

REFNOL



34th Annual Report
2014 - 2015

REFNOL RESINS AND CHEMICALS LIMITED

**ANNUAL REPORT
2014-2015**

BOARD OF DIRECTORS	:	Shri Mahendra K. Khatau Chairman Shri Arup Basu Managing Director Smt. Asha M. Khatau Director Shri Bhalchandra Sontakke Director Shri S. Rajagopalan Director Smt. Hutoxy Dara Miller Director
CHIEF FINANCIAL OFFICER	:	Shri Vikas Agarwal
COMPANY SECRETARY	:	Ms. Anu Rajput (Resigned w.e.f. 31st July, 2015)
BANKERS	:	Indusind Bank Limited
AUDITORS	:	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 - 400 016.
FACTORY & ADMINISTRATIVE OFFICE	:	Plot No. 23, Phase - III, G.I.D.C. Naroda, Ahmedabad - 382 330.
CIN	:	L24200MH1980PLC023507
WEB SITE	:	www.refnol.com
E-MAIL ID	:	secretarial@refnol.com
REGISTRAR & TRANSFER AGENT	:	Sharepro Services (India) Private Limited 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri East, Mumbai-400072.

NOTICE

NOTICE IS HEREBY GIVEN THAT the 34th (Thirty Fourth) Annual General Meeting of the Members of REFNOL RESINS AND CHEMICALS LIMITED will be held on WEDNESDAY, 30th September 2015 at 12:00 NOON at the 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, 2015, 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, 2015.
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 ratify the appointment of statutory auditors of the Company 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed on September 30, 2014, the appointment of Messrs G. P. Kapadia & Co., Chartered Accountant (Firm Registration Number: 104768 w) as the Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending on March 31, 2016 as may be determined by the Audit Committee in consultation with the auditors, and as may be agreed upon between the auditors and the Board of Directors."

SPECIAL BUSINESS

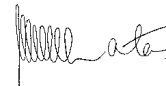
4. **To Consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution for adoption of new set of Articles of Association of the Company in conformity with the provisions of the Companies Act, 2013;**
"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 if any, read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the draft regulations contained in Articles of Association of the Company ("the AOA") submitted to this meeting be and is hereby approved and adopted as new set of Articles of Association of the Company in substitution, and in entire exclusion of the regulations contained in the existing Articles of Association of the Company."
"RESOLVED FURTHER THAT Mr. Arup Basu, Managing Director of the Company, be and is hereby authorized to do and perform or cause to be done and performed all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto including signing and filing all the e-forms and other documents with any statutory authorities and to settle and finalise all issues that may arise in this regard, without further reference to the shareholders of the Company."

Registered Office**CIN NO: - L24200MH1980PLC023507**

Plot No. 410/411, Khatau House,
Mogul Lane, Mahim,
MUMBAI- 400 016.

Date : 10th August, 2015

Place: Mumbai

For and on behalf of the Board

Mahendra. K. Khatau

Chairman

DIN: 00062794**NOTES**

01. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking re-appointment for Item No. 2, under Code of Corporate Governance and the relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business for item no. 4 to be transacted at the meeting, are annexed hereto.
02. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM/HER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
 A person can act as a proxy on behalf of members 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.
03. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
04. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board

Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

05. The Company has notified closure of Register of Members and Share Transfer Books from 25th September, 2015 to 30th September, 2015 (both days inclusive) for determining the names of members eligible for voting rights at the Meeting.
06. Members/Proxies are requested to bring their attendance slip sent herewith, duly filled in, along with their copy of annual report to the Meeting as an austerity measure.
07. Members, who hold shares in dematerialization form, are requested to bring their depository account number for identification.
08. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
09. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, between 11:00 a.m. and 1:00 p.m. up to the date of Meeting.
10. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form -SH-13 prescribed by the Government can be obtained from the Registrar & Share Transfer Agent or may be downloaded from the website of the Ministry of Corporate Affairs. Members holding shares in dematerialized form may contact their Depository Participant for recording nomination in respect of their shares. The nomination form may be filed with the respective Depository Participant.
11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Sharepro Services (India) Private Limited, for consolidation into a single folio.
12. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 10 (Ten) days before the date of the Meeting so that the information required may be made available at the Meeting. Replies will be provided in respect of such written queries at the time of the AGM only.
13. Non-Resident Indian Members are requested to inform M/s. Sharepro Services (India) Private Limited, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s. Sharepro Services (India) Private Limited.
15. To support the "Green Initiative in Corporate Governance" taken by The Ministry of Corporate Affairs by allowing paperless compliances and stating that service of notices / documents including Annual Report can be effected by sending the same through electronic mode to the registered e-mail addresses of the shareholders, notices/documents including the Annual Report are now being sent by electronic mode to the shareholders whose e-mail address have been registered with the Company. Members who would like to receive such notices / documents in electronic mode in lieu of physical copy and who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail addresses:
 - In respect of electronic shareholding – through their respective Depository Participants;
 - In respect of physical shareholding – by sending a request to the Company's Share Transfer Agent, mentioning therein their folio number and e-mail address.

Members may also note that the Notice of the 34th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website www.refnol.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on 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 e-mail ID: secretarial@refnol.com

16. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, read with Clause 35B of Listing Agreement, the Company is pleased to provide Members facility to exercise their right to vote at the 34th Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by CDSL, on all resolutions set forth in this Notice.

In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed 23rd September 2015 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 34th Annual General Meeting (AGM) and the business at the 34th AGM may be transacted through such voting. The Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) for facilitating e-voting to enable all its Shareholders to cast their vote electronically.

The facility for voting, either through electronic voting system or ballot/polling paper shall also be made available at the venue of the AGM, apart from the remote e-voting facility provided prior to the date of AGM. The members attending the

meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the AGM. 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.

