

REFNOL



36th Annual Report
2016 - 2017

REFNOL RESINS AND CHEMICALS LIMITED

ANNUAL REPORT 2016-2017

BOARD OF DIRECTORS	:	Shri Mahendra K. Khatau Shri Arup Basu Smt Asha M. Khatau Shri Bhalchandra Sontakke Shri S. Rajagopalan Smt. Hutoxy Dara Miller	Chairman Managing Director Director Director Director Director
CHIEF FINANCIAL OFFICER	:	Shri Vikas Agarwal	
COMPANY SECRETARY	:	Ms. Sumruti Anand (Resigned w.e.f. 14.07.2017) Mr. Bilal Topia (Appointed w.e.f. 11.08.2017)	
BANKERS	:	Indusind Bank Limited	
AUDITORS	:	M/s. G.P. Kapadia & Co. Chartered Accountants	
SECRETARIAL AUDITOR	:	M/s. Sandip Sheth and Associates Company Secretary	
REGISTERED OFFICE	:	Plot no. 410/411, Khatau House, Mogul Lane, Mahim, Mumbai – 400016.	
FACTORY & ADMINISTRATIVE OFFICE	:	Plot No. 23, Phase – III G.I.D.C Naroda, Ahmedabad- 382 330	
CIN	:	L24200MH1980PLC023507	
WEBSITE	:	www.refnol.com	
E-MAIL-ID	:	secretarial@refnol.com	
REGISTRAR AND SHARE TRANSFER AGENTS	:	M/s Link Intime India Pvt Ltd. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186270	

NOTICE

NOTICE IS HEREBY GIVEN THAT the 36th (Thirty Sixth) Annual General Meeting of the Members of REFNOL RESINS AND CHEMICALS LIMITED will be held on Friday, 29th September, 2017 at 12:00 NOON at its registered office at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. The Audited Financial Statements for the year ended on March 31, 2017, together with the Report of the Board of Directors (the Board) and Auditors thereon.
 - b. The Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2017.
2. To appoint a Director in place of Mrs. Asha Mahendra Khatau (DIN: 00063944), who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint statutory auditors of the Company in place of existing Statutory Auditors whose term expire at the ensuing Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provision of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), M/s. B. R. Shah & Associates, Chartered Accountants (Firm Registration No. 129053W), be and is hereby appointed as Statutory Auditors of the Company in place of retiring auditors M/s. G. P. Kapadia & Co., Chartered Accountant (Firm Registration Number: 104768W), to hold office as such from the conclusion of 36th Annual General Meeting (subject to ratification of their appointment by Members at every Annual General Meeting to be held after 36th Annual General Meeting) until the conclusion of 41st Annual General Meeting of the Company to be held in the calendar year 2022, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including Committee(s) of the Board), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

SPECIAL BUSINESS:

4. RE-APPOINTMENT OF MR. ARUPKUMAR BASU AS MANAGING DIRECTOR (DIN: 00906760) OF THE COMPANY:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 196, 197, 198 and 203, read with Schedule V and all other applicable provisions of the Companies Act, 2013, if any, (including any statutory modifications or re-enactment thereof, for the time being in force), read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any other statutory approvals, if any, the re-appointment of Shri Arupkumar Basu, as Managing Director of the Company for a period of 3 (Three) years commencing from 15th June 2017, as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors of the Company with such terms and conditions and powers and duties as set out in the explanatory statement & as detailed in the agreement as placed before the members duly initialed by the Chairman for the purpose of identification and further assented, be and is hereby approved and sanctioned, by the company, with liberty to the Board of Directors to vary the terms and conditions of the said re-appointment, as may be agreed to between the Board Members of the Company and Mr. Arupkumar Basu."

"RESOLVED FURTHER THAT the remuneration and perquisites set out in the aforesaid agreement be paid to Mr. Arupkumar Basu as minimum remuneration during the tenure of his re-appointment notwithstanding that in any financial year of the company during the aforesaid period, the Company has made no profits or the profits made are inadequate."

"RESOLVED FURTHER THAT the remuneration and perquisites including the monetary value thereof as specified in the agreement may be varied, increased, expanded, enhanced, enlarged, widened or altered not exceeding overall limit as prescribed under Schedule V and in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any amendments or re-enactments thereof and that the aforesaid agreement between the Company and Mr. Arupkumar Basu be suitably amended to give effect to the same in such manner as may be agreed to by and between the Board and Mr. Arupkumar Basu."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized, without any further reference / approval of the Members, to accept and alter and vary the terms and conditions of the said re-appointment or any amendments or modifications that may hereafter be made thereto within the permissible limits of Schedule V read with various provisions of the Act and rules made there under, once the same is approved by members of the company."

"FINALLY RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things necessary to implement this resolution in a manner most beneficial to the company."

5. TO CONSIDER AND DETERMINE THE FEES FOR DELIVERY OF ANY DOCUMENT THROUGH A PARTICULAR MODE OF DELIVERY TO A MEMBER

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed thereunder (including any statutory modifications or re-enactment thereof for the time being

in force), whereby a document may be served on any member by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivery to his office address or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member in advance Rs. 100/- (Rupees One Hundred only) per document/equivalent to the estimated actual expenses of delivery of the documents pursuant to any request made by the shareholder for delivery of such document to him through a particular mode of services mentioned above provided such request along with the requisite fee has been duly received by the Company at least one week advance of the dispatch of the document by the Company and that no such request shall be entertained by the Company to post the dispatch of such document by the Company to the shareholder."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such acts, deeds and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

REGISTERED OFFICE:

Plot No. 410/411,
Khatau House,
Mogul Lane, Mahim,
Mumbai – 400016.

Date : August 11, 2017

Place : Mumbai

For and on behalf of the Board

Sd/-

Mahendra K. Khatau

Chairman

(DIN: 00062794)

ANNEXURE TO NOTICE**NOTES:**

- 1. A Member entitled to attend and vote at the Annual General Meeting ('AGM') is entitled to appoint a proxy to attend and to vote on a poll instead of himself/herself and the proxy need not be a member of the Company.**
- 2. A person can act as a proxy on behalf of members' upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of the Annual General Meeting. Members may please note that a Proxy does not have the right to speak at the Meeting and can vote only on poll.**

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three (3) days written notice is given to the Company.

3. Corporate members are requested to send in advance, duly certified copy of the Board Resolution/ Power of Attorney authorizing their representative to attend the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2017 to 29th September, 2017 (both days inclusive) for the purpose of Annual General Meeting.
5. Only registered members of the Company or any proxy appointed by such registered member may attend the Annual General Meeting (AGM) as provided under the provisions of the Companies Act, 2013.
6. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forms part of the Notice.
7. All documents referred to in the Notice and the Explanatory Statement annexed hereto, are open for inspection upto two days prior to the said meeting, at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days of the Company (except Saturdays, Sundays and Government Holidays).
8. Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.
9. With a view to help us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write the Company to consolidate their holdings in one folio.
10. Members, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the numerous benefits of dematerialization, which includes easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
11. Alteration, if any, made in the Form of Proxy should be initialed.
12. Members to take note that Company's RTA changed their address from earlier one to below mentioned address. Members are requested to immediately address their communications regarding transfer of shares, change of address, etc. quoting their folio number(s) to the Company's Registrar & Transfer Agent:

LINK INTIME INDIA PVT LTD

C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083
Tel No: +91 22 49186270

13. The Company has been maintaining, inter alia, the following statutory registers at its registered office which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by members and others specified below:
- i) Registers of contracts or arrangements in which directors are interested under Section 189 of the Companies Act, 2013, on all working days during business hours. The said Registers shall also be produced at the commencement of Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
 - ii) Registers of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013, on all working days during business hours. The said Registers shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to a person attending the meeting.
14. Members/ Proxies are requested to bring their attendance slip duly filled and signed for attending the meeting along with their copy of Annual Report to the meeting. Proxies are requested to bring their identity proof at the meeting for the purpose of identification.
15. The Securities and Exchange Board of India (SEBI) has made it mandatory for every participant in the securities/ capital market to furnish Income Tax Permanent Account Number (PAN) for transactions involve transfer of shares. Therefore members holding shares in physical form are requested to furnish their PAN along with self- attested photocopy of PAN Card to the Share Transfer Agent. Members holding shares in demat form are requested to register the details of their PAN with their DPs.
16. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
17. Members may note that the Notice of the 36th Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website www.refnol.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office situated at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai- 400 016 for inspection between 11.00 a.m. and 1.00 p.m. on all working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: secretarial@refnol.com.
18. In line with the measures of Green Initiative, Companies Act, 2013, provides for sending notice of the meeting along with annual report to the Members through electronic mode. Members holding shares in physical mode are requested to register their e-mail Id's with the Company/RTA. Members holding shares in dematerialised mode are requested to register their e-mail id's with their respective DPs. If there is any change in the e-mail id already registered with the Company/RTA, Members are requested to immediately notify such change to the Company/RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
19. Members seeking any information or clarification on the Accounts and operation of the Company are requested to send in written queries to the Company, at least ten days before the date of the annual general meeting. Replies will be provided in respect of such written queries received only at the meeting.
20. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members to exercise their rights to vote at the 36th Annual General Meeting of the Company by electronic means through remote e- voting facility provided by Central Depository Services (India) Limited (CDSL). The Company has fixed 22nd September, 2017 as the "cut-off date" to determine the eligibility to vote by electronic means or in the general meeting. A person whose name is recorded in the register of "remote e-voting" (e-voting from a place other than venue of the AGM), to enable them to cast their votes at the 36th Annual General Meeting (AGM) and the business at the 36th AGM may be transacted through such voting.
21. The facility for voting through Ballot Paper shall be made available at the Annual General Meeting (AGM) and the members attending the meeting who have not cast their vote by Remote e-voting shall be able to exercise their right at the meeting through ballot paper.
22. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
- The Company has appointed M/s Sandip Sheth & Associates, Practicing Company Secretaries, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. The Scrutinizer shall make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, during the remote e-voting and voting at the AGM, not later than three days of conclusion of the meeting, to the Chairman or a person, authorised by him in writing. The Chairman or a person, authorised by him in writing, shall declare the results of the AGM forthwith. The results declared along with the Scrutinizer's report shall be placed on the Company's website and on the website of CDSL and shall be communicated to the Stock Exchanges.
23. Route map for directions to the venue of the meeting is provided in the Annual Report.
24. The instructions for shareholders voting electronically are as under:
- (i) The voting period begins on 25th September, 2017, (9.00 a.m.) and will end on 28th September, 2017 (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 Friday, 22nd September, 2017 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the remote e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.

- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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 and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

(xxi) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of notice and holding shares as on the cut-off date i.e. Friday, 22nd September, 2017, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User details/ password" option available on CDSL www.evotingindia.co.in or contact CDSL at the toll free number: 18002005533 or you can write to the Company Secretary / compliance officer of the Company you can write an e-mail to "secretarial@refnol.com".

(xxii) Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Sandip Sheth, Practicing Company Secretary, (Membership No. FCS 5467), at the Registered Office of the Company not later than Wednesday, 27th September, 2017 (5.00 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to secretarial@refnol.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Friday, 28th September, 2017 (5.00 p.m. IST).

Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

**EXPLANATORY STATEMENT
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("the Act")**

Item No. 2:

Mrs. Asha Mahendra Khatau retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for reappointment.

Mrs. Asha Mahendra Khatau (DIN: 00063944) aged about 59 (Fifty Nine), is possessing graduate degree having experience of more than 24 (Twenty Four) years. She possesses excellent administrative skills and knowledge. Her skill and knowledge is of immense help to the company in keeping abreast cordial relations of the employees with management cadre. Mrs. Asha Mahendra Khatau has Directorship in the following Companies;

1. Priyamvada Holdings Ltd
2. Asha Marine Products Private Limited
3. Emerald Capital Services Private Limited
4. Prism Plantations Private Limited
5. Indokem Limited
6. Chemron Texchem Private Limited

Resolution placed at item no. 2 of the notice is recommended for approval of the Shareholders.

Except Mrs. Asha Khatau and Mr. Mahendra Khatau; none of the Directors or Key Managerial Personnel (KMP) or their relatives of directors and KMP is concerned or interested, financially or otherwise in the Resolution at Item No. 2 of the Notice.

Annexure A

Details of the directors seeking Re-Appointment in the forthcoming Annual General Meeting

Name of the Director:	Asha Mahendra Khatau
Date of Birth:	06/11/1957
Date of Appointment:	30/12/1993
Relationship with Directors:	Relative (Wife) of Mr. Mahendra Khatau
Expertise in Specific Functional Area:	Excellent administrative skills and knowledge, having over 24 years of experience
Qualification:	Graduate
Board Membership of Companies as on March 31, 2017:	<ol style="list-style-type: none"> 1. Priyamvada Holdings Ltd 2. Asha Marine Products Private Limited 3. Emerald Capital Services Private Limited 4. Prism Plantations Private Limited 5. Indokem Limited 6. Chemron Texchem Private Limited
Chairman/Member of the Committee of the Board of directors as on March 31, 2017:	<ol style="list-style-type: none"> 1. Chairperson of Stakeholders' Relationship Committee 2. Member of Committee of Board of Directors 3. Member of Vigil Mechanism Committee
Number of Shares held in the Company as on March 31, 2017:	6768 Shares

Item No. 3:

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s. G. P. Kapadia & Co., Chartered Accountants, the present Auditors of the Company have completed their term as Statutory Auditors of the Company and their office is liable for compulsory rotation.

In view of the above, and on the recommendation of the audit committee, the board of directors of the Company on their meeting held on 11.08.2017 appointed M/s. B. R. Shah & Associates, Chartered Accountants (Firm Registration No. 129053W), as Auditors of the Company, subject to approval of the Members at ensuing Annual General Meeting, for a term of (5) Five years to hold office from the conclusion of the ensuing 36th Annual General Meeting till the conclusion of the 41st Annual General Meeting to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting, at such remuneration plus applicable taxes, out-of-pocket expenses, etc. incurred in connection with the Audit as may be agreed by the Board of Directors in consultation with the Auditors.

In view of the same the Board recommends the Resolution at Item No.3 for approval by the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel and their relatives thereof are concerned or interested (financially or otherwise) in the Resolution at Item No.3 of the Notice.

Item No. 4:

Mr. Arup Basu was previously re-appointed as Managing Director of the Company on 15th June, 2014 for a period of 3 (Three) years, and hence his term as Managing Director of the Company expired on 14th June, 2017. The Board Members re-appointed Mr. Arup Basu as Managing Director of the Company, in its duly held meeting, on 10th May, 2017 for a period of three years w.e.f. 15th June, 2017 on the terms & conditions recommended by the Nomination & Remuneration Committee. The Nomination & Remuneration Committee has considered the matter and recommended the terms of the Remuneration to the Board, subject to the approval of members under various applicable Sections of the Act read with Schedule- V of the Companies Act, 2013. He is a B. Tech, Chemical Engineering from IIT, Bombay and has obtained a postgraduate management degree from IIM, Ahmedabad. He is with Company since last 37 years more particularly as Managing Director of the Company since last Seventeen years. He has vast experience in management, administration and effective policy formulations for efficient and smooth running of the Company. In view of the manifold increase in Mr. Arup Basu's role and his responsibility, the Board approved the re-appointment of Mr. Arup Basu as Managing Director of the Company for a period of three years w.e.f. 15th June, 2017.

Further it was noted that the aggregate of Salary, Perquisites and other allowances in any one financial year shall not exceed the limits prescribed under section 197 and 198 of the Companies Act, 2013 read with Schedule V.

The details of the extract of the remuneration payable to Mr. Arup Basu, as Managing Director as contained in the agreement signed between the Company and Mr. Arup Basu are set out below:

- a) Salary: Basic Salary of Rs. 1,32,028/- (Rupees One Lac Thirty Two Thousand and Twenty Eight Only) per month with suitable increment on 1st April each year at the discretion of the Board of Directors in the Grade of Rs. 1,32,028/- to Rs. 2,50,000/-. So long as he functions as such, he shall not be paid any sitting fees for attending meeting of the Board of Directors or committees thereof.
- b) The Managing Director shall be entitled to the following perquisites and facilities:
 - i) House Rent Allowance: 50% of the salary per month.
 - ii) Medical reimbursement: Reimbursement of medical expenses in accordance with the rules of the company.
 - iii) Leave Travel Allowance: Leave Travel Allowance in accordance with the rules of the company.
 - iv) Club Fees: Fees of Club subject to a maximum of two clubs. (No admission and life membership fees will be paid)
 - v) Personal Accident Insurance & Medical Insurance: Personal Accident and Medical Insurance of an amount, the annual premium of which shall not exceed Rs. 25,000/-p.a.
 - vi) Earned/Privilege Leave: Leave on full pay and allowances as per the rules of the Company.
 - vii) Company's Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - viii) Gratuity payable should not exceed half month's salary for each completed year of service.
 - ix) Provision of car with driver and provision of telephones and other necessary communication facilities at his residence at Company's cost.
 - x) The Company shall reimburse actual entertainment and traveling expenses incurred by the Managing Director in connection with the Company's Business.
 - xi) Commission not exceeding 2% of the net profit of the Company.

The Company shall reimburse actual entertainment and travelling expense incurred by the Managing Director in connection with the Company's business.

Note: For the purpose of perquisites stated herein above, family means the spouse, the dependent children and the dependent parents of the appointee.

The other terms contained in the agreement are the various powers and duties delegated to Mr. Arup Basu as Managing Director of the Company by virtue of his re-appointment.

This statement containing following information is given as per Clause-A of Section II of part II of Schedule V of the Companies Act, 2013:

I. GENERAL INFORMATION:			
(1)	Nature of Industry	Manufacturing of Textile Chemicals, Resins, Laundry Chemicals & Textile Auxiliaries.	
(2)	Date or expected date of commencement of commercial production.	Existing Company and hence not applicable.	
(3)	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Existing Company and hence not applicable.	
(4)	Financial Performance based on given indicators. (As at 31st March 2017)	Particulars	Rs. in Lacs
		Turnover (Net Sales)	2417.56
		Operating Profit	193.60
		Net Profit Before Tax	135.48
		Debt Equity Ratio	1.57: 1
		Current Ratio	1.16:1
(5)	Export Performance	The Company has achieved export Turnover FOB value of Rs. 354.55 Lacs for the financial year ended on 31.03.2017	
(6)	Foreign Investments or collaborators, if any.	Except the investment made in wholly owned subsidiary based at Mauritius, no other investment or collaborations has been made by the company.	
II. INFORMATION ABOUT THE APPOINTEE:			
(1)	Background Details	Mr. Arup Basu is a B. Tech, Chemical Engineering from IIT, Bombay and has obtained a postgraduate management degree from IIM, Ahmedabad. He is with company since last 37 years more particularly as Managing Director of the Company since last Seventeen years.	
(2)	Past Remuneration	Remuneration paid for the Financial year 2016-17 was Rs. 26.17 Lacs per annum plus perquisites of Rs. 1.77 Lacs per annum.	
(3)	Recognition or Awards	Mr. Arup Basu is Management Graduate from IIM, Ahmedabad and is technically well versed with education backed by IIT, Mumbai. Both these institutes are famous and recognized worldwide.	
(4)	Job Profile and his suitability	Mr. Arup Basu has vast experience in management, administration and effective policy formulations for efficient and smooth running of the company. He has wide knowledge of the industry and markets that the company operates in, and has been instrumental in the turnaround of the company over the last few years.	
(5)	Remuneration Proposed	As mentioned in the abstract of remuneration given in the preceding paras.	
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is commensurate with level skills, experience of the appointee. Mr. Arup Basu has been re-appointed as Managing Director having superintendence and control of the Board of Directors of the Company to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company.	
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	There is no such pecuniary relation either directly or indirectly with the company, its promoters or any managerial personnel of the company.	
III. OTHER INFORMATION:			
(1)	Reasons of loss or inadequate profits.	The Company has made inadequate profit during the recently completed financial year due to higher financial charges, reduction in margins, due to stiff competition resulting into effective capital remains on negative side.	
(2)	Steps taken or proposed to be taken for improvement	Efforts taken for cost cutting to improve margins. Search for improved quality and value added products.	
(3)	Expected increase in productivity and profits in measurable terms.	Strict steps will be taken to control fixed costs and inventory costs, which will enable Company to improve its turnover and profits in years to come with normative numbers calculated with reference to good returns from the Chemical Industry.	

IV.	DISCLOSURES:
(1)	The remuneration package of Mr. Arup Basu has been enumerated above. A copy of the agreement entered with the Managing Director is available for inspection by the members of the Company at the Registered office of the Company between 11.00 a.m. to 1.00 p.m. on any working day except Saturdays and Sundays and National Holidays.
(2)	The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable has been made in the Annual Report of the Company for the Financial Year 2016-17, wherever applicable.

The re-appointment of Mr. Arup Basu as Managing Director of the company requires special majority of the members under Section 196, 197 & 198 read with provisions of sub-clause (A) of section II of part II of Schedule V of the Companies Act, 2013, for payment of remuneration. The Company has not made any default in repayment of any of its debts, loans (including public deposits) or debentures or interest payable thereon in terms of the proviso of sub clause (ii) of Section II of Part II of Schedule V of the Companies Act, 2013.

Consequently the said resolution for re-appointment of Mr. Arup Basu as Managing Director for a period of three years on the remuneration as set out in Item No. 4, requires approval of Members in General Meeting with special majority. Hence, your directors recommend the resolution as special resolution for your approval.

As the resolution for re-appointment has been proposed for three years with remuneration within the limits prescribed under Sub-Clause-A of section II of part II of Schedule V of the Act, hence the approval of Central Government is not required.

Except Mr. Arup Basu and his relatives none of the Directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolution (financially or otherwise).

Copies of all the relevant papers, documents, agreements etc. are available for inspection of the members at the registered office of the Company till the date of Annual General Meeting on any working day during normal business hours.

