the Company shall vest in the event of their death. Members holding shares in demat form may contact their respective depository participants for such nominations.
12. Members desiring any information as regards the Accounts and/or operation of the Company are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
13. The Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which Directors are interested, maintained under Sections 170 and 189 of the Companies Act, 2013 respectively will be available for inspection by the members at AGM.
14. All the documents referred in the notice will be available for inspection by the shareholders at the registered office of the Company between 11.00 a.m. to 5.00 p.m. on all the working days excluding Saturdays hereof up to the date of the meeting.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members



holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents.

16. The Register of Members and Shares Transfer Books of the Company shall remain closed from 06<sup>th</sup> September, 2016 to 12<sup>th</sup> Day of September, 2016 (both days inclusive) for annual closing and in connection with the payment of dividend, if declared, for the financial year 2015-16.
17. The annual report and the notice of Annual General Meeting is available at the website of the Company at [www.reliancechemotex.com](http://www.reliancechemotex.com). Members are requested to address all correspondence to Bigshares Services Private Limited.
18. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on 5<sup>th</sup> Day of September, 2016 (Cutoff date).
19. A copy of Audited Financial Statements for the year ended 31<sup>st</sup> March, 2016 together with the Board's and Auditor's Report thereon are enclosed herewith.
20. The notice of the meeting along with the Annual Report 2015-16 is being sent through electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2015-16 are being sent by the permitted mode.
21. To support the "Green Initiative" Members who have not registered their e-mail addresses are requested to register the same with Company's Registrar and Share Transfer Agent.
22. In compliance with Section 108 of Companies Act, 2013, Rule 20 of The Companies (Management & Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44(3) of SEBI ( Listing Obligation and Disclosure Requirement) Regulation 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by CDSL. The facility for voting, through ballot paper, will also be made available at the AGM and members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for remote e-voting are annexed to the Notice.
23. The Board of Directors has appointed CS Manoj Maheshwari, FCS 3355 Practising Company Secretary, Jaipur as the Scrutinizer for the conduct of e-voting process

in a fair and transparent manner and also for polling at the time of 38<sup>th</sup> AGM of the company.

The Voting period begins on 8<sup>th</sup> September, 2016 at 10.00 a.m. and ends on 11<sup>th</sup> September, 2016 at 5.00 p.m. During the period shareholders of the company, holding shares either in physical form or demat form as on the cut-off date 05<sup>th</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

24. The final result including remote e-voting & poll results shall be declared on 14<sup>th</sup> September, 2016. The final result along with the Scrutinizers Report shall be placed on the Company's website [www.reliancechemotex.com](http://www.reliancechemotex.com) and on the website of CDSL within two days of passing of resolution at the Annual General Meeting of the Company on 12<sup>th</sup> September, 2016 and communicate to BSE Limited.
25. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the notice of AGM and holding shares as of the cut-off date i.e 05<sup>th</sup> September, 2016 may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.  
The instructions for members for voting electronically are as under:-
  - (i) The voting period begins on 8<sup>th</sup> September, 2016 at 10.00 A.M and ends on 11<sup>th</sup> September, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 05<sup>th</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (iii) Click on Shareholders
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:





	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
"	Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.
"	In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR Date of Birth (DOB)	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (i) After entering these details appropriately, click on "SUBMIT" tab.
- (ii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant <Reliance Chemotex Industries Limited> on which you choose to vote.
- (v) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (vii) After selecting the resolution you have decided to vote on,

click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (x) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xii) Note for Non – Individual Shareholders and Custodians
  1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  3. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  4. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xiii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**In case of members receiving the physical copy:**

- A. Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- B. The voting period begins on 8<sup>th</sup> September, 2016 and ends on 11<sup>th</sup> September, 2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 5<sup>th</sup> September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- C. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



## ANNEXURE TO THE NOTICE

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

#### Item No. 6

Board of directors has appointed Mr. R.N Sharma as an Additional Director of the company under the provision of Section 160 of the Companies Act, 2013 with effect from 09.04.2016 to hold office up to conclusion of the ensuing AGM.

Notice in writing from a member under Section 160(1) of the Companies Act 2013 has been received along with a deposit of Rs. 1,00,000/- proposing the candidature of Mr. R.N Sharma as director of the Company. Mr. R.N Sharma, if appointed, will be liable to retire by rotation.

The Company has received consent from Mr. R.N Sharma in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub section (2) of section 164 of the Companies Act, 2013. His brief resume is provided in the corporate governance report forming part of the Annual report.

None of the Director & KMP except Mr. R.N Sharma, himself deemed to be interested in the said resolution, to the extent of his shareholding interest, if any.

The Board recommends the ordinary resolution set forth in Item No. 6 for the approval of the members.

#### Item No. 7, 8 & 9.

The Board of directors at their meeting held on 24<sup>th</sup> May, 2016 on the recommendation of the Nomination & Remuneration Committee has approved the re-appointment of Mr. Ameya Shroff as Executive Director w.e.f 01<sup>st</sup> August, 2016 Further the Board of Director at their meeting held on 12<sup>th</sup> August, 2016 on the recommendation of Nomination and Remuneration Committee has approved the revised increased remuneration of Shri Sanjiv Shroff, Managing Director, Shri Rahul Executive Director & Shri Ameya Shroff, Executive Director w.e.f from 01<sup>st</sup> April, 2016 on such terms and conditions as detailed below:

Name	Mr. Sanjiv Shroff	Mr. Rahul Shroff	Mr. Ameya Shroff
Designation	Managing Director	Executive Director	Executive Director
Basic Salary	From Rs. 3,00,000/- upto Rs. 6,00,000/- Per Month	From Rs. 2,65,000/- up to Rs. 5,30,000/- Per Month	From Rs. 2,25,000/- up to Rs. 4,50,000/- Per Month
House Rent Allowance/ RFHA	From Rs. 62,250/- up to Rs. 1,20,000/- Per Month	From Rs. 60,450/- up to Rs. 1,21,000/- Per Month	From Rs. 75,000/- up to Rs. 1,50,000/- Per Month
Other Allowances	From Rs. 55,000/- up to Rs. 1,10,000/- Per Month	From Rs. 85,000/- up to Rs. 1,70,000/- Per Month	From Rs. 75,000/- up to Rs. 1,50,000/- Per Month
Ex-gratia in lieu of Bonus	From Rs. 60,000/- up to Rs. 1,20,000/- Per Month	From Rs. 53,000/- up to Rs. 1,06,000/- Per Month	From Rs. 45,000/- up to Rs. 90,000/- Per Month
Leave Travel Concession	For family and self, once in a year as per rules of the Company, but shall not exceed the one month basic salary.		
Medical Reimbursement	Medical Reimbursement expenses incurred for self and family, but shall not exceed One month basic salary a year or 3 Months' basic Salary over a period 3 Years.		
Personal Accident /Medical Insurance	Actual premium on personal accidental/ medical insurance for self and the family.		
Provident Fund, Superannuation fund, and gratuity as per rules of the Company, subject to ceiling as per guidelines for Managerial Remuneration.			
Car with Driver and telephone at residence are provided to our Managing Director / Executive Directors for business purpose as well as for personal use. Perquisite value for the use of Car with Driver has been included in his Computation of Income as per Section 17(2) of the Income Tax Act, 1961. However telephone provided to our Managing Director/ Executive Director is not a taxable perquisite as per section 17(2) of the Income Tax Act, 1961.			
Encashment of leave as per rules of the Company.			
Club Fees is subject to a maximum of two clubs, this will not include admission and life membership fees.			



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

**1. General Information**

Nature of industry	Manufacturing and marketing of Synthetic Blended Yarn	
Date or expected date of commencement of commercial production.	The Company has already commenced commercial production in the month of August, 1979.	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable	
Financial performance based on given indicators	Particulars for the Financial year ended 31.03.2016	(Rs. in lacs)
	Sales including other Income	25979.98
	Profit (before exceptional & extraordinary items & tax)	170.91
	Profit After Tax	253.08
Export Performance and net foreign exchange earnings and collaborations	Export Sales during the year 2015-16 is of Rs. 16933.33 Lacs. No such investment or collaboration except minor shareholding of Non Resident Indians, if any.	

**2. Information about the appointee**

Name	Mr. Sanjiv Shroff	Mr. Rahul Shroff	Mr. Ameya Shroff
Background Details	Shri Sanjiv Shroff has a Bachelor of Science in Chemistry (Honours) from St. Xavier's College, Kolkata University and has been the Managing Director of Reliance Chemotex Industries Limited since 1988. He has been associated with the textile industry for the last 30 years.	Shri Rahul Shroff, Executive Director of the Company since 01st August, 2010. He is a US citizen and has a Bachelor of Science in Electrical Engineering and Computer Science, a Bachelor of Science in Management Science and a Masters of Engineering in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology, Cambridge, USA. He has been the Whole Time Director cum Executive Director of Reliance Chemotex Industries Limited for 6 years. He has been associated with the textiles industry for the last 6 years.	Shri Ameya Shroff, Executive Director of the Company since 1st August, 2013. He has a Bachelor of Science in Electrical Engineering and Computer Science, a Bachelor of Science in Management Science and a Masters of Engineering in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology, Cambridge, USA. He has been the Whole Time Director cum Executive Director of Reliance Chemotex Industries Limited for 3 years. He has been associated with the textiles industry for the last 3 years. .
Past Remuneration paid during the year 2015-16	Rs. 31,02,886/- Paid during the year	Rs. 25,40,712/- Paid during the year	Rs. 17,45,858/- Paid during the year.
Recognition or awards	N.A	N.A	N.A



<p>Job profile and his suitability</p>	<p>He routinely holds review meetings to analyses the Company's overall performance. The Whole-Time Directors, President and Vice-President Works, Chief Financial Officer and Vice Presidents of all departments are required to attend these meetings. The Company's performance is reviewed in detail from cost, production and marketing perspectives with a view to further improve the Company's performance in the future; Factory overheads, raw material prices, power and fuel expenses, and logistics are also discussed in depth. He is an expert in financial engineering and operational control. All the Company's new proposals are sent, evaluated and monitored by him.</p>	<p>He looks after the day-to-day running of the company and has substantial power under supervision, control, direction of Managing Director. He focuses on streamlining the Company's manufacturing processes with a specific emphasis on lean ideologies, analytical reasoning and increased flexibility. He is responsible for the organization's increased exports and its focus on diversifying into quality-conscious industrial and medical textile markets.</p>	<p>He looks after the day-to-day running of the company and has substantial power under supervision, control, direction of Managing Director. He focuses on streamlining the administrative framework of the Company, enterprise resource planning, inventory management and stores procurement. He is also responsible for giving the company's domestic marketing a new direction.</p>
<p>Remuneration proposed</p>	<p>Up to Rs. 10.00 Lacs Per Month</p>	<p>Up to Rs. 10.00 Lacs Per Month</p>	<p>Up to Rs. 10.00 Lacs Per Month</p>
<p>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.</p>	<p>Taking into account the turnover of the Company and responsibilities of the directors, the remuneration being proposed to be paid to them is reasonable and in line with the remuneration levels in the industry across the country.</p>		
<p>Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.</p>	<p>Father of Mr. Rahul &amp; Mr. Ameya Shroff, Executive Directors &amp; husband of Mrs. Dipika Shroff, Director of the Company</p>	<p>Son of Mr. Sanjiv Shroff, Managing Director &amp; Mrs. Dipika Shroff, Director and Brother of Mr. Ameya Shroff, Executive Director of the Company.</p>	<p>Son of Mr. Sanjiv Shroff, Managing Director &amp; Mrs. Dipika Shroff, Director and Brother of Mr. Rahul Shroff, Executive Director of the Company.</p>



**3. Other Information**

Reasons of inadequate profit	Subdued sentiments in the global textile market, reduced overall demand, volatile raw material prices and a constant struggle for prices has resulted in a decrease in the Company's bottom line. Despite this the Company has seen a 9.63% increase in its top line and a remarkable 24.71% increase in export turnover.
Steps taken or proposed to be taken for improvement	The Indian textile market is gaining momentum and is set for a resurgence on account of strong growth in the domestic and export markets. Your Company intends to leverage this along with its long-standing customer relations, deep focus on understand its customer's needs, excellent post-sales service, innovative product development and versatile product mix to further strengthen its sales both globally and in the domestic market. Furthermore, in its efforts to remain ahead of the curve, the company has actively taken steps to enhance economies of scale, increase productivity, reduce costs, shrink delivery schedules, invest in the research and development of new products and aggressively pursue opportunities in new markets. Finally, Your Company is also evaluating the feasibility of a diversification and expansion project which will further improve the Company's bottom line.
Expected increase in the productivity and profits in measurable terms.	Looking to the Company's strong performance in the fourth quarter of the last financial year the company is cautiously optimistic for 2016-2017. This, along with our increased capacity, continued focus on value-added products, consistent quality and versatile product mix will result in increased profits by 2% (approx.) of the revenue in the next fiscal.

**4. Disclosures**

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

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

Shri Sanjiv Shroff, Smt Dipika Shroff, Shri Rahul Shroff, Shri Ameya Shroff and Shri N.G Khaitan Directors of the company for themselves and through their relatives to the extent of their shareholding, if any, in the Company, may be deemed to be concerned or interested, financially or otherwise, in the Resolution at Sl. Nos. 7, 8 & 9, respectively. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise in the said Resolutions. The Board recommends the Resolutions at Sr. No. 7,8 & 9 of the Notice for approval of the Members by means of Special Resolution

**ITEM NO. 10**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s HMVN & Associates, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2017.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.10 of the Notice.

The Board recommends the Ordinary Resolution set forth in Item No. 10 for approval of the members.

**Place: Mumbai**  
**Date: 12<sup>th</sup> August,2016**

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

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

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



## DIRECTOR'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

Your Directors are pleased to present the 38<sup>th</sup> Annual Report on the affairs of the Company along with the Audited Financial Statements for the financial year ended on 31<sup>st</sup> March, 2016.

### FINANCIAL HIGHLIGHTS

Rs. in lacs

PARTICULARS	FINANCIAL YEAR 2015-16		FINANCIAL YEAR 2014-16	
Total Revenues (including other income)		25979.98		25123.96
Profit before, Interest, Depreciation & amortization, and Tax		2143.17		2733.62
Less: Interest / Finance Cost		1312.58		1256.51
Less: Depreciation & amortization		659.68		571.72
Profit before Tax		170.91		905.39
Less: Provision for Taxation				
Current year	35.00		172.00	
Earlier year Tax	(0.30)		(35.51)	
Deferred Tax	55.62		117.31	
Wealth Tax	-		0.60	
Mat Credit Entitlement	(172.49)	(82.17)	-	254.40
Profit after Tax		253.09		650.99
Add: Profit brought forward from previous year		1929.25		1585.06
Total Available surplus		2182.33		2236.05
Out of which the following appropriations have been made				
Proposed Dividend				
Preference Shares	230.75		206.83	
Equity Shares	39.77	270.52	39.77	246.60
Tax on Proposed Dividend		55.07		50.20

### INDUSTRIAL STRUCTURE AND DEVELOPMENTS

The global economy has been sluggish in the year under review with the World Bank pegging the global economic growth forecast at 3.1% in 2015 in comparison to 3.3% achieved in 2014. This slowdown can be attributed to erosion in commodity prices, plummeting oil prices and the weakened economic scenario in China.

India, however, has seen a strong improvement in economic indicators in the last fiscal on the back of benign commodity prices, strong investor-focused central government policies, reduction in interest rates and the RBI's inflation focus. India has registered a growth rate of 7.6% in the last fiscal year, making it the world's fastest growing major economy; furthermore, the manufacturing sector has seen robust growth, accelerating to 9.3% compared to 5.5% in the previous fiscal.

The Indian textile industry, currently estimated at around US\$ 108 billion, is significant contributor to the economy and is expected to grow to US\$ 223 billion by 2021, buoyed by strong demand in the domestic and export markets. It contributes 5% to the country's Gross Domestic Product (GDP) and 14% to the overall Index of Industrial Production (IIP).

### OPERATIONS

Your Company has performed well in the year under review despite subdued sentiments in the global textile market, reduced

overall demand, volatile raw material prices and a constant struggle for prices.

Your Company's net revenue from operations has increased 9.63 % from Rs. 23454.72 Lacs in the previous fiscal to Rs.25712.62 Lacs. Yarn production has also increased 5.53% at 14087 MT from 13349 MT in the previous year helped by its capacity expansion in the previous financial years. Despite sluggish global demand, the Company has seen remarkable growth of 24.71% in its export turnover on account of its long-standing customer relations, deep focus on understanding its customer's needs, excellent post-sales service, innovative product development and versatile product mix.

Furthermore, in its efforts to remain ahead of the curve, the Company has actively taken steps to enhance economies of scale, increase productivity, reduce costs, shrink delivery schedules, invest in the research and development of new products and aggressively pursue opportunities in new markets. The Company is driven by the belief that a large product range, with ever-increasing variety and product flexibility is essential to serve its customers and survive in an increasingly transparent and competitive global market.

Your Company is also evaluating the feasibility of a diversification and expansion project which will further improve the Company's bottom line.

### EXPORTS

Exports have always been the main focus of your Company. During the year under review, the Company's exports has seen exceptional growth of 24.71% in its export turnover and of 22.58% in its export quantity.

### RISK & RISK MANAGEMENT

Your Company has framed the Risk Management Policy and has constituted a Committee on Risk Management. The Committee closely monitors all risks that could have a negative effect on the Company. The Risk Management Committee comprises Mr. Sanjiv Shroff, Mr. Rahul Shroff Mr. Ameya Shroff & Mr. R.N Sharma and was also attended by the CFO and the Company Secretary. Risks which were reviewed by the Risk Management Committee are Financial Risk, Compliance Risk, Hazardous Risk, and Employee Related Risk. In accordance with Listing Regulation the Board member were informed of risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

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



## **OPPORUTUNITY AND THREATS**

The Indian textile market is gaining momentum and is set for a resurgence on account of an increase in purchasing power and disposable income. Furthermore, the capacity expansion undertaken by your Company in the previous fiscals has increased overall production and allowed the Company to further increase flexibility and expand its product range. There are a number of factors which could adversely affect the Company's operations: these include, severe competition in both the international and domestic market, international trade policies, government policies, inflation, volatility in crude prices and exchange rates, fluctuation in raw material prices, changes in power cost etc.

## **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

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

In the year under review your Company has focused on improving human resource efficiencies by adopting new and proven technologies. The Company has implemented a new Enterprise Resource Planning (ERP) software in order to strength data reliability, availability and security throughout the organization.

The employee strength at the end of the last financial year was 1606. This includes both skilled and unskilled manpower.

## **DIVIDEND ON EQUITY SHARES**

Your Directors are please to recommend a dividend of 10% (i.e. Rs. 1.00/- per Share) on Equity Shares of Rs. 10/- each. The total dividend payout, if approved by the members at the Annual General Meeting, will absorb a sum of Rs. 39.77 Lacs and Rs. 8.09 Lacs by way of Dividend Distributions Tax thereon.

## **DIVIDEND ON PREFERENCE SHARES**

Your directors are pleased to recommend a dividend of 10% (i.e. Rs. 10.00/- per Share) on 10% Cumulative Redeemable Preference shares of Rs.100/- each. The dividend has to be paid as per the terms of the issue for the year; the total dividend payout will absorb a sum of Rs. 230.75 Lacs and Rs 46.98 Lacs by way of Dividend Distribution Tax thereon.

## **FINANCE:**

Your Company has been in strong financial health during the year under review. During the year, the Company has made

repayments of term loans amounting to Rs. 1063.48 Lacs to banks and financial institution and the Company's bankers have readily provided your Company with need-based working capital.

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

Smt. Dipika Shroff, Non-Executive Director of the Company is liable to retire by rotation in accordance with Section 152 of the Companies Act, 2013. She will retire by rotation at the ensuing Annual General meeting and, being eligible, offers herself for reappointment.

The term of contract of Shri Ameya Shroff, Executive Director of the Company has expired on 31<sup>st</sup> July, 2016. In the board meeting held on 24<sup>th</sup> May, 2016, the Board of Directors has re-appointed him as Executive Director for a period of three years, with effect from 1<sup>st</sup> August, 2016, subject to approval in the ensuing Annual General Meeting.

Shri R.N Sharma, Whole-Time Director, has resigned from the Board of Directors on 1<sup>st</sup> April, 2016. In the board meeting held on April 9<sup>th</sup>, 2016, he was appointed as an Additional Director, to hold office till the date of annual general meeting. Pursuant to Section 160 of the Companies Act, 2013, the Company has received the required notice from a member proposing his appointment and accordingly, a resolution for his appointment shall be placed for the approval of the members at the ensuing Annual General Meeting. Given his vast experience in the textile industry and long association with the Company, he has also been appointed as a consultant with a remuneration of Rs. 1 Lac per month.

The Board of Directors recommends the aforementioned appointments/re-appointments of Smt Dipika Shroff, Shri Ameya Shroff and Shri R.N.Sharma.

During the financial year 2015-2016, Shri S.L Shroff, former Chairman of the Board of Directors and founder of the Company, resigned from the Board of Directors with effect from 29<sup>th</sup> May, 2015. The Board of Directors wishes to place on record its deepest gratitude and appreciation for the immense contribution that Shri S.L Shroff has made during his long association with the Company. Furthermore, in the board meeting held on 8<sup>th</sup> August, 2015 the Board of Directors has conferred upon Shri S.L. Shroff the honorary position of Chairman Emeritus.

Additionally, during the financial year 2015-2016, Shri Rahul Shroff has been reappointed Executive Director for a period of three years from 27.09.2015 to 26.09.2018.

## **DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS**

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



## **BOARD EVALUATION**

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

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

## **MEETINGS OF BOARD**

The Board of Directors met four times during the year on 29.05.2015, 08.08.2015, 05.11.2015, and 05.02.2016. The frequency of and the quorum at these meetings were in conformity with the provisions of the Companies Act, 2013 and the Listing Regulation entered into by the Company with the Stock Exchanges. Attendance and other details are given in Corporate Governance Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and Listing Regulation.