The instructions for e-voting are as under

1. Instructions for Demat folios

In case a Member receives an e-mail from CDSL (for Members whose e-mail addresses are registered with the Company/ Depositories)

- a) The voting period begins on 26th September 2015 at 9:00 a.m. and ends on 29th September 2015 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) The shareholders should log on to the e-voting website www.evotingindia.com.
- c) Click on Shareholders.
- d) Now Enter your User ID
 1. For CDSL : 16 digits beneficiary ID,
 2. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 3. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e) Next enter the Image Verification as displayed and Click on Login.
- f) 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.
- g) If you are a first time user follow the steps given below

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number on is printed along with address of shareholders. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If 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).

- h) After entering these details appropriately, click on "SUBMIT" tab.
- i) 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 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.
- j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k) Click on the EVSN for the relevant <REFNOL RESINS AND CHEMICALS LIMITED> on which you choose to vote.
- l) 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.

- m) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- n) 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.
- o) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- p) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- q) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- r) 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 Corporate.
 - 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 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.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

2. In case of members receiving the physical copy

- a) Please follow all steps from sl. no. (a) to sl. no. (q) above to cast vote.
- b) The voting period begins on 26th September 2015 at 9:00 a.m. and ends on 29th September 2015 at 5:00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

3. Other Instructions

- a) The e-voting period commences on 26th September 2015 at 9:00 a.m. and ends on 29th September 2015 at 5:00 p.m. 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 23rd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- b) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 23rd September, 2015.
- c) M/s. Sandip Sheth & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- d) The Scrutinizer shall, after scrutinizing the votes cast at the AGM (poll) and through remote e-voting not later than three days of conclusion of the AGM, make and submit a consolidated Scrutinizer’s report and submit to the Chairman. The results declared along with the consolidated Scrutinizer’s report shall be placed on the website of the Company and CDSL. The results shall simultaneously be communicated to the Stock Exchanges where the Company’s shares are listed.
- e) The Company shall also arrange for the physical voting by use of ballot or polling paper at the AGM for the members who have not cast their vote through remote e-voting so as to reach the Scrutinizer appointed by the Board of Directors of the Company, M/s. Sandip Sheth & Associates, Practicing Company Secretary.

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.

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.

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“the Act”)**

Item No. 2

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

Mrs. Asha Khatau (DIN: 00063944) aged about 57 (Fifty Seven) years, is possessing graduate degree having experience of more than 22 (Twenty Two) 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 Khatau has Directorship in the following Companies;

- a) Asha Marine Products Private Limited
- b) Emerald Capital Services Private Limited
- c) Prism Plantations Pvt Ltd
- d) Indokem Limited

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

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

ITEM NO. 4: TO BE PASSED AS SPECIAL RESOLUTION TO ADOPT THE NEW SET OF ARTICLES OF ASSOCIATION.

The Company had previously adopted its Articles of Association (“AOA”) under the Companies Act, 1956, which contain references to specific sections of the Companies Act, 1956. With the enactment of the Companies Act, 2013, several regulations of the existing Articles of Association of the Company require alteration and/or deletion. Given this position, it is considered expedient to replace the existing Articles of Association with a new set of Articles of Association.

The new Articles of Association to be substituted in place of the existing Articles of Association are primarily based on ‘F’ of the Act which sets out the model Articles of Association for a company limited by shares.

The draft of the new Articles of Association is available for inspection by the members at the registered office of the Company on all working days (except Saturdays, Sundays and public holidays) between 11:00 AM to 1:00 PM. up to the date of Annual General Meeting. The proposed new draft Articles of Association shall also be uploaded on the Company’s website for perusal by the Shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said Special Resolution, except as shareholders of the Company.

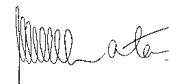
The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Registered Office**CIN NO: - L24200MH1980PLC023507**

Plot No. 410/411, Khatau House,
Mogul Lane, Mahim,
MUMBAI- 400 016.

Date : 10th August, 2015

Place: Mumbai

For and on behalf of the Board

Mahendra. K. Khatau

Chairman

DIN: 00062794**Annexure A**

Details of the directors seeking Re-Appointment in the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

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 Kishore Khatau
Expertise in Specific Functional Area:	Excellent administrative skills and knowledge, having over 22 years of experience
Qualification:	Graduate
Board Membership of Companies as on March 31, 2015:	a. Asha Marine Products Private Limited b. Emerald Capital Services Private Limited c. Prism Plantations Private Limited d. Indokem Limited
Chairman/Member of the Committee of the Board of directors as on March 31, 2015:	Chairperson of Stakeholder's Relationship Committee and Risk Management Committee
Number of Shares held in the Company as on March 31, 2015:	3500 Shares

DIRECTORS' REPORT

To,
The Members,
Refinol Resins and Chemicals Limited
 Mumbai

The Directors present their 34th Annual Report together with the Audited Financial Statements of Company for the year ended 31st March, 2015. The Management Discussion and Analysis has also been incorporated into this report.

01. FINANCIAL RESULTS: (STANDALONE)

The financial results of the Company for the year under review are as under: -

	(Rs. In Lacs)	
Particulars	2014-15	2013-14
Profit/(Loss) before Financial Costs and Depreciation	59.51	(3.47)
Less:- Interest & Financial Charges	95.08	109.71
Less:- Depreciation	7.74	15.86
Loss before tax	(43.31)	(129.04)
Tax Expenses	-	-
Short Provision of Tax in respect of earlier years	-	-
Exceptional item -charge	-	55.73
Loss after tax	(43.31)	(184.77)
Loss available for Appropriation	(43.31)	(184.77)

02. 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.

03. 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.

04. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTUS

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

The period under review was a very challenging year; still your Company has performed quite well as compared to previous financial performance.

a. Consolidated Financial Performance:

- Consolidated income for the year increased by 21.33% to Rs. 3752.96 Lacs as compared to Rs. 3093.25 Lacs in 2014.
- Consolidated net sales for the year were Rs. 3728.11 Lacs as compared to Rs. 3078.42 Lacs in 2014, growth of 21.10%.
- Consolidated profit before tax and after tax for the year was Rs. 32.05 Lacs as compared to (Rs. 146.16) Lacs loss in 2014.

b. Standalone Financial Performance:

- Standalone income for the year increased by 29.43% to Rs. 2040.51 Lacs as compared to Rs. 1576.55 Lacs in 2014.
- Standalone net sales for the year were Rs. 2028.45 Lacs as compared to Rs. 1570.88 Lacs in 2014, growth of 29.13%.