The notice and explanatory statement may be treated as an abstract of terms and memorandum of interest under section 190 of the Companies Act, 2013, regarding re-appointment of Mr. Arup Basu as Managing Director of the Company to be circulated to the shareholders of the company and the requirement of the said act may be deemed to have been sufficiently complied with.

Item No. 5:

As per the provisions of Section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is desirable to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly recommend the Ordinary Resolution at Item No. 5 of the accompanying notice, for the approval of the members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice.

REGISTERED OFFICE:

Plot No. 410/411,
Khatau House,
Mogul Lane, Mahim,
Mumbai – 400016.

Date : August 11, 2017

Place : Mumbai

For and on behalf of the Board

Sd/-
Mahendra K. Khatau
Chairman
(DIN: 00062794)

DIRECTORS' REPORT

Dear Members,

Refinol Resins and Chemicals Limited
Mumbai

The Board of Directors present their 36th Annual Report together with the Audited Financial Statements of Company for the year ended 31st March, 2017. The Management Discussion and Analysis has also been incorporated into this report.

1. FINANCIAL RESULTS:

The Standalone and Consolidated financial results of the company for the year ended 31st March, 2017, are as under:

(Rs. In Lakhs)

FINANCIAL RESULTS	STANDALONE		CONSOLIDATED	
	2016-17	2015-16	2016-17	2015-16
Revenue from Operations	2417.56	2265.29	3888.21	3822.46
Profit before Financial costs & Depreciation	250.89	179.09	354.60	367.13
Less:- Interest & Financial Charges	95.30	82.96	138.04	129.89
Less:- Depreciation	10.37	9.40	32.49	25.93
NET PROFIT BEFORE TAX FOR THE YEAR	145.22	86.73	184.07	211.31
Tax Expenses	9.74	-	9.74	-
Profit After Tax	135.48	86.73	174.33	211.31
Profit available for Appropriation	135.48	86.73	174.33	211.31

2. DIVIDEND

In view of the accumulated losses, your Directors have not recommended any dividend for the year under review. Board of Directors sincerely hopes that members would appreciate and understand the situation for non-payment of Dividend.

3. TRANSFER TO RESERVES:

Pursuant to provisions of Section 134(1) (j) of the Companies Act, 2013, the company has not proposed to transfer any amount to general reserves account of the company during the year under review.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTUS

Your Directors wish to present the details of Business operations done during the year under review:

The company has improved its performance as compared to the previous year despite market conditions not being buoyant both in India and export markets. Input costs were down and this has helped profitability.

a. Consolidated Financial Performance:

1. Consolidated income for the year increased by 2.36% to Rs. 3971.08 Lakhs as compared to Rs. 3879.63 Lakhs in 2016.
2. Consolidated net sales for the year were Rs. 3888.21 Lakhs as compared to Rs. 3822.46 Lakhs in 2016, growth of 1.72%.
3. Consolidated profit after tax for the year was Rs. 174.33 Lakhs as compared to Rs. Rs. 211.31 Lakhs in 2016.

b. Standalone Financial Performance:

1. Standalone income for the year increased by 9.22% to Rs. 2487.66 Lakhs as compared to Rs. 2277.68 Lakhs in 2016.
2. Standalone net sales for the year were Rs. 2417.56 Lakhs as compared to Rs. 2265.29 Lakhs in 2016, growth of 6.72%.
3. Standalone profit after tax for the year was Rs. 135.48 Lakhs as compared to Rs. 86.73 Lakhs in 2016.

5. INFORMATION ON STATE OF THE COMPANY'S AFFAIRS

The Company is in the business of manufacture and marketing of textile chemicals, polyester resins and chemicals for laundry and garments wet process. It covers both domestic and international markets. All the products including performance and business environment thereof have been covered in detail in the Management Discussion and Analysis Report separately which is the part of this Board Report and enclosed as "**Annexure - A**".

6. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

7. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "**Annexure B**".

Your Company understands and appreciates the responsibility and importance of conservation of energy and continuous to put efforts in reducing or optimizing energy consumption for its operations.

8. SAFETY, HEALTH AND ENVIROMENT:

a) Safety:

The Company encourages a high level of awareness of safety issues among its employees and strives for continuous improvement. Employees are trained in safe practices to be followed at work place.

b) Health:

Your Company attaches utmost importance to the health of its employees. Periodic checkup of employees is done to monitor their health. Health related issues if any are discussed with visiting Medical Officer.

c) Environment:

Company always strives hard to give importance to environmental issues in normal course of operations. Adherence to Environmental and pollution control Norms as per Gujarat Pollution Control guidelines is of high concern to the Company.

9. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES AND POLICY

The Company has not implemented any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Act and Rules made thereunder governing Corporate Social Responsibility are not applicable.

10. FINANCE

Cash and Cash equivalent as at 31st March, 2017 was Rs. 52.52 Lakhs. Interest and Fixed charges has increased from Rs. 82.96 Lakhs to Rs. 95.30 Lakhs. The company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

10.1 PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

10.2 DEPOSITS

The Company has neither accepted nor renewed any deposits falling within the purview of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time, during the year under review and therefore details mentioned in Rule 8(5) (v) & (vi) of Companies (Accounts) Rules, 2014 relating to deposits, covered under Chapter V of the Act is not required to be given.

11. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant and material orders passed by any regulators and/or courts and tribunals which may have the impact on the going concern status and company's operations in future.

12. INTERNAL FINANCIAL CONTROLS:

The Board of Directors of the Company has laid down adequate internal financial controls which are operating effectively. During the year, policies and procedures are adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of its frauds and errors, the accuracy and completeness of the accounting records and the timely preparations of reliable financial information.

13. RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a yearly basis. The Company has also sought approval of the Members for approval of such related party transactions as per the requirements of the Listing Regulations.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

All the Related party transactions as entered into by the Company were on arm's length basis and in the ordinary course of business, further there were no Material Related Party transactions entered by the Company during the year with the related parties and therefore a detail as required in AOC-2 is not applicable for the reporting period.

14. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There was no qualifications, reservations or adverse remarks made by the either by the Auditors or by the Practicing Company Secretary in their respective reports.

There are no qualifications in the Statutory Auditor's Report.

However, the Statutory Auditors has put emphasis on following points which are self explanatory in nature and does not requires further comments,

- Company's Net Worth has been fully eroded, due to accumulated losses.
- The Company has cash profit in the current financial year but has cash losses in previous years and Company's current liabilities exceeded its current assets as at the balance sheet date.
- Company has net profit of Rs. 135.48 lakhs during the financial year 2016-17 as compared to net profit of Rs. 86.73 lakhs in 2015-16, showing growth in profitability.
- Company's accounts were prepared on going concern basis.

15. EXTRACT OF ANNUAL RETURN

In compliance with Section 92(3), Section 134 (3) (a) and rule 11 of the Companies (Management and Administration) Rules, 2014 the Extract of the Annual Return has been annexed with this board's report in form MGT-9 as "**Annexure - C**".

16. MEETINGS

During the year Four Board Meetings and Four Audit Committee Meetings were convened and held. The Details of which are given in the corporate Governance Report which forms part of Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

17. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134 (3) of the Companies Act, 2013, in relation to the financial statements for FY 2016-17, the Board of Directors states that:

- In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2017 and of the profits for the year ended 31st March, 2017;
- The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- In spite of company's net worth being fully eroded, the Directors have prepared the annual accounts on a going concern basis.
- the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. SUBSIDIARY COMPANIES

As on 31st March, 2017 following companies are the subsidiaries/step down Subsidiaries of the Company:

18.1 REFNOL OVERSEAS LIMITED (ROL)

RENOL OVERSEAS LIMITED was incorporated on 10th August 1994 and is limited by shares. The company holds a category 2 Global Business License issued under the Financial Services Act. The principal activity of the Company is that of investment holding. REFNOL OVERSEAS LIMITED (ROL) is subsidiary of Refnol Resins and Chemicals Limited (RRCL).

18.2 TEX CARE MIDDLE EAST LLC (TCME)

M/s TEX CARE MIDDLE EAST L.L.C. is a limited liability company, licensed by Economic Development Department, Government of Sharjah, in accordance to the Federal Company Law of 1984. The main activity of the company is processing and trading in cleansing detergents. TEX CARE MIDDLE EAST L.L.C. is represented by Mr. Shaikh Faisal Bin Khalid Bin Sultan AL Qasemi (51% of share holding) & M/s REFNOL OVERSEAS LTD., MAURITIUS (49% of share holding)

The Company has prepared Consolidated Financial Statement in strict compliance with the applicable accounting standards and listing agreement(s) executed with the stock exchanges where the shares of the Company are currently listed. In compliance with Regulation 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Audited Consolidated Financial statements form part of this annual report. The accounts of the Subsidiary Companies and the related detailed information will be made available to any shareholder of the holding as well as Subsidiary Companies seeking such information at any point of time and are also available for inspection by the members of the Company as well as Subsidiary Companies at the registered office of the Company and subsidiaries concerned.

A separate statement containing the salient features of the financial statement of aforesaid subsidiaries is part of this Annual Report and given in Form AOC-1 and enclosed as "**Annexure - D**".

19. DECLARATION OF INDEPENDENT DIRECTORS

All the Independent Directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors of your Company has various executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning.

There was no change in the composition of the Board of Directors or Key Managerial Personnel during the financial year under review. However, Ms. Sumruti Anand resigned as the Company Secretary and Compliance Officer of the Company after closure of financial year i.e. on July 14, 2017. The Board had appointed Mr. Bilal Topia as Company Secretary (CS) and Compliance Officer, of the Company along with the terms of remuneration with effect from August 11, 2017 during the period under review.

In accordance with the provisions of the Companies Act 2013 and in terms of the Memorandum and Articles of Association of the Company, **Mrs. Asha Mahendra Khatau, (DIN: 00063944)** Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. **Mrs. Asha Mahendra Khatau** holds Directorship in the following companies:

1. Priyamvada Holdings Ltd
2. Asha Marine Products Private Limited
3. Emerald Capital Services Private Limited
4. Prism Plantations Private Limited
5. Indokem Limited
6. Chemron Texchem Private Limited

None of the Directors is disqualified for appointment/re-appointment under Section 164 of the Companies Act, 2013. As required by law, this position is also reflected in the Auditors' Report. The composition of the Board, meetings of the Board held during the year and the attendance of the Directors there at have been mentioned in the Report on Corporate Governance in the Annual Report.

21. PERFORMANCE EVALUATION

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013, Rules made thereof, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has Carried out an evaluation of its own performance, the directors individually as well as the evaluation of its Committees as per the criteria laid down in the Nomination, Remuneration and Evaluation policy. Further the Independent directors have also reviewed the performance of Non-Independent directors and Board as a whole including reviewing the performance of the Chairperson of the company taken into account the views of Executive Directors and Non-Executive Directors vide their separate meeting which was held on March 15, 2017 at registered office of the Company. The said policy including above said criteria for the evaluation of the Board, individual directors including independent directors and the committee of the board has been laid down in the Corporate Governance Report, which forms part of this Annual Report.

22. DISCLOSURE ON THE NOMINATION AND REMUNERATION POLICY OF THE COMPANY PURSUANT TO SECTION 134(3)(e) AND SECTION 178(3):

The Board of Directors of the Company in its meeting held on May 29, 2014 constituted/renamed the Nomination and Remuneration Committee with the requisite terms of reference as required under Section 178 of the Companies Act, 2013 and other applicable provisions thereof in place of existing Remuneration Committee. The said Committee framed adopted and recommended the "Nomination, Remuneration & Evaluation Policy" vide its committee meeting dated November 14, 2014 and the said policy has been approved by the Board in its Board meetings which was scheduled on the same date i.e. November 14, 2014. The Details of the Nomination and Remuneration Committee and the said Policy have been provided under Corporate Governance Report, which forms part of this Annual Report.

The Nomination and Remuneration policy as provided herewith pursuant to provisions of Section 178(4) of the Companies Act, 2013 and Clause 49(IV)(B)(4) of the Listing Agreement, the same is enclosed herewith as "**Annexure – E**". The policy is also available on our website at following link <http://www.refnol.com/pdf/policy/policy-on-nomination-remuneration-and-evaluation.pdf>

23. PARTICULARS REGARDING EMPLOYEES REMUNERATION:

The statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

a. The ratio of remuneration of each director to the median employees remuneration of the Company for the FY 2016-2017

Sr. No.	Name	Designation	CTC	Median Employee Salary	Ratio
1	Mr. Arup Basu	Managing Director	27.94	2.46	11.38 :1

b. The percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary or manager, in the FY 2016-2017

Sr. No.	Name	Designation	Remuneration in FY 2016-17 (Rs. In Lakhs)	Remuneration in FY 2015-16 (Rs. In Lakhs)	Change (Rs. In Lakhs)	% of changes
1	Mr. Arup Basu	Managing Director	27.94	21.54	6.40	29.71
2	Mr. Vikas Agarwal	Chief Financial Officer	10.91	9.90	1.01	10.20
3	Ms. Sumruti Anand*	Company Secretary	3.09	1.72	1.37	N.A.

- *Ms. Sumruti Anand resigned as a CS from July 14, 2017.

c. The percentage increase in the median remuneration of employees in the FY 2016-17

Remuneration of 2015-16 (Rs. In lakhs)	Remuneration of 2016-17 (Rs. In lakhs)	Increase	Percentage
2.01	2.46	0.45	22.39%

d. The number of permanent employees on the rolls of Company

Name of the company	No. of Employees as on March 31, 2016	No. of Employees as on March 31, 2017	% of change during the year
REFNOL RESINS AND CHEMICALS LIMITED	90	85	(5.56)%

e. 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

Remuneration paid to employee excluding managerial personnel for the FY 2015-16	Remuneration paid to employee excluding managerial personnel for the FY 2016-17	% of Change in remuneration paid to employees excluding managerial personnel	Remuneration paid to managerial personnel for the FY 2015-16	Remuneration paid to managerial personnel for the FY 2015-16	% of Change in remuneration paid to managerial personnel
215.69	272.32	26.26%	34.15	41.97	22.90%

f. The key parameters for any variable component of remuneration availed by the Directors

There is no variable component in the remuneration availed by the Directors.

g. The ratio of remuneration of the highest paid directors to that of the employees who are not directors but receive remuneration in excess of the highest paid directors during the year

There is no employee in the Company who receive remuneration in excess of the highest paid Director during the Year.

The Company has not paid any remuneration attracting the provisions of Companies (Particulars of Employees) Rules, 1975 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. Hence, no information is required to be appended to this report in this regard.

24. AUDITORS

24.1 Statutory Auditors

Messrs G.P. Kapadia & Co., Chartered Accountants, (Firm Registration No.104768W), the Auditors of the Company has completed term of ten years. Their term as auditors will expire at the conclusion of the forthcoming AGM. In accordance with the provisions of Section 139 of the Act, the Board of Directors of the Company has proposed appointment of, M/s. B. R. Shah & Associates, Chartered Accountants (Firm Registration No. 129053W) as statutory auditors for a period of 5 years commencing from the conclusion of this AGM till the conclusion of the 41st AGM of the Company to be held in 2022, subject to ratification of their appointment at every AGM, if so required under the Act. M/s. B. R. Shah & Associates has consented to their appointment as Statutory Auditors and has confirmed that their appointment, if made, will be in accordance with Section 139 read with Section 141 of the Act. The resolution for their appointment as Statutory Auditors already incorporated in the notice calling ensuing Annual General Meeting.

24.2 Secretarial Auditors

Pursuant to the provisions 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 Sandip Sheth & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2016-2017. The Report of the Secretarial Audit Report is annexed herewith as **"Annexure - F"**.

25. INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

26. RISK MANAGEMENT

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Business Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis

at a Company level. Risk management forms an integral part of the Company's Mid-Term Planning cycle. The key business risks identified by the Company and its mitigation plans are as under:

26.1 Competition Risks:

The Chemical Industry is becoming intensely competitive with the foray of new entrants and some of the existing players adopting inorganic growth strategies. To mitigate this risk, the Company is leveraging on its expertise, experience and its created capacities to increase market share, enhance brand equity / visibility and enlarge product portfolio and service offerings. It would also leverage on its Infrastructure, Commercial and Institutional Sales team to offer value to large customers.

26.2 Occupational Health & Safety Risks:

Safety of employees and workers is of utmost importance to the Company. To reinforce the safety culture in the Company, it has identified Occupational Health & Safety as one of its focus areas. Training programmes have been conducted at the plants and sales units. The accountability structure has also been strengthened with the introduction of OH&S competencies into the job descriptions of all Top Management, Line Management and Safety Professionals. The company has put in place an accidental Insurance Scheme for all the Employees at place of work for Health safety and Security.

26.3 Interest Rate Risk

Refinol Resins and Chemicals Limited borrow funds from domestic markets to meet its short-term funding requirements. It is subject to risks arising from fluctuations in interest rates.

26.4 Foreign Exchange Risk

Refinol Resins and Chemicals Limited prepare its financial statements in Indian Rupee (INR), Out of total payables and receivables; some are in other currency which may have the cash flow risk on account of fluctuations in foreign exchange rates.

26.5 Regulatory Compliance Risk

The evolution of the global regulatory environment has resulted into increased regulatory scrutiny that has raised the minimum standards to be maintained by Refinol Resins and Chemicals Limited. This signifies the alignment of corporate performance objectives, while ensuring compliance with regulatory requirements.

26.6 Risk Management Policy:

The Company has a risk management policy which from time to time is reviewed by the Risk Management Committee of the Board of Directors. The policy is designed to provide the categorization of this into threats and its cause, impact, treatment and control measures. Improving work place safety continued top priority at manufacturing site. The policy has been posted on the Company's website www.refinol.com and also made available on the following link: <http://refinol.com/pdf/policy/risk-management-policy.pdf>

27. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM/WHISTLE BLOWER

The Audit Committee consists of the following members:

- Mr. Bhalchandra Sontakke → Chairman
- Mr. Rajagopalan Sesha → Director
- Mrs. Hutoxy Dara Miller → Director
- Mr. Arup Basu → Director

The above composition of the Audit Committee consists of majority of Independent Directors.

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

The Company has a vigil mechanism named whistle blower policy and vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Policy is explained in the Corporate Governance Report and also posted on the website of the Company www.refinol.com

28. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 was Rs. 3.08 Crore. During the Year under review, the company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on 31st March, 2017, Directors who holds Shares of the Company are:

Name of Director	Number of Shares	% of Total Shares hold
Mahendra Khatau	12,81,789	41.48
Asha Khatau	6,768	0.22
Arup Kumar Basu	2,200	0.07
Total	12,90,757	41.77

There is no change in share capital structure of the Company during the financial year 2016-2017.

a. Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

b. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

c. Bonus Shares

No Bonus Shares were issued during the year under review.

d. Employees Stock Option Plan

The Company has not provided any Stock Option Scheme to the employees.

29. INSURANCE:

All the properties and assets of the Company are adequately insured.

30. CODE OF CONDUCT:

The Company has laid down a Code of Conduct applicable to the Board of Directors and Senior management which is available on Company's website. All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

31. INSIDER TRADING POLICY:

As required under the new Insider Trading Policy Regulations of SEBI, your Directors have framed new Insider Trading Regulations and Code of Internal Procedures and Conducts for Regulating, Monitoring and Reporting of Trading by Insider. For details please refer to the company's website on following link <http://www.refnol.com/pdf/policy/code-of-insider-trading.pdf>

32. CORPORATE GOVERNANCE:

The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report and titled as "Corporate Governance" is attached herewith as "**Annexure – G**". The Company is not mandatorily required to comply with the Corporate Governance Compliance requirement as envisaged in the Listing Regulations, however the Company voluntarily complying with such requirement as a part of better Corporate Governance Practices.

33. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has set up Internal Complaints Committees at its workplaces to redress complaints received regarding sexual harassment. No complaints have been reported during the financial year 2016-17. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

34. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the financial year 2016-17.

35. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

36. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF COMPANIES ACT, 2013

Presently the Company has Three Independent and Non- Executive Directors namely Mr. Bhalchandra Sontakke, Mr. Rajagopalan Sessa and Mrs. Hutoxy Dara Miller who have given declaration that they meet the eligibility criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

37. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Directors of the Company viz. Mr. Mahendra Kishore Khatau and Mrs. Asha Khatau are related to each other in accordance with Section 2 (77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014. They are husband and wife.

38. DISCLOSURE ON NUMBER OF SHARES AND CONVERTIBLE DEBENTURES HELD BY NON-EXECUTIVE DIRECTORS

Equity share held by the Non-Executive Director of the Company as on March 31, 2017:

Name of Director	Number of Shares	% of Total Shares hold
Mahendra Khatau	12,81,789	41.48
Asha Khatau	6,768	0.22
Total	12,88,557	41.70

No Convertible Debentures has been issued by the Company during the Financial Year under review.

39. DETAILS AND INFORMATION AS REQUIRED UNDER SECTION 134 (3) (1) OF THE COMPANIES ACT, 2013

No material changes and commitments, have taken place between the end of the financial year of the company to which the balance sheet relates and the date of report, which affects the financial position of the Company.

40. ENHANCING SHAREHOLDERS VALUE:

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

41. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) issued by the Institute of Chartered Accountants of India form part of this Annual Report.

42. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

43. LISTING:

Your company's shares are listed with The Bombay Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai. (Stock Code: - 530815). The Company has already paid Annual Listing fees of The Stock Exchange, Mumbai for the ensuing financial year.

44. ACKNOWLEDGEMENT:

Your Directors record their appreciation of the Co-operation and assistance extended by Financial Institutions, Banks and Government Authorities as well as valued customers from time to time. They also record their appreciation of the devoted services rendered by the Executives, Staff Members and Workers of the Company.

For and on behalf of the Board of Directors,

Mahendra. K. Khatau
Chairman
(DIN: 00062794)

Place : Mumbai

Date : August 11, 2017

ANNEXURE-A
MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

A. Industry Structure and Developments

India is one of the fastest growing economies in the world and chemicals and polymers industries are vital part of this growth story.