## **STATUTORY AUDITORS**

M/s G.P. Kejriwal & Co. Chartered Accountants, Jaipur (Firm Registration Number:001036C), were appointed as Statutory Auditor of the Company at the Annual General Meeting held on 29<sup>th</sup> September, 2014 to hold the office till the conclusion of 39<sup>th</sup> Annual General Meeting of the Company, subject to ratification of their appointment by the members in every Annual General Meeting. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained a written certificate from the above mentioned Auditors to the effect that they conform with the limits specified in the said Section and that they are not disqualified for appointment within the meaning of Section 141 of the said Act.

Ratification of appointment of Statutory Auditors is being sought from the shareholders of the Company at the ensuing AGM.

## **AUDITORS REPORT**

The Auditor Report of FY 2015-16 does not contain any qualification, reservation or adverse remark.

## **COST AUDITORS**

The Cost Audit for the year 2014-15 was not applicable on your Company but the Management has decided to conduct the Audit by M/s HMVN & Associates Cost Accountants, Delhi- for the year 2014-15 for their Internal Control. In Board Meeting held on 08<sup>th</sup> August,2015, M/s HMVN & Associates was appointed as Cost Auditor to undertake the Cost Audit for the Financial Year 2015-16. Further Cost Audit report for the Financial Year 2015-16 approved in the Board Meeting held on 12<sup>th</sup> August,2016 will be submitted in due course.

M/s. HMVN & Associates, Cost Accountants, New Delhi has been appointed by the Board to conduct the Audit for the Financial Year 2016-17. As required under the Companies Act, 2013 the remuneration payable to the Cost Auditors is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking member's ratification for remuneration payable to M/s. HMVN & Associates, Cost Accountant, New Delhi is included in the Notice of Annual General Meeting.

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

Pursuant to Provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, , the Company has appointed M/s. V.M & Associates, Practicing Company Secretary (FRN: P1984RJ039200), Jaipur to undertake the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report is included as **Annexure-2** and forms integral part of the Report.

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

The Board of Directors has re-appointed M/s. V.M & Associates, Practicing Company Secretary, Jaipur to conduct the Secretarial Audit for the Financial Year 2016-17.

## **INTERNAL AUDITORS**

Pursuant to Provision of Section 138 of the Companies Act,2013 read with Companies Accounts Rules) 2014, the Board of Directors in its meeting held on 24<sup>th</sup> May, 2016 has re-appointed M/s. Rajeev Amitabh & Co, Chartered Accountant, New Delhi to conduct the Internal Audit of the Company for the Financial Year 2016-17.

## **FIXED DEPOSITS:**

During the Financial Year 2015-16, your Company has not





invited, accepted or renewed any deposits within the meaning of Section 73, 74 and 76 of the Companies Act., 2013 read together with the Companies (Acceptance of Deposit) Rules, 2014 as amended.

#### **SHARE CAPITAL**

During the year under review, there is no change in the Capital Structure of the Company. Capital structure as on 31.03.2016 is as under:

Equity Share Capital	:	399.48 Lacs
Preference Share Capital	:	2307.50 Lacs

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

The Extract of the Annual Return in Form MGT-9 containing details as on the financial year ended 31<sup>st</sup> March, 2016, as required under Section 92 (3) of the Companies Act, 2013, read with the Companies (Management and Administration) Rules 2014, is included in the Report as an **Annexure-9**.

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

There were no material changes and commitment affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which financial statement related i.e. 31<sup>st</sup> March, 2016 and date of report (August 12, 2016).

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

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

#### **SUBSIDIARY COMPANY**

During the year, the Company has no Subsidiaries/ associate companies/ Joint Venture as on 31<sup>st</sup> March, 2016.

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

Details of Loans, Guarantees, and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the Note No. 12 of the Financial Statement.

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

The Company has put in place an adequate system of internal control commensurate with its size and nature of business to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the Company checks and

verifies the internal control system and monitors them in accordance with the policy adopted by the Company. The Audit Committee of the Board of Directors, Statutory Auditor and Department head were appraised of the internal audit finding and corrective action taken thereon. The audit observation/ management response was placed before the committee.

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

A separate section on Corporate Governance and a certificate from Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Regulation 27 of Listing Regulation form a part of the Annual Report are given in **Annexure-8**.

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

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

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

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

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

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

#### **RELATED PARTY TRANSACTION**

The Company has framed the policy on related party transactions and the Audit Committee reviewed the related



party transactions in every meeting. As reviewed by the Audit Committee there are no material related party transactions during the year. Audit Committee in the Meeting held on 29th May, 2015 has sanctioned the omnibus approval of various transaction with related party for one year. All related party transaction placed before the Audit Committee and thereafter placed before the Board. Shareholder in the Annual General Meeting held on 29.09.2014 have approved the lease/ leave agreement with Indo Textile & Fibers Ltd, A.S Chemotex Private Limited, Spell Fashions Private Limited and A. R Commercial Private Limited. The disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 is given in AOC -2 as given in **Annexure-3**.

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

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16

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

**COMMITTEES OF THE BOARD**

The Board of Directors has following committees

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholder Relationship Committee
4. CSR Committee
5. Finance Committee
6. Management Committee
7. Risk Management Committee

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

**CORPORATE SOCIAL RESPONSIBILITY**

In terms of requirements of Section 135 of the Companies Act, 2013 and rules issued there under, the Board of Directors of your Company has constituted a CSR Committee comprising of Shri K.L Sonthalia, Shri R.N Sharma, Shri Rahul Shroff as members of the committee. This Committee is responsible for formulating, implementing and monitoring the CSR Policy of the Company. During the year, on the recommendation of CSR Committee, the Company has spent Rs.1,45,000/- towards CSR Activities. The Report on CSR Activities as required under the Companies Act, 2013 are set out in the **Annexure - 4**.

**PARTICULARS OF EMPLOYEES & THEIR DISCLOSURES:**

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

None of the employees of the Company was in receipt of the remuneration exceeding the limits prescribed u/s 197 (12) read with rule 5, sub-rule 2 of The Companies (Appointment and Remuneration of Managerial Personnel) of the Companies Act, 2013 during the year under review. The Statement of particular of top ten employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 is appended as **Annexure-6**.

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

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) In the preparation of the annual accounts for the year ended March 31, 2016 the applicable accounting standards and schedule III of the Companies Act, 2013 had been followed and there are no material departures from the same;
- (ii) Appropriate accounting policies have been selected and these have been applied consistently and that the judgements and estimates that have been made are reasonable and prudent so as to provide a true and fair view of the state of affairs of the Company at the end of the



financial year and of the profit or loss of the Company for that period;

- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 to safeguard the assets of the Company and to prevent or detect fraud and other irregularities;
- (iv) The annual accounts for the year ended 31st March, 2016 have been prepared on a going concern basis;
- (v) Robust and detailed Internal Financial Controls to be followed by the Company have been laid down. These controls are adequate and were operating effectively; and
- (vi) Appropriate system have been devised to ensure that your Company is compliant with all applicable provisions and statutory requirements. These systems were adequate and operating effectively.

**Cautionary Statement**

Certain statements in this Director's Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward-looking statements," within the meaning of applicable laws and regulations. Forward-looking statements are identified in this report by using words like "anticipates", "believes", "expects", "intends" and other similar expressions in such statements.

Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. Some of these risks and uncertainties have been discussed in the section on "Risk Management". The Company takes no responsibility for any consequence of decisions made, based on such statements, and holds no obligation to update these in the future.

**ACKNOWLEDGMENT**

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

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

**Place: Mumbai** (Sanjiv Shroff) (Rahul Shroff)  
**Date: 12<sup>th</sup> August, 2016** DIN: 00296008 DIN: 02301693

**Annexure- 1**

**Information as per the Companies (Accounts) Rules, 2014 and forming part of the Board's Report for the year ended 31st March, 2016.**

**A. CONSERVATION OF ENERGY**

**1. Energy Conservation Measures Taken**

The Company is continuing with the energy conservation measures taken in earlier years

- ✓ Reduction of Voltage of Transformer No.1 from 436V to 415 V.
- ✓ Provided thermal insulation for feed water tank at boiler.
- ✓ Provided Steam flow controller at Drier in Dye house
- ✓ Interlocking of Pneumatic fan motors in DJ/5 ring Frame.
- ✓ Replacement of 3 old Auto corners with new generation energy efficient auto corners.

- ✓ 5 Nos. energy efficient motors provided in Humidification plant.
- 2. Additional investment and proposals, if any, being implemented for reducing the Energy Consumption.**
- ✓ Replacement of 36W tubelights with LED tubelights in CSection of Unit-1
  - ✓ To provide Steam Flow control by temperature controller for 1 No. drier.
  - ✓ Installation of compressed air monitoring system in ESPERO Auto corner of Unit-1
  - ✓ Installation of VFD at WCS in Unit-2.
  - ✓ Intermittent working of colling tower circulation pump and fan in STP Colling tower
  - ✓ Installation of Effimax 4000 System in Boiler.
  - ✓ Thermal insulation for Boiler feed water tank.



**FORM 'A'**

Form for disclosure of particulars with respect to conservation of energy 2015-16.

<b>(A) Power and Fuel Consumption</b>			
		<b>Current Year 31.03.2016</b>	<b>Previous Year 31.03.2015</b>
(1)	Electricity		
a)	Purchased Unit (KWH)	<b>4,50,80,157</b>	4,17,64,334
	Total Amount (Rs.)	<b>22,63,13,155</b>	17,70,33,816
	Rate/ Unit (Rs.)	<b>5.02</b>	4.24
b)	Own Generation		
	i) Through Diesel Generator (Unit KWH)	<b>15,320</b>	26,400
	Units per Ltr. of Diesel oil	<b>3.98</b>	3.98
	Cost/ Unit (Rs.)	<b>13.25</b>	12.97
	ii) Through Furnace Oil Generator (Unit KWH)	--	--
	Units per Ltrs. of F.O.	--	--
	Cost/ Unit (Rs.)	--	--
(2)	Coal / Petcoke		
	Quality	<b>B. Grade</b>	B. Grade
	Where used	<b>Boiler</b>	Boiler
	Quantity (Tonnes)	<b>1384.40</b>	1282.68
	Total cost (Rs.)	<b>97,00,209</b>	1,08,76,241
	Average Rate/ To n (Rs.)	<b>7006.77</b>	8479.32
(3)	Other/ Internal Generation	<b>NA</b>	NA

<b>(B)</b>	<b>Consumption per unit of production</b>		
	Product	<b>Synthetics Blended Yarn</b>	Synthetics Blended Yarn
	Units	<b>Per Kg</b>	Per Kg.
	Electricity	<b>3.30</b>	3.06
	Furnace Oil	<b>NA</b>	NA
	Coal (Specify Quality)	<b>NA</b>	NA
	Other (Specify)	<b>NA</b>	NA

**B TECHNOLOGY ABSORPTION**

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

(a) Specific Areas in which R & D carried out in the Company  
Developed multifold knotless yarn for heavy duty application. Also introduced low melt and low pill yarns for specific uses & developed P/C Poly/Linen & Cationic Dyeable Product and slub yarn.

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

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

(c) Further plan of action

To develop processing of wool blends on cotton spinning system.

(d) Expenditure on R & D

**Capital** : Rs. NIL

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

**2 TECHNOLOGICAL ABSORPTION, ADOPTION AND INNOVATION**

- Splicing of heavy duty multifold yarn and also 2-fold normal TFO yarns.
- Adoption of TFO's to produce top class dye package.

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

	(Rs. in Lacs)
1. Foreign Exchange Earnings	16933.33
2. Foreign Exchange outgo	843.53

**Annexure- 2**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

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

To,

The Members,

Reliance Chemotex Industries Ltd.

Village Kanpur,

Udaipur - 313003(Rajasthan).

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;



- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (repealed w.e.f. 15th May, 2015)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;(Not applicable to the Company during the Audit Period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;(Not applicable to the Company during the Audit Period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the Company during the Audit Period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the Audit Period)
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and
  - (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) As confirmed by the management, there are no sector specific laws that are applicable specifically to the company.

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

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

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

**We further report that**

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

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

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

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

We further report that during the audit period the company has received listing and trading approval from BSE Ltd. for 1,90,000 equity shares issued and allotted to an entity belonging to promoter group

**Place: Jaipur**  
**Date: 24<sup>th</sup> May, 2016**

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

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

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



**Form No. AOC-2**

**Annexure- A'**

**Annexure- 3**

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

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

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

**Place: Jaipur**  
**Date: 24<sup>th</sup> May, 2016**

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

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

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

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

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

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

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

Name(s) of Related Party and nature of relationship	Nature of Contracts/ Arrangements/ Transaction	Duration of Contract/ Arrangements/ Agreement	Salient terms of the Contract or Arrangements or Transactions including the value, if any	Date(s) of Approval by the Shareholders if any	Amount Paid as Advance, if any
A.S. Chemotex Private Limited	Lease, leave and License Agreement	8 Year	Rent of Rs.150000/- P.M	29.09.2014	Rs. 10.00 Lacs
A.R. Commercial Private Limited	Lease, leave and License Agreement	8 Year	Rent of Rs. 150000/- P.M	29.09.2014	Rs. 1.00 Cr
Indo Textile & Fibre Limited	Lease, leave and License Agreement	8 Year	Rent of Rs. 150000/- P.M	29.09.2014	Rs. 1.00 Cr
Indo Textile & Fibre Limited	Lease, leave and License Agreement	8 Year	Rent of Rs. 225000/- P.M	29.09.2014	Rs. 10.00 Lacs
Spell fashions Private Limited	Lease, leave and License Agreement	8 Year	Rent of Rs. 30000/- P.M	29.09.2014	Rs. 51000

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

**PLACE: Mumbai** (Sanjiv Shroff) (Rahul Shroff)  
**DATE: 12<sup>th</sup> August 2016** Managing Director Executive Director  
 DIN: 00296008 DIN: 02301693



**Annexure- 4**

**Corporate Social Responsibility (CSR)**

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

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.: The CSR Policy was approved by the Board in the Meeting held on 30th May,2014 and has been uploaded on the Company's Website. The Company main focus on Education, Health and rural development Sector.
2. The Composition of the CSR Committee: Shri K.L Sonthalia, Chairman, Shri R.N Sharma & Shri Rahul Shroff are member of the Committee
3. Average net profit of the company for last three financial years: The Average Net Profit of Last Three Years is Rs. 873.24 Lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : The Company's is required to spent of Rs. 17,46,470/- towards CSR for the Financial Year 2015-16.
5. Details of CSR spent during the financial year:  
(a) Total amount to be spent for the financial year;; Rs. 17,46,470/-

(b) Amount unspent, if any;: Rs. 16,01,470/-

(c) Manner in which the amount spent during the financial year is detailed below.

S.No.	CSR Project or Activity Identified	Sector in which the projects is covered	Project or Programmer	Amount outlay	Amount Spent on CSR Activity	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Promotion of Education	Government	Udaipur, Rajasthan	45000/-	45000/-	45000/-	Direct
2	Promotion of Education	Government	Udaipur, Rajasthan	100000/-	100000/-	145000/-	Direct
				145000/-	145000/-	-	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. : The Company is in process of looking the appropriate projects in Education, medical and rural development sector in Udaipur. The member of the committee also co-ordinate with the implementing agencies to fulfill the CSR Obligation.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Responsibility Statement:

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

Managing Director

Chairman of CSR Committee

**Annexure-5**

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

Sr. no.	Particulars	Disclosure												
1.	The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	<table border="1"> <thead> <tr> <th>Name of Director</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>Shri Sanjiv Shroff</td> <td>41.11x</td> </tr> <tr> <td>Shri Rahul Shroff</td> <td>31.26x</td> </tr> <tr> <td>Shri Ameya Shroff</td> <td>28.03x</td> </tr> <tr> <td>Shri R.N Sharma</td> <td>35.30x</td> </tr> </tbody> </table>	Name of Director	Ratio	Shri Sanjiv Shroff	41.11x	Shri Rahul Shroff	31.26x	Shri Ameya Shroff	28.03x	Shri R.N Sharma	35.30x		
Name of Director	Ratio													
Shri Sanjiv Shroff	41.11x													
Shri Rahul Shroff	31.26x													
Shri Ameya Shroff	28.03x													
Shri R.N Sharma	35.30x													
2.	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<table border="1"> <tbody> <tr> <td>Shri Sanjiv Shroff, MD</td> <td>Nil</td> </tr> <tr> <td>Shri Rahul Shroff, ED</td> <td>Nil</td> </tr> <tr> <td>Shri Ameya Shroff, ED</td> <td>Nil</td> </tr> <tr> <td>Shri R.N Sharma, WTD</td> <td>Nil</td> </tr> <tr> <td>Shri Ravindra Kala, CFO</td> <td>47.99%</td> </tr> <tr> <td>Shri Vimal Tank, CS</td> <td>19.23%</td> </tr> </tbody> </table>	Shri Sanjiv Shroff, MD	Nil	Shri Rahul Shroff, ED	Nil	Shri Ameya Shroff, ED	Nil	Shri R.N Sharma, WTD	Nil	Shri Ravindra Kala, CFO	47.99%	Shri Vimal Tank, CS	19.23%
Shri Sanjiv Shroff, MD	Nil													
Shri Rahul Shroff, ED	Nil													
Shri Ameya Shroff, ED	Nil													
Shri R.N Sharma, WTD	Nil													
Shri Ravindra Kala, CFO	47.99%													
Shri Vimal Tank, CS	19.23%													
3.	the percentage increase in the median remuneration of employees in the financial year;	During the Financial Year 2016, the percentage increase in the median remuneration of the employees as compared to previous year 6.71% (approx.)												
4.	the number of permanent employees on the rolls of company;	1606												



5.	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Increase in the remuneration of Employee & Worker around 10% other than Managerial Person. 16.90 % Increase in Managerial Remuneration.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, It is confirmed.

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

**ANNEXURE-6**

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

Name	Destination	Remuneration	Qualification	Experience	Joining date	Age	Last Employment
Mr. Sanjiv Shroff	Managing Director	31,02,886	Science Graduate	28 Years	01.09.88	55 Years	--
Mr. Rahul Shroff	Executive Director	25,40,712	Master of Engineering in Electrical and Computer Science	6 Year	28.07.08	28 Years	--
Mr. Ameya Shroff	Executive Director	17,45,858	Master of Engineering in Electrical and Computer Science	3 Year	29.06.13	26 Years	--
Mr. R.N Sharma	Wholetime Director	22,39,950	Textile Graduate	46 Years	01.11.99	69 Years	Pasupati Spinning and Weaving Mills Limited
Mr. Ravindra Kala	Chief Financial Officer	34,19,767	Chartered Accountant	37 Years	09.08.14	61 Years	Rollta India Limited
Mr. Azad Singh Arya	President Works	22,84,800	B.Tech	35 Years	24.07.15	61 Year	Spintex Industries Limited
Mr. Rajesh Kumar Jain	Vice President Marketing	14,97,059	B.A Economics	36 Years	01.12.04	60 Year	Jaipur Polyspin Limited
Mr. S.S Saksena	Vice President Personal	14,91,240	Master of Social Works	34 Years	26.05.14	58 year	Birla Textile Mills Limited
Mr. S.S Bomb	Vice President Marketing	13,17,000	Post Graduate in Arts	40 Year	01.01.15	65 Year	Rewacold Falls Limited
Mr. V.K Joshi	Vice President R & D	11,64,968	M. Tech	24 Year	01.07.13	54 Year	Bharat Commercial Industries Limited





## NOMINATION & REMUNERATION POLICY

### Introduction:

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

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

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

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

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

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

Sr. No.	Name of Director	Position
1	Mr. K.L. Sonthalia	Member
2	Mr. Shankar Menon	Member
3	Mr. Ramadoss Srinivasan	Member

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

### Definitions:

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

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

### General

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



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

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

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

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

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

Appointment criteria and qualifications:

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

4. Term / Tenure:

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

re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one ore term of 5 years only. - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director Serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company

**Evaluation:**

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

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

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

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

**General:**

1. The remuneration / compensation / commission etc. to the



Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

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

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

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

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

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

Remuneration to Non- Executive / Independent Director:

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

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

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

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



**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2016  
 Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the  
 Company (Management & Administration) Rules, 2014

**I. REGISTRATION AND OTHER DETAILS:**

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

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

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

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

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

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	586500	400	586900	14.67%	854500	--	854500	21.35%	45.60%
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt( s)	--	--	--	--	--	--	--	--	--
d) Bodies Corporate	1231179	190000	1421179	35.51%	1153179		1153179	28.82%	(18.86%)
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub-Total (A)(1):-</b>	<b>1817679</b>	<b>190400</b>	<b>2008079</b>	<b>50.18%</b>	<b>2007679</b>	<b>--</b>	<b>2007679</b>	<b>50.17%</b>	<b>0.01%</b>



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<b>2) Foreign</b>									
(a) NRIs-Individuals	--	--	--	--	---	--	--	--	--
(b) Other-Individuals	--	--	--	--	---	--	--	--	--
(c) Bodies Corporate	--	--	--	--	--	--	--	--	--
(d) Banks / FI	--	--	--	--	---	--	--	--	--
(e) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-Total (A)(2):-</b>	--	--	--	--	---	--	--	--	--
Total Shareholding of Promoter									
<b>(A)=(A)(1)+(A)(2)</b>	<b>1817679</b>	<b>190400</b>	<b>2008079</b>	<b>50.18%</b>	<b>2007679</b>	<b>--</b>	<b>2007679</b>	<b>50.17%</b>	<b>(0.01%)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	150	150	--	--	150	150	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-Total(B)(1)</b>	--	<b>150</b>	<b>150</b>	--	--	<b>150</b>	<b>150</b>	--	--
<b>2. Non Institutions</b>									
a) Bodies Corporate									
(i) Indian	127318	7200	134518	3.36%	122157	7200	129357	3.23%	3.84%
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	573831	437059	1010890	25.26%	586199	429609	1015808	27.42%	0.49%
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	729360	62500	791860	19.79%	729903	62500	792403	17.76%	0.07%
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	14210	40850	55060	1.38%	13086	40850	53936	1.35%	(2.04%)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	293	-	293	0.01%	967	-	967	0.02%	203.03%
Trusts	1000	-	1000	0.02%	1250	-	1250	0.03%	25%
Director or Director Relative	-	-	-	-	-	300	300	0.01%	
<b>Sub-Total(B)(2)</b>	<b>1446012</b>	<b>547609</b>	<b>1993621</b>	<b>49.82%</b>	<b>1453562</b>	<b>540459</b>	<b>1994021</b>	<b>49.83%</b>	<b>0.02%</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1446012</b>	<b>547759</b>	<b>1993771</b>	<b>49.82%</b>	<b>1453712</b>	<b>540459</b>	<b>1994171</b>	<b>49.83%</b>	<b>0.02%</b>
C .Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>3263691</b>	<b>738159</b>	<b>4001850</b>	<b>100.00%</b>	<b>3461391</b>	<b>540459</b>	<b>4001850</b>	<b>100.00%</b>	<b>--</b>