05. 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, services, different segments, 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".

06. 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.

07. 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.

08. SAFETY, HEALTH AND ENVIRONMENT:

a) Safety:

The Company encourages a high level of awareness of safety issues among its employees and strives for continuous improvement. All incidents are analysed in the safety committee meetings and corrective actions are taken immediately. 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.

09. 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, 2015 was Rs. 55.70 Lacs. Interest and Fixed charges has decreased from Rs. 109.71 Lacs to Rs. 95.08 Lacs. 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.

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.

11. 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.

12. RELATED PARTY TRANSACTIONS

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 read with Clause 49 of the Listing Agreement were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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 quarterly 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 quarterly basis.

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

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.

13. 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,

- Company's Net Worth has been fully eroded, due to accumulated losses.
- The Company has incurred cash losses in the current financial year as well as in the preceding financial years.
- Company's Loss has decreased substantially from Rs. 184.77 Lacs in 2013-14 to Rs. 43.31 Lacs in 2014-15, showing growth of 76.56% in profitability.
- Company's accounts were prepared on going concern basis.

14. 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".

15. 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.

16. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement that:—

1. That in the preparation of the Accounts for the financial year ended 31st March, 2015; the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or loss of the Company for the year under review.
3. That the Directors have taken proper and sufficient care for the 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.
4. In spite of company's net worth being fully eroded, the Directors have prepared the annual accounts on a going concern basis.
5. That proper internal financial control was in place and that the financial controls were adequate and were operating efficiently.
6. That system to ensure compliance with the provisions of all applicable laws was in place and was adequate and operating effectively.

17. SUBSIDIARY COMPANIES

As on 31st March, 2015 following companies are the subsidiaries/step down Subsidiaries of the Company:

17.1 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).

17.2 TEXCARE 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. TEXCARE 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)

17.3 TEX CARE BAHRAIN W.L.L. (TCB)

TEX CARE BAHRAIN W.L.L. was incorporated in the kingdom of Bahrain as a limited liability company with the Ministry of Industry & Commerce under the commercial registration number – 45414-01 dated 15 July 2000. The company is engaged in the business of import, export and sale of detergents, disinfectants, plastic manufacturing materials fiber optical reinforced. TEX CARE BAHRAIN W.L.L. (TCB) is subsidiary of Texcare Middle East LLC (TCME). TEX CARE BAHRAIN W.L.L. (TCB), represented by Texcare Middle East LLC (49% of share holding) & Karan Anne Farangi Hinkly (51% of share holding). Operations of Texcare Bahrain W.L.L. (TCB) have been discontinued during fourth quarter of the year due to lack of viable business.

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 Clause 32 of the Listing Agreement, 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**”.

18. 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 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

19. 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.

The Board of Directors had on the recommendation of the Nomination & Remuneration Committee designated Mr. Vikas Agarwal as Chief Financial Officer (CFO), of the Company and also approved the terms of remuneration, with effect from May 29, 2014. The Board has also approved appointment of Ms. Anu Rajput as Company Secretary (CS), of the Company along with the terms of remuneration with effect from August 8, 2014 during the period under review.

Mr. Rajagopalan Sessa, a Non Executive Director of the Company had resigned from the Chairmanship of the Audit committee, however he continued to be a member of the committee. Mr. Bhalchandra Sontakke, an Independent Director, has been appointed as chairman of the Audit committee in place of Mr. Rajagopalan Sessa.

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 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 Khatau** holds Directorship in the following companies:

- a. Asha Marine Products Private Limited
- b. Emerald Capital Services Private Limited
- c. Prism Plantations Private Limited
- d. Indokem 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.

20. PERFORMANCE EVALUATION

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013, Rules made thereof and Clause 49 of the Listing Agreement, 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 February 13, 2015 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.

21. 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>

22. 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 2014-2015

Sr. No.	Name	Designation	CTC	Median Employee Salary	Ratio
1	Mr. Arup Basu	Managing Director	17.58	1.84	9.54 : 1

b. The percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary or manager, in the FY 2014-2015

Sr. No.	Name	Designation	Remuneration Paid in F Y 2013-14 (Rs. In Lacs)	Remuneration Paid in F Y 2014-15 (Rs. In Lacs)	Change (Rs. In Lacs)	% of changes
1	Mr. Arup Basu	Managing Director	17.50	17.58	0.06	0.34%
2	Mr. Vikas Agarwal	Chief Financial Officer (CFO)	7.60	7.89	0.29	3.82%
3	Ms. Anu Rajput	Company Secretary (CS)	NA	1.50	NA	NA

- Mr. Vikas Agarwal designated as a CFO from May 29, 2014.
- Ms. Anu Rajput appointed as a CS from August 12, 2014.

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

Remuneration of 2013-14 (Rs. In Lacs)	Remuneration of 2014-15 (Rs. In lacs)	Increase	Percentage
1.71	1.84	0.13	7.64%

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

Name of the company	No. of Employees as on March 31, 2014	No. of Employees as on March 31, 2015	% of change during the year
REFNOL RESINS AND CHEMICALS LIMITED	93	93	0

e. The explanation on the relationship between average increases in remuneration and Company performances

Particulars	Financial year 2013-14	Financial Year 2014-15	% Change
Total Revenue	1576.55	2040.51	29.43%
Profit/(Loss) Before Tax	(184.77)	(43.31)	76.56%
Profit/(Loss) After Tax	(184.77)	(43.31)	76.56%
Total Remuneration paid	206.84	215.5	4.19%

f. Comparison of the remuneration of the key managerial personnel against the performance of the Company
(Rs. In Lacs)

Particulars	14-15	13-14
Remuneration of Key Managerial Personnel (KMP) during financial year 2014-15 (aggregated)	26.97	17.50
Turnover	2028.45	1570.88
Remuneration (as % of Turnover)	1.33%	1.11%

- Mr. Vikas Agarwal designated as CFO from May 29, 2014.
- Ms. Anu Rajput appointed as CS from August 12, 2014.

g. 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 F Y 2013-14	Remuneration paid to employee excluding managerial personnel for the F Y 2014-15	% of Change in remuneration paid to employees excluding managerial personnel	Remuneration paid to managerial personnel for the F Y 2013-14	Remuneration paid to managerial personnel for the F Y 2014-15	% of Change in remuneration paid to managerial personnel
181.74	188.55	3.75%	25.10	26.97	7.37%

- Mr. Vikas Agarwal designated as CFO from May 29, 2014.
- Ms. Anu Rajput appointed as CS from August 12, 2014.

h. 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.

i. 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.