Your Company is well placed to benefit from this growth story as demand for the product groups manufactured by it are linked directly to increased economic activity in all spheres.

Your Company manufactures Polyester resins, Laundry & Cleaning Chemicals, Textile Sizing Chemicals, Auxiliaries and Garment Wash Chemicals at its facility at Plot No 23, Phase III, Naroda, GIDC, Ahmedabad-30. Sales are promoted to both Domestic and Export markets.

Resins and Polyester business has been steady in the Export markets while Laundry, Textile Sizing Chemicals and Garment Wash Chemicals business has grown primarily in the Domestic market.

B. Opportunity and Threats

The Chemicals Industries is poised to take advantages of the tremendous opportunities presents by a growing national and global economy in the use of polyester and chemicals in all spheres of human activity. The Threat on manufacturing and the "Make In India" program of the Government will give on impetus to chemicals industry and help it to cater to markets both at home and ahead.

At the same time, Chemicals industry is facing increasing regulation safety and regularity audit of its activities and global registration processes such as "Reach". These are challenges that the industry has to face, adapt its process and protocols and grow within the ambit of such frame work.

C. Product wise Performance

Rs. In lakhs

Product wise Performance	2015-16	2016-2017	% of changes
Sales-Domestic			
Textile Sizing Chemicals & Textile Auxiliaries	465.12	463.42	(0.37%)
Garment wash Chemicals	222.78	307.35	37.96%
Laundry Chemicals	400.26	473.26	18.24%
Resins	67.3	142.46	111.68%
Miscellaneous	78.21	65.48	(16.28%)
(A)	1233.67	1,451.96	17.69%
Sales -Export			
Textile Sizing Chemicals & Textile Auxiliaries	915.8	806.47	(11.94%)
Garment wash Chemicals	52.95	128.31	142.32%
Resins	62.87	30.81	(50.99%)
(B)	1031.62	965.59	(6.40%)
Total (A+B)	2265.29	2417.56	6.72%

D. Outlook

The textile and garment chemical business has performed adequately despite stagnancy in the market. Sales and marketing efforts are being intensified.

The Laundry and cleansing chemicals industry is poised for rapid growth with adoption of modern method and practices and general rise in standard of living. Your company will strive to take advantage of this growing potential.

Export marketing efforts resulted in opening up new markets in Europe and South America and a wider range of products offered to existing customers and markets.

E. Risks and Concerns

To ensure sustainable and consistent growth, Company has developed a sound risk management framework so that the risks assumed by the Company are properly assessed and monitored continuously. The Risk Management and Control Systems are considered to be in balance with Refnol's risk profile and appetite, although such systems can never provide absolute assurance. Refnol's Risk Management and Control Systems are subject to continuous review and adaptations in order to remain in balance with its growing business size and changes in its risk profile. Necessary insurance policies are in place to take care of all the important machineries to minimize losses if any during operation.

F. Internal Control System and Their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

G. Discussion on financial performance with respect to operational performance:

Your Company generated income from the operations of Rs. 2417.56 Lakhs in 2017 which was higher as compared to Rs. 2277.68 Lakhs generated last year. The Profit after tax and exceptional items stood at as Rs. 135.48 Lakhs against a profit of Rs. 86.73 Lakhs last year which shows the exponential improvement as compared to last year.

Your Company has continued to publish consolidated accounts of its Subsidiaries in line with last year.

H. Material Developments in Human Resources/Industrial Relations front, including number of people employed

We started a systematic performance appraisal system. Competitive incentive plans were laid down. The number of persons employed by your Company was Eighty Five.

Your Company has valued both experience and fresh talent, and takes pride in the commitment, competence and dedication shown by its employees in all areas of business and is conscious of the importance of environmentally clean and safe operations. Up gradation of technical skills training is periodically given to employees.

Safe Harbour Clause

Statements in the Management Discussion and Analysis describing the Company's objectives and expectations may be "forward looking statement" within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply, price conditions in the domestic and overseas market in which the Company operates, changes in the Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations.

Conclusion

Though the company cannot assess its success on short term profits and financial performance is the main factor to overall success, we with entire system are keen in improving our performance of every individual employee just as much as we are doing for improving our every product.

ANNEXURE-B**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO****APPENDIX - II**

Information in accordance with the Companies (Disclosures of Particulars in the Report of Directors) Rules, 1988 and forming part of Directors' Report for the year ended on 31st March, 2017

CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE EARNINGS AND OUTGO.**A. CONSERVATION OF ENERGY**

- (a) Measures taken : Energy consumption is regularly monitored and measures taken to rectify in case of deviation from norms. Regular maintenance of efficiencies are done.
- (b) Investment and Proposals : No major investment made.
- (c) Impact of the above measures : The Company's operations do not involve substantial consumption of energy in comparison to the cost of production, however constant attention and maintenance of norms has led to better control.
- (d) Total energy consumption and energy consumption per unit of production is as per Form "A".

FORM A**Disclosure of particulars with respect to Conservation of Energy : 2016-2017**

	Units	Current Year	Previous Year
I Power and Fuel Consumption			
1 Electricity			
(a) Purchase from Electricity Board	Kwh	458100	454516
Total amount	Rs. in lakhs	31.92	33.17
Average Cost/Unit	Rs / Kwh	6.97	7.30
(b) Own Generation	Kwh	7800	6825
Total Amount	Rs. in lakhs	0.42	0.29
Average Cost/Unit	Rs / Kwh	5.36	4.30
2 Others (LSHS / LDO)			
Quantity	Ltrs	189916	187562
Total Cost	Rs. in lakhs	53.87	48.88
Average Rate	Rs / Ltrs	28.37	26.06

II Consumption per unit of Production

Products	Quantity	Item	Unit Qty	Current Year	Previous Year
Chemicals	3779461.60 kgs	Electricity	0.12 Kwh/Kg.	0.86 Rs./Kg.	0.96 Rs./Kg.
		Furnace	0.05 Ltrs/Kg. Oil / LDO	1.42 Rs./Kg.	1.40 Rs./Kg.

B. TECHNOLOGY ABSORPTION**FORM B****Disclosure of Particulars with respect to Technology Absorption : 2016-17****(I) Research and Development :****1. Specific area in which R & D is carried out by the company :**

The R & D activities of the company are focussed on the following objectives :

- (i) To optimise cost and improve product properties.
- (ii) Improving performance of existing products and modifying to meet customers requirements.
- (iii) Development of new products to meet specific applications.
- (iv) Improvement in process technology.

2. Benefit derived as a result of R & D :

- (i) Company has commercialised a number of new grades of resins as well as garment chemicals and textile chemicals for specific application in export and domestic markets.
- (ii) Improvement in product quality and consistency .
- (iii) Product and packaging made suitable for export markets.

3. Future Plan of action :

The company is focussed on continuous improvement in product quality and to develop new products in response to market requirements.

4. Expenditure on R & D

- (i) Capital : Nil
- (ii) Recurring : 6.28 Lakhs

(II) Technology, Absorption, Adoption and Innovation :**1. Efforts, in brief made towards technology absorption, adoption and innovation**

Technology development in-house is a continuous process and is tailored to meet changing requirement of the market. The Company has a full-fledged R & D division with equipment and instruments conforming to global standards to carry out Research & Development programmes. Continuous research is carried out for process improvements.

2. Benefit derived as a result of the above efforts

The company has been able to satisfactorily produce sizing chemicals, which are import substitutes and introduced a wide range of synthetic resins and garment and textile chemicals tailored to the requirement of domestic and overseas customers.

C FOREIGN EXCHANGE USED & EARNED

- (a) Activities relating to exports, initiatives to increase exports, development of new Export market for products and service and export plans. } As Mentioned in the Directors' Report

- (b) Total foreign exchange used & earned. (Rupees in lakhs)

- (i) Foreign exchange earned

Exports at FOB Value Rs. 354.55

- (ii) CIF value of imports Rs. 38.57

- (iii) Expenditure in foreign exchange

- Travelling Rs. 0.84

- Commission Rs. 13.75

ANNEXURE-C
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2017
[Pursuant to Section 92(3) of the Companies Act, 2013, and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT – 9

I. REGISTRATION AND OTHER DETAILS:

CIN	L24200MH1980PLC023507
Registration Date	01.12.1980
Name of the Company	Refnol Resins and Chemicals Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	Plot No.410/411, Khatau House, Mogul Lane, Mahim, Mumbai - 400016
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s LINK INTIME INDIA PVT LTD, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186270

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:

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Manufacture of Chemicals	20297	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
Refnol Overseas Limited, Mauritius	NA	Subsidiary	100	2(87)
Tex Care Middle East L.L.C., Sharjah	NA	Subsidiary	49	2(87)

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

i) Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	1290501	0	1290501	41.77	1304431	0	1304431	42.22	0.45
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	351000	0	351000	11.36	351000	0	351000	11.36	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1):	1641501	0	1641501	53.12	1655431	0	1655431	53.58	0.45
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2):	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	1641501	0	1641501	53.12	1655431	0	1655431	53.58	0.45
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a) Bodies Corporate	76871	24700	101571	3.29	58723	0	58723	1.90	-1.39
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ` 1 lakh	686728	120765	807493	26.13	656882	142365	799247	25.87	-0.27
ii) Individual Shareholders holding nominal share capital in excess of ` 1 lakh	398106	34000	432106	13.98	331779	34000	365779	11.84	-2.15
c) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d) Any Other (specify)	0	0	0	0	0	0	0	0	0
d-i) Employees	0	0	0	0	0	0	0	0	0
ii) Non- Resident Repatriates	8050	80400	88450	2.86	8250	80400	88650	2.87	0.01
iii) Non-Resident non Repatriate	18699	0	18699	0.61	12483	0	12483	0.40	-0.20
iv) Non- domestic company	0	0	0	0	0	0	0	0	0
v) Trusts	0	0	0	0	0	0	0	0	0
vi) Others	80	0	80	0.00	109587	0	109587	3.55	3.54
Sub-Total (B)(2):	1188534	259865	1448399	46.88	1177704	256765	1434469	46.42	-0.45
Total Public Shareholding (B)=(B)(1)+(B)(2)	1188534	259865	1448399	46.88	1177704	256765	1434469	46.42	-0.45
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2830035	259865	3089900	100.00	2833135	256765	3089900	100.00	0

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
	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	
Mr. Mahendra Khatau	12,78,180	41.366	-	1281789	41.483	-	0.12
Mrs. Asha Khatau	3,500	0.113	-	6768	0.219	-	0.11
Mr. Manish Khatau	5,000	0.162	-	8553	0.276	-	0.12
Ms. Priya Khatau	3,521	0.114	-	7021	0.227	-	0.11
Mr. Anil Khatau	300	0.009	-	300	0.009	-	-
Prism Plantation Private Limited	1,000	0.032	-	1,000	0.032	-	-
Khatau Leasing and Financing Company Private Limited	3,50,000	11.327	-	225000	7.282	-	-4.04
Vindhyapriya Holdings Pvt Ltd	-	-	-	125000	4.045	-	4.04
Total	16,41,501	53.123	-	1655431	53.575	-	0.46

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1641501	53.12	1641501	53.12
Transfer - 15.04.2016	2000	0.06	1643501	53.19
Transfer - 22.04.2016	3268	0.11	1646769	53.30
Transfer - 29.04.2016	8251	0.27	1655020	53.56
Transfer - 06.05.2016	411	0.01	1655431	53.58
Transfer - 24.03.2017	25600	0.83	1681031	54.40
Transfer - 17.03.2017	-25600	-0.83	1655431	53.58
Transfer - 31.03.2017	-125000	-4.05	1530431	49.53
Transfer - 31.03.2017	125000	4.05	1655431	53.58
At the end of the year	1655431	53.58	1655431	53.58

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1. VIJAY KUMAR JAIN	100000	3.24	100000	3.24
2. RAJU AJIT BHANDARI	45000	1.46	45000	1.46
3. MAHENDRA GIRDHARILAL	56779	1.84	56779	1.84
4. RADHEY SHYAM	42750	1.38	-	-
5. OM PRAKASH CHUGH	28476	0.92	28476	0.92
6. BHARGAV PATEL	28000	0.91	28000	0.91
7. MINAXI SHAH	20000	0.65	20000	0.65
8. LOKESH KUMAR AGARWAL	22790	0.74	-	-
9. SANJAY RAMESH DOSHI	27191	0.88	43399	1.40
10. DSE FINANCIAL SERVICES LTD.	-	-	23429	0.76
11. CHARTERED CAPITAL & INVESTMENT LTD.	19210	0.62	21767	0.70
12. NAVJEEVAN EQUITY BROKING PVT. LTD.	-	-	21000	0.68

v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Arup Kumar Basu, Managing Director				
At the beginning of the year	2200	0.07	2200	0.07
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus/sweat equity etc):	-	-	2200	0.07
At the End of the year	2200	0.07	2200	0.07
Mr. Mahendra Khatau , Director				
At the beginning of the year	1278180	41.366	1278180	41.366
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus/sweat equity etc):	500 (15/04/2016)	0.016	1278680	41.382
	1000 (22/04/2016)	0.032	1279680	41.415
	1998 (29/04/2016)	0.064	1281678	41.479
	111 (06/05/2016)	0.0036	1281789	41.483
At the End of the year	1281789	41.483	1281789	41.483

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mrs. Asha Khatau , Director				
At the beginning of the year	3500	0.113	3500	0.113
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus/sweat equity etc):	500 (15.04.2016)	0.016	4000	0.129
	768 (22.04.2016)	0.024	4768	0.154
	1700 (29.04.2016)	0.055	6468	0.209
	300 (06.05.2016)	0.009	6768	0.219
At the End of the year	6768	0.219	6768	0.219
Mr. Vikas Agarwal , Chief Financial Officer				
At the beginning of the year	10	0.0003	10	0.0003
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus/sweat equity etc):	-	-	10	0.0003
At the End of the year	10	0.0003	10	0.0003

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	426.03	32.00	-	458.03
ii) Interest due but not paid	-	0.17	-	0.17
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	426.03	32.17	-	458.20
Change in Indebtedness during the financial year				
Addition	33.70	188.73	-	222.43
Reduction	-	189.96	-	189.96
Net Change	33.70	(1.23)	-	32.47
Indebtedness at the end of the financial year				
i) Principal Amount	459.73	30.50	-	490.23
ii) Interest due but not paid	-	0.44	-	0.44
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	459.73	30.94	-	490.67

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration MD/WTD/Manager:

(Rs. In Lakhs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager ARUP KUMAR BASU	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	23.60	23.60
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	0.42	0.42
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as 1% of profit - others, specify...	1.36	1.36
5.	Others, please specify PF and Gratuity	2.56	2.56
	Total (A)	27.94	27.94
	Ceiling as per the Companies Act 2013	30.00	30.00

B. Remuneration to other directors:

1. Independent Directors				
Particulars of Remuneration	Name of Directors			Total Amount
	Mr. Bhalchandra Sontakke	Mr. S. Rajagopalan	Mrs. H D Miller	
Fee for attending board committee meetings	37,500	27,500	40,000	1,05,000
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total B(1)	37,500	27,500	40,000	1,05,000
2. Other Non Executive Directors				
	Name of Directors			Total Amount
	Mr. Mahendra Khatau	Mrs. Asha Khatau		
Fee for attending board committee meetings	20,000	22,500		42,500
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total B(2)	20,000	22,500	-	42,500
Total (B)=B(1) + B(2)	57,500	50,000	40,000	1,47,500
Total Managerial Remuneration	-	-	-	-
Overall Ceiling as per the Act	As per Companies Act, 2013			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (In Lacs)
		Mr. Vikas Agarwal Chief Financial Officer	Ms. Sumruti Anand Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.73	2.80	12.53
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission-	-	-	-
	- as % of profit	-	-	-
	Others specify...	-	-	-
5.	Others, please specify PF and Gratuity	1.18	0.29	1.47
	Total	10.91	3.09	14.00
	Overall Ceiling as per the Act	As per Company Policy	As per Company Policy	

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**ANNEXURE – D
FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Foreign Currency)

1	Sl. No.	1	2
2	Name of Subsidiary	Refnol Overseas Limited	Tex Care Middle East LLC (TCME)
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2016-17	2016-17
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD & 64.81 INR	AED & 17.66 INR
5	Share Capital	2,40,000	3,00,000
6	Reserves & Surplus	1,16,783	44,43,507
7	Total assets	3,59,503	70,94,641
8	Total Liabilities	2,720	23,51,134
9	Investments	41,013	-
10	Turnover	1,06,042	82,36,507
11	Profit before taxation	96,900	1,82,788
12	Provision for taxation	-	-
13	Profit after taxation	96,900	1,82,788
14	Proposed Dividend	85000	331200
15	% of shareholding	100%	49%

Note: Tex Care Middle East LLC (TCME), represented by Mr. Mahendra Khatau (49% of share holding) & Shaikh Faisal Bin Sultan Al Qasemi (51 % of Shareholding).

Part "B": Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not Applicable

Name of Associate/Joint Venture	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet date			
2. Shares of Associate/Joint Ventures held by the Company on the year end			
No.			
Amount of Investment in Associate/Joint Venture			
Extend of Holding %			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Net worth attributable to Shareholding as per latest audited Balance Sheet			
6. Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

- Names of associates or joint ventures which are yet to commence operations
- Names of associates or joint ventures which have been liquidated or sold during the year.

Note 1 : This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

Note 2 : Part B is not applicable

For and on behalf of the Board

For G. P. KAPADIA & CO.
Chartered Accountants
(Registration No. 104768 w)

Mahendra K. Khatau
Chairman
DIN: 00062794

Arup Basu
Managing Director
DIN: 00906760

UDAY R. PARIKH
Partner
Membership No.10217
Place : Ahmedabad
Date : May 10th, 2017

Vikas Agarwal
Chief Financial Officer
Place : Mumbai
Date : May 10th, 2017

Sumruti Anand
Company Secretary

ANNEXURE-E
POLICY ON NOMINATION, REMUNERATION & EVALUATION

1. Objective

1.1. The objective of this Policy is to guide the Board of Directors of the Company on:

- a. Appointment and removal of Directors, Key Managerial Personnel and employees in Senior Management;
- b. Remuneration payable to the Directors, Key Managerial Personnel and employees in Senior Management;
- c. Board Diversity;
- d. Succession plan for Directors, Key Managerial Personnel and employees in Senior Management; and
- e. Evaluation of individual Directors, Chairman of the Board, the Board as a whole and the Committees of the Board.
- f. Criteria for determining qualification, positive attributes and independence of Directors.

2. Regulatory Framework

2.1. Section 178 of the Companies Act, 2013 read with the applicable Rules thereto ("the Act") and Clause 49 of the Equity Listing Agreement entered into by the Company with Stock Exchanges as amended ("Clause 49") (together referred to as "Applicable Laws") require the Nomination and Remuneration Committee of a company ("NRC") to recommend to its Board a policy, relating to the appointment, removal and remuneration of the directors, key managerial personnel and other employees and to devise a policy on Board diversity.

The Applicable Laws also require NRC to lay down the evaluation criteria for performance evaluation of independent directors and to carry out the evaluation of every director's performance. Further, the Board of Directors is responsible for monitoring and reviewing of the Board Evaluation framework.

The Board of Directors is also required to satisfy itself that plans are in place for orderly succession for appointments to the Board and to senior management.

2.2. This policy is framed as per the requirements of the Applicable Laws.

3. Definitions

- 3.1. **"Act"** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 3.2. **"Applicable Laws"** means the Act and Clause 49.
- 3.3. **"Board"** means the Board of Directors of the Company.
- 3.4. **"Clause 49"** means Clause 49 of the Equity Listing Agreement entered into by the Company with the Stock Exchanges as amended from time to time.
- 3.5. **"Company"** means Refnol Resins and Chemicals Limited.
- 3.6. **"Nomination and Remuneration Committee or NRC"** means a Committee of the Board pursuant to section 178 of the Act and Clause 49.
- 3.7. **"Human Resources Officer or HRO"** means the person designated by the Company as such.
- 3.8. **"Directors"** mean Directors of the Company.
- 3.9. **"Key Managerial Personnel or KMP"** shall be Key Managerial Personnel as defined under sub section (51) of Section 2 of the Companies Act, 2013
- 3.10. **"Independent Director"** means a director referred to in Section 149(6) of the Act and Clause 49.
- 3.11. **"MD"** shall mean the Managing Director of the Company.
- 3.12. **"Policy or this Policy"** means the Policy on Nomination, Removal, Remuneration, Evaluation, Board Diversity and criteria for determining qualification positive attributes and Independence of Directors.
- 3.13. **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- 3.14. **"Senior Management Personnel"** mean personnel of the Company who are members of its core management team excluding the Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

4. Policy

4.1. Appointment and removal of Director, KMP and Senior Management

4.1.1. Criteria for qualifications, positive attributes and independence of Directors, KMP & Senior Management Personnel:

- 4.1.1.1. The NRC will have the responsibility and authority to decide the essential and desirable skills/ competencies/ expertise/ experience/ criteria of independence required from the individuals for the office of Directors, KMP & Senior Management Personnel.
- 4.1.1.2. The expertise required from the Directors, KMP and Senior Management Personnel would be defined based on the Company's strategy and needs.