**(ii) Share holding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 1.04.2015			Shareholding at the end of the year 31.03.2016			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	M/s Modern Fibotex India Limited	1051179	26.27%	-	783179	19.57%	-	-25.50%
2.	Shri Shanker Lal Shroff	195650	4.89%	100.00%	319650	7.99%	61.21%	63.38%
3.	M/s A.S. Chemotex Pvt. Ltd.	190000	4.75%	-	190000	4.75%	-	0.00%
4.	M/s Sunrise Producers Pvt. Ltd.	180000	4.50%	-	180000	4.50%	-	0.00%
5.	Smt. Bimla Devi Shroff	157800	3.94%	100.00%	157800	3.94%	100.00%	0.00%
6.	Smt. Dipika Shroff	149150	3.73%	100.00%	231150	5.78%	64.53%	54.98%
7.	Shri Sanjiv Shroff	83800	2.09%	100.00%	145800	3.64%	57.48%	73.99%
8.	Shri Nand Gopal Khaitan	100	0.00%	-	100	0.00%	-	-

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

Sr. No	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of	No. of shares	% of total shares of
At the beginning of the year	01.04.2015		2,008,079	50.18%	2,008,079	50.18%
Changes during the year			(400)	-0.01%	(400)	-0.01%
				0.00%		0.00%
				0.00%		0.00%
At the end of the year	31.03.2016		2,007,679	50.17%	2,007,679	50.17%

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

Sr. No.	For each of the Top 10 shareholders*	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	INDU BHANDARI						
	At the beginning of the year	01.04.2015		175,005	4.37	175,005	4.37
	Changes during the year				-	-	
	At the end of the year	31.03.2016		175,005	4.37	175,005	4.37



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2	<b>RAJESH AGARWAL</b>						
	At the beginning of the year	01.04.2015	-	153,746	3.84%	153,746	3.84%
	Changes during the year				-		
	At the end of the year	31.03.2016	-	153,746	3.84%	153,746	3.84%
3	<b>MUKESH CHOURADIA</b>						
	At the beginning of the year	01.04.2015	-	62,737	1.57%	62,737	1.57%
	Changes during the year						
	At the end of the year	31.03.2016	-	62,737	1.57%	62,737	1.57%
4	<b>VIJAY K. MEHTA</b>						
	At the beginning of the year	01.04.2015	-	62,500	1.56%	62,500	1.56%
	Changes during the year						
	At the end of the year	31.03.2016	-	62,500	1.56%	62,500	1.56%
5	<b>SANGEETHA S</b>						
	At the beginning of the year	01.04.2015	-	50,560	1.26%	50,560	1.26%
	Changes during the year			10,530	0.26%	10,530	0.26%
	At the end of the year	31.03.2016	-	61,090	1.53%	61,090	1.53%
6	<b>SATNAM SINGH AHUJA</b>						
	At the beginning of the year	01.04.2015	-	49,400	1.23%	49,400	1.23%
	Changes during the year						
	At the end of the year	31.03.2016	-	49,400	1.23%	49,400	1.23%
7	<b>BHARAT JAMNA DAS DATTANI</b>						
	At the beginning of the year	01.04.2015	-	44,669	1.12%	44,669	1.12%
	Changes during the year			10,620	0.27%	10,620	0.27%
	At the end of the year	31.03.2016	-	55,289	1.38%	55,289	1.38%
8	<b>SATNAM SINGH AHUJA</b>						
	At the beginning of the year	01.04.2015	-	36,796	0.92%	36,796	0.92%
	Changes during the year			(36,796)	-0.92%	(36,796)	-0.92%
	At the end of the year	31.03.2016	-	-	-	-	-
9	<b>BHARTI BHARAT DATTANI</b>						
	At the beginning of the year	01.04.2015	-	32,979	0.82%	32,979	0.82%
	Changes during the year			13,255	0.33%	13,255	0.33%
	At the end of the year	31.03.2016	-	46,234	1.16%	46,234	1.16%
10	<b>BHARTI JAMANDAS DATTANI</b>						
	At the beginning of the year	01.04.2015	-	24,484	0.61%	24,484	0.61%
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2016	-	24,484	0.61%	24,484	0.61%
11	<b>VIJAYANT GOYAL</b>						
	At the beginning of the year	01.04.2015	-	22,800	0.57%	22,800	0.57%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2016	-	22,800	0.57%	22,800	0.57%



12	<b>ASHOK KUMAR JAIN</b>						
	At the beginning of the year	01.04.2015	-	-	-	-	-
	Changes during the year			45,781	1.14%	45,781	1.14%
	At the end of the year	31.03.2016	-	45,781	1.14%	45,781	1.14%

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

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Sanjiv Shroff</b>						
	At the beginning of the year	01.04.2015		83800	2.09%	83,800	2.09%
	Changes during the year	16.03.2016	Transfer	62000	1.55%	1,45,800	3.64%
	At the end of the year	31.03.2016		145800	3.64%	-	-
2	<b>Rahul Shroff</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2016		-	-	-	
3	<b>Ameya Shroff</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2016		-	-	-	
4	<b>N.G. Khaitan</b>						
	At the beginning of the year	01.04.2015		100	-	100	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2016		100	-	-	
5	<b>R.N. Sharma</b>						
	At the beginning of the year	01.04.2015		50	-	50	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2016		50	-	-	
6	<b>Dipika Shroff</b>						
	At the beginning of the year	01.04.2015		149,150	3.73%	149,150	3.73%
	Changes during the year	16.03.2016	Transfer	82,000	2.05%	231,150	5.78%
	At the end of the year	31.03.2016		231,150	5.78%	-	-
7	<b>Shanker Menon</b>						
	At the beginning of the year	01.04.2015		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2016		-	-	-	
8	<b>K L Sonthalia</b>						
	At the beginning of the year	01.04.2015		200	-	200	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2016		200	-	200	-





9	<b>Ramadoss Srinivasan</b>						
	At the beginning of the year	01.04.2015	-	-	-	-	-
	Changes during the year						
	At the end of the year	31.03.2016	-	-	-	-	-
10	<b>Narayan Shroff</b>						
	At the beginning of the year	01.04.2015	-	50	-	50	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2016	-	50	-	50	-
11	<b>Ravindra Kala</b>						
	At the beginning of the year	01.04.2015	-	-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2016	-	-	-	-	-
12	<b>Vimal Tank</b>						
	At the beginning of the year	01.04.2015	-	-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2016	-	-	-	-	-

**(vi) INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	732,232,406	110,600,000	--	842,832,406
ii) Interest due but not paid	--	4,427,900	--	4,427,900
iii) Interest accrued but not due	2,495,733	--	--	2,495,733
<b>Total (i+ii+iii)</b>	<b>734,728,139</b>	<b>115,027,900</b>	<b>--</b>	<b>849,756,039</b>
Change in Indebtedness during the financial year				
- Addition	64,149,266	--	--	64,149,266
- Reduction	--	10,600,000	--	10,600,000
<b>Net Change</b>	<b>64,149,266</b>	<b>10,600,000</b>	<b>--</b>	<b>74,749,266</b>
Indebtedness at the end of the financial year				
i) Principal Amount	796,381,672	100,000,000	--	896,381,672
ii) Interest due but not paid	--	4,126,510	--	4,126,510
iii) Interest accrued but not due	3,978,645	--	--	3,978,645
<b>Total (i+ii+iii)</b>	<b>800,360,317</b>	<b>104,126,510</b>	<b>--</b>	<b>904,486,827</b>



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

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

Sr. No	Particular of Remuneration	Name of MD/ED & WTD				Total Amount
		Sanjiv Shroff (Managing Director)	Rahul Shroff (Executive Director)	Ameya Shroff (Executive Director)	R.N Sharma (Wholetime Director)	
1.	Gross Salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,60,000	18,00,000	14,40,000	18,00,000	72,00,000
	(b)Value of perquisites u/s 17(2)Income-tax Act, 1961	7,26,886	5,60,712	1,97,858	2,59,950	17,45,406
	(c)Profits in lieu of salary under section 17(3)Income-tax Act, 1961					
2.	Stock Option	--	--	--	--	--
3.	Sweat Equity	--	--	--	--	--
4.	Commission - as% of profit - Others, specify...	--	--	--	--	--
5.	Others, (Retirement Benefit)	2,16,000	1,80,000	1,08,000	1,80,000	6,84,000
6.	Total(A)	31,02,886	25,40,712	17,45,858	22,39,950	96,29,406
	Ceiling as per the Act	Ceiling on Managerial Remuneration as provided in section 197 of the Companies Act, 2013 is not applicable, the Managerial Remuneration as per Schedule V of the Companies Act 2013				

**B. Remuneration to other directors**

Sr. No.	Particulars of Remuneration							Total (Rs/Lac)
		Shanker Menon	Ramadoss Srinivasan	K.L. Sonthalia	Narayan Shroff	N.G Khaitan	Dipika Shroff	
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify	30,000	49,500	70,500	-	-	-	1,50,000
	Total(1)	30,000	49,500	70,500	-	-	-	1,50,000
2	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	-	-	-	-	60,000	-	60,000
	Total (2)	-	-	-	-	-	-	60,000
	Total(B)=(1+2)	30,000	49,500	70,500	-	60,000	-	2,10,000
	Total Managerial Remuneration							98,39,406
	Overall Ceiling as per the Act	Ceiling on Managerial Remuneration as provided in section 197 of the Companies Act, 2013 is not applicable, the Managerial Remuneration as per Schedule V of the Companies Act 2013						



**C. Remuneration to Key Managerial Persons**

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		CFO	CS	CEO	
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34,19,767	5,45,783		39,66,650
	(b) Value of perquisites/s 17(2) Income-Tax Act, 1961	28,800	12,893	--	41,693
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961			--	
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission - as % of profit - others, specify	--	--	--	--
5.	Others (Retirement Benefit)		--	--	
	Total	34,48,567	5,58,676	--	40,07,243

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

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



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

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

The Company firmly believes in following the best standards of business practices and ethics to conduct its operations and follows the principle of transparency, integrity, accountability and equity while dealing with its shareholders, lenders, employees, government, other stakeholders and society at large. The Company's philosophy on Corporate Governance is in line with the requirements of Regulation 27 of the SEBI Listing Obligation and Disclosure Requirement) Regulation 2015 ("Listing Regulation") The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

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

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

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

**2. Code of Conduct**

In tune with the corporate philosophy stated in the preceding para, the Board of Directors of the Company has laid down a Code of Conduct for all the Board Members and Senior Management of the Company. Additionally all Independent Directors are bound by duties of Independent Directors as set out in the Companies Act, 2013 read with schedule IV and rules thereunder. The Code of Conduct is displayed at Company's website [www.reliancechemotex.com](http://www.reliancechemotex.com) under the head "Code of Conduct". Affirmation regarding Compliance with the Code of Conduct has been obtained from all the Board Members and Senior Management Personnel of the Company.

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

The Securities Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading Regulations) 2015 "(the PIT Regulations). The PIT Regulations has come into force w.e.f May,15 2015 and replaced the earlier regulations. The Company has adopted a Code of conduct for Prohibition of Insider Trading ("the code") in accordance with the requirement of SEBI (Prohibition of Insider Trading) Regulation 2015. The Code is applicable to promoters and promoters group, all directors and such designated employees who were expected to have access to unpublished price sensitive information relating to the Company. The Company has also formulated "The Code of Practice and procedure for fair disclosure of unpublished price sensitive information (UPSI) in compliance with SEBI (PIT) Regulation, 2015. The code is displayed on the Company website [www.reliancechemotex.com](http://www.reliancechemotex.com)

**4. GOVERNANCE STRUCTURE**

The Corporate Governance Structure at Reliance Chemotex Industries Limited (RCIL) is as follows.

**Board**

The Company has a balanced combination of eminent personalities on the Board of Directors. Company's Board comprises Ten Directors out of which (4) are Executive Director and [6] are Non-Executive Directors. Shri Shankar Menon, Independent Director was Chairman of the Company including chairman there are four independent director which is sufficient compliance of Listing Regulations.

**Number of Board Meetings**

Four Board Meetings were held during the Financial Year 2015-2016 at the following dates 29.05.2015, 08.08.2015, 05.11.2015 & 05.02.2016 respectively. The maximum time gap between any two consecutive meetings was less than one hundred and twenty days as prescribed in the Listing Regulation and the Companies Act, 2013. The attendance at the Board Meetings during the year, at the last Annual General Meeting and other details regarding other Directorship in other Companies are as under.



**RELIANCE**  
CHEMOTEX INDUSTRIES LIMITED  
CIN L40102RJ1977PLC 001994

Name of Director & DIN	Category	No. of B.M attended	Last AGM attended	No. of other Directorship and committee Member/ Chairmanship			Relationship	Shares held	
				Other Directorship	Committee Membership	Committee Chairmanship		Director inter- se	Equity
Shri Shankar Menon (Chairman) DIN 01890229	Independent Non-Executive Director	2	NO	2	5	-		-	-
*Shri Shanker Lal Shroff DIN: 00226872	Non- Executive Director	-	No	2			Related to Shri Sanjiv Shroff, Shri Rahul Shroff, Shri Ameya Shroff, Smt Dipika Shroff, & Shri N.G Khaitan	319650	60000
Shri Sanjiv Shroff (Vice Chairman & Managing Director) DIN00296008	Executive Director	4	Yes	5	-	-	Related to Shri S.L Shroff, Shri Rahul Shroff, Shri Ameya Shroff, Smt Dipika Shroff, & Shri N.G Khaitan	145800	115000
Shri N.G.Khaitan DIN : 00020588	Non-Executive Director & Non-Independent Director	4	No	10	6	2	Related to Shri S.L Shroff, Shri Sanjiv Shroff, Shri Rahul Shroff, Shri Ameya Shroff, & Smt Dipika Shroff,	100	-
Shri K.L. Sonthalia DIN : 00899958	Independent Non-Executive Director	4	YES	1	-	-		200	-
Shri Narayan Shroff DIN: 05207412	Independent Non-Executive Director	1	NO	-	-	-		50	-
Shri Ramadoss Srinivasan DIN : 00235831	Independent Non-Executive Director	3	NO	-	-	-		-	-
Shri R.N. Sharma (Wholetime Director) DIN :00368947	Executive Director	1	YES	1	-			50	-
Shri Rahul Shroff (Executive Director) DIN: 02301693	Executive Director	4	YES	5	-	-	Related to Shri S.L Shroff, Shri Sanjiv Shroff, Shri Ameya Shroff, Smt Dipika Shroff, & Shri N.G Khaitan	-	40000
Shri Ameya Shroff (Executive Director) DIN : 05315616	Executive Director	4	Yes	2	-	-	Related to Shri S.L Shroff, Shri Sanjiv Shroff, Shri Rahul Shroff, Smt Dipika Shroff, & Shri N.G Khaitan	-	-
Smt. Dipika Shroff* (Additional Director) DIN : 00226941	Additional Director	2	No.	2	-	-	Related to Shri S.L Shroff, Shri Sanjiv Shroff, Shri Rahul Shroff, Shri Ameya Shroff & Shri N.G Khaitan	231150	

\* Mr. Shanker Lal Shroff, who has resigned from the Directorship w.e.f 29.05.2015 and appointed as Chairman Emeritus w.e.f 08th August, 2015.



- For the purpose of reckoning the limit under Regulation 26 of Listing Regulation, we have consider the Chairmanship/ Membership of Audit Committee and Stakeholder Relationship Committee.
- Chairmanship/Membership of Committees other than Reliance Chemotex Industries Limited.
- During the year, the Company provides the information as set out in Regulation 17 read with Part A of Schedule II of Listing Regulation to the Board and Committees thereof to the extent it is applicable and relevant information as part of Agenda Paper.
- Mrs. Dipika Shroff, who is longest in the office is due for retirement by rotation at this annual general meeting and is eligible for re-appointment.
- Disclosure regarding appointment and re-appointment of Directors and Brief Profile of Retiring Directors.
- **Mr. Ameya Shroff**, Executive Director of the Company since 1<sup>st</sup> August, 2013. He has a Bachelor of Science in Electrical Engineering and Computer Science, a Bachelor of Science in Management Science and a Masters of Engineering in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology, Cambridge, USA. He has been the Whole Time Director cum Executive Director of Reliance Chemotex Industries Limited for 3 years. He has been associated with the textiles industry for the last 3 years. He looks after the day-to-day running of the company and has substantial power under supervision, control, direction of Managing Director. He focuses on streamlining the administrative framework of the Company, enterprise resource planning, inventory management and stores procurement. He is also responsible for giving the Company's domestic marketing a new direction. Details of his Chairmanship/Membership in the Committee are given in Corporate Governance Report.
- **Shri R.N Sharma**, appointed as Additional Director (Non-executive) of the Company from 09th April, 2016. Mr. Sharma has more than 46 years' experience in the textile industry. Most recently, he was a Wholetime Director in the Company from July, 1999 to March, 2016. Holding a bachelor's degree in Textile technology from TIT, Bhiwani, Mr. Sharma brings a rich and valuable understanding of the industry, and has now been appointed as a Consultant to the Company. Details of his Chairmanship/Membership in the Committee are given in Corporate Governance Report.

#### **Brief Profile of Retiring Director**

- **Mrs. Dipika Shroff**, She has a Bachelor of Arts in Economics, a Bachelor of Arts of Sociology and a Minor in Political Science from St. Xavier's College, Mumbai University. She has been involved in the manufacture and export of silk fabrics for fashion and home textiles for the last twenty five years. Detail of her Chairmanship/ Committee are given in Corporate Governance Report.

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

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

#### **Committees of the Board**

The Board of Directors have constituted Board Committees to deal with specific area and activities which concern the Company and need a closer review. The Board Committees are framed with the approval of Board and function their respective area. The Board Committees play a vital role in the management of day to day affair and governance of the company. The Board of Directors has constituted Seven Committees of the Directors with adequate delegation of powers to discharge urgent business of the Company. These Committees are (a) Audit Committee (b) Stakeholder Relationship Committee (c) Nomination & Remuneration Committee (d) Finance Committee (e) Corporate Social Responsibility committee (f) Risk Management Committee (g) Management Committee

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

##### **Composition**

The Committee Comprises 4 Non-Executive Directors with Independent Directors forming a majority who have requisite Financial and Management expertise. Mr. K.L Sonthalia, Independent Director is the Chairman of the Audit Committee. Mr. Vimal Tank acts as Company Secretary of the Committee.



**Meeting and Attendance:**

The Audit Committee met four times during the Financial Year 2015-16. The Maximum gap between two meetings was not more than 120 days. The committee met on 29.05.2015, 08.08.2015, 05.11.2015 and 05.02.2016. The necessary quorum was present throughout the meeting and Mr. K.L.Sonthalia, Chairman of Audit Committee was present in the Annual General Meeting held on 26.09.2015. The composition and attendance of the members of the committee at the meeting held during the year are as follow :

Names of Members	Category	No. of Meetings held during Tenure	Number of Meetings attended	Sitting Fees
Shri K.L.Sonthalia Chairman	Independent Non – Executive	4	4	20000/ -
Shri N.G.Khaitan Member	Not Independent Non – Executive	4	4	20000/ -
Shri Shankar Menon Member	Independent Non – Executive	4	2	10000/-
Shri Ramadoss Srinivasan Member	Independent Non – Executive	4	3	15000/ -

**Internal Control:** The Company has appointed a Firm of Chartered Accountant as Internal Auditors to review and report on the Internal Control Systems of the Company. The Company also laydown the Internal Financial Control System and Audit Committee reviewed such system. The Statutory Auditor of the Company has submitted their report on Internal Financial Control for the FY ended on 31.03.2016. The Internal Auditor reviewed the Internal Control System and report of the Internal Auditors is reviewed by the Audit Committee.

**Terms of reference**

Audit Committee was constituted in terms of reference as contained in the provision of Regulation 18 of SEBI (Listing Obligation and disclosure Requirement) Regulation 2015 and comply with the provision Section 177(1) of Companies Act, 2013. All member of the Audit Committee are financially literate and bring in expertise in the domain of finance & taxation.

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

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



- Scrutiny of inter-corporate loans and investments;
- Examination of the financial statement and the auditors' report thereon;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
- Approval and appointment of Chief Financial Officer.
- Formulating in consultation with Internal Auditor the Scope, functioning, periodicity, and mythology of conducting audit.