23. AUDITORS

23.1 Statutory Auditors

The Company's Auditors, Messrs G.P. Kapadia & Co., Chartered Accountants, (Firm Registration No.104768w) who were appointed at the 33rd (Thirty Third) Annual General Meeting of the Company, their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The proposal for their re-appointment is included in the notice of the Annual General Meeting.

23.2 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 2014-2015. The Report of the Secretarial Audit Report is annexed herewith as "Annexure – F".

24. 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.

25. 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:

25.1 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 it's 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.

25.2 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. Various training programmes have been conducted at the plants and sales units such as behavior based safety training program, Visible Safety Leadership program, Logistics Safety program etc. 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.

25.3 Interest Rate Risk

Refnol 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.

25.4 Foreign Exchange Risk

Refnol Resins and Chemicals Limited prepare its financial statements in Indian Rupee (INR), but most of the payables and receivables of Polyester resin and Textile Chemical are in US Dollars, GBP maximizing the cash flow risk on account of fluctuations in foreign exchange rates.

25.5 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 Refnol Resins and Chemicals Limited. This signifies the alignment of corporate performance objectives, while ensuring compliance with regulatory requirements.

25.6 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 reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The policy is designed to provide the categorization of this into threats and its cause, impact, treatment and control measures. As part of the risk management policy, the relevant parameters for manufacturing sites are analysed to minimize risk associate with protection of environment, safety of operations and health of people at work and monitor regularly with reference to statutory regulations and guidelines define by the company. The company fulfills its legal requirement concerning ambition, waste water and waste disposal. Improving work place safety continued top priority at manufacturing site. The policy has been posted on the Company's website www.refnol.com and also made available on the following link: <http://refnol.com/pdf/policy/risk-management-policy.pdf>

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

The Audit Committee consists of the following members:

- a. Mr. Bhalchandra Sontakke → Chairman
- b. Mr. Rajagopalan Sesha → Director
- c. Ms. Hutoxy Dara Miller → Director
- d. 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 co 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.refnol.com

*Mr. Arup Basu became a member of Audit Committee w.e.f. 12th August 2014

27. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2015 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, 2015 Directors who holds Shares of the Company are:

Name of Director	Number of Shares	% of Total Shares hold
Mahendra Khatau	3780	0.12
Asha Khatau	3500	0.11
Arup Kumar Basu	2200	0.07
Total	9480	0.30

There is no change in share capital structure of the Company during the financial year 2014-2015.

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.

28. INSURANCE

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

29. 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.

30. 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>

31. CORPORATE GOVERNANCE

Pursuant to the clause 49 of the Listing Agreement, a separate section forming part of this report and titled as "Corporate Governance" is attached herewith as "Annexure – G".

32. 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 2014-15. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

33. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the financial year 2014-15.

34. 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.

35. 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.

36. 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.

37. 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, 2015

Name of Director	Number of Shares	% of Total Shares hold
Mahendra Khatau	3780	0.12
Asha Khatau	3500	0.11
Total	7280	0.23

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

38. 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.

39. 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.

40. 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.

41. 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.

42. 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.

43. 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 : 10th August, 2015

ANNEXURE-A
MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

A. Industry Structure and Developments

The Indian chemical industry stands as the third largest producer in Asia and 12th in world, in terms of volume. The market size of the chemical industry is expected to grow by 2021. The Government of India has approved 100 per cent foreign direct investment (FDI) in the chemicals sector.

During financial year 2014-2015 the production of chemicals by Refnol Resins and Chemicals Limited stood at 3384.95 metric tonne (MT). Total exports of chemicals grew from 588.71 metric tonne (MT) to 844.64 metric tonne (MT) a compound annual growth rate of 43.47%.

Your company manufactures textile sizing chemicals and auxiliaries, garment wash and laundry chemicals and polyester resins at Plot No. 23, Phase III, G.I.D.C., Naroda, Ahmedabad, Gujarat. The Company caters to both the domestic and international markets in all its product groups. Demand and growth in the laundry chemicals business has been steady and your company is making efforts to increase its market share.

Resins and polymers business for composites and coating is dependent on growth of the overall economy and expected to revive after last 2-3 years of sluggish growth. In the international market demand continues to be flat. However your company will make efforts to increase market share and grow the export business.

B. Opportunity and Threats

Today, the chemicals industry is experiencing increasing instability. Industry consolidation, regulatory compliance, globalization and global volatility in feed stock prices threaten business as usual. Technological advancements (in both the industry and IT in general), health, safety and privacy issues, as well as an increasingly demanding customer base, add to the volatile mixture of market opportunities, challenges and threats chemical companies face.

To continue to deliver value, chemical companies will have to adopt a new approach: integrating all business processes end-to-end to be able to sense and respond dynamically to customer demands, market opportunities and external threats.

- However, study findings implied that the chemicals industry in general is in the beginning stages of on demand maturity – indicating ample opportunity for growth.

The chemical industry is much like the products it markets: unlimited in potential value and promise – but in some undesirable or unpredictable scenarios, extremely volatile. As the future unfolds, chemical companies will face explosive change in the form of rising costs, increasing globalization and customer and regulatory demands. To harness opportunities and defuse market threats, chemical companies will have to take a new, holistic approach to the business mode.