- 4.1.1.3. The NRC shall review the criteria for the role and define the role specifications for the appointment.
- 4.1.1.4. In case of Directors and KMP, in addition to the above specifications the NRC shall ensure that the candidate possesses the requisite qualifications and attributes as per the Applicable Laws.
- 4.1.2. Identifying candidates who are qualified to become Directors, KMP & Senior Management Personnel:
 - 4.1.2.1. The NRC shall assign the responsibility of identifying the candidate for the final interview by the NRC to the following:
 - b) to MD and Chairman of NRC, in case of selection of Directors; and
 - c) To the MD and HRO, in case of selection of KMP & Senior Management Personnel.
 - 4.1.2.2. The NRC shall identify member(s) of the Board who will interview the candidate recommended to the NRC as above.
 - 4.1.2.3. Upon selection of the candidate, the NRC shall make a recommendation to the Board for appointment of Director/ KMP/ Senior Management Personnel. For discharging this duty the NRC may seek inputs from the persons responsible for identifying the candidates stated in Clause 4.1.2.1. above.
 - 4.1.2.4. The appointment of Directors and KMP shall be subject to the compliance of the Act, Clause 49 and the Articles of Association of the Company.
- 4.1.3. Term of Appointment
 - 4.1.3.1. The term of appointment of Directors shall be governed by the provisions of the Act and Clause 49.
 - 4.1.3.2. The term of the KMP (other than the MD) and Senior Management Personnel shall be governed by the prevailing policies of the Company.
- 4.1.4. Letter of Appointment to Independent Directors
 - 4.1.4.1. The appointment of Independent Directors shall be formalized through a letter of appointment to be issued by the Company in accordance with the Applicable Laws.
- 4.1.5. Removal of Director, KMP or Senior Management Personnel
 - 4.1.5.1. The Removal of Director, KMP or Senior Management Personnel may be warranted due to reasons such as disqualification prescribed under the Applicable Laws and / or disciplinary reasons.
 - 4.1.5.2. In regard to removal of any Director, KMP or Senior Management Personnel, the NRC shall in consultation with the MD and the Chairman of Audit committee, for Directors, and with the MD for KMP and Senior Management Personnel, review the performance and/or other factors meriting a removal and subject to the provisions of the Act and the Articles of Association of the Company recommend to the Board its course of action.
- 4.1.6. Retirement of Director, KMP or Senior Management Personnel
 - 4.1.6.1. The retirement age of Directors shall be as per the Applicable Laws.
 - 4.1.6.2. The retirement age of KMP and Senior Management Personnel shall be as per the prevailing policy of the Company subject to the Applicable Laws.
 - 4.1.6.3. Subject to the Applicable Laws, the Board shall 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.
- 4.2. Familiarization Programme for Independent Directors
 - 4.2.1. The Company will impart Familiarisation Programmes for Independent Directors inducted on the Board of the Company.
 - 4.2.2. Familiarisation - immediately upon appointment of Director
 - 4.2.2.1. The Familiarisation Programme of the Company will provide information relating to the Company, Speciality Chemical industry, business model of the Company, business processes & policies, geographies in which Company operates, etc. The programme intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme shall also provide information relating to the financial performance of the Company and budget and control process of the Company.
 - 4.2.2.2. The MD or such other officer(s) of the Company, duly authorised by the MD shall lead the Familiarisation Programme. The KMPs or Senior Management Personnel may participate in the programme for providing various inputs.
 - 4.2.3. Annual Familiarisation processes
 - 4.2.3.1. Every year, the Independent Directors shall be provided with periodic inputs on the business performance of the Company, through deliberations at the Committee and Board Meetings.

4.2.3.2. The Board shall discuss and note the strategic business plans and the annual financial plan through deliberations at Board Meetings or Board Retreats.

4.3. Succession Plan for Directors, KMP and Senior Management Personnel

4.3.1. The NRC shall develop and recommend to the Board a succession plan for the appointments made to the Board and to KMP & Senior Management personnel.

4.3.2. The NRC shall review such plan on an annual basis and recommend revisions, if any, to the Board.

4.4. Remuneration of Director, KMP and Senior Management Personnel

4.4.1. Remuneration to Executive Director(s)

4.4.1.1. The remuneration payable to Executive Director(s) shall be determined by the NRC and recommended to the Board for approval.

4.4.1.2. Such remuneration (including revisions thereof) shall be subject to the approval of the shareholders of the Company and/or Central Government, wherever required under the Act, Clause 49 and the Articles of Association of the Company.

4.4.1.3. The remuneration shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the Act, Clause 49 and the Articles of Association of the Company.

4.4.1.4. Additionally, the Executive Director may be entitled to Employee Stock Options granted under any Employee Stock Option Plan/ Scheme(s), Stock Appreciation Rights granted under any Stock Appreciation Rights Plan/ Scheme(s) of the Company and such other long term incentive schemes of the Company.

4.4.1.5. Annual revisions in the remuneration within the remuneration limits approved by the Board, shareholders/ Central Government, shall be based on the prevailing policy of the Company and the same shall be approved by the NRC. The Board shall note such annual increases.

4.4.2. Remuneration to Non-Executive Directors

4.4.2.1. The remuneration (including revisions thereof) payable to the NED shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the Act, Clause 49 and the Articles of Association of the Company.

4.4.2.2. The NRC shall determine the remuneration to NED including the mode, quantum, recipients of the remuneration and the frequency of payment of such remuneration, and recommend the same to the Board for approval.

4.4.2.3. The remuneration of NED may comprise following:

- a) Remuneration/Commission; and
- b) Sitting fees for attending each meeting of the Board and its Committees.

4.4.2.4. The remuneration of NED (including revisions thereof) shall be based on certain financial parameters like the performance of the Company, its market capitalization, etc., industry benchmarks, role of the Director and such other relevant factors.

4.4.2.5. NEDs shall not be entitled to any stock option or stock appreciation rights of the Company.

4.4.2.6. The NRC shall determine the periodicity at which such remuneration shall be reviewed and revised.

4.4.3. Remuneration to KMP & Senior Management Personnel

4.4.3.1. The NRC shall approve the remuneration policy (Annexure I) of the Company applicable to KMP and Senior Management Personnel.

4.4.3.2. For appointments to the office of KMP or Senior Management Personnel (as stated in clause 4.1 above), the NRC shall approve the remuneration and recommend the same to the Board for its approval.

4.4.3.3. The NRC shall approve the annual revision in the remuneration of KMP and Senior Management Personnel based on the remuneration policy of the Company applicable to KMP and Senior Management Personnel (as stated under clause 4.2.3.1 above).

4.4.4. Factors to be considered while determining the remuneration to Directors, KMP and Senior Management Personnel While determining the remuneration to Directors, KMP and Senior Management Personnel the NRC shall ensure the following:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Management Personnel to deliver the quality required to run the Company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, KMP and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

4.5. Board Diversity

4.5.5. The Company's Policy on Board diversity is annexed as **Annexure II** to this Policy.

4.6. Board Evaluation

4.6.1. The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. Towards this end, the NRC shall establish the criteria and processes for evaluation of performance of Individual Directors, Chairman of the Board, the Board as a whole and the Committees of the Board and recommend the same to the Board.

4.6.2. The Board is responsible for monitoring and reviewing of the Board Evaluation framework.

4.6.3. The NRC is responsible for carrying out evaluation of every director's performance.

4.6.4. The performance evaluation shall take place annually. It shall be the responsibility of the Chairman of the NRC to organise the evaluation process;

4.6.5. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

4.6.6. Meeting of Independent Directors:

4.6.6.1. The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the management.

4.6.6.2. Such meeting shall:

- a) review the performance of Non-independent Directors and the Board as a whole;
- b) review the performance of the Chairman of the Company, taking into account 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.
- d) Such other matters as the Independent Directors may think prudent and expedient in the best interest of the organisation.

4.6.6.3. The Independent Directors may call such meeting(s) at any point of time as desired.

5. Disclosure :

5.1. Appropriate disclosures as required under the Applicable Laws shall be made by the Company within the prescribed time and manner.

6. General :

6.1. The Policy would be subject to revision/amendment in accordance with the applicable laws.

6.2. Unless required earlier, the NRC shall review the Policy once in every two years for making suitable amendments for better implementation of the Policy.

6.3. The power to interpret and administer the Policy shall rest with the Chairman of the NRC whose decision shall be final and binding. The Chairman is also empowered to make any supplementary rules/orders to ensure effective implementation of the Policy. These will, however, be reported to or placed before the NRC, from time to time, to ensure the Committee's oversight on these issues.

**ANNEXURE-F
FORM NO. MR 3**

[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]

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2017

To,

The Members,

Refnol Resins and Chemicals Limited

CIN: L24200MH1980PLC023507

410/411, Khatau House, Mogul Lane,

Mahim, Mumbai - 400016

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Refnol Resins and Chemicals Limited (hereinafter referred to as "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, minutes 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 31st March, 2017 (hereinafter referred to as "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 31st March, 2017 according to the provisions of:

- (i.) The Companies Act, 2013 and/or The Companies Act, 1956 (severally referred to as the Act) and the rules made thereunder;
- (ii.) The Securities Contract (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 Audit Period*)
- (v.) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We further report that, there were no actions/events in pursuance of;

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- requiring compliance thereof by the Company during the financial year under review.
- (vi.) We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations of the Company.

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of audit, and also on the review of quarterly compliance reports by respective department heads/Company Secretary/Chief Financial Officer/Executive Director taken on record by the Board of Directors of the Company, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company;

- (a) The Air (Prevention and Control of Pollution) Act, 1981;
- (b) The Water (Prevention and Control of Pollution) Act, 1974;
- (c) The Environment Protection Act, 1986;
- (d) Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
- (e) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;

We have also examined compliance with the applicable clauses/regulations of the following, to the extent applicable to the Company during the audit period:

- (i.) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii.) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

We report that, during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory auditor/tax auditor and other designated professionals.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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, there were no other specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Sandip Sheth & Associates
Practicing Company Secretaries

Prashant Prajapati
Partner

Place : Ahmedabad

Date : August 11, 2017

ACS: 32597

CP No.: 12531

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

"Annexure – A"

To,
The Members,
Refnol Resins and Chemicals Limited
CIN: L24200MH1980PLC023507
410/411, Khatau House, Mogul Lane,
Mahim, Mumbai - 400016

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

1. Maintenance of records, documents, papers maintained pursuant to Companies Act, 2013 and other applicable laws as reported in our report is the responsibility of the management of the Company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in the records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, as the same are being verified by the statutory/tax/internal auditors from time to time.
4. Where ever required, we have obtained the representations from the Management and respective departmental heads about the Compliance of laws, rules and regulations and happening of events etc. during the audit period.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis, for the purpose of issuing Secretarial Audit Report.
6. The Secretarial Audit 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.
7. We conducted our audit in the manner specified under section 204 of the Companies Act, 2013 and Rules made there under, which seeks an opinion and reasonable assurance about the compliance status of various applicable acts and rules to the Company.

Sandip Sheth & Associates
Practicing Company Secretaries

Prashant Prajapati
Partner
ACS: 32597
CP No.: 12531

Place : Ahmedabad
Date : August 11, 2017

**ANNEXURE-G
REPORT ON CORPORATE GOVERNANCE**

(Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

As a policy Refnol Resins and Chemicals Limited (RRCL) gives utmost importance to achieving high standards of Corporate Governance and is committed to achieve the highest level of Corporate Governance in order to enhance long-term shareholder value by integration of systems and actions for enhancement of corporate performance. The Company places due emphasis on regulatory compliance.

The Company gives equal importance for maintaining as well as improving the quality of its products and to achieve this, the Company carries out continuous product developments and quality controls. Over the years, the Company has shown a commitment towards effective corporate governance and has always been at the forefront of benchmarking its internal systems and policies with global standards. Consistent with this commitment, RRCL believes that it needs to show a great degree of responsibility and accountability.

The Company gives utmost importance for developing a team of competitive professional managers. Overall, policy is set by the Board of Directors and implemented by a team of professional managers in their respective field. The Company gives fair amount of freedom to the employees to get their best contribution to the Company and rewards and incentives are given in recognition thereof.

2. BOARD OF DIRECTORS:

The present strength of the Board is six Directors. The Board of Directors of the Company comprises of optimum mix of both Executive and Non-executive Directors with independent Directors. The Board members consist of persons with professional expertise and experience in various fields of Finance, Accounts, Management, Law, Labour Welfare etc.

Composition of the Board as on March 31, 2017:

Category	Number of Directors
Non Executive and Independent Directors including the Chairman	5
Executive Director (Managing Director)	1
Total	6

As required under Section 149 of the Companies Act, 2013, Mrs. Asha Khatau and Mrs. Hutoxy Dara Miller, lady Directors, had been appointed as Director on the Board.

INDEPENDENT DIRECTOR AND LIMIT OF NUMBER OF DIRECTORSHIPS

The Company has complied with terms and conditions of appointment and re-appointment of Independent Directors.

MAXIMUM TENURE OF INDEPENDENT DIRECTORS

The maximum tenure of Independent Directors of the Company, namely Mr. Bhalchandra Sontakke (DIN: 01225753), Mr. S. Rajagopalan (DIN: 00289643) and Mrs. Hutoxy Dara Miller (DIN: 02667258) shall be in accordance with the Companies Act, 2013 and clarifications / circulars issued by the Ministry of Corporate Affairs. They were appointed as an Independent and Non- Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years for a term up to September 29, 2019.

FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS

The company issued a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013 and the terms and conditions of their appointment have also been posted on the company's website viz. www.refnol.com and also made available on the following link: <http://www.refnol.com/pdf/policy/general-terms-for-appointment-of-independent-director.pdf>

NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

The Company has not paid any compensation and stock option to any of its Non-Executive Directors, including Independent Directors of the Company, except the sitting fees, as per the provisions of the Companies Act, 2013.

DIRECTORS' PROFILE

The Board of Directors comprises highly renowned professionals from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process.

The brief profile of the Company's Board of Director's is as under:

Mr. Mahendra Khatau (Chairman and Non executive Director)

Mr. Mahendra Khatau (DIN: 00062794) aged 62 years, is possessing graduate degree having experience of 34 years of experience. He has vast experience in the field of production and effective policy formulations for efficient and smooth running of the Company.

Mr. Arup Kumar Basu (Managing Director)

Mr. Arup Kumar Basu (DIN: 00906760) aged 62 years, is a B. Tech, Chemical Engineering from IIT, Bombay and has obtained a postgraduate management degree from IIM, Ahmedabad. He is with company since last 37 years more particularly as Managing Director of the Company since last seventeen years.

He has vast experience in management, administration and effective policy formulations for efficient and smooth running of the company. He has wide knowledge of the industry and markets that the company operates in, and has been instrumental in the turnaround of the company over the last few years.

Mrs. Asha Khatau (Non-Executive Director)

Mrs. Asha Khatau (DIN: 00063944) aged 59 years, is a graduate, having over 24 years of experience. She possesses excellent administrative skills and knowledge. Her skill and knowledge is of immense help to the company in keeping abreast cordial relations of the employees with management cadre.

Mr. Bhalchandra Sontakke (Independent Director)

Mr. Bhalchandra Sontakke (DIN: 01225753) aged 73 years, is a B.Com, LL.B, Master in Labour Studies, having over 33 years' experience. He possesses excellent skills in the fields of Labour Law, Industrial law and by profession he is lawyer and is legal advisors to many companies. His skills and knowledge is of immense help to the Company in compliances with various requirements related to law and keep abreast cordial relations of the employees with management cadre.

Mr. S. Rajagopalan (Independent Director)

Mr. S. Rajagopalan (DIN: 00289643) aged about 78 years is commerce graduate and ICWA. He has more than 38 years of experience in the field of accounts, finance and internal audit. He possesses deep knowledge of cost control aspects commensurate with cost audit. His skills will be of immense help to the company in evaluation of effective cost control aspects with the size and nature of business.

Mrs. H D Miller (Independent Director)

Mrs. H D Miller (DIN: 02667258) aged 67 years, is an Arts graduate and holds a degree of BA (Honours). She is an Adviser to many companies and has more than 44 years of experience in different fields and has vast experience in management, administration and secretarial department. She is of immense help to the company in various matters related to Office Organization and keeps abreast cordial relations of the employees with management cadre.

Number of Board Meeting held during the year along with the dates of Meeting

Four Board Meetings were held during the year 2016-17 the dates on which the said meetings were held are as follows:

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
May 12, 2016	6	6
August 10, 2016	6	6
November 14, 2016	6	6
February 14, 2017	6	5

In terms of the provisions of the Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, no director of the Company is a member in more than ten committees or acts as a Chairman in more than five committees of Public Limited Companies, of which he is a director.

Attendance of Directors at Board Meetings and Annual General Meeting

Name of the Director	Attendance at the Board Meetings held on				Attendance at the AGM held on September 30, 2016
	May 12, 2016	August 10, 2016	November 14, 2016	February 14, 2017	
Mr. Mahendra Khatau	✓	✓	✓	✓	✓
Mrs. Asha Khatau	✓	✓	✓	✓	Absent
Mr. Arup Basu	✓	✓	✓	✓	✓
Mr. S. Rajagopalan	✓	✓	✓	Absent	Absent
Mr. Bhalchandra Sontakke	✓	✓	✓	✓	✓
Mrs. H.D. Miller	✓	✓	✓	✓	✓

Number of other Boards or Board Committees in which he/she is a member or Chairperson

Name of the Director	Date of Appointment	Category	*Number of Directorship(s) held in Indian Public Limited Companies (including RRCL)	**Committee(s) Position (including RRCL)	
				Member	Chairman
Mr. Mahendra Khatau	01/07/1994	Promoter Director	2	2	4
Mrs. Asha Khatau	30/12/1993	Promoter Director	3	2	2
Mr. Arup Basu	15/06/1999	Executive Director	1	2	-
Mr. S. Rajagopalan	20/05/2005	Independent Director	2	5	-
Mr. Bhalchandra Sontakke	01/10/2004	Independent Director	2	5	4
Mrs. H.D. Miller	10/12/2012	Independent Director	1	5	-

*Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.

**Only Audit Committee and Stakeholder's Relationship Committee has been considered as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, which requires Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The agenda for the Board Meetings cover items set out as guidelines as per Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents presentations to enable the board to take informed decisions.

COMMITTEES OF THE BOARD

With a view to have focused attention on business and for better governance and accountability, the board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee; and Risk Management Committee.

The terms of reference of these committees are determined by the Board and their relevance is reviewed from time to time. Meetings of these committees are convened by the respective Chairman of the Committee, who informs the Board about the summary of discussion held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all the directors individually and tabled at the Board Meeting.

I. Audit Committee (Mandatory Committee):

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. The Committee is governed by the Chartered mandated by The Companies Act, 2013 and Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Apart from matters provided in the Clause 49 and Section 177 of the Companies Act, the Audit committee also reviews major accounting policies followed by the company.

Its purpose is:

- To assist and oversee the accounting and financial reporting process of the Company.
- Review the audit of the Company's financial statements.
- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and recommend to the Board the appointments/re-appointment, replacements and removals of the statutory Cost and internal auditors, and their independence and performance.
- Review significant audit findings from the Statutory and Internal Auditor.
- Meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters.
- The Company's risk management policies.
- To review and monitor the functioning of Vigil Mechanism and actions taken in respect thereof.

The Composition of the Audit committee as on March 31, 2017 and details of member's participation at the meetings of the committees during the year 2016-17 are as under:

Name of the Member	Category	Attendance at the Audit Committee Meetings held on			
		May 12, 2016	August 10, 2016	November 14, 2016	February 14, 2017
Mr. Bhalchandra Sontakke	Chairman (Non-Executive/ Independent)	✓	✓	✓	✓
Mr. S. Rajagopalan	Member (Non-Executive/ Independent)	✓	✓	✓	Absent
Mr. Arup Kumar Basu	Member (Executive)	✓	✓	✓	✓
Mrs. Hutoxy Dara Miller	Member (Non-Executive/ Independent)	✓	✓	✓	✓

II. Nomination and Remuneration Committee (Mandatory Committee):

In compliance with Section 178 of the Companies Act, 2013, Mr. Bhalchandra Sontakke, an Independent Director, has been appointed as Chairman of the Committee pursuant to Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of the Nomination and Remuneration committee as on March 31, 2017 and details of member's participation at the meetings of the committees are as under:

Name of the Member	Category	Attendance at the Nomination & Remuneration Committee Meetings held on May 12, 2016:
Mr. Bhalchandra Sontakke	Chairman (Non-Executive/ Independent)	✓
Mr. S. Rajagopalan	Member (Non-Executive/ Independent)	✓
Mrs. Hutoxy Dara Miller	Member (Non-Executive/ Independent)	✓

a) The Company does not have any ESOP scheme.

The terms of reference of the committee inter alia includes the following:

- Identifying and selection of candidates for appointment as Directors/Independent Directors based on certain laid down criteria;
- Formulate and review from time to time the policy for selection and appointment of directors, key managerial personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Managerial Personnel.

The details of the remuneration paid to the directors for the year 2016-2017 are as follows:

(Rs. in Lakhs)

Name of Directors	Salary	Perquisites	Fixed Commission	Sitting Fees	Total
Mr. Mahendra Khatau	-	-	-	0.200	0.200
Mrs. Asha Khatau	-	-	-	0.225	0.225
Mr. Bhalchandra Sontakke	-	-	-	0.375	0.375
Mr. S. Rajagopalan	-	-	-	0.275	0.275
Mrs. Hutoxy Dara Miller	-	-	-	0.400	0.400
Mr. Arup Basu	26.17	1.77	-	-	27.94

Company has not issued any convertible instrument. However, the details of the shares held by Non Executive Directors as at March 31, 2017 are as follows:

Name of Non-Executive Director	Number of Shares held
Mr. Mahendra Khatau	12,81,789
Mrs. Asha Khatau	6,768
Mr. Bhalchandra Sontakke	Nil
Mr. S. Rajagopalan	Nil
Mrs. Hutoxy Dara Miller	Nil

III. Stakeholders' Relationship Committee (Mandatory Committee):

In compliance with the provisions of section 178 of the Companies Act, 2013, the Board has renamed the existing "Shareholders'/ Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

The terms of reference of the Committee are:

- To ensure timely services to the members/investors.
- To supervise the performance of the Registrar and Share Transfer Agent.
- To approve transfer, transmission and transposition of shares/debentures as may be issued by the Company from time to time.
- To issue duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the down procedure.
- To authorize the Company Secretary and Head Compliance/other officers of the share department to attend to matters related to non receipt of annual reports, notices, non receipt of declared dividend/interest, change of address for correspondence etc. and to monitor action taken.
- Monitoring expeditious redressal of investors/stakeholders grievances.
- All other matters incidental or related to shares, debentures and other securities of the Company.