**Further the Audit Committee mandatory review**

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

**(b) STAKEHOLDER RELATIONSHIP COMMITTEE**

**(i) Composition**

The Composition of Stakeholder Relationship Committee is in compliance with provision of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulation. The Committee comprises 1 (one) Non-executive Director, Managing Director and Whole Time Director. Shri Vimal Tank, Company Secretary is the Compliance officer of the Committee. The Committee met four times during the year on 29.05.2015, 08.08.2015, 05.11.2015 & 05.02.2016 and the attendance of the members at the meeting are as follows:

Names of Members	Nature of Membership Category	No. of Meetings held during Tenure	Number of Meetings attended	Sitting Fees
Shri K.L.Sonthalia	Chairman/Independent Non – Executive	4	4	6000/-
Shri Sanjiv Shroff	Executive - Member	4	4	-
Shri R.N.Sharma	Executive - Member	4	-	-

**(ii) Terms of reference**

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

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

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

The Company has received 12 letters/complaints from Investors which have been resolved during the year. There was no complaint remained unresolved as on 31<sup>st</sup> March, 2016. Shareholder complaints generally attended with in seven working days except where constrained by dispute or legal impediment. The details of complaints received by the Company and Registrar & Share Transfer Agent and resolved as quarter wise during the year 2015-2016 are as under:

Quarter ended on	No. of Complaints received	Complaint Resolved	Complaints Pending
30.06.2015	9	4	1
30.09.2015	1	2	-
31.12.2015	-	4	-
31.03.2016	2	2	-
<b>Total</b>	<b>12</b>	<b>12</b>	<b>-</b>

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





**c) Nomination & Remuneration Committee**

**Composition**

The Company has constituted a Nomination & Remuneration Committee for approval of the remuneration payable to the managerial persons with reference to provisions of Schedule V of the Companies Act, 2013, Regulation 19 of Listing Regulation and within the ceiling fixed by the Shareholders. The Committee met two times during the FY 2015-16 on 08<sup>th</sup> August, 2015 & 5<sup>th</sup> February, 2016. The composition of Nomination and Remuneration Committee of the Board of Directors of the Company along with details of meeting held and attended by the members of the committee during the Financial Year 2015-16 is detailed below:

Name of Member	Nature of Membership / Category	No. of Meetings held during Tenure	Number of Meetings attended	Sitting Fees
Shri K.L.Sonthalia	Chairman/Independent Non – Executive	2	2	3000/-
Shri Shankar Menon	Member/Independent Non – Executive	2	-	-
Shri Ramadoss Srinivasn	Member/Independent Non – Executive	2	2	3000/-

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

**Terms of Reference**

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

- To identifying Persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- Formulate the criteria for determining qualification, positive attributes and independence of Director
- Devise a policy on Board Diversity Formulate the criteria for determining qualification, positive attributes and independence of Director.
- To carry out evaluation of the performance of Directors, as well as formulate the criteria for Evaluation of independent directors, Board/ Committees of Board and review the terms of Appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors.
- To carry out evaluation of performance of Independent Directors and Board of Directors.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee held a Meeting on 08<sup>th</sup> August, 2015 to re-appoint Shri Rahul Shroff as Executive Director of the Company for a further period of 3 (Three) years w.e.f. 26<sup>th</sup> September, 2015.

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



**Details of remuneration paid to Executive Director for the year 2015-2016.**

**(i) Executive Directors**

Name of Executive Directors	Basic Salary	Exgratia	Allowances & Perquisites	Contribution to PF	Total	Service Contract (Years)	Amount in Rs	
							Period	Period
Shri Sanjiv Shroff	18,00,000	3,60,000	7,26,886	2,16,000	31,02,886	3	01.09.14 to 31.08.17	6 Month Notice & 3 Month Salary in lieu thereof
Shri R.N. Sharma	15,00,000	3,00,000	259950	1,80,000	22,39,950	3	29.09.14 to 28.09.17	6 Month Notice & 3 Month Salary in lieu thereof
Shri Rahul Shroff	15,00,000	3,00,000	6,38,386	1,80,000	25,40,712	3	26.09.15 to 25.09.18	6 Month Notice & 3 Month Salary in lieu thereof
Shri Ameya Shroff	9,00,000	1,80,000	6,45,886	1,08,000	17,45,858	3	1.08.13 to 31.07.16	6 Month Notice & 3 Month Salary in lieu thereof

**Non- Executive Director:** The non-executive directors are paid remuneration by way of sitting fees for the meetings. The Non-Executive Directors are paid sitting fees for each meeting of Board or Committee of Directors attended by them. The Non- Executive Directors do not have any material pecuniary relationship or transaction with the Company. The total Sitting Fees paid during the year was Rs. 2,10,000/- as follow:-

**Attendance of Committee Meeting**

Name of Director	Sitting fee for (Amount in Rs.)	
	Board Meeting	Committee Meeting
Shri N.G. Khaitan	40000	20000
Shri K.L. Sonthalia	40000	30500
Shri Shankar Menon	20000	10000
*Shri Narayan Shroff	-	-
Shri Ramadoss Srinivasan	30000	19500
*Smt. Dipika Shroff	-	-

\* Mr. Narayan Shroff and Mrs. Dipika Shroff waived the sitting fees of Board Meetings.

\*\* Sitting Fees are excluding Service Tax

**Performance Evaluation**

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

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

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

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



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

**e) Finance Committee**

The Company has constituted a Finance Committee comprises Shri Sanjiv Shroff, Shri Rahul Shroff and Shri K.L Sonthalia as member for approval of the financial decision, and acceptance of sanction, to execute the required documents in respect of loan / limits granted by Banks. The Finance Committee Meeting held on 28.12.2015 and approved the Sanction working capital limit of Rs. 27.00 Cr by ICICI Bank Limited.

**f) Corporate Social Responsibility Committee**

**Composition**

In terms of requirements of Section 135 of the Companies Act, 2013 and rules issued there under, the Board of Directors of your Company has constituted a CSR Committee comprises of Shri K.L Sonthalia, Shri R.N Sharma, Shri Rahul Shroff as members of the committee. This Committee is responsible for formulating and monitoring the CSR Policy of the Company. As per Section 135 of the Companies Act, 2013 Company was required to spend Rs. 17.46 Lacs The Company formulated the CSR Policy and uploaded the same at the Company's website www.reliancechemotex.com.

**Attendance of Committee Meeting**

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

**g) Risk Management Committee**

The Board of Directors constituted "Risk Management Committee" on 09<sup>th</sup> August 2014 as required under the Listing Agreements with the Stock Exchanges.

As the provision relating to Risk Management Committee under Regulation 21 of Listing Regulation is applicable only BSE's TOP 100 listed companies determined on the basis of the market capitalization at the end of 31.03.2016, The Board of Directors has dissolved the Committee on 12<sup>th</sup> August 2016 and the Audit Committee shall overview the risk related matter.

**h) Meeting of Independent Directors**

As per provision of Regulation 16 of Listing Regulation and Section 149 of the Companies Act, 2013, the meeting of Independent Directors of the Company was held on 5<sup>th</sup> February, 2016 and Mr. K.L Sonthalia & Mr. Ramadoss Srinivasan was present in the Meeting.

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

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

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

**i) Policy on Dealing With Related Party Transaction**

The Company has framed the policy on related party transaction and Audit Committee shall review the related party transaction in every meeting. As per reviewed by the Audit Committee there is no material related party transaction during the year. As the Audit Committee in the Meeting held on 29<sup>th</sup> May, 2015 has sanctioned the omnibus approval of various transaction with related party for one year. All proposed Related Party Transactions must be reported to the Audit Committee for prior approval by the Committee in accordance with this Policy. In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre - approval, details whereof are given in a separate section of this Policy. In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee may ratify the transactions in accordance with this Policy. The policy on related party transaction posted on companies website www.reliancechemotex.com



**5. General Body Meetings**

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

Year	AGM	Location	Date	Time
2012 -13	35 <sup>th</sup> AGM	Alka Hotel, Udaipur	16 <sup>th</sup> Sept. 2013	10.30 AM
2013-14	36 <sup>th</sup> AGM	Alka Hotel, Udaipur	29 <sup>th</sup> Sept. 2014	10.30 AM
2014 -15	37 <sup>th</sup> AGM	Alka Hotel, Udaipur	26 <sup>th</sup> Sept. 2015	10.30 AM

**(ii) Extra Ordinary General Meeting**

Year	EGM	Location	Date	Time
2015 -16	EGM	Village : Kanpur , Udaipur	30 <sup>th</sup> March 2015	10.30 AM
2013 -14	EGM	Village : Kanpur , Udaipur	20 <sup>th</sup> March 2016	10.30 AM

**Special Resolutions passed in the previous three AGMs:**

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

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

**b) In the AGM held on 29<sup>th</sup> September, 2014**

- 1) To re-appoint Shri Sanjiv Shroff as Managing Director for three year w.e.f 01<sup>st</sup> September, 2014 to 31<sup>st</sup> August, 2017
- 2) To re-appoint Shri R.N Sharma, Wholetime Director for the period of three year from 29<sup>th</sup> September, 2014 to 28<sup>th</sup> September, 2017.
- 3) To- approve lease & license agreement with Indo Textile Fibre Ltd, AR Commercial Private Limited, A.S Chemotex Private Limited & Spell Fashion Private Limited.
- 4) For ratification of Shareholder Resolution passed in extra-ordinary general meeting held on 20.03.2014 for Issue of 190000 Equity Shares to M/s. A.S Chemotex Private Limited.

**c) In the AGM held on 16<sup>th</sup> September, 2013**

- 1) To re-appoint Shri Rahul Shroff as Wholetime Director designated as an Executive Director of the Company for a further period of 3 (three) year w.e.f. 26.09.2013 and to accord consent of the Company for remuneration payable to him.
- 2) To appoint Shri Ameya Shroff as Wholetime Director designated as an Executive Director of the Company for a period of 3 (three) years w.e.f. 1<sup>st</sup> August, 2013 and to accord consent of the Company for remuneration payable to him.
- 3) 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.

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

**(a) In the EOGM held on 30<sup>th</sup> April, 2015**

- 1) Special Resolution under Section 42 and Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, and The Companies (Share Capital & Debentures) Rules, 2014, to offer, issue and allot 1,90,000 (One Lakh Ninety Thousand) Equity Shares of the Company at a Price determined as on Relevant Date in accordance with the Regulation 76(1) of the ICDR Regulations and rounded off to next rupee to M/s A.S. Chemotex Private Limited.

**(b) In the EOGM held on 20<sup>th</sup> March, 2014**

- 1) To accord consent of the members by authorizing the Board to issue and allot 1,90,000 (One Lac Ninety Thousand) Equity Shares of Rs. 10/- each at premium of Rs.23/- per Equity Shares amounting to Rs. 62,70,000/- to M/s A.S. Chemotex Pvt. Ltd., 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.
- 2) To accord consent of the members 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.

**(c) In the EOGM held on 29<sup>th</sup> March, 2013**

- 1) To accord consent of the members , 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.

- 2) To accord consent of the members 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.

#### 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 or relatives etc these transaction dose not have any potential conflict with the interest of the Company at large.
- ii) There have not been any significant changes in the accounting policies during the year.
- iii) No Pecuniary relationship or transaction of the Non-Executive Directors: There is no material transaction with any Non-Executive as well as Independent Director that require a separate disclosure.
- iv) A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- v) 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.
- vi) The Company have Vigil Mechanism/ Whistle Blower Policy the same was posted on the Company website www.reliancechemotex.com. The details disclosure on the policy are elsewhere in the Director's Report.
- vii) During the year, there is no such share certificate which lying in Demat Suspense/ Unclaimed suspense account.
- viii) A ll 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

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 Rashtrdoot (Hindi) News Paper. Financial Results and Shareholding Pattern are also available at Company's website www.relianc echemotex.com.

#### 9. General Shareholders' Information

(a) 1.	Annual General Meeting Date, Time and Venue	12 <sup>th</sup> September, 2016 at 10.30 A.M At Alka Hotel, Udaipur
2.	Book Closure	5 <sup>th</sup> September, 2016
3.	Dividend payment date	Commencing form 18 <sup>th</sup> September and completed with in due time.
4.	Listing on Stock Exchanges and Stock Code	The Shares of the Company are listed on BSE Ltd, with the Code No. 503162 and Annual Listing Fees for the Financial Year 2016-17 paid in due time.
5.	Registrar and Share Transfer Agent	M/s Bigshare Services Pvt. Ltd
6.	Share Transfer System	The Company Share Transfer Agent register the Shares received from the Shareholders for transfer in physical form with in 15 days from the receipts of documents, if the same was found in order. Transfer documents under objection are returned with in two weeks.
6.	Dematerialization of Shares and Liquidity	As on 31 <sup>st</sup> March, 2016 3461241 of the total number of shares are in dematerialized form out of the 4001850 listed Equity Shares of the Company.
7.	Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments, Conversion date and likely impact on equity	N.A
8.	Plant Location	Village Kanpur, Post Box No. 73, Distt Udaipur-313003



9.	Address for Correspondence	<p><u>Registered Office:</u> 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 : finance.udaipur@reliancechemotex.com Website : www.reliancechemotex.com</p> <p><u>Registrar &amp; Share Transfer Agent:</u> M/s Bigshare Services Pvt. Ltd. E - 2 &amp; 3 Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai –400 072 Ph No. 28470 652, 40430200 Fax: 2847 5207 E-mail : info@bigshareonline.com</p>
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**(b) Tentative Calendar for the Financial Year ending 31<sup>st</sup> March, 2017**

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

Sr. No.	Particular of Quarter	Tentative dates
1	First Quarter Result	On or before 14 <sup>th</sup> August, 2016
2	Second Quarter & Half yearly Result	On or before 14 <sup>th</sup> November, 2016
3	Third Quarter & Nine Months Result	On or before 14 <sup>th</sup> February, 2017
4	Fourth Quarter & Annual Audited Result	On or before 30 <sup>th</sup> May, 2017

**(c) Distribution of Shareholding as on 31<sup>st</sup> March 2016 are as under:**

According to category of holding:

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters	8	0.08	2007679	50.17
Director & Director Relatives	3	0.03	300	0.01
FI's & Banks	1	0.01	150	0
Individuals	10073	98.28	1808211	45.18
Body Corporates	107	1.04	129357	3.23
Trusts	2	0.02	1250	0.03
NRI	49	0.48	53936	1.35
Clearing Members	6	0.06	967	0.02
<b>TOTAL</b>	<b>10249</b>	<b>100</b>	<b>4001850</b>	<b>100</b>

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

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-5000	9994	97.51	770656	19.26
5001-10000	132	1.29	105018	2.62
10001-50000	81	0.79	168236	4.20
50001-100000	13	0.13	92729	2.32
Over 100000	29	0.28	2865211	71.60
<b>TOTAL</b>	<b>10249</b>	<b>100.00</b>	<b>4001850</b>	<b>100.00</b>



**(d) Market Price Data :**

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

(Amount in Rs per Share)

RCIL Share Data			BSE Sensex	
Month	High	Low	High	Low
Apr'15	45.80	38.70	29094.61	26897.54
May'15	45.40	37.25	28071.16	26423.99
Jun'15	44.05	36.10	27968.75	26307.07
Jul'15	47.45	38.70	28578.33	27416.39
Aug'15	57.95	43.25	28417.59	25298.42
Sep'15	44.40	36.70	26471.82	24833.54
Oct'15	50.75	41.00	27618.14	26168.71
Nov'15	49.80	38.80	26824.30	25451.42
Dec'15	53.85	39.10	26256.42	24867.73
Jan'16	53.95	44.80	26197.27	23839.76
Feb'16	48.75	39.40	25002.32	22494.61
Mar'16	49.20	38.30	25479.62	23133.18

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

**Mandatory:**

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

A Secretarial Audit Report for the year 2015-16 carried out by M/s. V.M & Associates, Practicing Company Secretary Jaipur is annexed to the Directors Report and forms a part of the Annual Report.

**Declaration regarding affirmation of Code of Conduct**

In terms of the requirement of the Regulation 26(3) of SEBI ( Listing Obligation and Disclosure Requirement) Regulation 2015, Code of Conduct as approved by the Board of Directors of the Company has been displayed at Reliance Chemotex Industries Limited's website www.reliancechemotex.com 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, 2016.

Place: Mumbai

Date: 12<sup>th</sup> August 2016

**SANJIV SHROFF**

Managing Director

DIN : 00296008

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

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

We have examined the compliance of conditions of Corporate Governance of Reliance Chemotex Industries Limited, for the year ended on March 31,2016, as stipulated in Regulation 34 (3) of the SEBI ( Listing Obligation and Disclosure Requirement) Regulation 2015 collective referred as ( SEBI Listing Regulation, 2015)

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

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

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

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

Above Laxmi Dharam Kanta

Hawa Sarak, 22 Godown,

Jaipur-302 006

For G.P. KEJRIWAL & Co.

Chartered Accountants

Firm Registration No.001036C

Place : Jaipur

Dated : 12<sup>th</sup> August 2016

C.P.JAIN

Partner

M.N. 70156



### **COMPLIANCE CERTIFICATE**

(Under Regulation 17(8) of The SEBI ( Listing Obligation and Disclosure Requirement) Regulation 2015 Collective Referred as (Listing Regulation, 2015)

To,

The Board of Directors

RELIANCE CHEMOTEX INDUSTRIES LTD

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

1. We have reviewed the financial statements and the cash flow statement for the period ended 31st March, 2016 and that of the best of our knowledge and belief;
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company and have disclosed to the auditors and the audit committee, deficiencies in the design or operations of internal controls, pertaining to financial reporting, if any, of which we are aware and the steps we have taken, propose to take to rectify these deficiencies
4. We have indicated to the auditors and the audit committee;
  - (i) Significant changes in internal controls for financial reporting, during the period;
  - (ii) Significant changes in accounting policies during the period and that the same have been disclosed in the Notes to the Financial Statements, and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management of an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai

Dated: 24<sup>th</sup> May, 2016

Ravindra Kala

CFO

Sanjiv Shroff

Managing Director & CEO





## INDEPENDENT AUDITOR'S REPORT

To the Members of Reliance Chemotex Industries Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Chemotex Industries Limited ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

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

Above Laxmi Dharma Kanta  
Hawa Sadak, 22 Godown  
Jaipur-302006

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

Date: 24/05/2016

Place : Mumbai

(C P JAIN)

Partner

M No.70156



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

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the programme, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the Books Records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the Company, except for lease hold land.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to Books Records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any unsecured loan to companies, firms, or other parties covered in the Register maintained under section 189 of the Act. Therefore the provisions of clause 3 (iii) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of loans, Investments, guarantees, and security provided, if any.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) We have broadly reviewed the books of accounts maintained by the Company pursuant to rules made by the Central Government for maintenance of Cost records under sub section (1) of section 148 of the Companies Act and are of the opinion that prima-facie, the prescribed accounts and records have been maintained. However we have not made a detailed examination of the said records and accounts.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- (b) On the basis our examination of the documents produced to us and according to the information and explanations given to us the dues of Income Tax, Service Tax, Duty of Excise, Cess which have not been deposited on account of dispute and the forum where the dispute is pending are as under:-

Nature of Statute	Nature of dues	Amount involved in Rs.	Period to which it relates to (Year ended)	Forum where dispute is pending
Income Tax Act 1961	Income Tax	1,54,33,480	F.Y.2011-12	The Commissioner of Income Tax, Appeals, Kolkata
Income Tax Act 1961	Income Tax	48,47,040	F.Y 2012-13	The Commissioner of Income Tax, Appeals, Kolkata
Service Tax Act	Service Tax	47,63,158	31-3-2003 to 31-3-2007	The Asst. Commissioner (Appeals) Central Excise, Jaipur
Central Excise Act	Excise Duty	23,567	31-3-1980 to 31-3-1992	The Asst. Commissioner Central Excise, Udaipur
Rajasthan Entry Tax	Entry Tax	1,49,83,505	FY 2006-07 to 2015-16	Rajasthan High Court, Jodhpur, Rajasthan

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

Above Laxmi Dharma Kanta  
Hawa Sadak, 22 Godown  
Jaipur-302006
FOR G P KEJRIWAL & CO..  
Chartered Accountants  
Firm Reg. No.001036C

Date: 24/05/2016  
Place : Mumbai

(C P JAIN)  
Partner  
M No.70156



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

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

We have audited the internal financial controls over financial reporting of Reliance Chemotex Industries Limited (the Company) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date

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

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

#### **Auditors' Responsibility**

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

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

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

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

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

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

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

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

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

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

#### **Opinion**

In our opinion, the Company has, in all material respect, an adequate internal financial control system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential component on internal control stated, in the guidance note on Internal Financial Control over financial reporting issued by ICAI.

Above Laxmi Dharma Kanta  
Hawa Sadak, 22 Godown  
Jaipur-302006

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

Date: 24/05/2016

Place : Mumbai

(C P JAIN)  
Partner  
M No.70156



**BALANCE SHEET**  
**AS AT 31<sup>ST</sup> MARCH 2016**

PARTICULARS	NOTE NO.	31 <sup>ST</sup> MARCH 2016		31 <sup>ST</sup> MARCH 2015	
		Rs	Rs	Rs	Rs
<b>I EQUITY AND LIABILITIES :</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	1	27,06,98,375		27,06,98,375	
(b) Reserves and Surplus	2	<u>31,59,86,869</u>	58,66,85,244	<u>32,11,47,268</u>	59,18,45,643
<b>(2) Non-current Liabilities</b>					
(a) Long-Term Borrowings	3	50,80,17,235		63,48,16,653	
(b) Deferred Tax Liabilities (Net)	4	4,92,15,489		4,36,53,671	
(c) Other Long Term Liabilities	5	2,21,25,833		2,56,64,320	
(d) Long Term Provisions	6	<u>1,90,94,657</u>	59,84,53,214	<u>1,81,42,940</u>	72,22,77,584
<b>(3) Current Liabilities</b>					
(a) Short-Term Borrowings	7	23,58,68,485		10,16,70,551	
(b) Trade Payables	8	32,29,45,330		25,98,46,397	
(c) Other Current Liabilities	9	23,41,85,347		19,14,22,343	
(d) Short-Term Provisions	10	<u>3,60,58,825</u>	82,90,57,987	<u>4,68,80,040</u>	59,98,19,331
<b>TOTAL</b>			<u>2,01,41,96,445</u>		<u>1,91,39,42,558</u>
<b>II ASSETS :</b>					
<b>(1) Non-current Assets</b>					
<b>(a) Fixed Assets</b>					
(i) Tangible assets	11	1,08,74,95,174		1,06,74,76,693	
(ii) Intangible assets	11	49,09,727		31,80,791	
(iii) Capital work-in-progress	27(7iv)	1,09,43,217		1,75,66,445	
(b) Non-current Investments	12	3,16,03,480		3,16,03,480	
(c) Long-term loans and advances	13	1,50,63,526		1,23,46,767	
(d) Other non-current assets	14	-	1,15,00,15,124	-	1,13,21,74,176
<b>(2) Current Assets</b>					
(a) Inventories	15	39,21,44,143		34,46,94,154	
(b) Trade Receivables	16	20,83,18,110		13,31,75,159	
(c) Cash and cash equivalents	17	4,84,01,677		4,49,68,147	
(d) Short-term loans and advances	18	15,70,23,592		15,71,75,391	
(e) Other current assets	19	<u>5,82,93,799</u>	86,41,81,321	<u>10,17,55,531</u>	78,17,68,382
<b>TOTAL</b>			<u>2,01,41,96,445</u>		<u>1,91,39,42,558</u>
Significant Accounting Policies and Notes on Financial Statements	27				

As per our attached Report of even date.