C. Product wise Performance

	(Rs. In lacs)		
Product wise Performance	2014-15	2013-14	% of changes
Sales-Domestics			
Textile Sizing Chemicals	504.71	504.25	0.09%
Garment wash Chemicals & Textile Auxiliaries	180.64	179.27	0.76%
Laundry Chemicals	359.37	262.14	37.09%
Resins	45.27	32.96	37.35%
Miscellaneous	76.70	72.23	6.19%
	1,166.69	1,050.85	11.02%
Sales -Export			
Textile Sizing Chemicals	737.40	455.55	61.87%
Garment wash Chemicals & Textile Auxiliaries	98.70	60.42	63.36%
Resins	25.66	4.06	531.77%
	861.76	520.03	65.71%
Total	2,028.45	1,570.88	29.13%

D. Outlook

The textile and garment chemical business has performed adequately under the constraints of sluggish market. Sales and marketing efforts have been diversified to grow sales in new markets in South and East India along with the usual markets catered by the company.

In the laundry chemical segments, a new range of liquid detergent and auxiliaries as well as automated dosing systems were introduced and should lead to consolidation of business and growth in this sector.

Eco friendly products were introduced and appreciated as a growth requirement for the future. Export marketing efforts emphasized diversification and opening up of new territories. A beginning was made in South America with sales to Colombia and in Africa where markets in Ethiopia and Egypt and Mauritius are being development.

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. Results of Operations

Your Company generated income from the operations of Rs. 2040.51 Lacs in 2014 which was higher as compared to Rs. 1576.55 Lacs generated last year. The loss after tax and exceptional items stood at (Rs. 43.31) Lacs as against a loss of (Rs. 184.77) Lacs last year which shows the significant 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 93.

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, 2015

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 : 2014-15

I Power and Fuel Consumption

	Units	Current Year	Previous Year
1 Electricity			
(a) Purchase from Electricity Board	Kwh	410034	304118
Total amount	Rs. in lacs	27.45	20.62
Average Cost/Unit	Rs / Kwh	6.70	6.78
(b) Own Generation	Kwh	4464	5461
Total Amount	Rs. in lacs	0.46	0.95
Average Cost/Unit	Rs / Kwh	10.33	17.39
2 Others (LSHS / LDO)			
Quantity	Ltrs	101130	75075
Total Cost	Rs. in lacs	44.11	39.45
Average Rate	Rs / Ltrs	43.62	52.55

II Consumption per unit of Production

Products	Quantity	Item	Unit/Qty	Current Year	Previous Year
Chemicals	3384950.67 kgs	Electricity	0.12 Kwh/Kg.	0.81 Rs./Kg.	0.74 Rs./Kg.
		Furnace Oil / LDO	0.03 Ltrs/Kg.	1.30 Rs./Kg.	1.41 Rs./Kg.

B. TECHNOLOGY ABSORPTION**FORM B****Disclosure of Particulars with respect to Technology Absorption : 2014-15****(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) Substitution of imported raw materials and across the spectrum of available raw materials 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 : Rs. 2.75 Lacs

(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 lacs)**

(i) Foreign exchange earned

- FOB Value of Exports (including deemed exports) : 898.80

(ii) CIF value of imports : 38.92

(iii) Expenditure in foreign exchange

- Travelling : 0.56

- Professional fees : NIL

- Commission : 5.11

**ANNEXURE-C:
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2015
[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	Sharepro Services (India) Private Limited 13 AB, Samhita Warehousing Complex,2nd Floor, Sakinaka Telephone Exchange Lane,Off Andheri- Kurla Road, Sakinaka, Andheri East, Mumbai - 400072

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
-	-	-
-	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1.	Khatau Capacitor Private Limited	U65990MH1991PTC061972	Associate	41.24	2(6)
2.	Khatau Leasing and Financing Company Private Limited	U25190MH1945PTC004504	Associate	11.32	2(6)
3.	Prism Plantation Private Limited	U01110MH1993PTC072696	Associate	0.03	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				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	600	0	600	0.020	16101	0	16101	0.521	0.502
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	1624400	0	1624400	52.571	1625400	0	1625400	52.603	0.032
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):	1625000	0	1625000	52.591	1641501	0	1641501	53.125	0.534
(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)	1625000	0	1625000	52.591	1641501	0	1641501	53.125	0.534
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 VentureCapital 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	251591	24700	276291	8.943	81545	24700	106245	3.438	-5.505
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 Shareholdersholding nominalshare capital upto ₹ 1 lakh	669563	124920	794483	25.712	714853	123365	838218	27.127	1.415
ii) IndividualShareholdersholding nominalshare capital in excess of ₹ 1 lakh	268826	34000	302826	9.800	366186	34000	400186	12.951	3.151
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
i) Employees	0	0	0	0	0	0	0	0	0
ii) Non- Resident Repatriates	10600	80400	91000	2.945	10050	80400	90450	2.927	-0.018
iii) Non-Resident non Repatriate	300	0	300	0.009	13300	0	13300	0.430	0.421
iv) Non- domestic company	0	0	0	0	0	0	0	0	0
v) Trusts	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2):	1200880	264020	1464900	47.409	1185934	262465	1448399	46.873	-0.536
Total Public Shareholding (B)=(B)(1)+(B)(2)	1200880	264020	1464900	47.409	1185934	262465	1448399	46.873	-0.536
C. Shares held byCustodian for GDRs &ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2825880	264020	3089900	2827435	262465	3089900			

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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	300	0.009	-	3,780	0.122	-	0.113
Mrs. Asha Khatau	0	0	-	3,500	0.113	-	0.113
Mr. Manish Khatau	0	0	-	5,000	0.162	-	0.162
Ms. Priya Khatau	0	0	-	3,521	0.114	-	0.114
Mr. Anil Khatau	300	0.009	-	300	0.009	-	0.000
Prism Plantation Private Limited	0	0	-	1,000	0.032	-	0.032
Khatau Leasing and Financing Company Private Limited	3,50,000	11.327	-	3,50,000	11.327	-	0.000
Khatau Capacitor Private Limited	12,74,400	41.244	-	12,74,400	41.244	-	0.000
Total	16,25,000	52.589	-	16,41,501	53.123	-	0.534