The composition of the Stakeholders' Relationship Committee as at March 31, 2017 and details of member's participation at the meetings of the committees are as under:

Name of the Member	Category	Stakeholders' Relationship Committee Meetings held in FY 2016-2017
Mrs. Asha Khatau (Chairperson)	Chairperson (Non Executive Director)	NIL
Mr. Mahendra Khatau	Member (Non Executive Director)	
Mrs. Hutoxy Dara Miller	Member (Non Executive Director/Independent)	

Company Secretary of the company also functions as the Compliance Officer.

The number of shareholder's complaints received through Stock Exchange or SEBI during the year 2016-17 and status of the same are as follows:

Complaints Received from	No. of Complaints Received	No. of Complaints Disposed off Satisfactorily	No. of Complaints Outstanding As on 31.03.2017
SEBI	None	None	None
Shareholders	None	None	None

All the complaints/queries are promptly attended and resolved to the satisfaction of shareholders, whenever issued. All shares received for transfer were registered and dispatched within the stipulated time, wherever documents were correct and valid in all respects.

IV. Risk Management Committee (Mandatory Committee):

In compliance with Clause 49(VI)(C) of the Listing Agreement and other applicable provisions (including any modifications or re-enactments thereof), if any, in any other law for the time being in force, the Risk Management Committee has been formed and constituted by the Board. Currently, it consists of 3 (three) Independent & Non Executive Director of the Company.

The composition of risk management committee as at March 31, 2017:

Name of the Member	Category
Mrs. Asha Khatau	Chairperson (Non executive)
Mr. Bhalchandra Sontakke	Member (Non executive /Independent)
Mrs. Hutoxy Dara miller	Member (Non executive /Independent)

The objectives and scopes of risk management committee broadly comprise:

- Defining framework for identification, assessment, monitoring, and mitigation and reporting of risk.
- Overseeing implementation of risk management plan and policy.
- Periodically reviewing and evaluating the Risk Management Policy.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 15, 2017 inter alia, to discuss:

- Evaluation of the performance of Non Independent directors and the board of directors as a whole;
- Evaluation of the performance of the chairman of the company, taking into account the views of the Executive and non executive directors.
- Evaluation of the quality, content and timelines of flow of information between the management and the board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

INTERNAL AUDIT OF THE COMPANY

In compliance with Section 138 of the Companies Act, 2013 read with the rules made there under and other applicable provisions (including any modification or reenactment thereof), if any, in any other law for, the time being in force, your company appointed Mr. Satyajit Pandit as its internal auditor for the financial year 2017-18, by the board at its meeting held on May 10, 2017. The Company's system of internal controls covering finances, operational, compliance etc; are reviewed by the internal auditor from time to time and presentations are made by him before the Audit Committee on quarterly basis.

Our Company's Audit Committee inter alia, reviews adequacy of the internal audit function, the internal audit report and review the internal control processes and systems. The Audit Committee is provided necessary assistance and information to render its function efficiently.

POLICY ON NOMINATION, REMUNERATION AND EVALUATION

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement the Company has adopted a policy which deals with the manner of Nomination, Remuneration and Evaluation of the Board of Directors, Key Managerial Personnel and employees in Senior Management. The policy has been posted on the Company's website www.refnol.com and also made available on the following link: <http://www.refnol.com/pdf/policy/policy-on-nomination-remuneration-and-evaluation.pdf>

1. Criteria for Appointment of Director, KMP and Senior Management

- A. Criteria for qualifications, positive attributes and independence of Directors, KMP & Senior Management Personnel:
1. The NRC will have the responsibility and authority to decide the essential and desirable skills/ competencies/ expertise/ experience/ criteria of independence required from the individuals for the office of Directors, KMP & Senior Management Personnel.
 2. The expertise required from the Directors, KMP and Senior Management Personnel would be defined based on the Company's strategy and needs.
 3. The NRC shall review the criteria for the role and define the role specifications for the appointment.

In case of Directors and KMP, in addition to the above specifications the NRC shall ensure that the candidate possesses the requisite qualifications and attributes as per the Applicable Laws

- B. Identifying candidates who are qualified to become Directors, KMP & Senior Management Personnel:
1. The NRC shall assign the responsibility of identifying the candidate for the final interview by the NRC to the following:
 - a) To MD and Chairman of NRC, in case of selection of Directors; and
 - b) To the MD and HRO, in case of selection of KMP & Senior Management Personnel.
 2. The NRC shall identify member(s) of the Board who will interview the candidate recommended to the NRC as above.
 3. Upon selection of the candidate, the NRC shall make a recommendation to the Board for appointment of Director/ KMP/ Senior Management Personnel. For discharging this duty the NRC may seek inputs from the persons responsible for identifying the candidates stated in Clause B(1) above.
 4. The appointment of Directors and KMP shall be subject to the compliance of the Act, Clause 49 and the Articles of Association of the Company.

2. Remuneration

A. Remuneration of Director, KMP and Senior Management Personnel

Remuneration to Executive Director(s)

1. The remuneration payable to Executive Director(s) shall be determined by the NRC and recommended to the Board for approval.
2. Such remuneration (including revisions thereof) shall be subject to the approval of the shareholders of the Company and/or Central Government, wherever required under the Act, Clause 49 and the Articles of Association of the Company.
3. The remuneration shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the Act, Clause 49 and the Articles of Association of the Company.
4. Additionally, the Executive Director may be entitled to Employee Stock Options granted under any Employee Stock Option Plan/ Scheme(s), Stock Appreciation Rights granted under any Stock Appreciation Rights Plan/ Scheme(s) of the Company and such other long term incentive schemes of the Company.
5. Annual revisions in the remuneration within the remuneration limits approved by the Board, shareholders/ Central Government, shall be based on the prevailing policy of the Company and the same shall be approved by the NRC. The Board shall note such annual increases.

B. Remuneration to Non-Executive Directors

1. The remuneration (including revisions thereof) payable to the NED shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the Act, Clause 49 and the Articles of Association of the Company.
2. The NRC shall determine the remuneration to NED including the mode, quantum, recipients of the remuneration and the frequency of payment of such remuneration, and recommend the same to the Board for approval.
3. The remuneration of NED may comprise following:
 - a. Remuneration/Commission; and
 - b. Sitting fees for attending each meeting of the Board and its Committees.
4. The remuneration of NED (including revisions thereof) shall be based on certain financial parameters like the performance of the Company, its market capitalization, etc., industry benchmarks, role of the Director and such other relevant factors.

5. NEDs shall not be entitled to any stock option or stock appreciation rights of the Company.
6. The NRC shall determine the periodicity at which such remuneration shall be reviewed and revised.

C. Remuneration to KMP & Senior Management Personnel

1. The NRC shall approve the remuneration policy (Annexure I) of the Company applicable to KMP and Senior Management Personnel.
2. For appointments to the office of KMP or Senior Management Personnel (as stated in clause A above), the NRC shall approve the remuneration and recommend the same to the Board for its approval.
3. The NRC shall approve the annual revision in the remuneration of KMP and Senior Management Personnel based on the remuneration policy of the Company applicable to KMP and Senior Management Personnel.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Audit committee and Nomination and Remuneration Committee. A structured questionnaire was prepared, after taking into consideration inputs received from the Directors, covering various aspects of the board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligation and governance.

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 and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

In compliance with Schedule IV of Companies Act, 2013 and of Listing Agreement the Board of Directors has approved a Policy "Familiarization Program for Independent Directors". The Policy has been posted on the Company's website www.refnol.com and also made available on the following link: <http://www.refnol.com/pdf/policy/Familiarisation-Program-for-Independent-Directors.pdf>

List of Familiarization Programmes for Independent Directors held by the Company:

Sr. No.	Particulars of Programme	Date and Place	Faculty
1	Appointment and Qualification of Directors, Roles, Rights, Responsibilities of Independent Directors, Code of Conduct for Independent Directors	12th May, 2016 Registered Office, Mumbai	CS Sumruti Anand
2	Recent updates in Securities and Corporate Laws	14th November, 2016 Registered Office, Mumbai	CS Sumruti Anand

Details of Attendance of Independent Directors in Familiarization Programmes are as follows:

Sr. no	Name of Independent Director	No. of attended the Sessions		No. of hours spent in the Sessions attended	
		FY 2015-16	FY 2016-17	FY 2015-16	FY 2016-17
1.	Mr. Bhalchandra Sontakke	2	2	2	2
2.	Mr. Rajagopalan Sesha	2	2	2	2
3.	Mrs. Hutoxy Dara Miller	2	2	2	2

SUBSIDIARY COMPANIES

The company does not have any material Indian subsidiary whose net worth consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the company during the previous financial year.

The Policy for Determining Material Subsidiary has also been posted on Companies website www.refnol.com and also made available on the following link: <http://www.refnol.com/pdf/policy/Policy-for-Determining-Material-Subsidiary.pdf>

GENERAL BODY MEETINGS:**DETAILS OF LAST THREE ANNUAL GENERAL MEETING**

AGM	Financial Year	Venue	Date	Time	Special Resolutions passed
35 th	2015-2016	410/411, Khatau house, Mogul Lane, Mahim (west), Mumbai-400016	September 30, 2016	12.00 Noon	1. Authority to keep Register of Members and copies of annual return at a place other than the registered office of the company
34 th	2014-2015	410/411, Khatau house, Mogul Lane, Mahim (west), Mumbai-400016	September 30, 2015	12.00 Noon	1. Adoption of new set of Articles of Association of the company in conformity with the provisions of the Companies Act, 2013
33 rd	2013-2014	410/411, Khatau house, Mogul Lane, Mahim (west), Mumbai-400016	September 30, 2014	12.00 Noon	1. Re-appoint Mr. Arup Basu as Managing Director of the Company. 2. To approve borrowing limit of the Company. 3. To create charge on the assets of the Company.

- No Extra ordinary General Meeting was held during any of the last three financial years.
- The shareholders passed all the resolutions set out in the respective notices.

E-VOTING FACILITY

In compliance with a foresaid provisions, our Company offered E-Voting facility as an alternate / option, for voting by the Shareholders, in addition to the option of physical voting, to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. Each Shareholder / Member had to opt for exercising only one mode for voting i.e. either by Physical Ballot or by E-Voting. In case of Shareholders(s) / Member(s) who casted their vote via both modes i.e. Physical Ballot as well as E-Voting, voting done through a valid Physical Postal Ballot Form was treated as prevailing over the E-Voting of that Shareholders, M/s Sandip Sheth & Associates (C.P. 4354) Practising Company Secretary was appointed as the Scrutinizer to conduct the Postal Ballot process for the 35th Annual General Meeting of the company held on September 30, 2016.

POSTAL BALLOT

There has been no resolution passed through Postal Ballot during the year 01st April, 2016 and 31st March, 2017.

COMPANY POLICIES:**A. Whistle Blower Policy:**

The Company has adopted The Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict. The Whistle Blower Policy aims to encourage all employees to inform the Company regarding any kind of misuse of Company property, mismanagement or wrongful conduct prevailing in the Company and no personnel has been denied access thereto. The disclosure would be sent to the Chairman of the Audit Committee / the 'Ombudsman' who would investigate and recommend to the management of the Company to take such disciplinary or corrective action as may be deemed fit. Proper measures are taken to ensure the confidentiality of the whistle blower. The Whistle Blower Policy is available on the website of the Company at www.refnol.com

B. Policy on dealing with Related Party Transactions:

The Board of Directors of the Company has adopted the policy and procedures with regard to Related Party Transactions. This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior approval is obtained for Related Party Transactions on an annual basis for transactions which are of repetitive nature and/ or entered in the ordinary course of business and are at Arm's Length. The Policy on dealing with Related Party Transactions is available on the website of the Company at www.refnol.com

C. Policy for Preservation of Documents:

The Policy for preservation of documents has been framed under Regulation 9 of Chapter III SEBI (Listing Obligations and Disclosure Requirements) Regulations; The Company is required to preserve documents of the Company. The purpose of this Policy is to ensure that the all the necessary documents and records of the Company are adequately protected and preserved as per the statutory requirements and to ensure that the records of the Company which are no longer needed or are of no value are discarded after following the due process for discarding the same. This Policy is also for the purpose of aiding employees of the Company in understanding their obligations in retaining and preserving the documents and records which are required to be maintained as per the applicable statutory and regulatory requirements.

D. Archival Policy For any Material Event / Information Disclosed To The Stock Exchange:

The Board of Directors of the Company has adopted the following Archival Policy with regard to any Material Events or Information in terms of Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) which are disclosed to the Stock Exchange in terms of the Company's Policy for Determination of Materiality of any Event and Information. The purpose of this Policy is to archive any of the material events or information which is disclosed by the Company to the Stock Exchange for a period of five years. Any disclosure of events or information which has been submitted by the Company to the Stock Exchange under Regulation 30 of the Listing Regulations and Policy of the Company (Disclosed Information) will be available on the website of the Company for a period of five years from the date of its disclosure. Disclosed Information which is over five years old will be archived from the website of the Company. Anyone intending to review this disclosed information may write to the Compliance Officer of the Company.

E. Policy on Prevention of Sexual Harassment at Workplace:

The policy on Prevention of Sexual Harassment at Workplace applies to all categories of employees of the Company, including permanent management and workmen, temporaries, trainees and employees on contract at their workplace or at client sites. The Company will not tolerate sexual harassment, if engaged in by clients or by suppliers or any other business associates. In conclusion, the Company reiterates its commitment to providing its employees, a workplace free from harassment/discrimination and where every employee is treated with dignity and respect.

F. Policy for Determination of Materiality:

The Board of Directors of the Company has adopted the following policy and procedures with regard to disclosure of events/information (Material) of the Company. This policy is framed keeping in view the requirement of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company is required to make disclosures of any events or information which, in the opinion of the Board of Directors of the Listed Company, is material of the Company. The purpose of this Policy is to Determine Materiality of Events and Information based on criteria specified under Clause (i) of Sub-regulation (4) of Regulation 30 of the Listing Regulations and to ensure that the Company shall make disclosure of events / information specified in para A and B of Part A of Schedule III of the Listing Regulations to the Stock Exchange.

COMPLIANCE WITH MANDATORY / NON – MANDATORY REQUIREMENTS :**1. MANDATORY REQUIREMENTS:**

The Company has complied with the applicable mandatory requirements of the SEBI Listing Regulations, 2015.

2. NON-MANDATORY REQUIREMENTS:**i. SEPARATE POST OF CHAIRMAN AND CEO:**

The Company has separate person as Chairman and Managing Director.

ii. THE BOARD:

The Company presently has a Non-Executive Chairman, this is not applicable.

iii. MODIFIED OPINION(S) IN AUDIT REPORT:

There is no audit modification in the financial statements of the Company for the financial year ended 31st March, 2017.

DISCLOSURE**RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013 . There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standard (AS18) has been made in the notes to the Financial Statements.

The Board has approved a Policy for Related Party Transactions which has been uploaded on the company's website www.refnol.com and also made available on the following link: <http://www.refnol.com/pdf/policy/Related-Party-Transaction-Policy.pdf>

CODE OF CONDUCT

In compliance with the board of directors has approved a Code of Conduct which is applicable to the members of the board and senior management of the company. The compliance of the same is affirmed by the board and senior management personnel annually. The code has also been posted on the company's website www.refnol.com

The code lays down the standard of conduct which is expected to be followed by the directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the members of the Board and the Senior Management Personnel have affirmed compliance to the said Code of Conduct during the Financial Year ended March 31, 2017. A declaration is signed by the Managing Director of the Company, affirming compliance with the Code of Conduct by the members of the Board and Senior Management Personnel.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

In compliance of Section 177 of the Companies Act, 2013 and Clause 49 of the Erstwhile Listing Agreement, the Board of Directors in their meeting held on May 29, 2014 approved the Whistle Blower Policy which is applicable to all board members and employees. The policy ensures that strict confidentiality is maintained while dealing with concerns and no discrimination will be meted for

genuinely raised concern. Any employee may make a disclosure regarding malpractices and events covered under this policy by presenting the same in writing before any of the members of the Audit Committee or through addressing an e-mail at secretarial@refnol.com. No employee is denied of opportunity to meet the members/Chairman of the Audit Committee of the Company.

The policy has been uploaded on the company's website www.refnol.com and also made available on the following link: <http://www.refnol.com/pdf/policy/whistle-blower-policy-and-vigil-mechanism.pdf>

REMUNERATION OF DIRECTORS

The Details of Remuneration package, sitting fees paid, etc., to the Directors of the Company during the financial year 2016-17 have been explained under the heading Policy on Nomination, Remuneration and Evaluation of Corporate Governance Report.

The Non - Executive Directors of the Company does not hold any share or convertible instrument of the Company.

Sitting fees is paid to the Non- Executive Directors of the Company, which is approved at the duly convened meeting of Nomination and Remuneration Committee and Board of Directors of the Company, from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis report have been provided separately as a part of this Annual Report and includes discussions on various matters of the Listing Agreement.

PROCEEDS FROM PUBLIC ISSUES, RIGHTS ISSUE, PREFERENTIAL ISSUES, ETC.

During the year under review, the Company has not raised any Capital through an issue (public issues, rights issues, preferential issues etc.), in terms of provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CEO/CFO CERTIFICATION

The Managing Director (MD) and the Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and Designated Employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of shares of Company by the Directors and the designated employees while in possession of the unpublished price sensitive information in relation to the Company and during the period when the Trading window is closed. The Company Secretary is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

COMPLIANCE BY THE COMPANY

The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties and strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

MEANS OF COMMUNICATION:

Quarterly results

In compliance with provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange the unaudited quarterly /half yearly results are announced within forty-five days of the close of the quarter and the audited annual results are announced within sixty days from the end of the financial year. The aforesaid financial results are sent to BSE Limited where the company's securities are listed, immediately after these are approved by the Board. The results are thereafter given by way of press release to various news agencies and are published within forty- eight hours mostly in leading English newspaper "The Financial Express" and Marathi newspapers "Mumbai Lakshadweep". The audited financial statements form a part of the Annual Report which is sent to the members well in advance of the Annual General Meeting.

WEBSITE:

Company's Official website www.refnol.com provides comprehensive information about companies business. The website has entire section dedicated to Company's profile, its core values, corporate governance, business lines and industry sections which enables shareholders to access information at their convenience. The Contents of the website of the company was updated on March 1, 2017 and the same was intimated to Stock Exchange pursuant to Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The revamped company website gives an in-depth view about the company and its products. It also features an updated look with enhanced features, including all-new appearance and layout with user-friendly access.

The Annual Report of the company, quarterly /half yearly and the Annual Results and the press release of the company are placed on the Official Website of the Company www.refnol.com and can be downloaded.

Press releases, if any made by the company are also displayed from time to time.

No presentation has been made to any institutional investors or to the analysts during the year.

GENERAL INFORMATION TO SHAREHOLDERS

Annual General Meeting Date, time and Venue	September 29, 2017 12.00 Noon at Registered Office
Financial Year	April 1, 2016 to March 31, 2017
Date of Book Closure	25 th September, 2017 to 29 th September 2017
Dividend payment Date	The Company has not declared any dividend during last three years.
Listing on Stock Exchange	Your Company's share is listed with The Bombay Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-1.
Stock Code	BSE-530815
ISIN for Equity Shares	INE428C01011
Listing Fees	The Company is regular in payment of Annual Listing fees of The Stock Exchange, Mumbai for the respective financial year.
Registered office	410/411, Khatau House, Mogul Lane, Mahim (west) Mumbai-400016 Tel: 079-22820013/22822266 Fax : 079-22820476 E-mail : secretarial@refnol.com Website: www.refnol.com
Plant Location	Plot no. 23, Phase III, G.I.D.C. Naroda, Ahmedabad- 382330
Registrar and Transfer Agents	M/s LINK INTIME INDIA PVT LTD. having their registered office at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083
Share Transfer System	The Company has hired the services of SEBI registered Registrar and Transfer Agent, LINK INTIME INDIA PVT LTD for Physical transfer as well as electronic connectivity.
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion Date and likely impact on equity	The Company has not issued any of these instruments.
Address for Correspondence	1.Share Transfer in Physical Form and other communication in that regard including share certificates, dividend and change of address etc., may be addressed to our Registrar and Share Transfer Agents at the address mentioned above. 2. Shareholders may also contact Compliance Officer, Refnol Resins and Chemicals Limited, Plot No. 23, Phase III, G.I.D.C. Naroda, Ahmedabad-382330 for any assistance. 3. Shareholders holding shares in electronic mode should address all their corresponding to their respective depository participants.