On behalf of the Board of Directors

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

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

Camp : Mumbai  
Dated : 24/05/2016

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

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

**RAVINDRA KALA**  
Chief Financial  
Officer

**SANJIV SHROFF**  
Vice Chairman &  
Managing Director  
DIN- 00296008

**RAHUL SHROFF**  
Executive Director  
DIN - 02301693



**STATEMENT OF PROFIT & LOSS**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2016**

PARTICULARS	NOTE NO.	31 <sup>st</sup> March 2016		31 <sup>st</sup> March 2015	
		Rs	Rs	Rs	Rs
<b>I Revenue from operations</b>	20		<b>2,61,76,82,806</b>		2,39,75,77,770
Less : Excise Duty			<b>4,64,20,945</b>		5,21,05,967
			<b>2,57,12,61,861</b>		2,34,54,71,803
<b>II Other Income</b>	21		<b>2,67,36,554</b>		16,69,24,588
<b>III Total Revenue (I+II)</b>			<b>2,59,79,98,415</b>		2,51,23,96,391
<b>IV EXPENSES :</b>					
Cost of Materials Consumed	22		<b>1,43,04,34,138</b>		1,40,30,50,148
Changes in Inventories of Finished Goods and Work in Progress	23		<b>(2,27,90,737)</b>		(5,31,34,499)
Employee Benefits Expense	24		<b>33,11,21,868</b>		31,19,82,211
Finance Costs	25		<b>13,12,58,445</b>		12,56,50,756
Depreciation and amortisation Expense	11		<b>6,59,68,389</b>		5,71,71,820
Other Expenses	26		<b>64,49,15,717</b>		57,71,37,200
<b>Total Expenses</b>			<b>2,58,09,07,820</b>		2,42,18,57,636
<b>V Profit before exceptional and extraordinary items and Tax (III-IV)</b>			<b>1,70,90,595</b>		9,05,38,755
<b>VI Exceptional Items</b>			-		-
<b>VII Profit before extraordinary items and tax (V-VI)</b>			<b>1,70,90,595</b>		9,05,38,755
<b>VIII Extra Ordinary Items</b>			-		-
<b>IX Profit before tax (VII - VIII)</b>			<b>1,70,90,595</b>		9,05,38,755
<b>X Tax Expense :</b>					
1. <u>Income Tax</u>					
Current tax		<b>35,00,000</b>		1,72,00,000	
Earlier Year Tax		<b>(30,356)</b>		(35,51,406)	
2. MAT Credit Entitlement		<b>(1,72,49,293)</b>		-	
3. Deferred Tax		<b>55,61,818</b>		1,17,31,510	
4. Wealth Tax		-		59,600	
			<b>(82,17,831)</b>		2,54,39,704
<b>XI Profit for the Year (IX-X)</b>			<b>2,53,08,426</b>		6,50,99,051
<b>XII Earnings per equity share (Basic and Diluted ) (refer note 9 in Note 27)</b>			<b>(0.62)</b>		10.11
Significant Accounting Policies and Notes on Financial Statements	27				

As per our attached Report of even date.

On behalf of the Board of Directors

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

For **G.P.KEJRIWAL & CO.**  
Chartered Accountants  
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Camp : Mumbai  
Dated : 24/05/2016

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

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Company Secretary  
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**RAVINDRA KALA**  
Chief Financial  
Officer

**SANJIV SHROFF**  
Vice Chairman &  
Managing Director  
DIN- 00296008

**RAHUL SHROFF**  
Executive Director  
DIN - 02301693



**NOTES**

Notes "1" to "27" Annexed to and forming part of the Company's Balance Sheet as at 31.03.2016 and Statement of Profit and Loss for the year ended on that date.

	31 <sup>st</sup> MARCH 2016		31 <sup>st</sup> MARCH 2015	
	Rs.	Rs.	Rs.	Rs.
<b>1 Share Capital</b>				
(I) <b>Authorised :</b>				
1,35,00,000 (P.Y. 1,35,00,000) Equity Shares of Rs.10/- each	<b>13,50,00,000</b>		13,50,00,000	
30,25,000 (P.Y. 30,25,000) Preference Shares of Rs.100/- each	<b>30,25,00,000</b>		30,25,00,000	
		<b>43,75,00,000</b>		<b>43,75,00,000</b>
<b>Issued :</b>				
40,22,100 (P.Y. 40,22,100) Equity Shares of Rs.10/- each	<b>4,02,21,000</b>		4,02,21,000	
23,07,500 (P.Y. 23,07,500) 10% Cumulative Redeemable Preference Shares of Rs.100/- each	<b>23,07,50,000 (A)</b>	<b>27,09,71,000</b>	<b>23,07,50,000</b>	<b>27,09,71,000</b>
<b>Subscribed and Fully Paid :</b>				
39,76,650 (P.Y. 39,76,650) Equity Shares of Rs.10/- each	<b>3,97,66,500</b>		3,97,66,500	
<b>Subscribed but not fully paid :</b>				
25200 Equity Shares of Rs.10/- each Less : Calls unpaid (Other than Directors and Officers)	<b>2,52,000</b> <b>(1,26,000)</b>		2,52,000 (1,26,000)	
Forfeited	<b>55,875 #</b>	<b>3,99,48,375</b>	<b>55,875</b>	<b>3,99,48,375</b>
23,07,500 (P.Y. 23,07,500) 10% Cumulative Redeemable Preference Shares of Rs.100/- each		<b>23,07,50,000 (A)</b>		<b>23,07,50,000</b>
Total Subscribed and Paid up Capital		<b>27,06,98,375</b>		<b>27,06,98,375</b>

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

(A)	No. of 10% Redeemable Preference Shares Allotted	Dates of Allotment
	2,16,000	28.03.2002 (a)
	16,000	31.10.2002 (a)
	11,000	31.01.2003 (a)
	82,000	29.04.2006 (a)
	2,75,000	28.01.2011 (a)
	72,000	24.03.2011 (a)
	1,33,000	26.03.2011 (a)
	5,00,000	31.03.2011 (a)
	3,25,000	07.03.2013 (a) (b)
	2,77,500	30.03.2013 (a) (b)
	1,00,000	01.03.2014 (a) (b)
	3,00,000	17.01.2015 (a) (b)
	<b>23,07,500</b>	

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

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



**(II) Terms/ rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. 1,90,000 Equity Shares issued on 31.03.2014 and 1,80,000 Equity Shares issued on 30.03.2013 have a lock-in period of 3 years from the respective dates of trading & date of allotment

**(III) Terms/ rights attached to Preference Shares**

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

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

Name of Shareholders	AS AT 31.03.2016		AS AT 31.03.2015	
	No. of Shares	% Held	No. of Shares	% Held
1. M/s. Modern Fibotex India Ltd.	7,83,179	19.69	10,51,179	26.43
2. Shri S.L. Shroff	3,19,650	8.04	1,95,650	4.92
3. Smt. Dipika Shroff	2,31,150	5.81	1,49,150	3.75

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

Name of Shareholders	AS AT 31.03.2016		AS AT 31.03.2015	
	No. of Shares	% Held	No. of Shares	% Held
1. M/s. Modern Fibotex India Ltd.	15,47,500	67.06	14,39,500	62.38
2. M/s. A.R. Fibtex Pvt.Ltd.	1,95,000	8.45	1,95,000	8.45
3. Shri Sanjiv Shroff	1,15,000	4.98	1,40,000	6.07
4. M/s. A.R.Commercial Pvt.Ltd.	1,25,000	5.42	1,25,000	5.42

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

PARTICULARS	AS AT 31.03.2016		AS AT 31.03.2015	
	No. of Shares	Amount	No. of Shares	Amount
<b><u>EQUITY SHARES</u></b>				
Shares at the beginning of the year	40,22,100	4,02,21,000	40,22,100	4,02,21,000
Add: Issued during the year	-	-	-	-
Shares at the end of the year	<u>40,22,100</u>	<u>4,02,21,000</u>	<u>40,22,100</u>	<u>4,02,21,000</u>
<b><u>PREFERENCE SHARES</u></b>				
Shares at the beginning of the year	23,07,500	23,07,50,000	20,07,500	20,07,50,000
Add: Issued during the year	-	-	3,00,000	3,00,00,000
Shares at the end of the year	<u>23,07,500</u>	<u>23,07,50,000</u>	<u>23,07,500</u>	<u>23,07,50,000</u>



	31 <sup>st</sup> March 2016		31 <sup>st</sup> March 2015	
	Rs.	Rs.	Rs.	Rs.
<b>2 Reserves and Surplus</b>				
<b>Capital Reserves :</b>				
Central Cash Subsidy				
As per last account		15,00,000		15,00,000
<b>Securities Premium Reserve</b>				
Security Premium Account				
As per last account	6,26,21,138		6,26,21,138	
Additions during the year	<u>20,90,000*</u>		<u>-</u>	
	6,47,11,138		6,26,21,138	
Less : Amount Unpaid	<u>3,78,000</u>	6,43,33,138	<u>3,78,000</u>	6,22,43,138
<b>Other Reserves :</b>				
General Reserve				
As per Last Account	6,44,79,390		6,34,79,390	
Add Transfer from Statement of Profit & Loss	<u>-</u>	6,44,79,390	<u>10,00,000</u>	6,44,79,390
<b>Surplus :</b>				
As per last Statement of Profit & Loss	19,29,24,740		15,85,05,729	
Add : Profit for the year	<u>2,53,08,426</u>		<u>6,50,99,051</u>	
	21,82,33,166		22,36,04,780	
<b>Less Appropriations :</b>				
Transfer to General Reserve	-		10,00,000	
<b>Proposed Dividend :</b>				
On Equity Shares	39,76,650		39,76,650	
[Dividend per Share Rs. 1.00 (P.Y. Rs. 1.00)]				
On Cumulative Redeemable Preference Shares	2,30,75,000		2,06,83,219	
[Dividend per Share Rs. 10.00 (P.Y. Rs. 10/-)]				
Tax on proposed Dividend	<u>55,07,175</u>	<u>18,56,74,341</u>	<u>50,20,171</u>	<u>19,29,24,740</u>
		<u>31,59,86,869</u>		<u>32,11,47,268</u>
* Rs. 20,90,000 received as Security Premium being a difference in price of Rs. 11/- on 1,90,000 Equity Shares allotted to M.s A.S.Chemotex Private Ltd. on 31.03.2014.				
<b>3 Long Term Borrowings</b>				
(i) <b>Term Loans from Banks - (Secured)</b>				
(a) IDBI Bank Limited (IDBI)	2,39,87,527 (1)		4,79,75,025 (1)	
(b) State Bank of India (SBI)	6,02,26,572 (2)		11,00,86,572 (2)	
(c) SBI Corporate Loan	7,50,00,004 (2)		10,00,00,000 (2)	
(d) Export Import Bank of India (EXIM)	8,06,77,179 (3)		7,22,78,825 (3)	
(e) Export Import Bank of India (Buyers Credit)	4,07,96,465 (3)		3,17,82,116 (3)	
(f) ICICI Bank Ltd. (ICICI)	- (5)		9,45,908 (5)	
(g) HDFC Bank Ltd. (HDFC)	<u>2,53,488 (6)</u>	28,09,41,235	<u>15,66,207 (6)</u>	36,46,34,653
(ii) <b>Term Loan from Others Parties - (Secured)</b>				
Rajasthan State Industrial Development & Investment Corporation Limited (RIICO)		12,70,76,000 (4)		15,95,82,000 (4)
(iii) <b>Loans and Advances - (Unsecured)</b>				
Loans from related parties (Bodies Corporate)	4,25,50,000		5,12,00,000	
Loans from other parties (Bodies Corporate)	<u>5,74,50,000</u>	<u>10,00,00,000 (7)</u>	<u>5,94,00,000</u>	<u>11,06,00,000 (7)</u>
		<u>50,80,17,235</u>		<u>63,48,16,653</u>





**REMARKS :**

**1 Term Loans from IDBI Bank Limited**

- a) Term Loan of Rs. 19,19,00,000/- , outstanding (including proportionate premium on forward contract for FCNR (B) Loan) of Rs. 4,93,24,905/- (partly converted in to FCNR (B) loan) as on 31.03.16 (P.Y. 7,19,62,520/-) including Rs. 2,53,37,378/- (P.Y. Rs. 2,39,87,495/- ) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future and hypothecation charge over movable (save and except book debts) machinery, spares, tools and accessories, present and future, subject to prior charges created in favour of Bankers for working capital facilities. The above loan of Rs.19,19,00,000/- has also been guaranteed by the Managing Director and one other Director of the Company and are also secured by way of extension of pledge of 5,86,400 Equity Shares of the Company in the names of Directors and their relatives.

This loan is repayable in 96 monthly Instalments commencing from 01.04.2010 and last instalment is payable by 31.03.2018 and carry floating interest rate at base rate + 4% and Six Months Libor plus 3.75% p.a. for FCNR (B) loan.

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

- a) Term Loan of Rs. 19,64,00,000/-, outstanding (including proportionate premium on forward contract for FCNR (B) Loan) of Rs. 3,44,14,181/- (partly converted in to FCNR (B) loan) as on 31.03.16 (P.Y. 6,24,50,236/-) including Rs. 2,83,63,945/- (P.Y. Rs. 2,82,00,000/-) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future and hypothecation charge over movable (save and except book debts) machinery, spares, tools and accessories, present and future, subject to prior charges created in favour of Bankers for working capital facilities. The above loans of Rs.19,64,00,000/- have also been guaranteed by the Managing Director and one other Director of the Company and are also secured by way of extension of pledge of Preference Shares of the face value of Rs. 1,75,00,000/- of the Company belonging to Directors and pledge of Preference Shares of the face value of Rs. 1,50,00,000/- belonging to a Promoter Company.

This loan is repayable in 84 monthly Instalments commencing from July 2010 and the last instalment is payable by 30th June 2017 and carry floating interest rate at base rate+ 3.70% and Six Months Libor plus 3.75% p.a. for FCNR (B) loan.

- b) Term Loan of Rs.13,00,00,000/-, outstanding (including proportionate premium on forward contract for FCNR (B) Loan) of Rs.7,64,87,819/- (partly converted in to FCNR (B) loan) as on 31.03.16 (P.Y. 9,74,96,336/-) including Rs. 2,23,11,483/- (P.Y. 2,16,60,000/-) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future and hypothecation charge over movable (save and except book debts) machinery, spares, tools and accessories present and future, subject to prior charges created in favour of Bankers for working capital facilities. The above loans of Rs.13,00,00,000/- have also been guaranteed by the Managing Director and one other Director of the Company and are also secured by way of extension of pledge of Preference Shares of the face value of Rs. 1,75,00,000/- of the Company belonging to Directors and pledge of Preference Shares of the face value of Rs. 1,50,00,000/- belonging to a Promoter Company.

This loan is repayable in 72 monthly Instalments from Oct.2013 and last instalment is payable by September 2019 and carry floating interest rate at base rate + 3.70% and Six Months Libor plus 3.75% p.a. for FCNR (B) loan.

- c) Corporate Loan of Rs.10,00,00,000/-, outstanding (including proportionate premium on forward contract for FCNR (B) Loan) of Rs. 10,08,85,189/- (partly converted in to FCNR (B) loan) as on 31.03.16 (P.Y. 10,00,00,000/- ) including Rs. 2,58,85,185/- (P.Y. Rs. Nil) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured by First Pari Passu charges on Entire Current Assets of the Company present and future, Collateral security by way of 1st pari passu charge on Entire Fixed Assets of the Company including Factory Building at Village : Kanpur, Udaipur. The above loans of Rs. 10,00,00,000/- have also been guaranteed by the Managing Director and one other Director of the Company.

This loan is repayable in 48 monthly Instalments starting from April 2016 and last instalment is payable by March 2020 and carry floating interest rate at base rate + 3.60% and Six Months Libor plus 3.75% p.a. for FCNR (B) loan.

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

- a) Term Loan of Rs.13,00,00,000/-, outstanding Rs. 13,23,06,978/- as on 31.03.16 (P.Y. 10,40,60,941/- ) which includes buyer credit of EURO 5,43,805 (Previous Year EURO 4,64,515) (equivalent to Rs. 4,07,96,465/- (Previous Year Rs. 3,17,82,116/-) availed from PNB Hongkong against LOU from EXIM Bank, including Rs. 1,08,33,334/- (P.Y. Rs. Nil) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future and hypothecation charge over movable (save and except book debts) machinery, spares, tools and accessories, present and future, Finished and semi finished products, other goods and uncalled capital, subject to prior charges created in favour of Bankers for working capital facilities. The above loans of Rs.13,00,00,000/- have also been guaranteed by Managing Director and one other Director of the Company.

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



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

- a) Term Loan of Rs.10,00,00,000/-, outstanding Rs. 5,00,02,000/- as on 31.03.16 (P.Y. 6,66,68,000/-) including Rs. 1,66,66,000/- (P.Y. 1,66,66,000/-) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future and hypothecation charge over movable (save and except book debts) machinery, spares, tools and accessories, present and future, Finished and semi finished products, other goods and uncalled capital, subject to prior charges created in favour of Bankers for working capital facilities. The above loans of Rs.10,00,00,000/- have also been guaranteed by Managing Director and one other Director of the Company.

This loan is repayable in 24 quarterly equal installments from May 2013 and last installment is payable by February 2019. The above term loan carry interest @11.00% p.a.

- b) Term Loan of Rs.12,50,00,000/-, outstanding Rs. 11,45,80,000/- as on 31.03.16 (P.Y. 12,00,00,000/-) including Rs. 2,08,40,000/- (P.Y. 1,04,20,000/-) shown under the head Other Current Liabilities for Current Maturities of Long Term Debts in Note 9, is secured by way of joint first charge ranking pari-passu of all immovable properties (by way of deposit of Title Deeds of Lease Hold Land), both present and future and hypothecation charge over movable (save and except book debts) machinery, spares, tools and accessories, present and future, Finished and semi finished products, other goods and uncalled capital, subject to prior charges created in favour of Bankers for working capital facilities. The above loans of Rs.12,50,00,000/- have also been guaranteed by Managing Director and one other Director of the Company.

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

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

- (a) Vehicle Loan from ICICI Bank Ltd. of Rs. 53,00,000/- outstanding Rs. 8,14,287/- as on 31.03.2016 (P.Y. 26,68,020/-) including Rs. 8,14,287/- (P.Y. Rs.18,53,733/-) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from September, 2013 along with interest @ 8.65% per annum and the last instalment is payable by August, 2016.
- (b) Vehicle Loan from ICICI Bank Ltd. of Rs. 46,98,000/- outstanding Rs. 1,31,621/- as on 31.03.2016 (P.Y. 18,28,578/-) including Rs.1,31,621/- (P.Y. Rs. 16,96,957/-) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from May, 2013 along with interest @ 9% per annum and the last instalment is payable by April 2016.

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

- (a) Vehicle Loan from HDFC Bank Ltd. of Rs. 10,80,000/- outstanding Rs. Nil/- as on 31.03.2016 (P.Y. 2,68,625/-) including Rs. Nil (P.Y. 2,68,625/-) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from December, 2012 along with flat interest @ 5.39% per annum and the last instalment is paid by November, 2015.
- (b) Vehicle Loan from HDFC Bank Ltd. of Rs. 12,00,000/- outstanding Rs. 38,401/- as on 31.03.2016 (P.Y. Rs. 4,75,185/-) including Rs. 38,401/- (P.Y. Rs. 4,36,784/-) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from May, 2013 along with interest @ 10% per annum and the last instalments is payable by April, 2016.
- (c) Vehicle Loan from HDFC Bank Ltd. of Rs. 9,25,000/- outstanding Rs. 3,16,305/- as on 31.03.2016 (P.Y. Rs. 6,26,233/-) including Rs. 3,16,305/- (P.Y. 3,09,928/-) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from March, 2014 along with interest @ 11.40% per annum and the last instalment is payable by February, 2017.
- (d) Vehicle Loan from HDFC Bank Ltd. of Rs. 6,50,000/- outstanding Rs. 2,41,349/- as on 31.03.2016 (P.Y. Rs. 4,41,562/-) including Rs. 2,41,349/- (P.Y. Rs.2,00,213/-) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from April, 2014 along with interest @ 11.40% per annum and the last instalment is payable by March, 2017.
- (e) Vehicle Loan from HDFC Bank Ltd. of Rs. 6,50,000/- outstanding Rs. 2,95,800/- as on 31.03.2016 (P.Y. 5,06,103/-) including Rs. 2,33,505/- (P.Y. Rs. 2,04,872/-) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from July, 2014 along with interest @ 10.50% per annum and the last instalment is payable by June, 2017.
- (f) Vehicle Loan from HDFC Bank Ltd. of Rs. 6,50,000/- outstanding Rs. 3,50,457/- as on 31.03.2016 (P.Y. Rs. 5,55,329/-) including Rs. 2,27,475/- (P.Y. Rs. 2,10,303/-) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from October, 2014 along with interest @ 10.50% per annum and the last instalment is payable by September, 2017.



(g) Vehicle Loan from HDFC Bank Ltd. of Rs. 7,18,000/- outstanding 3,23,895/- as on 31.03.2016 (P.Y. Rs. 5,54,187/- ) including Rs. 2,55,684/- (P.Y. Rs. 2,30,292/- ) shown under the head Other Current Liability for Current maturity of Long Term debts in Note 9 is secured by way of Hypothecation of respective car acquired out of the said loan. This Loan is repayable in 36 monthly instalment commencing from July, 2014 along with interest @ 10.50% per annum and the last instalment is payable by June, 2017.