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	16,25,000	52.591	1625000	52.591
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	2500 (17/10/2014)	0.081	1627500	52.672
	3000 (20/10/2014)	0.097	1630500	52.769
	500 (19/11/2014)	0.016	1631000	52.785
	500 (20/11/2014)	0.016	1631500	52.801
	500 (21/11/2014)	0.016	1632000	52.818
	500 (24/11/2014)	0.016	1632500	52.834
	60 (26/11/2014)	0.002	1632560	52.836
	420 (03/12/2014)	0.014	1632980	52.849
	500 (01/12/2014)	0.016	1633480	52.865
	500 (09/12/2014)	0.016	1633980	52.882
	470 (15/12/2014)	0.015	1634450	52.897
	1000 (22/12/2014)	0.032	1635450	52.929
	500 (23/12/2014)	0.016	1635950	52.945
	500 (24/12/2014)	0.016	1636450	52.962
	500 (29/12/2014)	0.016	1636950	52.978
	1000 (06/01/2015)	0.032	1637950	53.010
	551 (12/01/2015)	0.018	1638501	53.028
	1000 (13/01/2015)	0.032	1639501	53.060
	1000 (14/01/2015)	0.032	1640501	53.093
	500 (16/01/2015)	0.016	1641001	53.109
	500 (19/01/2015)	0.016	1641501	53.125
At the End of the year	16,41,501	53.125		

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. Raju ajit bhandari	45000	1.45	45000	1.4
2. Radhey shyam	38000	1.23	39800	1.2
3. Arvindkumar j sancheti	30872	1	28772	0.93
4. Meenakshi vasisht	29282	0.95	-	-
5. Arun Kumar sancheti (HUF)	28199	0.91	25000	0.81
6. Nimish shah	20000	0.65	20000	0.65
7. Vijay Kumar jain	19000	-	100000	3.2
8. Mohib N. khericha	18363	0.59	18363	0.59
9. Madhu hasmukh Kothari	18307	0.59	-	-
10. Swapan Kumar nath	15803	0.51	-	-
11. Mahendra girdharilal	-	-	44275	1.4
12. Om prakash chugh	-	-	28169	0.91
13. Vijay Kumar Jain	-	-	14000	0.45

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):	-	-	-	-
At the End of the year	2200	0.07	2200	0.07
Mr. Mahendra Khatau , Director				
At the beginning of the year	300	0.07	300	0.01
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 (17/10/2014)	0.016	800	0.025
	500 (20/10/2014)	0.016	1300	0.042
	500 (19/11/2014)	0.016	1800	0.058
	60 (26/11/2014)	0.001	1860	0.06
	420 (03/12/2014)	0.013	2280	0.07
	500 (22/12/2014)	0.016	2780	0.089
	1000 (14/01/2015)	0.032	3780	0.12
At the End of the year	3780	0.12		

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. Vikas Agarwal, Chief Financial Officer				
At the beginning of the year	Nil	-	Nil	-
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 (24/09/2014)	0.0003	10	0.0003
At the End of the year	10	0.0003	10	0.0003
Mrs. Asha Khatau, Director				
At the beginning of the year	Nil	-	Nil	-
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 (17/10/2014) 1000 (20/10/2014) 500 (20/11/2014) 500 (23/12/2014) 1000 (06/01/2015)	0.016 0.032 0.016 0.016 0.032	500 1500 2000 2500 3500	0.016 0.048 0.064 0.080 0.11
At the End of the year	3,500	0.11		

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (Rs. In Lacs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	455.35	10.95	0.00	466.30
ii) Interest due but not paid	0.00	0.26	0.00	0.26
iii) Interest accrued but not	0.00	0.00	0.00	0.00
Total (i+ii+iii)	455.35	11.21	0.00	466.56
Change in Indebtedness during the financial year				
• Addition	0.00	165.38	0.00	165.38
• Reduction	-52.65	-144.49	0.00	-200.92
Net Change	-52.65	20.89	0.00	-35.54
Indebtedness at the end of the financial year				
i) Principal Amount	402.70	31.85	0.00	430.77
ii) Interest due but not paid	0.00	0.25	0.00	0.25
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	402.70	32.10	0.00	431.02

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration MD/WTD/Manager

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Arup Kumar Basu	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	15.17	15.17
	(b) Value of perquisites u/s17(2) Income-tax Act,1961	0.76	0.76
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission	0	0
	- as % of profit		
	- others, specify...		
5.	Others, please specify		
	Retrials	1.65	1.65
	Total (A)	17.58	17.58
	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	11,500	11,500	11,500	34,500
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total B(1)	11,500	11,500	11,500	34,500

2. Other Non Executive Directors

Particulars of Remuneration	Name of Directors			Total Amount
	Mr. Mahendra Khatau	Mrs. Asha Khatau		
Fee for attending board committee meetings	6,500	6,500		13,000
Commission	-	-		-
Others, please specify	-	-		-
Total B(2)	6,500	6,500		13,000
Total (B)=B(1) + B(2)	18,000	18,000	11,500	47,500
Total Managerial Remuneration				
Overall Ceiling as per the Act	100000 (per meeting)	100000 (per meeting)	100000 (per meeting)	

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. Anu Rajput Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.99	1.36	8.35
	(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	0.90	0.14	1.04
	Total	7.89	1.50	9.39
	Overall Ceiling as per the Act	As per Company Policy	As per Company Policy	

*CFO (Designate) w.e.f. 29.05.2014

*CS (Designate) w.e.f. 12.08.2014.