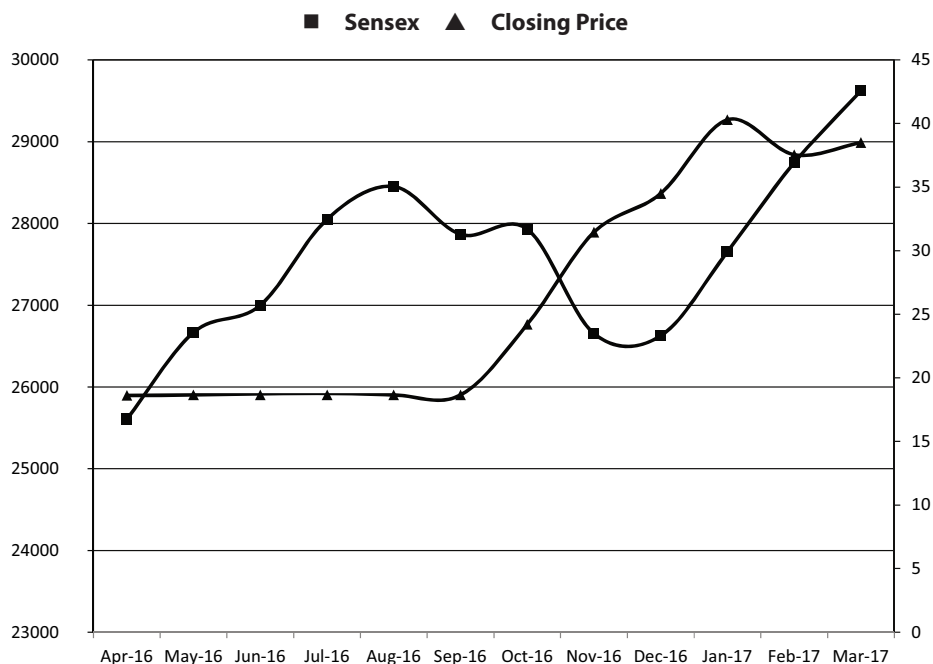
Market Price Data: As Below

Month wise high/low prices during last year at BSE are as under:

Period	BSE High (Rs.)	BSE Low (Rs.)	No. of Shares Traded	Total Turnover (Rs.)
Apr-16	18.62	15.00	21116	373771
May-16	18.65	17.75	49007	911489
Jun-16	18.65	18.00	17824	330745
Jul-16	18.65	18.40	18775	349937
Aug-16	18.65	18.65	6054	112906
Sep-16	18.65	18.65	3758	70084
Oct-16	24.20	19.55	23280	532517
Nov-16	31.45	25.40	94296	2718710
Dec-16	34.50	29.45	54526	1780404
Jan-17	44.70	36.20	144473	6038109
Feb-17	41.00	34.10	69840	2645325
Mar-17	39.75	33.00	71448	2575354

PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES VIZ. BSE SENSEX:

The Equity share prices of the Company on BSE in comparison with the BSE Sensex are given in the following graph

**a. Distribution of Shareholding as on March 31, 2017:**

Shareholding of Nominal value Rs. (1)	Shareholders		Share Amount	
	Number (2)	% of Total (3)	In Rs. (4)	% of Total (5)
1 to 500	906	68.4807	200192	6.4789
501 to 1000	205	15.4951	175241	5.6714
1001 to 2000	89	6.7271	140012	4.5313
2001 to 3000	45	3.4014	113319	3.6674
3001 to 4000	12	0.9070	43827	1.4184
4001 to 5000	16	1.2094	73569	2.3810
5001 to 10000	30	2.2676	213503	6.9097
10001 to 20000	20	1.5117	2130237	68.9419
Total	1323	100.0000	3089900	100.0000

Note: These shares do not include 4,33,600 forfeited shares.

b. Shareholding pattern as on March 31, 2017:

Sr. No.	Category	No. of Shares Held	% of total Shares
1	Promoters	16,54,831	53.56
2	Clearing Members	71,361	2.31
3	Other Bodies Corporate	1,83,723	5.95
4	Directors	600	0.02
5	Hindu Undivided Family	38,226	1.23
6	Non Resident Indians	88,650	2.87
7	Non Resident (Non Repatriable)	12,483	0.40
8	Public	10,40,026	33.66
TOTAL		30,89,900	100.00

Note: - These shares do not include 4,33,600 forfeited shares.

Dematerialization of Shares and Liquidity:

Number of shares held in dematerialized and physical mode as on March 31, 2017:

Particulars	No. of Equity Shares	% to Share Capital
NSDL	7,69,090	24.89
CDSL	20,64,045	66.80
Physical	2,56,765	8.31
TOTAL	30,89,900	100.00

Note: These shares do not include 4,33,600 forfeited shares.

For and on behalf of the board
Mahendra K. Khatau

Place : Mumbai
Date : August 11, 2017

Chairman
(DIN: 00062794)

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors/Senior Personnel for the Financial Year 2016-17.

FOR, **REFNOL RESINS AND CHEMICALS LIMITED**

ARUPKUMAR BASU
Managing Director
(DIN: 00906760)

Place : Mumbai
Date : August 11, 2017

CERTIFICATE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD

We, Arupkumar Basu- Managing Director and Vikas Agarwal-Chief Financial Officer, of Refnol Resins and Chemicals Limited to the best of our knowledge and belief hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that to 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.
- (b) We further state that to the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We further confirm that :
 - (i) there were no significant changes in internal control over financial reporting during the year;
 - (ii) there were no significant changes in accounting policies during the year and
 - (iii) there were no instances of significant fraud of which we are aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : May 10, 2017

Arup Kumar Basu
Managing Director
DIN: 00906760

Vikas Agarwal
Chief Financial Officer

INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of **Refnol Resins and Chemicals Limited**

We, G. P. Kapadia & Co., Chartered Accountants, the Statutory Auditors of Refnol Resins and Chemicals Limited ("the Company") have examined the compliance of conditions of Corporate Governance, for the year ended on 31st March, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), 2015. ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said SEBI Listing Regulations, 2015.

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

For G. P. Kapadia & Co.
Chartered Accountants
(Registration No. 104768W)

Uday R. Parikh
Partner
Membership No. : 10217

Place : Ahmedabad
Date : August 11, 2017

INDEPENDENT AUDITORS' REPORT

To the Members of Refnol Resins and Chemicals Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Refnol Resins and Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 Standalone 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 and presentation of these standalone 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit.

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

We conducted our audit 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 the 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 2017 and its profit and its cash flow for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

Note 27 in the financial statements which indicates that the company has accumulated losses and its net worth has been fully eroded, the Company has cash profit for the current financial year but has incurred cash loss for previous years and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern. However, the financial statements of the Company have been prepared on going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of these matters.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 the books of account;
 - (d) In our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 25 (a) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are accordance with the books of accounts maintained by the Company.

For G. P. Kapadia & Co.
Chartered Accountants
(Registration no. 104768 W)

Uday. R. Parikh
Partner
Membership No.10217

Place : Ahmedabad
Date : May 10, 2017

Annexure - A to the Auditor s' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is a Manufacturing company, primarily manufacturing of Textile Chemicals, Garment Wash Chemicals, Resins and Laundry Chemicals. Accordingly, the inventories were physically verified during the year by Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted loans, secured or unsecured, to the companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013 (' the Act').
- (iv) 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 Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues, the company has generally been regular in depositing undisputed statutory dues with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues as applicable with appropriate authorities except Penalty of late E-filing of TDS which remain unpaid exceeding six months as on 31 March 2017 Rs. 2.31 Lakhs.
- (c) The disputed statutory dues, that have not been deposited on account of matters pending before appropriate authorities is as under :

Name of the Statute	Nature of the Dues	Period to which amount relates	Forum where Dispute is pending	Amount (Rs.In lakhs)
The Income Tax Act,1961	MAT	AY 2010-11	Appellate	14.42

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans and borrowings to financial institutions. .
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 and section 198 of the Companies Act, 2013 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For G. P. Kapadia & Co.
Chartered Accountants
(Registration no. 104768 W)

Uday. R. Parikh
Partner
Membership No.10217

Place : Ahmedabad
Date : May 10, 2017

Annexure - B to the Auditor s' Report

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 Refnol Resins and Chemicals Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (' ICAI'). 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.

Auditor s' 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining 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 judgment, 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 our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable 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 respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G. P. Kapadia & Co.
Chartered Accountants
(Registration no. 104768 W)

Uday. R. Parikh
Partner
Membership No.10217

Place : Ahmedabad
Date : May 10, 2017

BALANCE SHEET AS AT 31st MARCH 2017

(Rs. in lakhs)

	Notes	As At 31st March 2017	As At 31st March 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	330.67	330.67
Reserves and Surplus	3	(37.70)	(158.16)
		292.97	172.51
Non-current liabilities			
Long-term borrowings	4	-	2.61
Other Long term liabilities	5	309.09	397.46
Long-term provisions	6	152.10	135.89
		461.19	535.96
Current liabilities			
Short-term borrowings	7	488.05	451.37
Trade payables	8	446.56	455.06
Other current liabilities	9	72.26	50.39
Short-term provisions	10	21.22	19.51
		1,028.09	976.33
TOTAL		1782.25	1684.80
ASSETS			
Non-current assets			
Fixed assets (Tangible)	11	488.30	498.91
Non-current investment	12	89.13	89.13
Long-term loans & advances	13	9.53	45.01
		586.96	633.05
Current Assets			
Inventories	14	344.80	317.12
Trade receivables	15	705.72	597.22
Cash and cash equivalents	16	52.52	61.85
Short-term loans and advances	17	92.25	75.56
		1195.29	1051.75
TOTAL		1782.25	1684.80

Significant Accounting Policies

1

Accompanying notes form integral part of the financial statements

In terms of our Report of even date

For and on behalf of the Board,

For G.P. KAPADIA & CO.Chartered Accountants
(Registration No. 104768 w)**M. K. Khatau**Chairman
DIN: 00062794**Arup Basu**Managing Director
DIN: 00906760**UDAY R. PARIKH**Partner
Membership No.10217
Place : Ahmedabad
Date : May 10, 2017**Vikas Agarwal**

Chief Financial Officer

Sumruti Anand

Company Secretary

Place : Mumbai

Date : May 10, 2017

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Rs. in lakhs)

	Notes	2016-17	2015-16
INCOME			
Revenue from operations	18	2417.56	2265.29
Other Income	19	70.10	12.39
		2487.66	2277.68
EXPENSES			
Cost of Raw Materials Consumed	20	1430.69	1,290.34
Change in Inventories	21	(58.15)	(30.90)
Employees benefit expenses	22	314.29	289.77
Financial Costs	23	95.30	82.96
Other expenses	24	549.94	549.38
Depreciation and amortization expense		25.39	24.42
Less : Transfer from Revaluation Reserve		15.02	15.02
		2342.44	2190.95
Profit/(Loss) before Exceptional Items and taxes		145.22	86.73
Exceptional Items - charge		-	
Profit/(Loss) before taxes		145.22	86.73
Tax expense (Dividend Tax)		9.74	-
Net Profit/(Loss) After Tax		135.48	86.73
Basic and diluted earnings per share (in Rs.)		4.38	2.81

Significant Accounting Policies 1

Accompanying notes form integral part of the financial statements

In terms of our Report of even date

For and on behalf of the Board,

For G.P. KAPADIA & CO.
Chartered Accountants
(Registration No. 104768 w)

M. K. Khatau
Chairman
DIN: 00062794

Arup Basu
Managing Director
DIN: 00906760

UDAY R. PARIKH
Partner
Membership No.10217
Place : Ahmedabad
Date : May 10, 2017

Vikas Agarwal
Chief Financial Officer

Sumruti Anand
Company Secretary

Place : Mumbai
Date : May 10, 2017

1. SIGNIFICANT ACCOUNTING POLICIES**A. ACCOUNTING CONCEPTS**

The financial accounts are prepared under the historical cost convention on the accrual basis of accounting and in accordance with Accounting Standards.

B. FIXED ASSETS

Fixed assets are stated at cost (including other expenses related to acquisition and installation) less accumulated depreciation / amortisation adjusted by revaluation of certain fixed assets.

C. DEPRECIATION

Depreciation on fixed assets including revalued assets i.e. Building and Plant & Machineries is provided on straight line method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013. The cost of lease hold land (revalued) is amortized over the unexpired period of lease from the date of lease.

D. INVESTMENTS

Investments are shown at cost.

E. INVENTORIES

Inventories are valued at lower of cost and Net Realizable value.

The cost of raw materials, consumables and packing materials is computed on first-in-first-out basis, Stock in process is valued at cost comprising of raw materials and direct expenses.

Finished goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

F. CLASSIFICATION OF ASSETS AND LIABILITIES AS CURRENT AND NON-CURRENT

All assets and liabilities are classified as current or non-current as per Company's normal operating cycle and other criteria set out in Schedule III to the company's Act, 2013. Based in the nature of products and time between the acquisition of assets for processing and their realization in cash & cash equivalent, twelve months has been considered by the Company for the purpose of current, non- current classification of assets & liabilities.

G. RETIREMENT BENEFITS

Retirement benefits consisting of gratuity and leave encashment in respect of employees are accounted on the basis of valuation done by an independent firm of actuaries.

H. SALES

Sales is exclusive of Excise Duty / Taxes and also does not include recoveries such as transportation, insurance etc. which are set off against the respective expense heads.

I. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions, on initial recognition, are recorded by applying to the foreign currency amount the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate in foreign currency.

J. PROVISIONS / CONTINGENCIES

Contingent liabilities are not recognized but are disclosed in the financial statements. Claims against the Company where the possibility of materialization is remote are not considered as contingent liabilities.

Contingent assets are neither recognized nor disclosed in the financial statements.

2 SHARE CAPITAL

2.1 Schedule		(Rs. in lakhs)	
		31.03.2017	31.03.2016
Authorised			
40,00,000	Equity Shares of Rs.10/- each	<u>400.00</u>	400.00
		<u>400.00</u>	<u>400.00</u>
Issued			
35,23,500	Equity Shares of Rs.10/- each	<u>352.35</u>	352.35
		<u>352.35</u>	<u>352.35</u>
Subscribed & fully paid			
30,89,900	Equity Shares of Rs.10/- each	<u>308.99</u>	308.99
Add:	Forfeited Shares	<u>21.68</u>	21.68
		<u>330.67</u>	<u>330.67</u>

2.2 Equity Shares carry voting rights at the General Meeting of the company and are entitled to participate in surplus, if any, in the event of winding up.

2.3 Reconciliation of number of shares

	Equity Shares of Rs. 10 each	Rs. in lakhs
Outstanding as at the beginning of the year	30,89,900	308.99
Issued and Allotted during the year	-	-
Outstanding as at the end of the year	30,89,900	308.99

2.4 Shareholders holding more than 5% shares in the Company

	31.03.2017		31.03.2016	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of Rs. 10 each				
Mr. Mahendra Kishore Khatau	12,81,789	41.48	12,78,180	41.37
M/s. Khatau Leasing & Finance Company Pvt. Ltd.	2,25,000	7.28	3,50,000	11.33

3 RESERVES & SURPLUS

	31.03.2015	Addition/ Deduction during theYear	31.03.2016	Addition/ Deduction during theYear	31.03.2017
Securities Premium Reserve	201.18	-	201.18	-	201.18
Revaluation Reserve	407.94	15.02	392.92	15.02	377.90
Profit & Loss Account	(838.99)	86.73	(752.26)	135.48	(616.78)
	(229.87)	101.75	(158.16)	150.50	(37.70)

(Rs. in lakhs)

	31.03.2017	31.03.2016
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4 LONG TERM BORROWINGS

Term loan (Secured) (Vehicle Loan)	-	2.61
(From Financial Institution against hypothecation of car)	-	2.61
	<u>-</u>	<u>2.61</u>

(Rs. in lakhs)

	31.03.2017	31.03.2016
5 OTHER LONG TERM LIABILITIES		
Trade payables	309.09	397.46
(From M/s. Tex Care Middle East LLC, subsidiary of M/s. Refinol Overseas Ltd.)		
	<u>309.09</u>	<u>397.46</u>
6 LONG TERM PROVISIONS		
Provision for employee's benefits		
For Gratuity	127.68	113.91
For Leave Encashment	24.42	21.98
	<u>152.10</u>	<u>135.89</u>
7 SHORT TERM BORROWINGS		
Working Capital (Secured)		
From Bank*	457.11	419.20
Other Loans (Unsecured)	30.94	32.17
	<u>488.05</u>	<u>451.37</u>
* Secured by a first charge over the entire fixed and current assets and personally guaranteed by two Promoter Directors of the Company		
8 TRADE PAYABLES		
Acceptances	446.56	455.06
	<u>446.56</u>	<u>455.06</u>
Company is awaiting information from the suppliers to identify enterprises falling under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.		
9 OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings	2.61	4.22
Other payables	31.57	24.08
Dividend Tax	9.74	-
Advance from customers	25.81	19.77
Other payables (Staff)	2.53	2.32
	<u>72.26</u>	<u>50.39</u>
10 SHORT-TERM PROVISIONS		
Provision for employees benefits	5.48	7.67
Others	15.74	11.84
	<u>21.22</u>	<u>19.51</u>

11 FIXED ASSETS											(Rs. in lakhs)
Assets	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK		
	As at 1.4.2016	Additions	Sale/ Transfer	As at 31.3.2017	As at 1.4.2016	For the year	Adjust- ments	Up to 31.3.2017	As at 31.3.2017	As at 31.3.2016	
Tangible											
Lease Hold Land	306.19	-	-	306.19	32.05	4.35	-	36.40	269.79	274.14	
Building	169.60	-	-	169.60	70.48	4.30	-	74.78	94.82	99.12	
Plant and Machineries	530.78	13.93	-	544.71	427.08	10.51	-	437.59	107.12	103.70	
Furniture & Fixtures	13.25	-	-	13.25	11.91	0.16	-	12.07	1.18	1.34	
Office Equipments	38.20	0.85	-	39.05	35.55	0.99	-	36.54	2.51	2.65	
Vehicles	28.72	-	-	28.72	10.76	5.08	-	15.84	12.88	17.96	
TOTAL	1086.74	14.78	-	1101.52	587.83	25.39	-	613.22	488.30	498.91	
Previous Year	1076.24	10.50	-	1086.74	563.41	24.42	-	587.83	498.91	-	
1. The gross block of fixed assets includes Rs. 541.33 lakhs (Previous year Rs. 541.33 lakhs) on account of revaluation of fixed assets carried out on 31/03/2009. Consequent to the said revaluation, there is an additional charge of depreciation of Rs. 15.02 lakhs (Previous year Rs. 15.02) and an equivalent amount has been withdrawn from Revaluation Reserve and credited in the profit and loss statement. This has no impact on profit of the year.											
									31.03.2017	31.03.2016	
12 NONCURRENT INVESTMENT											
Subsidiary Company (unquoted)									89.13	89.13	
240000 Equity shares of Refinol Overseas Limited of US \$ 1/ each									89.13	89.13	
13 LONG-TERM LOANS & ADVANCES											
Advances to related parties									-	35.48	
Other Deposits									9.53	9.53	
									9.53	45.01	
Disclosure as per Clause 34(3) and 53(f) of SEBI (LODR) Regulation, 2015											
Advances given to Associates											
Maximum Balance outstanding during the											
Name of the Company											
Current Year											
Previous Year											
M/s. Indokem Ltd.									-	35.48	
									35.48	89.68	
									35.48	89.68	
14 INVENTORIES											
Raw Materials									146.25	179.43	
Packing Materials									14.33	13.43	
Fuel									2.37	0.56	
Stock in Process									7.93	12.02	
Finished Goods									173.92	111.68	
									344.80	317.12	
15 TRADE RECEIVABLES											
Unsecured over six months											
Considered good									49.58	39.71	
Considered doubtful									2.18	2.18	
									51.76	41.89	
Less : Provision									2.18	2.18	
									49.58	39.71	
Others, considered good									656.14	557.51	
									705.72	597.22	

(Rs. In lakhs)

	31.03.2017	31.03.2016
16 CASH AND CASH EQUIVALENTS		
Cash on hand	0.31	0.07
Balances with Banks		
- Current Accounts	16.39	27.11
Other Bank Balances		
- Margin Money (Fixed Deposits)	<u>35.82</u>	<u>34.67</u>
	<u>52.52</u>	<u>61.85</u>
17 SHORT-TERM LOANS AND ADVANCES		
Unsecured considered good		
Advances recoverable in cash or kind	2.81	2.81
Balances with Government Authorities	70.23	61.57
Advance Tax	7.25	6.98
Dividend Tax	9.74	-
Advance to others	0.63	0.55
Loans and Advances to employees	<u>1.59</u>	<u>3.65</u>
	<u>92.25</u>	<u>75.56</u>
	2016-2017	2015-2016
18 REVENUE FROM OPERATIONS		
Sales - Domestic	1679.03	1409.90
Less : Excise Duty / Taxes	<u>227.07</u>	<u>176.23</u>
	1451.96	1233.67
Sales - Exports	<u>965.60</u>	<u>1031.62</u>
	<u>2417.56</u>	<u>2265.29</u>
19 OTHER INCOME		
Interest Income	3.11	2.74
Dividend Income	57.29	-
Insurance Claim	0.82	-
Duty Drawback	7.56	1.84
Exchange Rate Difference	1.04	5.29
Balances Written off	0.28	0.03
VAT Refund	-	2.49
	<u>70.10</u>	<u>12.39</u>
20 COST OF RAW MATERIALS CONSUMED		
Opening Stock	179.43	177.07
Purchases	<u>1397.51</u>	<u>1292.70</u>
	1576.94	1469.77
Less : Closing Stock	<u>146.25</u>	<u>179.43</u>
Raw Material Consumed	<u>1430.69</u>	<u>1290.34</u>
21 CHANGE IN INVENTORIES		
Stock as at 31 st March, 2017		
Stock in Process	7.93	12.02
Finished Goods	<u>173.92</u>	<u>111.68</u>
	<u>181.85</u>	<u>123.70</u>
Less : Stock as at 31st March, 2016		
Stock in Process	12.02	15.60
Finished Goods	<u>111.68</u>	<u>77.20</u>
	<u>123.70</u>	<u>92.80</u>
	<u>58.15</u>	<u>30.90</u>

(Rs. In lakhs)