**7 Terms of Repayment of Unsecured Loans**

<b>Aggregate Amount outstanding</b> Rs.10,00,00,000/- (P.Y. Rs.11,06,00,000/-)	<b>Rate of Interest</b> 11 to 12 %	<b>Maturity Terms</b> There are no stipulations for repayments. However the Company has obtained letters/ undertakings from lenders that they will seek repayments of their outstanding Loans as on 31.03.2016, only after 31.03.2017 (P.Y. as on 31.03.2015, only after 31.03.2016) (Refer Para 7 (viii) of Schedule 27)
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	<b>31<sup>st</sup> March 2016</b>		<b>31<sup>st</sup> March 2015</b>	
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>4 Deferred Tax Liabilities (Net)</b>				
Deferred Tax Liability				
Timing Difference of Depreciation	<b>8,35,35,497</b>		6,85,40,016	
Deferred Tax Assets				
Expenditure u/s 43B of IT Act 1961	<b>(3,43,20,008)</b>	<b>4,92,15,489</b>	<b>(2,48,86,345)</b>	4,36,53,671
<b>5 Other Long Term Liabilities</b>				
<b>Others</b>				
(a) Security Deposits	<b>30,01,416</b>		56,90,177	
(b) Statutory Dues	<b>1,49,89,506</b>		1,36,99,162	
(c) Other Payables for Expenses	<b>41,34,911</b>	<b>2,21,25,833</b>	<b>62,74,981</b>	2,56,64,320
<b>6 Long Term Provisions</b>				
Provision for Employee Benefits		<b>1,90,94,657</b>		1,81,42,940
<b>7 Short Term Borrowings</b>				
<b>Loans repayable on Demand</b>				
<b>From Banks (Secured) (a)</b>		<b>23,58,68,485</b>		10,16,70,551
(a) Borrowings of Rs. 23,58,68,485/- (P.Y. Rs.10,16,70,551/- ) from SBI, IDBI and ICICI Bank Ltd. for working capital are secured on pari passu basis by way of joint hypothecation first charge on entire inventories, trade receivables and other current assets present and future and are also guaranteed to the extent of Rs. 36,00,00,000/- (P.Y. Rs. 33,00,00,000/- ) by the Managing Director and one other Director of the Company. Such borrowings are also secured by second pari passu charge on fixed assets of the Company.				
<b>8 Trade Payables</b>		<b>32,29,45,330</b>		<b>25,98,46,397</b>
<b>9 Other Current Liabilities</b>				
Current Maturities of Long Term Debt	<b>15,24,95,952</b>		10,63,45,202	
Interest accrued and due on unsecured loan	<b>41,26,510</b>		44,27,900	
Interest accrued but not due on borrowings	<b>39,78,645</b>		24,95,733	
Advances from Customers	<b>1,39,62,511</b>		1,19,70,061	
Statutory Dues	<b>69,59,794</b>		55,68,565	
Unpaid Dividend Accounts (as per Contra)	<b>29,91,148</b>		33,96,466	
Other Payables :				
For Expenses	<b>4,96,70,787</b>	<b>23,41,85,347</b>	<b>5,72,18,416</b>	<b>19,14,22,343</b>
<b>10 Short Term Provisions</b>				
Proposed Dividend				
On Equity Shares	<b>39,76,650</b>		39,76,650	
On Preference Shares	<b>2,30,75,000</b>	<b>2,70,51,650</b>	<b>2,06,83,219</b>	2,46,59,869
Tax on Proposed Dividend		<b>55,07,175</b>		50,20,171
Provision for Tax		<b>35,00,000</b>		1,72,00,000
		<b>3,60,58,825</b>		<b>4,68,80,040</b>



**11. Fixed Assets**

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2015	Additions	Disposals/ Adjustments	As at 31.03.2016	Upto 31.03.2015	For the year	Disposals/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>Tangible Assets</b>										
(a) Land:										
Free Hold	8,01,041	-	-	8,01,041	-	-	-	-	8,01,041	8,01,041
Lease Hold	12,04,661	-	-	12,04,661	3,97,663	10,792	-	4,08,455	7,96,206	8,06,998
(b) Buildings	38,98,38,286	2,44,21,402	-	41,42,59,688	7,37,19,014	1,36,32,458	-	8,73,51,472	32,69,08,216	31,61,19,272
(c) Plant and Equipment	1,03,91,30,637	5,82,24,995	1,01,86,224	1,08,71,69,408	33,20,56,459	4,37,64,331	87,33,793	36,70,86,997	72,00,82,411	70,70,74,178
(d) Furniture and Fixture	2,86,77,660	18,10,050	2,24,048	3,02,63,662	75,93,915	26,76,757	1,86,010	1,00,84,662	2,01,79,000	2,10,83,744
(e) Vehicles	2,71,68,249	-	3,37,495	2,68,30,754	92,45,386	30,95,018	2,12,479	1,21,27,925	1,47,02,829	1,79,22,863
(f) Office Equipment	71,37,424	18,35,814	1,28,312	88,44,926	34,68,827	14,72,524	1,21,896	48,19,455	40,25,471	36,68,597
Sub Total	1,49,39,57,958	86,292,261	1,08,76,079	1,56,93,74,140	42,64,81,264	6,46,51,880	9,254,178	48,18,78,966	1,08,74,95,174	1,06,74,76,693
(Previous Year)	(1,22,97,31,027)	(30,74,10,466)	(4,31,83,535)	(1,49,39,57,958)	(40,90,67,210)	(5,62,80,675)	(3,88,66,621)	(42,64,81,264)	(1,06,74,76,693)	(82,06,63,816)
<b>Intangible assets</b>										
Computer Software	17,66,249	30,45,446	-	48,11,695	9,98,306	9,73,540	-	19,71,846	28,39,849	7,67,943
Corporate Club Membership	33,39,900	-	-	33,39,900	9,27,052	3,42,969	-	12,70,021	20,69,879	24,12,848
Sub Total	51,06,149	30,45,446	-	81,51,595	19,25,358	13,16,509	-	32,41,867	49,09,728	31,80,791
(Previous Year)	(46,78,735)	(4,67,414)	(40,000)	(51,06,149)	(10,74,213)	(8,91,145)	(40,000)	(19,25,358)	(31,80,791)	(36,04,522)
As at 31.03.2016	1,49,90,64,107	8,93,37,707	1,08,76,079	1,57,75,25,735	42,84,06,622	6,59,68,389	92,54,178	48,51,20,833	1,09,24,04,902	1,07,06,57,484
As at 31.03.2015	1,23,44,09,762	30,78,77,880	4,32,23,535	1,49,90,64,107	41,01,41,423	5,71,71,820	3,89,06,621	42,84,06,622	1,07,06,57,484	

31<sup>st</sup> March 2016

31<sup>st</sup> March 2015

Rs.

Rs.

Rs.

Rs.

**NON CURRENT ASSETS**

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

Trade Investments : ( Fully paid, unquoted)  
("Class A" Shares of M/s V S Lignite Power  
Pvt.Ltd.)

16,74,719 Equity Shares of Rs.10/- each **1,67,47,190** 1,67,47,190

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 **3,16,03,480 (a)**  
**3,16,03,480** **3,16,03,480**

Aggregate amount of unquoted Investments **3,16,03,480 (b)** **3,16,03,480 (b)**

(a) Refer Note 10 in Note 27

(b) Refer Note 1(vi) in Note 27.

**13 Long Term Loans and Advances**

(Unsecured ,considered good )

Security Deposits **1,12,04,986** 73,53,627

Other Loans and Advances

To Employees **38,58,540** 49,93,140

**1,50,63,526**

**1,23,46,767**



	31 <sup>st</sup> March 2016		31 <sup>st</sup> March 2015	
	Rs.	Rs.	Rs.	Rs.
<b>14 Other Non Current Assets</b>				
<u>Long Term Trade Receivables</u>				
(Unsecured, considered Doubtful)	-		-	
Less : Provision for Doubtful	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>15 Inventories</b>				
(As taken, valued and certified by the management)				
(a) Raw Materials	<b>13,97,92,803</b>		11,55,93,503	
(b) Work in Progress	<b>12,94,33,723 (a)</b>		6,14,98,510 (a)	
(c) Finished Goods	<b>10,73,45,298 (b)</b>		15,14,38,261 (b)	
(d) Stores and Spares	<b>1,46,33,731</b>		1,41,73,779	
(e) Waste	<b>6,64,393</b>		17,52,968	
(f) Scrap and residual materials	<b>2,74,195</b>		2,37,133	
	<u><b>39,21,44,143 (c)</b></u>		<u>34,46,94,154 (c)</u>	
(a) Details of Work in Process : Fibre in Process Rs. 6,48,59,024/- (P.Y. 3,58,01,082/- ) and Yarn in Process Rs. 6,45,74,699/- (P.Y. Rs. 2,56,97,428/- )				
(b) Includes stock of Rs. 16,98,749/- (P.Y. Rs. 17,42,627/- ) lying with outside Parties.				
(c) Includes Stock items of Raw Materials Rs. 79,63,711/- , Finished Goods Rs. 3,45,97,151/- Stores and spares Rs. 9,66,807/- in transit (Previous year Raw Materials Rs. 66,77,405/-, Finished Goods Rs. 2,49,20,813/- , Stores and Spares Rs.7,50,417/-)				
<b>16 Trade Receivables</b>				
(Unsecured, considered good)				
Outstanding for a period exceeding				
six months	<b>31,52,198</b>		41,23,306	
Others	<u><b>20,51,65,912</b></u>		<u>12,90,51,853</u>	
		<u><b>20,83,18,110</b></u>		<u>13,31,75,159</u>
<b>17 Cash and Cash Equivalents</b>				
Balances with Banks :				
- On current Accounts	<b>55,55,160</b>		39,30,880	
- On Savings Accounts	<b>2,23,906</b>		5,50,708	
-On Unpaid Dividend Accounts (as per contra)	<b>29,91,148</b>		33,96,466	
Fixed Deposits with Banks	<b>3,58,35,978 (a)(b)(c)</b>		3,47,85,899 (a)(b)(c)	
Cash on hand	<u><b>37,95,485</b></u>		<u>23,04,194</u>	
		<u><b>4,84,01,677</b></u>		<u>4,49,68,147</u>

(a) Includes Ear-marked deposits Rs. 18,14,648/- (Previous year Rs. 17,05,463/- ) and Fixed Deposit Receipts of Rs. 3,35,94,187/- (P.Y. 3,32,11,561/-) deposited with banks under lien of Bank against Guarantees and letters of Credit.

(b) Include interest accrued Rs. 6,51,049/- (Previous year Rs. 5,65,429/- )

(c) Include Rs. 3,49,09,062/- (P.Y. 1,28,54,755/- ) with more than 12 months maturity.



	31 <sup>st</sup> March 2016		31 <sup>st</sup> March 2015	
	Rs.	Rs.	Rs.	Rs.
<b>18 Short Term Loans and Advances</b>				
(Unsecured, considered good)				
<b>Loans and advances to others :</b>				
Interest receivable on Loans and advances		-		58,83,164
<b>Advances</b>				
Balance with Excise Department		5,829		5,829
Payments of Taxes and Tax Deducted at Source		1,22,52,177		2,51,91,906
Cenvat and Service Tax Receivable		2,82,99,670		4,04,30,927
Excise duty Rebate Receivable		3,86,25,529		3,76,63,434
MAT Credit Entitlement		1,72,49,293		-
Vat Credit Receivable		8,89,062		1,05,019
Advances to employees		55,54,573		46,71,745
<b>Advances to suppliers</b>				
Considered Good	2,28,40,841		28,79,729	
Considered Doubtful	45,000		45,000	
	<u>2,28,85,841</u>		<u>29,24,729</u>	
Less : Provision for Doubtful	45,000	2,28,40,841	45,000	28,79,729
<b>Advance Against Capital Commitment</b>		4,32,869		1,14,19,621
Advances for Expenses				
Considered Good	88,73,749		69,24,017	
Considered Doubtful	34,500		34,500	
	<u>89,08,249</u>		<u>69,58,517</u>	
Less : Provision for Doubtful	34,500	88,73,749 (a)	34,500	69,24,017 (a)
Security deposits for rented premises		2,20,00,000 (b)		22,000,000 (b)
		<u>1,57,023,592.00</u>		<u>15,71,75,391</u>
(a) Refer Note 7(vii) in Note 27				
(b) Includes Rs. 2,20,00,000 (P.Y. Rs. 2,20,00,000/-) due to companies in which some of the Directors are Directors and or Members.				
<b>19 Other Current Assets</b>				
(Unsecured, considered good)				
Duty drawback benefits and other Export Incentives Receivable	3,08,33,378		2,51,55,591	
Interest Subsidy Receivable	2,23,30,271		1,38,98,892	
Interest on Security Deposit Receivable	4,63,098		3,63,353	
Net Premium on Forward Exchange Contracts Receivable	46,67,052		6,23,37,695	
		5,82,93,799		10,17,55,531
<b>20 Revenue from Operations</b>				
<b>(a) Sale of Products</b>				
Yarn	2,52,45,03,315		2,31,59,21,305	
Waste	92,87,320		76,99,033	
		2,53,37,90,635		2,32,36,20,338
<b>(b) Other Operating Revenues</b>				
Duty Drawback benefits	5,13,09,050		4,06,80,936	
Premium for transfer of Duty credit scrips under Focus Product / Market Schemes	2,66,67,091		2,64,51,445	
Scrap and Residual Materials	59,16,030	8,38,92,171	68,25,051	7,39,57,432
		<u>2,61,76,82,806</u>		<u>2,39,75,77,770</u>
Less : Excise Duty		4,64,20,945		5,21,05,967
		<u>2,57,12,61,861</u>		<u>2,34,54,71,803</u>



**RELIANCE**  
CHEMOTEX INDUSTRIES LIMITED  
CIN L40102RJ1977PLC 001994

	31 <sup>st</sup> March 2016		31 <sup>st</sup> March 2015	
	Rs.	Rs.	Rs.	Rs.
<b>21 Other Income</b>				
a) Interest Income		1,82,45,619		2,40,32,661
b) Net gain on Foreign Currency Transactions and Translation		-		13,85,80,044 (b)
c) Other Non Operating Income				
(i) Miscellaneous Sales, Receipts and Realisations		39,14,507 (a)		39,432 (a)
(ii) Excess Provisions and Liabilities no longer required written back		34,47,772		5,69,535
(iii) Lease Rent		3,60,000		3,60,000
d) Profit on Sales of Fixed Assets (Net.)		4,95,516		29,75,498
e) Sundry Credit Balance Written Off (Net.)		2,73,140		3,67,418
		<u>2,67,36,554</u>		<u>16,69,24,588</u>
(a) Net of expenses Rs. Nil (P.Y. Rs. 8,265/-)				
(b) Refer note 1(xii)(B)(c) in Note 27				
<b>22 Cost of Materials Consumed (Fibres)</b>				
Opening Stock	11,55,93,502		5,57,96,121	
Add : Purchases and Incidental Expenses	<u>1,45,46,33,439</u>	1,57,02,26,941	<u>1,46,28,47,530</u>	1,51,86,43,651
Less : Closing Stock		<u>13,97,92,803</u>		<u>11,55,93,503</u>
		<u>1,43,04,34,138</u>		<u>1,40,30,50,148</u>
<b>23 Change in Inventories of Finished Goods and Work -in-Progress</b>				
<b>Inventories (At Close)</b>				
Finished Goods	10,73,45,298		15,14,38,261	
Work-in-Progress	12,94,33,723		6,14,98,510	
Waste	6,64,393		17,52,968	
Scrap and Residual Materials	<u>2,74,195</u>	23,77,17,609	<u>2,37,133</u>	21,49,26,872
<b>Less : Inventories (At Comencement)</b>				
Finished Goods	15,14,38,261		9,63,16,678	
Work-in-Progress	6,14,98,510		6,43,33,214	
Waste	17,52,968		10,44,006	
Scrap and Residual Materials	<u>2,37,133</u>	<u>21,49,26,872</u>	<u>98,475</u>	<u>16,17,92,373</u>
		<u>2,27,90,737</u>		<u>5,31,34,499</u>
<b>24 Employee Benefits Expense</b>				
Salaries and Wages etc.		28,44,43,364 (a),(b)		26,50,58,162 (a),(b)
Contribution to Provident and Other Funds		3,18,32,308		3,53,01,343
Staff Welfare Expenses		65,27,403		59,37,598
Workman Compensation		83,18,793		56,85,108
		<u>33,11,21,868</u>		<u>31,19,82,211</u>

(a) Includes provision for Bonus Rs. 72,70,000/- (P.Y. Rs. 35,30,000/-)

(b) Includes Rs. 64,80,000/- (P.Y. 64,80,000/-) for Managerial Remuneration.



	31 <sup>st</sup> March 2016		31 <sup>st</sup> March 2015	
	Rs.	Rs.	Rs.	Rs.
<b>25 Finance Costs</b>				
a) Interest Expense		7,97,16,851 (a)		6,93,37,066 (a)
b) Other Borrowing Costs		5,15,41,594		5,63,13,690
		<u>13,12,58,445</u>		<u>12,56,50,756</u>
(a) After adjustments of Rs. 2,60,52,695/- (Previous year Rs. 1,71,85,313/-) towards interest subsidies under TUFS/ State schemes.				
<b>26 Other Expenses</b>				
Consumption of Stores and Spare Parts etc.		19,16,45,426		18,39,54,966
Power and Fuel		22,65,16,198		17,73,76,295
Rent (Net of realisations Rs. 5,33,046/- (P.Y. 3,21,582/-)		1,03,17,050		1,11,47,477
Repairs to Buildings		89,93,078		71,87,503
Repairs to Machinery		58,15,855		54,77,568
Insurance (Less realisations Rs. 21,66,830/- (PY 28,09,363/-)		17,11,049		2,47,434
Rates and Taxes		15,71,659		10,66,604
Miscellaneous Expenses		5,15,53,924		5,18,40,870
Payments to Auditors		14,29,291 (a)		12,70,901 (a)
CSR Expenses		1,45,000		13,38,000
Commission and Brokerage		7,83,17,638		5,98,73,414
Freight & octroi expenses (Less realisations Rs 13,72,953/- (P.Y. Rs. 7,51,547/-)		6,48,60,301		6,76,41,165
Loss on Sale of Store Items		-		4,68,943
Godown Rent		-		24,000
Net Loss on Foreign currency transactions and translation		5,93,593		- (b)
Fixed Assets Written-off		-		48,346
Excise Duty on Closing Stock		14,45,655		81,73,714
		<u>64,49,15,717</u>		<u>57,71,37,200</u>

(a) Refer note 6 in Note 27.

(b) Refer note 1(xii)(B)(c) in Note 27.

## 27 Significant Accounting Policies and Notes on Financial Statements:

### 1. Significant Accounting Policies :

#### (i) Basis of Preparation of Financial Statements:

The Financial Statements are prepared on going concern assumption and under the historical cost convention, in accordance with generally accepted Accounting Principles in India and the provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current and non – current as per normal operating cycle of the Company and other criteria set out in the Schedule III to the Companies Act, 2013. Based on nature of products/ services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### (ii) Use of Estimates:

The preparation of financial statements requires estimates and assumption to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/ materialized.





**(iii) Fixed Assets**

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

**(iv) Depreciation:**

**(A) On Tangible Assets :**

- (a) Depreciation on tangible assets is provided pro-rata to the period of use on straight line method in the manner and at the rates specified in Schedule II of the Companies Act, 2013.
- (b) Value of lease hold land is amortized over the period of lease.

**(B) On Intangible Assets :**

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

**(C) Impact due to change in Depreciation Policy**

Due to change in the depreciation policy, the depreciation rates have been revised as per Schedule II of the Companies Act, 2013. Due to above change in the Depreciation Policy and rates, depreciation for the current year is higher by Rs. Nil (P.Y. 7,98,474/-) and the Profit for the year and Net Block of Assets is lower by the similar amount.

**(v) Lease Rentals:**

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

**(vi) Non - Current Investments :**

- (a) Non-current investments are stated at cost.
- (b) Dividend income is recognized when right to receive is established.
- (c) Provision for diminution in the value of Long Term (Non-Current) Investments is made only if such a decline in the opinion of the management is other than temporary. However the break up value of Equity Shares of M/s V.S.Lignite Power Pvt.Ltd. in which the Company has made such investments is Rs. Nil as per the said Company's Balance Sheet as at 31.03.2014 against cost of Rs.1,67,47,190/- towards equity shares for which no provision has been made in Accounts, as the investment is made for purchase of power at cheaper rate on Long term basis and plant for power generation is fully operational, and that power plants take longer time to be profitable. The equity shares of Rs.90,43,480/- are under lien with them.

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

**(vii) Valuation of Inventories:**

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

- (a) (i) Cost of Stores and Spares has been computed on the basis of weighted average method.  
(ii) There are no significant machinery spares lying in stock which can be directly used in connection with Plant & Machinery and whose life is expected to be irregular.
- (b) Cost of Raw Materials has been computed on the basis of first in first out method.
- (c) Cost of Work in process and Finished goods has been computed on the basis of estimated cost of materials, cost of labor, cost of conversion and other costs incurred for bringing the inventories to their present location and condition and excise duty payable on clearance.



- (d) Waste and scrap and residual materials are computed on the basis of estimated market value
- (e) Value of slow moving items of stores and raw materials are appropriately reduced as per Company policy. The management has confirmed that there are no other obsolete/ slow moving stocks for which further provision need to be made in Accounts

**(viii) Excise Duty and Cenvat/VAT/ Service Tax Credits:**

- (a) The value of closing stock of finished goods lying in factory premises (except goods meant for export) are inclusive of excise duty.
- (b) Benefits of Cenvat/VAT/Service Tax Credits to the extent claimed/ availed are accounted for by adjusting to the cost of relative materials/ fixed assets / expenses.