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 (giveDetails)
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	3
2	Name of Subsidiary	Refnol Overseas Limited	Texcare Middle East LLC (TCME)*	Texcare Bahrain WLL (TCB)*
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2014-15	2014-15	2014-15
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD & 62.1118 INR	AED & 16.863 INR	BHD & 163.934 INR
5	Share Capital	2,40,000	3,00,000	20,000
6	Reserves & Surplus	96,413	3,333,083	16,413
7	Total assets	3,39,378	6,983,963	37,259
8	Total Liabilities	2,965	2,694,995	846
9	Investments	41,013	87,210	-
10	Turnover	16,041	9,190,951	1,05,376
11	Profit before taxation	6,901	545,551	(13,071)
12	Provision for taxation	-	-	-
13	Profit after taxation	6,901	547,626	(13,071)
14	Proposed Dividend	-	-	-
15	% of shareholding	100%	49%	49%

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

Notes: Texcare Bahrain WLL (TCB), Represented by Texcare Middle East LLC (49% of share holding) & Karan Anne Farangi Hinky (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:

	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	-	-	-

1. Names of associates or joint ventures which are yet to commence operations

2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note 1 : Part B is not applicable

For and on behalf of the Board

Date : 10th August, 2015

Place : Mumbai

Mahendra. K. Khatau

Chairman

DIN: 00062794

FORM AOC-2

[(PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE COMPANIES ACT, 2013 AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014)]

This form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

No such transactions were entered during the financial year 2014-15.

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

The contracts or arrangement or transactions entered with the related parties during the financial year 2014-15 were not material and the same were disclosed in the notes to accounts forming part of the financial statements for the year ended 31st March, 2015.

For and on behalf of the Board

Date : 10th August, 2015
Place : Mumbai

Mahendra. K. Khatau
Chairman
DIN: 00062794

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:
 - 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.
 - 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

4.5.1. 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, 2015

To,
The Members,
Refinol 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 Refinol Resins and Chemicals Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, 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, 2015 (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, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during Audit Period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during Audit Period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during Audit Period)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during Audit Period)**
- (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, 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 of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not notified therefore not applicable to the Company during Audit Period)**
- (ii) The Listing Agreements entered into by the Company with Stock Exchange i.e. Bombay Stock Exchange (including clause 49 of the listing agreement which, we are of the view that company has voluntarily complied).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except those observed by the statutory auditors in Auditor's Report.

We further report that

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

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

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, except ratification of the powers to borrow funds pursuant to section 180 (1) (c) of the Companies Act, 2013 and ratification of the powers to create charges on the assets of the Company pursuant to section 180 (1) (a) of the Companies Act, 2013, 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.

Place : Ahmedabad
Date : 10th August, 2015

Signature:
Sandip Sheth & Associates
Practicing Company Secretaries
Prashant Prajapati
Partner
ACS: 32597
CP No.: 12531

ANNEXURE-G
REPORT ON CORPORATE GOVERNANCE
(Pursuant to clause 49 of the Listing Agreement)

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, 2015

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 60 years, is possessing graduate degree having experience of 32 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 60 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 35 years more particularly as Managing Director of the Company since last sixteen 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 57 years, is a graduate, having over 22 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 71 years, is a B.Com, LL.B, Master in Labour Studies, having over 31 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 76 years is commerce graduate and ICWA. He has more than 36 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 65 years, is an Arts graduate and holds a degree of BA (Honours). She is an Adviser to many companies and has more than 42 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 Organisation 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 2014-15 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 29, 2014	6	6
August 12, 2014	6	6
November 14, 2014	6	6
February 13, 2015	6	6

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, 2014
	May 29, 2014	August 12, 2014	November 14, 2014	February 13, 2015	
Mr. Mahendra Khatau	✓	✓	✓	✓	✓
Mrs. Asha Khatau	✓	✓	✓	✓	Absent
Mr. Arup Basu	✓	✓	✓	✓	✓
Mr. S. Rajagopalan	✓	✓	✓	✓	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	5	2	-
Mrs. Asha Khatau	30/12/1993	Promoter Director	4	-	1
Mr. Arup Basu	15/06/1999	Executive Director	1	1	-
Mr. S. Rajagopalan	20/05/2005	Independent Director	2	3	-
Mr. Bhalchandra Sontakke	01/10/2004	Independent Director	2	1	2
Mrs. H.D. Miller	10/12/2012	Independent Director	1	2	-

* 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 Clause 49 of the Listing Agreement.

None of the Directors of the Company was a member of more than ten Committees of Boards as stipulated under Clause 49 of the Listing Agreement nor was a Chairman of more than five such committees across all companies in which he was a director.

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 in Clause 49 of Listing Agreement 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 Clause 49 of Listing Agreement. 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, 2015 and details of member's participation at the meetings of the committees during the year 2014-15 are as under:

Name of the Member	Category	Attendance at the Audit Committee Meetings held on			
		May 29, 2014	August 12, 2014	November 14, 2014	February 13, 2015
Mr. Bhalchandra Sontakke (Chairman W.e.f August 12, 2014)	Chairman (Non-Executive/ Independent)	✓	✓	✓	✓
Mr. S. Rajagopalan (Ceased to be chairman & became member w.e.f August 12, 2014)	Member (Non-Executive/ Independent)	✓	✓	✓	✓
Mr. Arup Kumar Basu (Became member w.e.f August 12, 2014)	Member (Non-Executive/ Independent)	N. A.	✓	✓	✓
Mrs. Hutoxy Dara Miller (Non-Executive/ Independent)	Member	✓	✓	✓	✓

In Compliance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Rajagopalan Sesha, Director, who was also Chairman of the Audit committee has stepped down as Chairman of the Audit Committee but continues to be a member of the committee w.e.f August 12, 2014. Mr. Bhalchandra Sontakke, an Independent Director, has been appointed as chairman of the committee w.e.f August 12, 2014.

II. Nomination and Remuneration Committee (Mandatory Committee):

In compliance with Section 178 of the Companies Act, 2013, the Board renamed the existing "Remuneration Committee" as the "Nomination and Remuneration Committee" in its Meeting held on May 29, 2014. Mr. Bhalchandra Sontakke, an Independent Director, has been appointed as Chairman of the Committee pursuant to Clause 49 of Listing Agreement.

- a) The Company constituted remuneration committee of directors on June 27, 2005. Renamed it on May 29, 2014. Three Meetings were held during the financial year 2014-2015.