	2016-2017	2015-2016
22 EMPLOYEES BENEFIT EXPENSES		
Salaries, Wages & Bonus etc.	253.79	222.03
Contribution to Provident Fund & other Funds	43.21	45.36
Staff Welfare expenses	17.29	22.38
	<u>314.29</u>	<u>289.77</u>
23 FINANCE COST		
Interest expense	90.86	77.93
Other borrowing costs	4.44	5.03
	<u>95.30</u>	<u>82.96</u>
24 OTHER EXPENSES		
Stores & Spares Consumed	7.87	7.91
Packing Materials Consumed	153.96	160.56
Power, Fuel & Water Charges	80.97	84.49
Repairs		
- Machineries	15.32	11.41
- Building	3.96	6.80
- Others	1.78	1.77
Inward Freight, Clearing & Forwarding	38.92	34.24
Laboratory & Testing Expenses	6.53	4.47
Labour Charges	26.65	22.63
Insurance	2.62	1.75
Rent	5.41	5.33
Rates & Taxes	5.20	8.59
Postage & Telephone	11.50	11.34
Legal & Professional Charges*	10.04	15.13
Conveyance & Vehicle Expenses	32.57	40.00
Printing & Stationery	4.04	4.25
Misc. Expenses	8.34	7.34
Directors' Fees	1.48	0.80
Service Tax & Swatch Bharat Cess	0.89	0.79
Commission	15.41	2.20
Commission to Managing Director	1.36	-
Outward Freight & Export Expenses	85.00	83.55
Sample Expenses	0.47	0.36
Bad Debts	1.05	-
Advertisement & Sales Promotion	0.89	1.09
Travelling Expenses	24.24	29.85
Stock Transfer tax	3.46	2.73
	<u>549.94</u>	<u>549.38</u>
*Payment to Auditors (Excluding Service Tax) :	2016-2017	2015-2016
Statutory Auditors		
As Auditors	0.75	0.65
For Tax Audit	0.30	0.25
For other services	0.60	0.55
	<u>1.65</u>	<u>1.45</u>

	<u>2016-17</u>	<u>2015-16</u>
25 CONTINGENT LIABILITIES (not provided for)		
a. Claim against company not acknowledged as Debt	3.75	3.75
b. Disputed levies of Income Tax (excluding interest)	14.42	14.42
26 In view of uncertainty that sufficient future taxable income will be available against unabsorbed depreciation and carried forward losses under tax laws, deferred tax assets has not been recognized.		
27 In spite of company's net worth being fully eroded, Accounts have been prepared on going concern basis. The Company has cash profit in both current and immediately preceding financial year.		
28 The company's operations fall under single segment namely "Chemicals".		
29 Earning per share:	<u>2016-17</u>	<u>2015-16</u>
Net Profit After Tax	135.48	86.73
Number of equity shares outstanding	30,89,900	30,89,900
Basic and diluted earning per share (Par value of Rs.10 each)	4.38	2.81
30 Related Party Disclosure		
a. Parties where control exists :		
Refnol Overseas Limited	Subsidiary	
Tex Care Middle East LLC	Step-down Subsidiary	
b. Other related parties :		
i Other parties		
Indokem Limited	Associate	
Shubhlabh Chemicals Pvt. Ltd.	Associate	
Formost Chemicals Pvt. Ltd.	Associate	
Orchard Acres	Associate	
Priyamvada Holdings Limited	Associate	
Khatau Leasing and Finance Co. Pvt. Ltd.	Associate	
MKK Holdings Private Limited	Associate	
Vindypriya Holdings Private Limited	Associate	
ii. Key Management Personnel & Relatives :		
1. Mr. Mahendra K. Khatau, Chairman		
2. Mr. Arup Basu, Managing Director		
3. Mr. Vikas Agarwal, Chief Financial Officer		
4. Ms. Sumruti Anand, Company Secretary		
5. Vikas Agarwal (HUF), HUF firm of Mr. Vikas Agarwal, Chief Financial Officer		
6. Mr. Abhik Basu, S/o, Mr. Arup Basu, Managing Director		
7. Mrs. Leela K. Khatau, Executive (Mother of Mr. Mahendra K. Khatau, Chairman)		
c. Nature of Transaction		(Rs. In lakhs)
	<u>2016-17</u>	<u>2015-16</u>
(i) Sales		
Indokem Limited	356.13	348.50
Formost Chemicals Pvt Ltd	0.12	5.01
Orchard Acres	15.05	18.34
Tex Care Middle East LLC	119.91	81.22
	<u>491.21</u>	<u>453.07</u>
(ii) Purchase		
Indokem Ltd	1.33	-
Orchard Acres	395.72	521.72
(iii) Payment for other services / interest		
Tex Care Middle East LLC	52.27	3.73
Indokem Ltd (Lab. Expenses)	-	0.12
Orchard Acres (Interest)	24.61	5.79
Mr. Mahendra K. Khatau (Interest)	0.06	0.16
Vikas Agarwal (HUF) (Car Hire Charges)	2.46	2.46
Mr. Abhik Basu (Car Hire Charges)	3.59	3.59
Smt. Leela K. Khatau (Salary & Other)	15.25	17.27
	<u>98.24</u>	<u>33.12</u>

	(Rs. In lakhs)	
	<u>2016-17</u>	<u>2015-16</u>
(iv) Amount received from Tex care Middle East LLC		
Against supplies	25.24	77.78
Amount Reimbursed	52.90	3.12
(v) Outstanding Balances as at 31st March 2017		
a. Receivables		
Indokem Limited	276.36	243.96
Shubhlabh Chemicals Pvt. Ltd.	-	3.47
Formost Chemicals Pvt. Ltd.	-	5.01
	276.36	252.44
b. Acceptances		
Tex Care Middle East LLC	308.95	403.00
Orchard Acres	223.53	175.89
Indokem Limited	1.33	-
	533.81	578.89
c. Advances to Related Parties		
Indokem Limited	-	35.48
d. Other payable		
Smt. Leela K. Khatau (Salary)	0.86	0.18
(vi) Remuneration :		
a] Mr. Arup Basu, Managing Director		
Salary	23.60	19.05
Contribution to PF	1.83	1.47
Gratuity	0.73	0.59
Perquisites	0.42	0.43
Commission*	1.36	-
	27.94	21.54
*Calculation of commission to MD		
Net Profit After Tax	135.48	-
Commission (1% of net profit)	1.36	-
As per section 198 of the Companies Act, 2013		
b] Mr. Vikas Agarwal, Chief Financial Officer		
Salary	9.73	8.82
Contribution to PF	0.84	0.77
Gratuity	0.34	0.31
	10.91	9.90
c] Ms. Sumruti Anand, Company Secretary		
Salary	2.80	1.52
Contribution to PF	0.21	0.12
Gratuity	0.08	0.08
	3.09	1.72

31 Disclosure pursuant to Accounting Standard-15 "Employee Benefits"

Define Benefit Plan Disclosures

(Rs. In Lakhs)

Sr. No.	Particular	Gratuity	Leave Benefit	Gratuity	Leave Benefit
		2016-17	2016-17	2015-16	2015-16
1	Components to Employer Expense				
a]	Current Service Cost	19.80	8.26	26.26	4.75
b]	Interest Cost	-	-	-	-
c]	Past service cost	-	(0.05)	(3.49)	(1.12)
d]	Excess provision reversed	(2.05)	(3.05)	-	-
e]	Actuarial (Gain)/Loss	-	-	-	-
f]	Total expense /(gain) recognised in the P & L A/c.	17.75	5.16	22.77	3.63
2	Net Assets / Liability Recognised in the Balance Sheet				
a]	Present value of obligation as at 01/04/2016	113.91	21.98	94.80	18.96
b]	Fair Value of Plan Assets as at 01/04/2016	-	-	-	-
c]	Assets/Liability recognized in Balance Sheet	127.68	24.42	113.91	21.98
3	Change in Defined Benefit Obligation (DBO) during Year ended 31st March 2017.				
a]	Present value of obligation as at 01/04/2016	113.91	21.98	94.80	18.96
b]	Current Service Cost	19.80	8.26	26.26	4.75
c]	Interest Cost	-	-	-	-
d]	Past service cost	-	(0.05)	(3.49)	(1.12)
e]	Actuarial (Gain)/Loss	-	-	-	-
f]	Benefit paid	3.98	1.29	3.66	0.61
g]	Present value of obligation as at 31/03/2017	127.68	24.42	113.91	21.98

32 Value of consumables

	2016-17		2015-16	
	%	Rs.	%	Rs.
Raw Material (Imported)	2.91	41.62	3.03	39.11
Raw Material (Indigenous)	97.09	1389.07	96.97	1251.22
TOTAL	100.00	1430.69	100.00	1290.34
Packing Materials (Indigenous)	100.00	153.96	100.00	160.56
Stores & spares (Indigenous)	100.00	7.87	100.00	7.91

33 Foreign Currency Transactions

	2016-17	2015-16
i Value of Imports on CIF basis		
Raw materials	38.57	57.14
ii Earnings in foreign exchange		
Exports at FOB Value	354.55	273.98
iii Expenditure in Foreign Currency		
Travelling expenses	0.84	1.79
Commission	13.75	1.43

34 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes (SBNs) and other demonation notes as defined in the MCA notification G.S.R. 308(RE) dated 31st March, 2017, on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the demonation wise SBNs and other notes as per the notification is given below:

	SBNs	Other denomination notes	Total
closing cash in hand as on 8th November, 2016	8,08,500.00	1,00,940.00	9,09,440.00
(+) Permitted receipts	-	18,24,930.00	18,24,930.00
(-) Permitted payments	-	16,98,612.00	16,98,612.00
(-) Amount deposited in banks	8,08,500.00	8,08,500.00	
closing cash in hand as on 30th December, 2016	-	2,27,258.00	2,27,258.00

35 The figures of the previous year have been regrouped / reclassified / rearranged, wherever necessary.

In terms of our Report of even date

For and on behalf of the Board,

For G.P. KAPADIA & CO.Chartered Accountants
(Registration No. 104768 w)**M. K. Khatau**Chairman
DIN: 00062794**Arup Basu**Managing Director
DIN: 00906760**UDAY R. PARIKH**Partner
Membership No.10217
Place : Ahmedabad
Date : May 10, 2017**Vikas Agarwal**

Chief Financial Officer

Sumruti Anand

Company Secretary

Place : Mumbai

Date : May 10, 2017

CASH FLOW STATEMENT FOR THE YEAR 2016-17

(Rs. in lakhs)

	2016-17	2015-16
A. Cash Flow From Operating Activities		
Net Profit After Tax And Extra Ordinary Items	135.48	86.73
Adjustments For :		
Depreciation	10.37	9.40
Interest Expenses & Finance Charges	95.30	82.96
Interest Income	(3.11)	(2.74)
Dividend Tax	9.74	
Dividend Received	(57.29)	89.62
Operating Profit / (Loss) Before Working Capital Changes	190.49	176.35
Adjustments For :		
Trade And Other Receivables	(89.71)	(67.20)
Inventories	(27.68)	(36.05)
Trade And Other Payables	(57.08)	(1.05)
Net Cash Generated From Operating Activities	(A) 16.02	72.05
B. Cash Flow From Investing Activities		
Interest Received	3.11	2.74
Dividend Received	57.29	
Purchase Of Fixed Assets	(14.78)	(10.50)
Sale Of Fixed Assets	-	-
Net Cash From / (Used In) Investing Activities	(B) 45.62	(7.76)
C. Cash Flow From Financing Activities		
Proceeds/(Repayment) From Borrowings (Net)	34.07	24.82
Interest & Finance Charges Paid	(95.30)	(82.96)
Dividend Tax Paid	(9.74)	-
Margin Money	(1.15)	(4.86)
Net Cash Used In Financing Activities	(C) (72.12)	(63.00)
Net Increase/(Decrease) In Cash And Cash Equivalents	(A+B+C) (10.48)	1.29
Cash And Cash Equivalents-Opening Balance	27.18	25.89
Cash And Cash Equivalents-Closing Balance	16.70	27.18

1 Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3.

2 Cash and Cash equivalents represents cash and bank balances.

In terms of our Report of even date

For and on behalf of the Board,

For G.P. KAPADIA & CO.
Chartered Accountants
(Registration No. 104768 w)

M. K. Khatau
Chairman
DIN: 00062794

Arup Basu
Managing Director
DIN: 00906760

UDAY R. PARIKH
Partner
Membership No.10217
Place : Ahmedabad
Date : May 10, 2017

Vikas Agarwal
Chief Financial Officer

Sumruti Anand
Company Secretary

Place : Mumbai
Date : May 10, 2017

**CONSOLIDATED
FINANCIAL STATEMENTS
&
NOTES**

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Refnol Resins and Chemicals Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Refnol Resins and Chemicals Limited** ("the Holding Company") and its subsidiaries and associate (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 Companies Act, 2013 (hereinafter referred to "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit 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 consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Company, as at 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of one subsidiary and one step-down subsidiary whose financial statements reflect total assets of Rs.742.99 lakhs as at 31st March 2017, total revenues of Rs. 1483.42 lakhs and net cash outflows amounting of Rs. 26.08 lakhs for the year ended on that date, reflect group's share of net profit of Rs. 38.84 lakhs as considered in the Consolidated Financial Statements. These Financial Statements are audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated 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 the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group,– Refer Note 25 (a) to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For G. P. Kapadia & Co.
Chartered Accountants
(Registration no. 104768 W)

Uday. R. Parikh
Partner
Membership No.10217

Place : Ahmedabad
Date : May 10, 2017

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of **Refnol Resins and Chemicals Limited** ("the Holding Company") and its subsidiary companies which are companies incorporated outside India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated outside India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). 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") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 judgment, 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 our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable 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 Holding Company and its subsidiary companies, which are companies incorporated outside India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For G. P. Kapadia & Co.
Chartered Accountants
(Registration no. 104768 W)

Uday. R. Parikh
Partner
Membership No.10217

Place : Ahmedabad
Date : May 10, 2017

BALANCE SHEET (CONSOLIDATED) AS AT 31st MARCH 2017

(Rs. in lakhs)

	Notes	As At 31st March 2017	As At 31st March 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	330.67	330.67
Reserves and Surplus	3	685.08	618.38
		1015.75	949.05
Non-current liabilities			
Long-term borrowings	4	123.12	95.71
Long-term provisions	5	194.95	171.54
		318.07	267.25
Current liabilities			
Short-term borrowings	6	539.30	496.59
Trade payables	7	501.39	542.07
Other current liabilities	8	129.53	100.78
Short-term provisions	9	21.22	19.51
		1,191.44	1,158.95
TOTAL		2525.26	2375.25
ASSETS			
Non-current assets			
Fixed assets (Tangible)	10	518.96	532.05
Long-term loans & advances	11	9.53	45.01
		528.49	577.06
Current Assets			
Inventories	12	459.27	426.66
Trade receivables	13	1,230.12	1,044.99
Cash and cash equivalents	14	174.01	208.41
Short-term loans and advances	15	133.37	118.13
		1996.77	1798.19
TOTAL		2525.26	2375.25

Significant Accounting Policies

1

Accompanying notes form integral part of the financial statements

In terms of our Report of even date

For and on behalf of the Board,

For G.P. KAPADIA & CO.Chartered Accountants
(Registration No. 104768 w)**M. K. Khatau**Chairman
DIN: 00062794**Arup Basu**Managing Director
DIN: 00906760**UDAY R. PARIKH**Partner
Membership No.10217
Place : Ahmedabad
Date : May 10, 2017**Vikas Agarwal**

Chief Financial Officer

Sumruti Anand

Company Secretary

Place : Mumbai

Date : May 10, 2017

PROFIT AND LOSS STATEMENT (CONSOLIDATED) FOR THE YEAR ENDED 31ST MARCH 2017

(Rs. in lakhs)

	Notes	2016-17	2015-16
INCOME			
Revenue from operations	16	3888.21	3822.46
Other Income	17	82.87	57.17
		3971.08	3879.63
EXPENSES			
Cost of Raw Materials Consumed	18	2128.10	2059.77
Change in Inventories	19	(60.03)	(26.57)
Employees benefit expenses	20	507.58	465.01
Financial Costs	21	138.04	129.89
Other expenses	22	1040.83	1014.29
Depreciation and amortization expense		47.51	40.95
Less : Transfer from Revaluation Reserve		15.02	15.02
		3787.01	3668.32
Profit/(Loss) before Exceptional Items and taxes		184.07	211.31
Exceptional Items - charge		0.00	0.00
Profit/(Loss) before taxes		184.07	211.31
Tax expense (Dividend Tax)		9.74	0.00
Net Profit/(Loss) After Tax		174.33	211.31
Basic and diluted earnings per share (in Rs.)		5.64	6.84

Significant Accounting Policies 1

Accompanying notes form integral part of the financial statements

In terms of our Report of even date

For and on behalf of the Board,

For G.P. KAPADIA & CO.
Chartered Accountants
(Registration No. 104768 w)

M. K. Khatau
Chairman
DIN: 00062794

Arup Basu
Managing Director
DIN: 00906760

UDAY R. PARIKH
Partner
Membership No.10217
Place : Ahmedabad
Date : May 10, 2017

Vikas Agarwal
Chief Financial Officer

Sumruti Anand
Company Secretary

Place : Mumbai
Date : May 10, 2017

1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

A. PRINCIPLES OF CONSOLIDATION

1. The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standards (AS) 21- "Consolidated Financial Statements"
2. In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.
3. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
4. The Consolidated Financial Statement comprises Audited Financial Statements (except as mentioned otherwise) of the Company, its Subsidiaries and its interest for the year ended 31st March, 2017, which are as under:

Name of the Company	Nature	Country of Incorporation	% of Share Holding		% of Voting power	
			31.03.2017	31.03.2017	31.03.2017	31.03.2016
Refnol Overseas Limited (ROL)	Subsidiary	Mauritius	100%	100%	100%	100%
Tex Care Middle East LLC (TCME)*	Subsidiary of ROL	Dubai	49%	49%	49%	49%

* Tex Care Middle East LLC (TCME), Represented by Mr. Mahendra Khatau (49% of share holding) & Shaikh Faisal Bin Sultan Al Qasemi (51% of share holding).

B. OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out under "Significant Accounting Policies" as given in the Companies' separate financial statements.

2 SHARE CAPITAL

		(Rs. in lakhs)	
		31.03.2017	31.03.2016
2.1	Schedule		
	Authorised		
40,00,000	Equity Shares of Rs.10/- each	400.00	400.00
		400.00	400.00
	Issued		
35,23,500	Equity Shares of Rs.10/- each	352.35	352.35
		352.35	352.35
	Subscribed & fully paid		
30,89,900	Equity Shares of Rs.10/- each	308.99	308.99
Add:	Forfeited Shares	21.68	21.68
		330.67	330.67

2.2 Equity Shares carry voting rights at the General Meeting of the company and are entitled to participate in surplus, if any, in the event of winding up.

2.3 Reconciliation of number of shares

	Equity Shares of Rs. 10 each	Rs. in lakhs
Outstanding as at the beginning of the year	30,89,900	308.99
Issued and Allotted during the year	-	-
Outstanding as at the end of the year	30,89,900	308.99

2.4 Shareholders holding more than 5% shares in the Company

	31.03.2017		31.03.2016	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of Rs. 10 each				
Mr. Mahendra Kishore Khatau	12,81,789	41.48	12,78,180	41.37
M/s. Khatau Leasing & Finance Company Pvt. Ltd.	2,25,000	7.28	3,50,000	11.33

3 RESERVES & SURPLUS

	31.03.2015	Addition/ Deduction during theYear	31.03.2016	Addition/ Deduction during theYear	31.03.2017
Securities Premium Reserve	201.18	-	201.18	-	201.18
Statutory Reserve	32.55	(11.98)	20.57	-	20.57
Revaluation Reserve	407.94	(15.02)	392.92	(15.02)	377.90
Profit & Loss Account	(221.17)	203.58	(17.59)	174.33	156.74
Capital reserve	23.25	(11.98)	11.27	-	11.27
Dividend Declared	0.00	-	-	(58.98)	(58.98)
Exchange Fluctuation Reserve	79.92	(69.89)	10.03	(33.63)	(23.60)
	523.68	94.70	618.38	66.70	685.08

(Rs. in lakhs)

	31.03.2017	31.03.2016
--	------------	------------

4 LONG TERM BORROWINGS

Vehicle loan (Secured)	5.23	3.52
Term loan (Secured)	117.89	92.18
	123.12	95.71

The Vehicles are hypothecated with bank/Financial Institution against bank loan.

Term loan personally guaranteed by one of the directors along with post dated cheques.