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

- (a) Income and Expenses considered receivable and payable respectively, are accounted for on accrual and prudent basis except for the following :
  - (i) Interest receivable on refunds of Sales Tax / VAT and Income Tax is accounted for at the time of respective assessment
  - (ii) Sale value of fixed Assets written off/ discarded during the year is accounted for at the time of disposal of written off/ discarded assets
  - (iii) 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 along with 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 had been written back to the Profit and Loss Account during the year ended 31.03.2011. The balance amount, recoverable Rs.9,40,407/- from the party along with accrued interest, the amount whereof is not presently ascertainable and hence not stated, is intended to be accounted for in Statement of Profit and Loss, when the same are actually recovered
  - (iv) Remissions, if any, received against Rs 1,97,90,213/- (P.Y. Rs.1,83,59,276/- ) charged in accounts under respective heads of expenditure, for Entry Tax for the period after July, 2006 till the year ended 31.03.2016, the deposits of which have been stayed by the Rajasthan High Court to the extent of the 50% of the assessed tax
  - (v) Service Tax payments relating to expenses for Exports were debited by the Company to relative expenses heads of account up to 31<sup>st</sup> March 2010. In view of certain notifications issued by concerned Authority, the Company has filed claims for refunds of Rs. 31,06,451/- (P.Y. Rs. 31,06,451/-) but such refund claims were rejected by the authorities. Company had filed appeals before CESTAT against such rejections. Such claims are intended to be accounted for as and when settled and or refund is received

**(x) Turnover/Sales**

- (a) Local sales are recognized on dispatch of goods and are inclusive of Excise Duty collected but excluding sales tax / VAT
- (b) Export sales are recognized on basis of dates of Bills of lading and are exclusive of excise duty except to the extent clearance made on payment / adjustment of excise duty

**(xi) Retirement benefits/gratuity and leave encashment benefits :**

- (a) The liability for gratuity is covered under the Group Gratuity Scheme with Life Insurance Corporation of India. Annual Contribution/Premium made to the Scheme including Rs. 2,86,523/- (P.Y. Rs. 2,75,474/-) for OYGTA Risk Premium is charged to Statement of Profit and Loss.
- (b) Liability for Leave encashment benefits is accounted for on basis of actuarial valuation

**(xii) A. Foreign Currency Transactions:**

- (a) Transactions arising in foreign currency for exports/ imports of goods are accounted for at rates of exchange prevailing on the dates of transactions.
- (b) Foreign currency monetary items at the Balance Sheet date are translated at the exchange rates prevailing on the date of the Balance Sheet
- (c) Exchange rate differences resulting from foreign exchange transactions on revenue account, settled during the year, including on year end translation of monetary items, are recognized in Statement of Profit & Loss.



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

**B. Exchange Forward Contracts:**

- (a) The Company uses Exchange Forward Contracts to hedge its risks associated with foreign currency related to firm commitments and highly probable forecasted transactions. The management has certified that the Company has not entered into any forward contracts which are intended for trading or speculation purposes. The Company has not entered in to any derivative contract to hedge the exchange risk.
- (b) Profit/ Loss on cancellation or renewal of forward Exchange contracts are accounted for as income/ Expense for the period.
- (c) The Company has accounted for Mark to Market (MTM) gain (net) of Rs. 46,67,652/- (P.Y. 6,23,37,695/-) as per Bank Statement for MTM. MTM net gain includes component of premium/discount in respect of the aforesaid outstanding forward exchange contracts.

**(xiii) Export benefits:**

- (a) Duty Drawback benefits are accounted for on accrual basis.
- (b) Premium for transfer of duty credit scripts under MEIS/ Focus Product/ Market Schemes and Premium in respect of such entitlements of Rs. 2,59,99,948/- (P.Y. 1,40,52,474/-) in hand as on the close of the year and or entitlements to be received are accounted for on accrual basis, which is being valued at net estimated realizable value.

**(xiv) Borrowing Costs:**

Interest and other costs on borrowing funds used to finance the acquisition of fixed assets, up to the dates the assets are put to use, are estimated and capitalized under respective fixed assets. Other interest and costs incurred by the Company in connection with the borrowing of funds are recognized as expenses in the period in which they are incurred.

**(xv) Research and Development:**

Routine research and development expenditure considered as of revenue nature are recognized as an expense in the period in which it is incurred. Such expenditure are included under various accounts in Notes 24 to 26, the amount whereof cannot be separately ascertained and stated. The expenditure of capital nature, if any, is capitalized as fixed assets

**(xvi) Provision for taxation:**

**(A) Current tax :-**

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

**(B) Deferred tax:**

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

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

Interest subsidy received under Technology Upgradation Fund Scheme and under Rajasthan Investment Promotion Scheme, 2003 are being adjusted with interest paid on Term Loans to Banks in Note 25 of Finance Costs.

**(xviii) Impairment of Assets:**

As required by AS-28 "Impairment of Assets" issued by the Institute of Chartered Accountants of India, no provision for impairment loss of assets is required to be made as in view of the management the estimated realizable value of such assets will be more or equal to the carrying amount stated in the Balance Sheet.

**(xix) Provisions, Contingent Liabilities and Contingent Assets:**

- (a) Provisions are recognized in respect of obligations where, based on the evidences available, and their existence at the Balance Sheet date, are considered probable.



(b) Contingent Liabilities are shown by way of Notes on accounts (refer note 3 below) in respect of obligations where, based on the evidences available, their existence at the Balance Sheet are considered not probable.

(c) Contingent Assets are neither recognized nor disclosed in Accounts.

	31 <sup>st</sup> March, 2016 Rs.	31 <sup>st</sup> March, 2015 Rs.
<b>2</b> Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances of Rs.13,73,173/- (Previous year Rs. 1,14,19,621/-)	<b>1,23,58,559</b>	64,00,093
<b>3</b> Contingent Liabilities not provided for in respect of		
i) Bonds executed in favour of Customs and Excise Authorities	<b>1,00,00,000</b>	1,00,00,000
ii) Foreign Bills discounted with Banks	<b>30,23,57,881</b>	28,77,22,085
iii) Unexpired letter of Credit	<b>1,10,00,000</b>	2,45,78,602
iv) Claims not acknowledged as debts (Disputed by the Company and or appealed against);		
a) Demand of Income Tax	<b>2,50,07,550</b>	1,54,33,480
b) Demands by Excise department (including for Service Tax )	<b>47,86,725</b>	47,86,725
c) Demands of Sales Tax.	<b>31,240</b>	31,240
d) Demands of workers	<b>9,73,375</b>	8,80,833
e) Liability if any arising against appeal filed by income tax department against order passed by CIT appeals for the A.Y. 2010-11 & 2011-12 will be provided on final decision.		
v) Custom duty along with applicable amount of interest payable for non- fulfilment of export obligations (if any) within allowed time of eight years (upto 31-03-2020) for import of Capital goods under EPCG scheme	-	20,53,382
<b>4</b> In the opinion of the Board of Directors, the Assets (other than Fixed Assets and Non-Current Investments), Trade Receivables, Loans, Advances and Deposits are approximately of the value stated, if realized in the ordinary course of business, unless otherwise stated. The provisions for liabilities except as stated above are adequate and not in excess of the amount reasonably necessary.		
<b>5</b> M/s V.S. Lignite Power Pvt. Ltd., from whom Company is purchasing power, was raising bills up to 31.03.2015 part of which was disputed by the Company, though being charged under the head Power and Fuel Account in Note 26. The dispute was referred to arbitration and the arbitrators settled the dispute in favour of the Company. M/S V.S. Lignite Power Pvt. Ltd. had filed an appeal in Session Court in earlier year and the Session Court had also decided the matter in favour of the Company. But the said Company filed further appeal with Honorable Rajasthan High Court at Jaipur Bench and such case for Rs.3,87,90,346/- is still pending in Rajasthan High Court at Jaipur Bench. Liability, if any, arising on such appeal is intended to be provided as and when the case is finally decided		
<b>6</b> <b>Amount Paid/Payable to Auditors:</b>		
a) Statutory Audit Fee	<b>6,50,000</b>	6,50,000
b) Tax Audit Fee	<b>2,15,000</b>	2,15,000
c) Limited Review of Quartely un-audited results	<b>54,000</b>	54,000
d) Certification for Corporate Governance and others	<b>99,500</b>	1,14,500
e) For Reimbursement of Expenses for Audit and other matters	<b>70,080</b>	1,02,918
f) Gratuity Trust Audit Fee	<b>6,000</b>	6,000
g) Service Tax/ Education Cess	<b>1,51,844</b>	1,28,483
	<b><u>12,46,424</u></b>	<b><u>12,70,901</u></b>



	31 <sup>st</sup> March 2016		31 <sup>st</sup> March 2015	
	Rs.	Rs.	Rs.	Rs.
	Miscellaneous Expenses as per Note 26 includes Rs. 1,60,000/- (Previous year Rs. Nil ) paid for taxation matters to a firm in which any of the partners of the firm of Auditors are partners/ proprietor.			
7	i) Accounts in respect of Current and Non-Current Liabilities, Trade Receivables , Other Current Assets, Loans and Advances and Deposits are subject to confirmations of respective parties.			
	ii) The management has certified that the Company has not received any intimation from suppliers regarding their status under the Micro , Small and Medium Enterprises Development Act, 2006 and hence, disclosures, if any, relating to total outstanding dues of Micro Enterprises and Small Enterprises and the Principal amount and Interest due thereon remaining unpaid and the amount of Interest paid/ payable as required under amended Schedule III of the Companies Act.2013 could not be compiled and disclosed. The Auditors have relied on the certificate of the management in this regard.Copies of letters written to the suppliers seeking information regarding their status were also not available for Auditors verification.			
	iii) Prior period items adjusted under respective account heads in the Statement of Profit & Loss			

Particulars	Debit (Rs.)	Credit (Rs.)	Debit (Rs.)	Credit (Rs.)
Interest paid/ received	-	-	-	2,16,470
Interest Subsidy Received	-	-	-	15,04,436
Salary & Wages	-	-	-	-
Miscellaneous Expenses (net)	-	-	5,69,940	-
Commission & Brokerage	-	-	-	-
Bank Charges	-	-	-	-
Insurance Premium (EDLI)	-	-	-	-
Rates & Taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>5,69,940</u>	<u>17,20,906</u>

iv) Details of Capital work in progress				
1 Plant and Equipment under installation and Buildings under construction (including materials at site)		36,50,556		8,28,752
2 Plant and Equipment in Transit		72,92,661		1,58,39,557
3 Expenses considered by the Company as incidental expenses on Expansion (Pending allocation to Fixed Assets)				
Legal and Professional Fees and expenses	1,65,443		13,41,793	
Upfront Fees	17,317		1,40,450	
Filing and other fees for increase of Authorised Share Capital	-		-	
Interest on Term Loans	13,21,637		40,89,895	
Others Miscellaneous Expenses	4,11,092		17,11,527	
	<u>19,15,489</u>		<u>72,83,665</u>	
Less : Allocated by the Mangement to Fixed Assets	<u>19,15,489</u>	-	<u>63,85,529</u>	<u>8,98,136</u>
		<u>1,09,43,217</u>		<u>1,75,66,445</u>



31st March, 2016

31st March, 2015

Rs. Rs.

Rs. Rs.

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

	Rs.	Rs.	Rs.	Rs.
	<u>Doubtful Debts and advances</u>		<u>Doubtful Debts and advances</u>	
(a) Movement for Provisions for Liabilities				
<b>Balance as on 01.04.2015 / 01.04.2014</b>		<b>79,500</b>		8,10,280
Provided during the year		-		-
Amount used during the year		-		7,30,780
<b>Balance as at 31.03.2016 / 31.03.2015</b>		<b>79,500</b>		79,500
		<u>Rs.</u>		<u>Rs.</u>
		<u>Leave Encashment Benefits</u>		<u>Leave Encashment Benefits</u>
(b) Movement for Provisions for Liabilities				
<b>Balance as on 01.04.2015 / 01.04.2014</b>		<b>79,34,010</b>		66,77,675
Provided during the year		<b>14,46,543</b>		19,36,832
Amount used during the year		<b>13,56,441</b>		6,80,497
<b>Balance as at 31.03.2016 / 31.03.2015</b>		<b>80,24,112</b>		79,34,010
		<u>Rs.</u>		<u>Rs.</u>
		<u>Bonus</u>		<u>Bonus</u>
(c) Movement for Provisions for Liabilities				
<b>Balance as on 01.04.2015 / 01.04.2014</b>		<b>35,30,000</b>		32,50,000
Provided during the year		<b>72,70,000</b>		35,30,000
Amount used during the year		<b>35,30,000</b>		32,50,000
<b>Balance as at 31.03.2016 / 31.03.2015</b>		<b>72,70,000</b>		35,30,000
		<u>Rs.</u>		<u>Rs.</u>
		<u>Gratuity</u>		<u>Gratuity</u>
(d) Movement for Provisions for Liabilities				
<b>Balance as on 01.04.2015 / 01.04.2014</b>		<b>1,02,08,930</b>		29,19,374
Provided during the year		<b>78,61,615</b>		1,32,89,556
Amount used during the year		<b>70,00,000</b>		60,00,000
<b>Balance as at 31.03.2016 / 31.03.2015</b>		<b>1,10,70,545</b>		1,02,08,930

vi) Disclosure of Foreign Currency Exposure as on 31.03.2016 (P.Y. 31.03.2015)

a. Foreign Currency Exposure hedged and Forward booking outstanding as on 31.03.2016 (P.Y. 31.03.2015)

	<u>Currency</u>			<u>Currency</u>		
	<u>Rupees</u>	<u>USD</u>	<u>Euro</u>	<u>Rupees</u>	<u>USD</u>	<u>Euro</u>
1 Exports (USD)	38,35,09,143	55,19,279	-	33,30,56,960	52,00,000	-
2 Exports (Euro)	28,23,97,951	-	36,37,506	50,45,83,124	-	63,50,000
3 FCNR Loan (SBI)	8,17,77,291	12,01,000	-	-	-	-
FCNR Loan (IDBI)	3,93,29,881	5,72,720	-	-	-	-

b. Foreign Currency Exposure not hedged and outstanding as on 31.03.2016 (P.Y. 31.03.2015)

	<u>Currency</u>			<u>Currency</u>		
	<u>Rupees</u>	<u>USD</u>	<u>Euro</u>	<u>Rupees</u>	<u>USD</u>	<u>Euro</u>
1 Export Debtors	-	-	-	2,51,98,470	1,14,281	2,70,413
2 Bank Balances	-	-	-	-	-	-
3 Advances from overseas customers	1,27,70,865	1,40,984	42,700	96,64,262	1,53,255	-
4 FCNR Loan (SBI)	8,01,90,770	12,01,000	-	-	-	-
5 Buyers Credit (PNB HK)	4,07,96,465	-	5,43,805	3,17,82,116	-	4,64,515



- vii) Advances of Rs. 30,00,000/- (P.Y. Rs. 20,00,000/-) as referred to under (a) in Note 18 are for payments to SBI Life Insurance Company Ltd. towards Life Insurance Premium against SBI Life-Flexi Smart Plus Policies dated 31.03.2014 on Life of Sri Rahul Shroff and Sri Ameya Shroff, Whole Time Directors -Designated as Executive Directors, of the Company. Maturity amount alongwith bonus and other benefits, if any, will be received by the Company on the maturity of the Policies. The above Policies are endorsed and assigned with effect from 23.04.2014 in favour of Sri Rahul Shroff and Sri Ameya Shroff respectively, which will be effective in case of the death of the life assured or if Company achieves yearly turnover growth of 30% for five years. Yearly premium of Rs. 500000/- in respect of each of the policies is payable by the Company upto 31-03-2019.
- (viii) Part of the Unsecured Loans classified as Long Term Liability in the previous year, was repaid during the year at specific request of the lender to meet their urgent financial requirements, in spite of their earlier commitment that the loan amount will not be withdrawn in next one year. However the same was replaced with unsecured loan from other parties who have also given similar commitment to not seek repayment before one year.
- (ix) As per Section 135 (5) of the Companies Act, 2013, Company was required to spend 2% of the average net profit made during three immediate financial year which works out to be Rs. 17,46,470 against which the Company has incurred only Rs. 1,45,000 during the year.

## 8 Related Party Disclosures

As certified by the Management

### (A) List of Related Parties

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

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

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

- Mr. Sanjiv Shroff (Managing Director)
- Mr. R.N.Sharma (Wholetime Director)
- Mr. Shanker Lal Shroff, Chairman Emeritus (Father of Mr. Sanjiv Shroff)
- Mrs. Bimla Devi Shroff (Mother of Mr. Sanjiv Shroff)
- Mrs. Dipika Shroff, Non- Executive Director
- Mr. Rahul Shroff (Wholetime Director Designated as Executive Director)
- Mr. Ameya Shroff (Wholetime Director Designated as Executive Director)
- Mr. N.G.Khaitan (Non-Executive Director) Partner in Solicitor Firms

## DETAILS OF RELATED PARTY TRANSACTIONS

Name	31.03.2016		31.03.2015	
	Amount	Amount due Outstanding as on 31.03.16	Amount	Amount due Outstanding as on 31.03.15
<b>Deposits (Against Rent) taken</b>				
Spell Fashions Pvt.Ltd.	-	51,000	-	51,000
<b>Allotment of Preference Shares</b>				
Modern Fibotex India Ltd.	-	-	15,00,000	-
A.R. Commercial Private Ltd	-	-	1,25,00,000	-
Shri Shanker Lal Shroff	-	-	50,00,000	-
Shanker Lal Sanjiv Shroff HUF	-	-	10,00,000	-
Sanjiv Shroff HUF	-	-	5,00,000	-
Smt Dipika Shroff	-	-	25,00,000	-
Shri Rahul Shroff	-	-	20,00,000	-
<b>Legal &amp; Professional Expenses Paid</b>				
M/s Khaitan & Co. LLP	1,37,500	-	3,39,600	-



	31 <sup>st</sup> March 2016		31 <sup>st</sup> March 2015	
	Rs.	Rs.	Rs.	Rs.
<b>Directors Sitting Fees</b>				
Shri N.G. Khaitan	60,000	-	60,000	-
<b>Dividend paid on equity Shares</b>				
Shri N.G. Khaitan	100	-	25	-
Modern Fibotex India Ltd.	10,51,179	-	2,62,795	-
Shri Shanker Lal Shroff	1,95,650	-	48,913	-
Shri Sanjiv Shroff	83,800	-	20,950	-
Shri R.N. Sharma	50	-	13	-
Smt. Bimla Devi Shroff	1,57,800	-	39,450	-
Smt. Dipika Shroff	1,49,150	-	37,288	-
Sunrise Producers Pvt.Ltd.	1,80,000	-	45,000	-
A.S Chemotex Private Limited	1,90,000	-	-	-
<b>Dividend paid on Preference Shares</b>				
Modern Fibotex India Ltd.	1,42,75,411	-	33,93,442	-
Shri Shanker Lal Shroff	7,01,370	-	1,50,000	-
Shri Sanjiv Shroff	14,00,000	-	3,50,000	-
Smt. Bimla Devi Shroff	1,00,000	-	25,000	-
Smt. Dipika Shroff	1,30,685	-	20,000	-
A.S.Chemotex Pvt.Ltd.	7,50,000	-	1,87,500	-
A.R.Fibtex Pvt.Ltd.	19,50,000	-	4,87,500	-
Sunrise Producers Pvt.Ltd.	7,50,000	-	1,87,500	-
Shri Rahul Shroff	2,40,548	-	50,000	-
Syt Sanjiv Shroff HUF	10,137	-	-	-
Syt Shanker Lal Shroff HUF	20,274	-	-	-
A.R. Commercial Private Limited	2,53,424	-	-	-
<b>Lease Rent Received</b>				
Spell Fashions Private Limited	3,60,000	-	3,60,000	-
<b>Interest paid/ payable on Loans taken</b>				
Modern Fibotex India Ltd.	11,87,326	-	-	-
A.R.Commercial Pvt.Ltd.	16,66,422	-	29,57,041	-
Sunrise Producers Pvt.Ltd.	12,03,288	-	11,00,000	9,90,000
A.R.Fibtex Pvt.Ltd.	15,74,959	-	19,80,000	-
Shri Sanjiv Shroff	-	-	7,655	-
Shri Rahul Shroff	-	-	38,274	-
Shri Ameya Shroff	-	-	38,274	-
<b>Loan Received</b>				
A.R. Fibtex Private Limited	-	55,00,000	-	1,80,00,000
A.R. Commercial Private Limited	-	-	-	2,32,00,000
Sunrise Producers Private Limited	-	1,00,00,000	-	1,00,00,000
Modern Fibotex India Limited	3,80,50,000	2,70,50,000	-	-





	31 <sup>st</sup> March 2016		31 <sup>st</sup> March 2015	
	Rs.	Rs.	Rs.	Rs.
<b>Repayment of Loans Received</b>				
Shri Sanjiv Shroff	-	-	1,00,000	-
A.R. Fibtex Pvt Ltd	<b>1,25,00,000</b>	-	-	-
A.R. Commerical Pvt Ltd	<b>2,32,00,000</b>	-	40,00,000	-
Sunrise Producers Pvt Ltd	-	-	-	-
Shri Rahul Shroff	-	-	5,00,000	-
Shri Ameya Shroff	-	-	5,00,000	-
Modern Fibotex India Limited	<b>1,10,00,000</b>	-	-	-
<b>Pledge of Equity Shares of Rs.10/- each (a)</b>				
Shri Shanker Lal Shroff	-	<b>19,56,500</b>	-	19,56,500
Smt. Bimla Devi Shroff	-	<b>15,78,000</b>	-	15,78,000
Smt. Dipika Shroff	-	<b>14,91,500</b>	-	14,91,500
Shri Sanjiv Shroff	-	<b>8,38,000</b>	-	8,38,000
<b>Pledge of Preference Shares of Rs.100/- each (a)</b>				
Modern Fibotex India Ltd.	-	<b>1,50,00,000</b>	-	1,50,00,000
Shri Shanker Lal Shroff	-	<b>60,00,000</b>	-	60,00,000
Shri Sanjiv Shroff	-	<b>1,15,00,000</b>	-	1,15,00,000
<b>Managerial Remuneration</b>				
Shri Sanjiv Shroff	<b>31,02,886</b>	-	30,67,194	-
Shri R.N. Sharma	<b>22,39,950</b>	-	22,41,050	-
Shri Rahul Shroff	<b>25,40,712</b>	-	24,79,088	-
Shri Ameya Shroff	<b>17,45,858</b>	-	16,27,758	-
<b>Rent Paid</b>				
Indo Textiles & Fibres Ltd	<b>45,00,000</b>	-	45,00,000	-
A.S. Chemotex Pvt.Ltd.	<b>18,00,000</b>	-	18,00,000	-
A.R.Commercial Pvt.Ltd.	<b>18,00,000</b>	-	18,00,000	-
<b>Security deposit Paid/ (Refund)</b>				
Indo Textiles & Fibres Ltd	-	<b>1,10,00,000</b>	98,00,000	1,10,00,000
A.S.Chemotex Pvt.Ltd.	-	<b>10,00,000</b>	1,00,000	10,00,000
A.R.Commercial Pvt.Ltd.	-	<b>1,00,00,000</b>	(1,00,00,000)	1,00,00,000
<b>Telephone Charges recovered</b>				
Shri Sanjiv Shroff	<b>36,000</b>	-	72,000	-

- (a) For financial accomodation by the banks to the Company.  
(b) Subject to Note 7(viii) above.  
(c) No amounts were written off or written back during the period in respect of debts due from or to related parties.