(Rs. in lakhs)

	31.03.2017	31.03.2016
5 LONG TERM PROVISIONS		
Provision for employee's benefits	194.95	171.54
	<u>194.95</u>	<u>171.54</u>
6 SHORT TERM BORROWINGS		
Working Capital (Secured)		
From Bank*	508.36	464.42
Other Loans (Unsecured)	30.94	32.17
	<u>539.30</u>	<u>496.49</u>
* 1] Comprises of Rs. 457.11 Lakhs (Previous year Rs. 419.20 lakhs) against first charge over the entire fixed and current assets and personally guaranteed by two Promoter Directors.		
* 2] Rs. 51.25 Lakhs (Previous year Rs. 45.22 lakhs) as term loan personally guaranteed by one of the directors along with post dated cheques.		
7 TRADE PAYABLES		
Acceptances	501.39	542.07
	<u>501.39</u>	<u>542.07</u>
8 OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings	8.55	8.53
Other payables	82.90	70.17
Dividend Tax	9.74	-
Advance From customers	25.81	19.77
Other payables (Staff)	2.53	2.32
	<u>129.53</u>	<u>100.79</u>
9 SHORT-TERM PROVISIONS		
Provision for employees benefits	5.48	7.67
Others	15.74	11.84
	<u>21.22</u>	<u>19.51</u>

10 FIXED ASSETS											(Rs. in lakhs)
Assets	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK		
	As at 1.4.2016	Additions	Sale/ Transfer	As at 31.3.2017	As at 1.4.2016	For the year	Adjust- ments	Up to 31.3.2017	As at 31.3.2017	As at 31.3.2016	
Tangible											
Lease Hold Land	315.63	-	-	315.63	41.49	4.35	-	45.84	269.79	274.14	
Building	169.60	-	-	169.60	70.48	4.30	-	74.78	94.82	99.12	
Plant and Machineries	644.83	18.67	1.99	661.51	515.24	22.53	0.50	537.27	124.24	129.59	
Furniture & Fixtures	19.78	0.49	-	20.27	18.43	0.16	-	18.59	1.68	1.35	
Office Equipments	65.66	1.34	-	67.00	60.65	1.78	-	62.43	4.57	5.01	
Vehicles	121.07	15.41	-	136.48	98.23	14.39	-	112.62	23.86	22.83	
TOTAL	1336.57	35.91	1.99	1370.49	804.52	47.51	0.50	851.53	518.96	532.05	
Previous Year	1311.33	25.24	-	1336.57	763.56	40.97	-	804.52	532.05	-	
1. The gross block of fixed assets includes Rs. 541.33 lakhs (Previous year Rs. 541.33 lakhs) on account of revaluation of fixed assets carried out on 31/03/2009. Consequent to the said revaluation, there is an additional charge of depreciation of Rs. 15.02 lakhs (Previous year Rs. 15.02 lakhs) and an equivalent amount has been withdrawn from Revaluation Reserve and credited in the profit and loss statement. This has no impact on profit for the current year.											
(Rs. In lakhs)											
									31.03.2017	31.03.2016	
11 LONG-TERM LOANS & ADVANCES											
Indokem Ltd.									-	35.48	
Other Deposits									9.53	9.53	
									9.53	45.01	
12 INVENTORIES											
Raw Materials									217.21	247.33	
Packing Materials									14.33	13.42	
Fuel									2.37	0.56	
Stock in Process									7.93	12.02	
Finished Goods									217.43	153.32	
									459.27	426.66	
13 TRADE RECEIVABLES											
Unsecured Over six months											
Considered good									76.52	69.68	
Considered doubtful									46.68	17.34	
									123.20	87.02	
Less : Provision									46.68	17.34	
									76.52	69.68	
Others, considered good									1,153.60	975.31	
									1,230.12	1,044.99	

(Rs. In lakhs)

	31.03.2017	31.03.2016
14 CASH AND CASH EQUIVALENTS		
Cash on hand	7.51	3.98
Balances with Banks		
- Current Accounts	130.68	169.76
Other Bank Balances		
- Margin Money	35.82	34.67
	<u>174.01</u>	<u>208.41</u>
15 SHORT-TERM LOANS AND ADVANCES		
Unsecured considered good		
Advances recoverable in cash or kind	2.81	2.81
Balances with Government Authorities	88.80	79.83
Advance Tax	7.25	6.98
Dividend Tax	9.74	
Advance to supplier & others	21.98	23.64
Loan and Advances to Employees	1.59	3.65
Prepaid interest and others	1.20	1.22
	<u>133.37</u>	<u>118.13</u>
	2016-2017	2015-2016
16 REVENUE FROM OPERATIONS		
Sales - Domestic	2627.61	2510.76
Less : Excise Duty / Taxes	227.07	176.23
	<u>2400.54</u>	<u>2334.52</u>
Sales - Exports	1487.67	1487.93
	<u>3888.21</u>	<u>3822.46</u>
17 OTHER INCOME		
Interest Income	13.69	47.52
Dividend Income	58.98	-
Profit on sale of Assets	0.49	-
Insurance Claim	0.82	-
Duty Drawback	7.56	1.84
Exchange Rate Difference	1.04	5.29
Balances Written off	0.28	0.03
VAT Refund	-	2.49
	<u>82.87</u>	<u>57.17</u>
18 COST OF RAW MATERIAL CONSUMED		
Opening Stock	247.34	235.36
Purchases	2097.97	2071.75
	<u>2345.31</u>	<u>2307.11</u>
Less : Closing Stock	217.21	247.34
Raw Material Consumed	<u>2128.10</u>	<u>2059.77</u>
19 CHANGE IN INVENTORIES		
Stock as at 31 st March, 2017		
Stock in Process	7.93	12.02
Finished Goods	217.43	153.31
	<u>225.36</u>	<u>165.33</u>
Less : Stock as at 31 st March, 2016		
Stock in Process	12.02	15.60
Finished Goods	153.31	123.16
	<u>165.33</u>	<u>138.76</u>
	<u>60.03</u>	<u>26.57</u>

(Rs. In lakhs)

	2016-2017	2015-2016
20 EMPLOYEES BENEFIT EXPENSES		
Salaries, Wages & Bonus etc.	447.08	395.51
Contribution to Provident Fund & other Funds	43.21	45.36
Staff Welfare expenses	17.29	24.14
	<u>507.58</u>	<u>465.01</u>
21 FINANCE COST		
Interest expense	133.60	118.91
Other borrowing costs	4.44	10.98
	<u>138.04</u>	<u>129.89</u>
22 OTHER EXPENSES		
Stores & Spares Consumed	7.87	7.91
Packing Materials Consumed	153.96	160.56
Power, Fuel & Water Charges	80.97	84.49
Repairs - Machineries	15.32	11.41
- Building	3.96	6.80
- Other	11.83	11.08
Inward Freight, Clearing & Forwarding	79.14	100.14
Laboratory & Testing Expenses	6.53	4.47
Labour Charges	26.65	22.63
Insurance	7.95	6.60
Rent	42.91	36.86
Rates & Taxes	5.20	8.59
Postage & Telephone	20.61	18.90
Legal & Professional Charges	66.21	41.31
Conveyance & Vehicle Expenses	32.57	40.00
Printing & Stationery	14.12	13.03
Misc. Expenses	20.52	18.35
Directors' Fees	2.30	1.60
Service Tax & Swatch Bharat Cess	0.89	0.79
Commission	185.88	170.91
Commission to Managing Director	1.36	0.00
Outward Freight & Export Expenses	85.00	83.55
Sample Expenses	0.47	0.36
Bad Debts	16.05	14.72
Advertisement & Sales Promotion	97.59	93.87
Travelling Expenses	51.51	52.64
Stock Transfer tax	3.46	2.73
	<u>1040.83</u>	<u>1014.29</u>
*Payment to Auditors (Excluding Service Tax) :		
Statutory Auditors		
As Auditors	4.19	3.97
	<u>4.19</u>	<u>3.97</u>

23. Information relating to Subsidiaries including subsidiaries of subsidiaries: (In terms of Government of India, Ministry of Corporate Affairs general Circular No. 2/2011, No: 5/12/27007-CL-III dated 8th February, 2011)

(Amount in lakhs)

Sr. No.	Name of Subsidiary Company	Year	Currency	Share Capital	Reserves & Surplus (Non Current Assets + Current Assets)	Total Assets (Non Current Lia. + Current Lia.)	Total Liabilities & Non -Current investments	Details of Current	Net Turn over before taxation	Profit/ (Loss) Taxation	Provision for after taxation	Profit/ (Loss)	Proposed Dividend
1	Refnol Overseas Limited	2016-17	US \$	2.40	1.17	3.18	0.03	0.41	1.06	0.07	-	0.07	-
			INR	89.13	130.74	206.41	1.76	15.23	69.49	6.22	-	6.22	-
		2015-16	US \$	2.40	1.05	3.07	0.03	0.41	0.16	0.08	-	0.08	-
			INR	89.13	127.42	203.09	1.78	15.23	10.30	5.44	-	5.44	-
2	Tex Care Middle East LLC	2016-17	AED	3.00	44.44	70.95	23.51	-	82.37	1.83	-	1.83	-
			INR	33.25	691.66	1,137.76	412.86	-	1,470.65	32.62	-	32.62	-
		2015-16	AED	3.00	45.92	70.69	21.77	-	88.90	6.03	-	6.03	-
			INR	33.25	751.60	1,175.26	390.41	-	1,557.17	119.15	-	119.15	-

Note : For converting the figures given in the foreign currency appearing in the accounts of the subsidiary companies in to equivalent INR, following exchange rates are used for 1 INR.

Sr. No.	Currency	Balance Sheet (Closing Rate)		P & L Account (Avg. Rate)	
		2016-17	2015-16	2016-17	2015-16
1	US Dollar (US\$)	0.0154	0.0151	0.0153	0.0156
2	UAE Dirham (AED)	0.0569	0.0558	0.0560	0.0571

24 CONTINGENT LIABILITIES (not provided for)

	2016-17	2015-16
a Claim against company not acknowledged as Debt	6.84	6.84
b Disputed levies of Income Tax (excluding interest)	14.42	14.42

25 In view of uncertainty that sufficient future taxable income will be available against unabsorbed depreciation and carried forward losses under tax laws, deferred tax assets has not been recognized.

26 The company's operations fall under single segment namely "Chemicals".

27 Earning per share:	2016-17	2015-16
Net Profit After Tax	174.33	211.31
Number of equity shares outstanding	30,89,900	30,89,900
Basic and diluted earning per share (Par value of Rs.10 each)	5.64	6.84

28 Related Party Disclosure

a Other related parties with whom transactions have taken place during the year :

Indokem Limited	Associate
Shubhlabh Chemicals Pvt. Ltd.	Associate
Formost Chemicals Pvt. Ltd.	Associate
Orchard Acres	Associate
Priyamvada Holdings Limited	Associate
Khatau Leasing and Finance Co. Pvt. Ltd.	Associate
MKK Holdings Private Limited	Associate
Vindypriya Holdings Private Limited	Associate

b Key Management Personnel & Relatives :

1. Mr. Mahendra K. Khatau, Chairman
2. Mr. Arup Basu, Managing Director
3. Mr. Vikas Agarwal, Chief Financial Officer
4. Ms. Sumruti Anand, Company Secretary
5. Vikas Agarwal (HUF), HUF firm of Mr. Vikas Agarwal, Chief Financial Officer
6. Mr. Abhik Basu, S/o, Mr. Arup Basu, Managing Director
7. Mrs. Leela K. Khatau, Executive (Mother of Mr. Mahendra K. Khatau, Chairman)

c. Nature of Transaction

(Rs. In lakhs)

	<u>2016-17</u>	<u>2015-16</u>
(i) Sales		
Indokem Limited	356.13	348.50
Formost Chemicals Pvt Ltd	0.12	5.01
Orchard Acres	15.05	18.34
	371.30	371.85
(ii) Purchase		
Indokem Ltd	1.33	-
Orchard Acres	395.72	521.72
(iii) Payment for other services / interest		
Indokem Ltd (Lab. Expenses)	-	0.12
Orchard Acres (Interest)	24.61	5.79
Priyamvada Holdings Limited (Commission)	-	-
Mr. Mahendra K. Khatau (Interest)	1.36	0.16
Vikas Agarwal (HUF) (Car Hire Charges)	2.46	2.46
Mr. Abhik Basu (Car Hire Charges)	3.59	3.59
Smt. Leela K. Khatau (Salary & Others)	15.25	17.27
	47.27	29.39
(iv) Outstanding Balances as at 31st March 2017		
a. Receivables		
Indokem Limited	276.36	243.96
Shubhlabh Chemicals Pvt. Ltd.	-	3.47
Formost Chemicals Pvt. Ltd.	-	5.01
	276.36	252.44
b. Acceptances		
Orchard Acres	223.53	175.89
Indokem Limited	1.33	-
	224.86	175.89

	<u>2016-17</u>	(Rs. In lakhs) <u>2015-16</u>
c. Advances to Related Parties		
Indokem Limited	-	35.48
d. Other payable		
Smt. Leela K. Khatau (Salary)	0.86	0.18
(vii) Remuneration :		
a] Mr. Arup Basu, Managing Director		
Salary	23.60	19.05
Contribution to PF	1.83	1.47
Gratuity	0.73	0.59
Perquisites	0.42	0.43
Commission	1.36	-
	27.94	21.54
*Calculation of commission to MD		
Net Profit After Tax	135.48	-
Commission (1% of net profit)	1.36	-
As per section 198 of the Companies Act, 2013		
b] Mr. Vikas Agarwal, Chief Financial Officer		
Salary	9.73	8.82
Contribution to PF	0.84	0.77
Gratuity	0.34	0.31
	10.91	9.90
c] Ms. Sumruti Anand, Company Secretary		
Salary	2.80	1.52
Contribution to PF	0.21	0.12
Gratuity	0.08	0.08
	3.09	1.72

29 The figures of the previous year have been regrouped / reclassified / rearranged, wherever necessary.

In terms of our Report of even date

For G.P. KAPADIA & CO.
Chartered Accountants
(Registration No. 104768 w)

UDAY R. PARIKH
Partner
Membership No.10217
Place : Ahmedabad
Date : May 10, 2017

For and on behalf of the Board,

M. K. Khatau
Chairman
DIN: 00062794

Vikas Agarwal
Chief Financial Officer

Place : Mumbai
Date : May 10, 2017

Arup Basu
Managing Director
DIN: 00906760

Sumruti Anand
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2016-17

(Rs. in lakhs)

	2016-17	2015-16
A. Cash Flow From Operating Activities		
Net Profit After Tax And Extra Ordinary Items	174.33	211.31
Adjustments For :		
Depreciation	32.49	25.93
Interest Expenses & Finance Charges	138.04	129.89
Interest Income	(13.70)	(47.52)
Unrealised Exchange Rate Difference	(33.63)	(69.89)
Dividend Tax	9.74	-
Dividend Received	(58.98)	-
Profit/ Loss On Sale Of Fixed Assets (Net)	(0.49)	-
Operating Profit / Loss Before Working Capital Changes	247.80	218.02
Adjustments For :		
Trade And Other Receivables	(164.89)	(11.62)
Inventories	(32.61)	(41.34)
Trade And Other Payables	13.18	2.57
Net Cash Generated From Operating Activities	(A) 63.48	167.63
B. Cash Flow From Investing Activities		
Interest Received	13.70	47.52
Purchase Of Fixed Assets	(35.91)	(25.24)
Sale Of Fixed Assets	1.98	-
Net Cash Used In Investing Activities	(B) (20.23)	22.28
C. Cash Flow From Financing Activities		
Proceeds From Borrowings (Net)	70.12	(4.85)
Interest & Finance Charges Paid	(138.04)	(129.89)
Tax Paid On Dividend	(9.74)	-
Margin Money	(1.15)	(4.86)
Net Cash Used In Financing Activities	(C) (78.81)	(139.60)
Net Increase/ (Decrease) In Cash And Cash Equivalents	(A+B+C) (35.56)	50.31
Cash And Cash Equivalents-Opening Balance	173.74	123.43
Cash And Cash Equivalents-Closing Balance	138.18	173.74

1 Cash Flow Statement Has Been Prepared Under the indirect method As Set Out In Accounting Standard 3.

2 Cash And Cash Equivalents Represents Cash And Bank Balances.

In terms of our Report of even date

For and on behalf of the Board,

For G.P. KAPADIA & CO.
Chartered Accountants
(Registration No. 104768 w)

M. K. Khatau
Chairman
DIN: 00062794

Arup Basu
Managing Director
DIN: 00906760

UDAY R. PARIKH
Partner
Membership No.10217
Place : Ahmedabad
Date : May 10, 2017

Vikas Agarwal
Chief Financial Officer
Place : Mumbai
Date : May 10, 2017

Sumruti Anand
Company Secretary

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REFNOL RESINS AND CHEMICALS LIMITED

CIN No. L24200MH1980PLC023507

Registered office: Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016.
Tel: 079-22820013/ 40209200-9 Fax No. 079-22820476 Website: www.refnol.com, Email: secretarial@refnol.com

36th Annual General Meeting – 29th September, 2017

ATTENDANCE SLIP

Venue of the meeting : **Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016**

Date & Time : **29TH September, 2017 at 12.00 Noon**

Please fill Attendance Slip and hand it over at the entrance of the Meeting venue:

Name	
Address	
DP Id*	
Client Id*	
Folio No.	
No. of shares held	

I certify that I am the registered shareholders/proxy for the registered shareholder of the Company.

I hereby record my presence at the 36th Annual General Meeting of the Company held on 29th September, 2017 at 12.00 Noon at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016

*Applicable for shareholders holding shares in electronic form.

Signature of Member / Proxy

Note:

- Electronic copy of the Annual Report for 2017 and Notice of the Annual General Meeting 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. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.
- Physical copy of the Annual Report for 2017 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 ids are not registered with the Company or have requested for a hard copy.

REFNOL RESINS AND CHEMICALS LIMITED

CIN No. L24200MH1980PLC023507

Registered office: Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016.

Tel: 079-22820013/ 40209200-9 Fax No. 079-22820476 Website: www.refnol.com, Email: secretarial@refnol.com

Form No. MGT-11

Proxy Form

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

CIN : L24200MH1980PLC023507

Name of the company : REFNOL RESINS AND CHEMICALS LIMITED

Registered office : Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016.

Name of the Member (s):
Registered Address
Email id:
Folio No./ Client Id*
DP ID:

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

- Name : _____
Address : _____
E-mail Id : _____ Signature : _____, or failing him
- Name : _____
Address : _____
E-mail Id : _____ Signature : _____, or failing him
- Name : _____
Address : _____
E-mail Id : _____ Signature : _____,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual general meeting of the company, to be held on the 29th day of September, 2017 At 12.00 Noon at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions :	Optional	
		For	Against
Ordinary Business:			
1.	To receive, consider and adopt: a) the Audited Financial Statements of the Company for the year ended on March 31, 2017, together with the Report of the Board of Directors (the Board) and Auditors thereon. b) the audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2017 .		
2.	To appoint a Director in place of Mrs. Asha Mahendra Khatau (DIN: 00063944), who retires by rotation and being eligible offers himself for re-appointment.		
3.	To appoint statutory auditors of the Company in place of existing Statutory Auditors whose term expires and to fix their remuneration.		
Special Business:			
4.	Re-appointment of Mr. Arupkumar Basu as Managing Director (Din: 00906760) of the Company.		
5.	To consider and determine the fees for delivery of any document through a particular mode of delivery to a member.		

Signed this _____ day of _____ 2017

Signature of shareholder _____

Signature of Proxy holder(s) _____

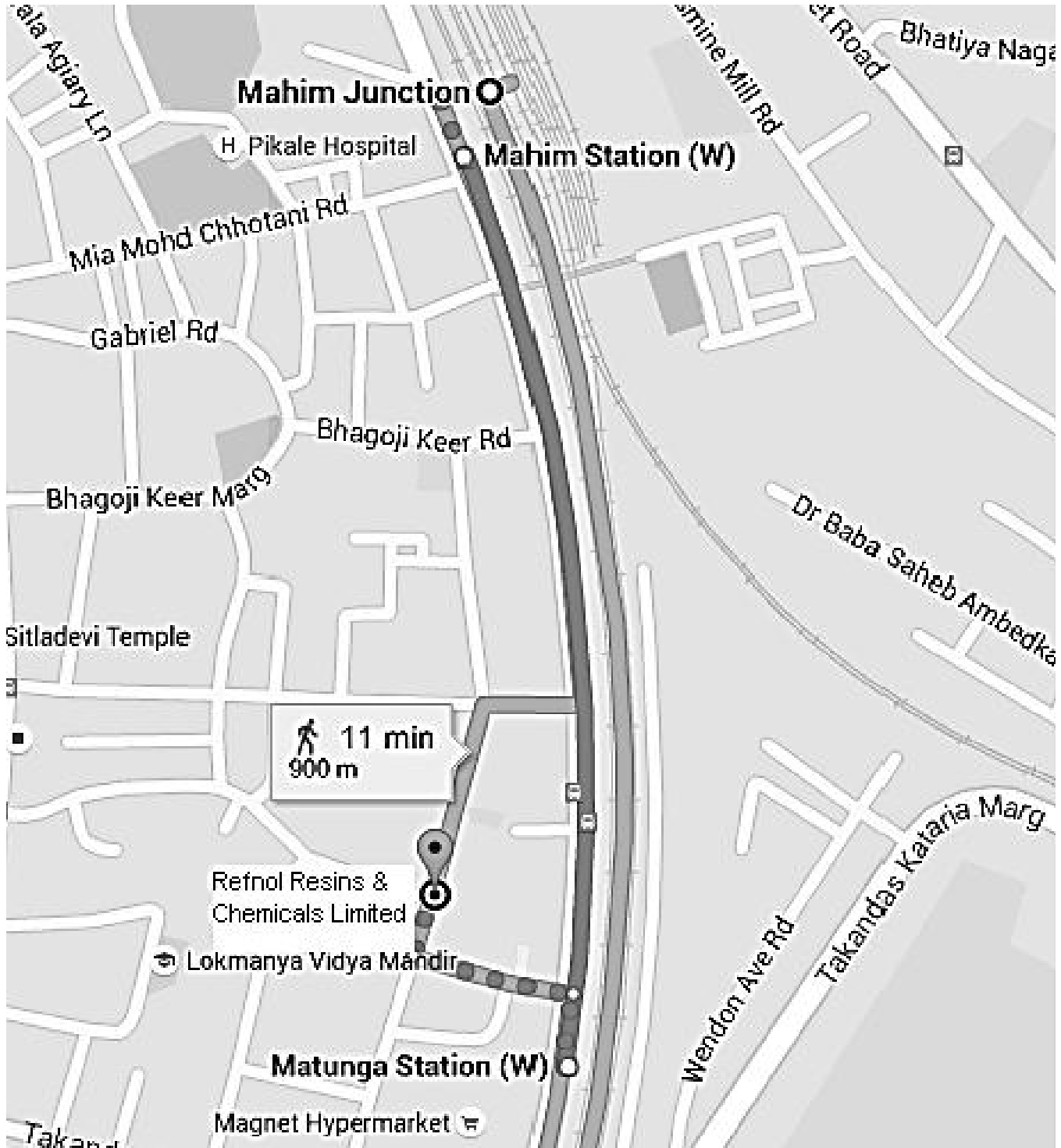
Affix Revenue Re. 1/- Stamp

Note: 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.

Invitation to attend the 36th Annual General Meeting on September 29, 2017

You are cordially invited to attend the 36th Annual General Meeting of the Company on Friday, September, 29, 2017 at 12.00 Noon at 410/411, Khatau House, Mogul Lane, Mahim (west) Mumbai-400016.

ROUTE MAP TO THE VENUE



TO,

If undelivered, Please return to :

REFNOL RESINS AND CHEMICALS LIMITED

Plot No. 23, Phase III, G.I.D.C.,

Naroda, Ahmedabad - 382 330, India.