	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
	Rs.	Rs.
<b>9 Earnings Per Share (EPS)-</b>		
The numerators and denominators used to calculate Basic and Diluted Earnings Per Share:		
i) Profit (after tax and dividend on Preference Shares) attributable to the Equity Shareholders (A)	<b>(24,64,183)</b>	4,02,05,214
ii) Basic/Weighted average number of Equity Shares outstanding during the year (B)	<b>39,76,650</b>	39,76,650
iii) Nominal value of Equity shares (Rs.)	<b>10</b>	10
iv) Basic/Diluted Earnings per Share (Rs.) (A) / (B)	<b>(0.62)</b>	10.11
<b>10</b>		
The Company had entered into an agreement dated 22.02.07 (as amended by agreement dt. 01.07.2008) with M/s Marudhar Power Private Limited (Subsequently name changed to VS Lignite Power Private Limited), setting up a Group Captive Power Plant, at Bikaner in the State of Rajasthan, for supply of 8MW of Power also to the Company and in pursuance to such agreements, the Company had subscribed for 16,74,719 Class "A" Equity Shares of Rs.10/- each fully paid at a total value of Rs. 1,67,47,190/- and for 14,85,629 Class "A" 0.01% Cumulative Redeemable Preference Shares of Rs.10/- each fully paid at a total value of Rs.1,48,56,290/- and the same have been classified as "Non- Current Investments" in Note "12" as "Trade Investments"		
Further, the Company had agreed to create lien on the aforesaid Shares at appropriate time in favour of M/s VS Lignite Power Private Limited (Formerly known as Marudhar Power Private Limited), as per terms of the Charter Documents as security towards its obligation under the Power delivery Agreement dated 22.02.2007 and as amended by agreement dt. 01.07.2008 (also refer Note 1(vi)(c) above)		
<b>11 Segment Reporting Policies</b>		
<b>(a) Identification of Segments:</b>		
<b>(i) Primary Segment - Business Segment</b>		
The Company's operation predominantly comprises of only one segment i.e. Manufacturing of Synthetic Blended Yarn. In view of the same, separate segmental information is not required to be given as per the requirements of Accounting Standard 17 - "Segment Reporting" issued by The Institute of Chartered Accountants of India.		
<b>(ii) Secondary Segment - Geographical Segment -</b>		
The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:		
Sales within India include sales to customers located within India		
Sales outside India include sales to customers located outside India		
<b>(b) Information pertaining to Secondary Segment</b>		
<b>(i) Gross Revenue as per Geographical Locations</b>		
Within India	<b>84,04,57,706</b>	96,57,51,798
Outside India	<b>1,69,33,32,929 (a)</b>	1,35,78,68,570 (a)
Total	<b><u>2,53,37,90,635</u></b>	<u>2,32,36,20,368</u>
(a) Includes Rs. 90,12,467/- (P.Y. Rs. 1,04,73,799/- ) Exports through Export House/ Merchant Exporters.		
<b>(ii) Fixed Assets as per Geographical Locations</b>		
The entire activity pertaining to sales outside India is carried out from Fixed Assets in India and there are no Fixed Assets outside India.		



	31 <sup>st</sup> March 2016		31 <sup>st</sup> March 2015	
	Rs.	Rs.	Rs.	Rs.
<b>12 ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF SCHEDULE III OF THE COMPANIES ACT, 2013</b>				
<b>(i) C.I.F. Value of Imports:</b>				
Raw Materials	1,63,29,646		69,511	
Capital Goods	71,35,364		4,93,79,161	
Stores & Spare parts	<u>15,35,114</u>	<u>2,50,00,124</u>	<u>16,25,575</u>	<u>5,10,74,247</u>
<b>(ii) Expenditure in Foreign Currency:</b>				
Travel (Purchase of travellers cheques / foreign exchange / currencies)	66,10,953		59,82,373	
Commission (on remittance basis)	5,08,69,426		5,22,58,593	
Others	<u>18,72,171</u>	<u>5,93,52,550</u>	<u>11,84,280</u>	<u>5,94,25,246</u>
<b>(iii) Value of Raw Materials, Stores and Spare Parts &amp; components consumed:</b>	<b>Rs.</b>	<b>%age</b>	<b>Rs.</b>	<b>%age</b>
<b>a) Raw Materials</b>				
Indigenous	1,42,50,89,803	99.63	1,40,30,07,767	100.00
Imported	<u>53,44,335</u>	<u>0.37</u>	<u>42,381</u>	<u>0.00</u>
	<u>1,43,04,34,138</u>	<u>100.00</u>	<u>1,40,30,50,148</u>	<u>100.00</u>
<b>b) Stores, Spares Parts and Components etc</b>				
Indigenous	18,99,75,934	99.13	18,21,70,219	99.00
Imported	<u>16,69,492</u>	<u>0.87</u>	<u>17,84,747</u>	<u>1.00</u>
	<u>19,16,45,426</u>	<u>100.00</u>	<u>18,39,54,966</u>	<u>100.00</u>
<b>(iv) Amount remitted during the year in foreign currency on account of Dividend</b>				
		<b>Final Dividend</b>		<b>Final Dividend</b>
a) Amount remitted		28,450 (a)		13,525 (a)
b) Year to which Dividend relates.		2014-15		2013-14
c) Number of non-resident shareholders		13		51
d) Number of equity shares held by non-resident shareholders on which the Dividend are remitted		28,450		54,098
(a) No amount paid in foreign currency but deposited in non resident rupee account.				
<b>(v) Earnings in Foreign Exchange:</b>				
Exports of Goods				
Direct exports calculated on FOB basis		<u>1,64,58,54,193 (a)</u>		<u>1,30,43,42,371 (a)</u>
(a) Excluding Rs. 90,12,467/- (P.Y. Rs.1,04,73,799/- ) through export houses/ merchant exporters.				



	31 <sup>st</sup> March 2016		31 <sup>st</sup> March 2015	
	Rs.	Rs.	Rs.	Rs.
13. The disclosures required as per the revised Accounting Standards (AS-15- Employee Benefits) notified under the Companies (Accounting Standards) Rules, 2006 are as under :				
<b>Defined - Contribution Plans</b>				
The Company offers its employees defined contribution plan in the form of provident fund(PF), family pensions fund (FPF) and Employees Insurance Scheme (ESI). Provident Fund, Family Pension Fund Employees State Insurance Scheme cover substantially all regular employees. Contribution are paid during the year into separate funds under certain fiduciary-type arrangements. Both the employees and the Company pay predetermined contribution into the provident funds, family pension fund and the Employees State Insurance Scheme. The Contributions are normally based on a certain proportion of the employee's salary.				
Contribution to Defined Benefit Plan, recognized and charged off for the year are as under (excluding for on contracts payments):				
	<u>Rs.</u>		<u>Rs.</u>	
Provident Fund	<b>63,83,396</b>		62,12,840	
Family Pension Fund	<b>84,83,089</b>		75,22,332	
Employees State Insurance Scheme	<b>72,80,553</b>		68,07,964	
<b>Defined - Benefit Plans</b>				
The Company offers its employees defined- benefit Plans in the form of a Gratuity Scheme. Benefits under the defined benefit plan is typically based either on years of service and the employee's compensation (generally immediately before retirement). The Gratuity scheme covers substantially all regular employees. The Company contributes funds to Life Insurance Corporation of India, which is irrevocable. Commitments are actuarially determined at year end. The actuarial valuation is done based on ""Projected Unit Credit"" method. Gains & Losses of changed actuarial assumptions are charged to the profit and loss account. The obligations for leave encashment is recognised in the same manner as gratuity.				
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
a. Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit obligation at beginning of the year	<b>4,35,29,206</b>	<b>79,34,010</b>	3,64,20,706	66,77,675
Current Service Cost	<b>47,03,107</b>	<b>26,06,880</b>	46,29,560	37,85,850
Interest Cost	<b>30,52,101</b>	<b>5,69,579</b>	30,54,049	5,83,043
Actuarial (gain)/ Loss	<b>(30,352)</b>	<b>(17,29,916)</b>	58,73,935	(24,32,061)
Benefits paid	<b>(92,97,881)</b>	<b>(13,56,441)</b>	(64,49,044)	(6,80,497)
Defined Benefit Obligation at year end	<b>4,19,56,181</b>	<b>80,24,112</b>	4,35,29,206	79,34,010
b. Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at beginning of the year	<b>1,66,60,138</b>	-	1,67,50,666	-
Expected return on plan assets	-	-	(7,12,016)	-
Adjustment to opening fair value of Plan assets	<b>13,39,300</b>	-	14,46,900	-
Actuarial gain/ (Loss)	<b>1,50,334</b>	-	(32,225)	-
Employer contribution	<b>65,90,927</b>	<b>13,56,441</b>	56,55,857	6,80,497
Benefits Paid	<b>(92,97,881)</b>	<b>(13,56,441)</b>	(64,49,044)	(6,80,497)
Fair Value of plan assets at year end	<b>1,54,42,818</b>	-	1,66,60,138	-
The Plan Assets of the Company are managed by the LIC and the composition of investments relating to these assets are not available with the Company.				
c. Reconciliation of fair value of Assets and obligations				
Fair value of Plan assets as at 31st March 2014/2015	<b>1,54,42,818</b>	-	1,66,60,138	-
Present value of obligation as at 31st March 2015/2016	<b>2,65,13,363</b>	<b>80,24,112</b>	2,68,69,068	79,34,010
Amount recognised in Balance Sheet	<b>1,10,70,545</b>	<b>80,24,112</b>	1,02,08,930	79,34,010



	31 <sup>st</sup> March 2016		31 <sup>st</sup> March 2015	
	Rs.	Rs.	Rs.	Rs.
d Expenses recognised during the year (Under the head Employee Benefit Expenses - Note - 24)				
Current Service Cost	47,03,107	26,06,880	46,29,560	37,85,850
Interest Cost	30,52,101	5,69,579	30,54,049	5,83,043
Expected return on Plan Assets	(13,39,300)	-	(14,46,900)	-
Actuarial (gain)/ Loss	(1,80,686)	(17,29,916)	59,06,160	(24,32,061)
Net Cost	<u>62,35,222 (A)</u>	<u>14,46,543</u>	<u>1,21,42,869 (A)</u>	<u>19,36,832</u>

(A) These figures are pending reconciliation by the management with the relative figures as per "Employee Benefits Expense" in Note 24. The likely impact, after such reconciliation on the results for the year/ earlier years and on the year end Assets/ Liabilities, could not be ascertained and stated.

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

Particulars

Discount Rates	8.00%	8.00%	7.85%	7.85%
Salary Escalation	4.00%	4.00%	4.00%	4.00%
Expected Rate of return on Plan Assets	8.75%		8.75%	
Mortality Rates	LIC (1994-96) Ultimate		LIC (1994-96) Ultimate	

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

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

**Signatures to Notes 1 to 27**

As per our attached Report of even date.

On behalf of the Board of Directors

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

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

Camp : Mumbai  
Dated : 24/05/2016

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

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

**RAVINDRA KALA**  
Chief Financial  
Officer

**SANJIV SHROFF**  
Vice Chairman &  
Managing Director  
DIN- 00296008

**RAHUL SHROFF**  
Executive Director  
DIN - 02301693



Amount in Rs

**CASH FLOW STATEMENT**

	Current Year 31.03.2016	Previous Year 31.03.2015
<b>Cash flows from operating activities</b>		
Net Profit before tax and extraordinary items	1,70,90,595	9,05,38,755
Adjustments for:		
Depreciation	6,59,68,389	5,74,09,781
Interest Income	(1,82,45,619)	(2,40,32,661)
Dividend Income	-	-
Interest Expense	7,97,16,851	6,93,37,066
Foreign Exchange Loss (Gain)	5,93,593	(13,85,80,044)
Loss (Profit ) on sale of tangible assets	(4,95,516)	(29,75,498)
Fixed assets discarded	-	48,346
<b>Operating profit before working capital changes</b>	<b>14,46,28,293</b>	<b>5,17,45,745</b>
(Increase)/ Decrease in current investment	-	-
(Increase)/ Decrease in trade receivable	(7,51,42,951)	4,41,09,609
(Increase)/ Decrease in inventories	(4,74,49,989)	(11,30,95,892)
(Increase)/ Decrease in Short Term Loans and advances	45,55,908	(62,26,604)
(Increase)/ Decrease in other current assets	4,34,61,732	(4,34,26,972)
(Increase)/ Decrease in other non-current assets*	-	-
(Increase)/ Decrease in Long Term Loans and advances	(27,16,759)	32,55,922
Increase/ (Decrease) in trade payables	6,30,98,933	7,14,10,270
Increase/ (Decrease) in provisions	9,82,073	85,45,891
Increase/ (Decrease) in other current liabilities *	(41,63,950)	25,22,438
<b>Working Capital Changes</b>	<b>(1,73,75,003)</b>	<b>(3,29,05,338)</b>
<b>Cash generated from operations</b>	<b>12,72,53,290</b>	<b>1,88,40,407</b>
Income Taxes paid	(42,96,774)	(1,81,78,903)
<b>Cash flow before extraordinary item</b>	<b>12,29,56,516</b>	<b>6,61,504</b>
Extraordinary items (Specifying nature)	-	-
<b>Net cash from investing activities</b>	<b>12,29,56,516</b>	<b>6,61,504</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(7,56,42,510)	(30,24,13,515)
Purchase of intangible fixed assets	(30,45,445)	(4,67,414)
Purchase of long term investments	-	-
Sale of tangible fixed assets	21,17,417	72,94,065
Increase / Decrease in Long Term Liabilities	(35,38,487)	21,25,233
Interest Received	1,82,45,619	2,40,32,661
Dividend Received	-	-
<b>Net cash from investing activities (B)</b>	<b>(6,18,63,406)</b>	<b>(26,94,28,970)</b>
<b>Cash Flows from financing activities</b>		
Proceeds from issuance of Share Capital	-	3,00,00,000
Proceeds from Premium on issue of Shares	20,90,000	-
Proceeds from long term borrowings	2,92,19,513	32,60,78,941
Repayment of long - term borrowings	(10,63,46,197)	(10,08,69,600)
Increase/ (Decrease) in Unsecured loans	(1,06,00,000)	(1,58,00,000)
Increase/ (Decrease) in Short Term Borrowing	13,41,97,934	(1,24,16,827)
Interest paid	(7,55,41,880)	(7,61,07,571)
Dividend paid	(2,50,65,187)	(61,32,898)
Dividend distribution tax	(50,20,171)	(9,89,101)
Foreign Exchange Gain( Loss)	(5,93,593)	13,85,80,044
<b>Net cash used in financing activities (C)</b>	<b>(5,76,59,580)</b>	<b>28,23,42,988</b>
<b>Net increase in cash and cash equivalents (A)+(B)+(C)</b>	<b>34,33,530</b>	<b>1,35,75,522</b>
<b>Cash &amp; Cash equivalents at beginning of period</b>	<b>4,49,68,147</b>	<b>2,79,96,159</b>
<b>Cash and cash equivalents at end of period</b>	<b>4,84,01,677</b>	<b>4,15,71,681</b>

Notes: (1) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India

(2) The above statement is also subject to and read together with the notes and observations on Accounts and Schedules attached there to.

As per our attached Report of even date.

On behalf of the Board of Directors

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

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

Camp : Mumbai  
Dated : 24/05/2016

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

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

**RAVINDRA KALA**  
Chief Financial  
Officer

**SANJIV SHROFF**  
Vice Chairman &  
Managing Director  
DIN- 00296008

**RAHUL SHROFF**  
Executive Director  
DIN - 02301693



# RELIANCE CHEMOTEX INDUSTRIES LIMITED

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

## PROXY FORM

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

\* Applicable for investors holding shares in electronic form.

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 12<sup>th</sup> day of September, 2016 at 10.30 A.M at Alka Hotel, Near Shastri Circle, Udaipur -313001 and at any adjournment hereof in respect of such resolutions as are indicated below:

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

S.No.	Resolution	For	Against
1	To, consider and adopt the audited financial statements of the company for the year ended march 31,2016, together with reports of the board and auditors thereon.		
2	To declare a final dividend of Rs. 10/- per 10% cumulative redeemable preference shares of Rs. 100/- each.		
3	To declare a final dividend of Rs. 1/- per equity shares of Rs 10/- each.		
4	To appoint a director in place of Mrs. Dipika Shroff, who retires by rotation, and being eligible, offer herself for re-appointment.		
5	Ratification of appointment of the statutory auditors of the company for the financial year 2016-17		
6.	Appointment of Mr. R.N Sharma as a Director of the company		
7	Re-appointment of Mr. Ameya Shroff as Executive Director of the company		
8	Increasing remuneration to Mr. Sanjiv Shroff, Managing Director of the company		
9	Increasing remuneration of Mr. Rahul Shroff, Executive Director of the company		
10	Ratification of remuneration to the cost auditors		

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



Affix Revenue Stamp

Signed this ..... day of..... 2016

Signature of shareholder.....

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

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

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



**Notes:**

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



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

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

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

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

**ATTENDANCESLIP**

I/We.....R/ o ..... hereby record my presence at the 38<sup>th</sup> ANNUAL GENERAL MEETING of the Company at Alka Hotel, Near Shastri Circle, Udaipur- 313 001 on Monday the 12<sup>th</sup> September, 2016 at 10.30 A.M.

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

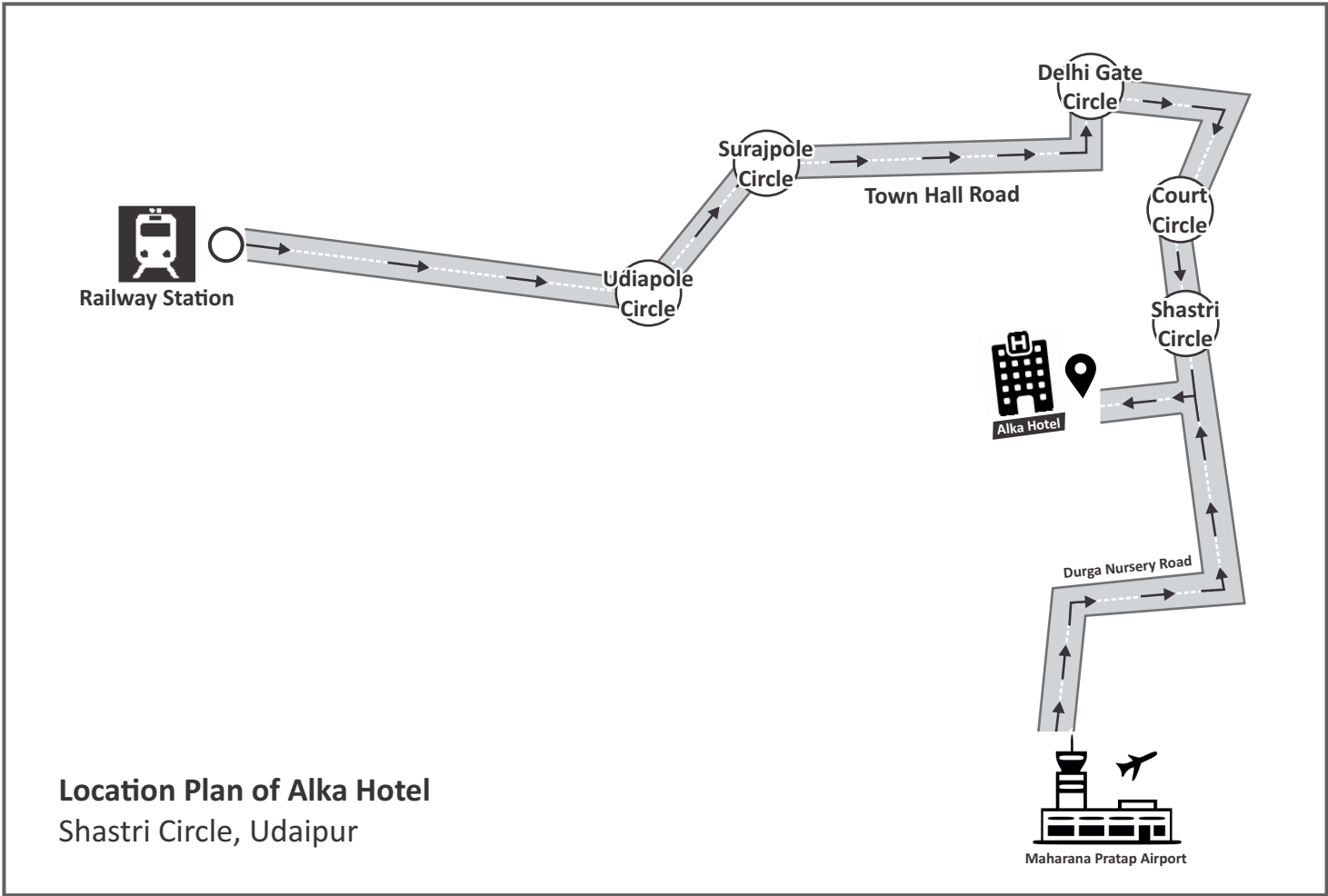
\* Applicable for investors holding shares in electronic form.

Signature of shareholder(s)/ proxy

**Note:**

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







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

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

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**Dear Shareholders,**

Re: Green Initiative in Corporate Governance

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

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

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

For Reliance Chemotex Industries Limited

**(Vimal Tank)**  
 Company Secretary

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

**ECS MANDATE FORM**

**Dear Shareholders,**

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

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

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

Please enclose the copy of Cancel Cheque for verification

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

Place :  
 Date :

Signature of Shareholder