The Composition of the Nomination and Remuneration committee as on March 31, 2015 and details of member's participation at the meetings of the committees are as under:

Name of the Member	Category	Attendance at the Audit Committee Meetings held on		
		May 29, 2014	August 12, 2014	November 14, 2014
Mr. Bhalchandra Sontakke	Chairman (Non-Executive/Independent)	✓	✓	✓
Mr. Rajagopalan Sesha	Member (Non-Executive/Independent)	✓	✓	✓
Mrs. Hutoxy Dara Miller	Member (Non-Executive/Independent)	✓	✓	✓

- b) 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 2014-2015 are as follows:

Name of Director	Salary	Perquisites	Fixed Commission	Sitting Fees	Total (In Lacs)
Mr. Mahendra Khatau	-	-	-	0.065	0.065
Mrs. Asha Khatau	-	-	-	0.065	0.065
Mr. Bhalchandra Sontakke	-	-	-	0.115	0.115
Mr. S. Rajagopalan	-	-	-	0.115	0.115
Mrs. Hutoxy Dara Miller	-	-	-	0.115	0.115
Mr. Arup Basu	15.17	2.41	-	-	17.58

Company has not issued any convertible instrument. However, the details of the shares held by Non Executive Directors as at March 31, 2015 are as follows:

Name of Non Executive Director	Number of Shares held
Mr. Mahendra Khatau	3780
Mrs. Asha Khatau	3500
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 and the Listing Agreement, 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, 2015:

Name of the Member	Category
Mrs. Asha Khatau	Chairperson (Non Executive Director)
Mr. Mahendra Khatau	Member (Non Executive Director)
Mrs. Hutoxy Dara Miller	Member (Non Executive Director/Independent)

Ms. Anu Rajput, Company Secretary also functions as the Compliance Officer.

The number of shareholder's complaints received through Stock Exchange or SEBI during the year 2014-15 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 31.03.2015
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, 2015

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 February 13, 2015 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 2015-2016, by the board at its meeting held on May 13, 2015. 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:

- 6.3.1.1. 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.
- 6.3.1.2. The expertise required from the Directors, KMP and Senior Management Personnel would be defined based on the Company's strategy and needs.
- 6.3.1.3. 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

C. 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.

Remuneration to Non-Executive Directors

6. 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.
7. 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.
8. The remuneration of NED may comprise following:
 - a. Remuneration/Commission; and
 - b. Sitting fees for attending each meeting of the Board and its Committees.
9. 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.
10. NEDs shall not be entitled to any stock option or stock appreciation rights of the Company.
11. The NRC shall determine the periodicity at which such remuneration shall be reviewed and revised.

Remuneration to KMP & Senior Management Personnel

12. The NRC shall approve the remuneration policy (Annexure I) of the Company applicable to KMP and Senior Management Personnel.
13. 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.
14. 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 Clause 49 of the Listing Agreement 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 Clause 49 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>

SUBSIDIARY COMPANIES

The company does not have any material subsidiary whose net worth exceeds 20% of the 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
33 rd	2013-2014	410/411, Khatau house, Mogul Lane, Mahim (west), Mumbai-400016	September 30, 2014	12.00 Noon	<ol style="list-style-type: none"> 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.
32 nd	2012-13	As Above	September 30, 2013	12.00 Noon	None
31 st	2011-12	As Above	September 6, 2012	12.00 Noon	<ol style="list-style-type: none"> 1. Special resolution for approval of remuneration of Shri Arup Basu.

- 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 33rd Annual General Meeting held on 30th September, 2014

POSTAL BALLOT

There has been no resolution passed through Postal Ballot during the year 01st April, 2014 and 31st March, 2015.

DISCLOSURE

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms 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 Clause 49 of Listing Agreement 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, 2015. 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 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 2014-15 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 specified under Clause 49(VIII) (D) 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 Clause 49 (VIII) (F) of the Listing Agreement.

CEO/CFO CERTIFICATION

The Managing Director (MD) and the Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement 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.

MANDATORY AND NON-MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement. The Board has adopted the non- mandatory requirements of Clause 49 of the Listing Agreement by the Company, whenever applicable.

MEANS OF COMMUNICATION:

Quarterly results

In compliance with Clause 41 of the Listing Agreement 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 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 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 30, 2015 at 12 Noon at 410/411, Khatau House, Mogul Lane, Mahim (west) Mumbai-400016
Financial Year	April 1, 2014 to March 31, 2015
Date of Book Closure	September 25, 2015 to September 30, 2015
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	Sharepro Services (India) Private Limited Office No.416to 420, Devnandan Mall, Opp. Sanyas Ashram, Ashram Road, Ellis bridge, Ahmedabad-380006.Tel: 079-26582381/85
Share Transfer System	The Company has hired the services of SEBI registered Registrar and Transfer Agent, Sharepro Services (India) Private Limited for Physical transfer as well as electronic connectivity.
Outstanding GDRs/ADRs/Warrants or any	The Company has not issued any of these instruments. Convertible instruments, conversion Date and likely impact on equity
Address for Correspondence	<ol style="list-style-type: none"> 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. 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. 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-14	17.85	17.00	2502	42659
May-14	16.15	8.95	3612	38107
Jun-14	8.78	6.32	25630	182749
July-14	6.90	6.09	9766	64170
Aug-14	6.00	4.51	28540	147105
Sept-14	9.04	4.99	40053	302079
Oct-14	9.10	7.59	10603	84808
Nov-14	10.00	7.41	20434	185167
Dec-14	10.44	6.75	34393	301901
Jan-15	12.39	8.16	62053	639237
Feb-15	10.90	8.46	14661	136160
Mar-15	9.30	7.59	10189	84175

Registrar and Transfer Agent, Sharepro Services (India) Pvt. Ltd. for physical transfer as well as electronic connectivity.

Distribution of Shareholding

a) Distribution of Shareholding as on March 31, 2015

Share Holding of Nominal value			Share Holders	Share Amount		
	Rs. (1)		Number (2)	% of Total (3)	In Rs. (4)	% of Total (5)
1	to	500	831	66.43	1963200	6.35
501	to	1000	211	16.86	1822490	5.90
1001	to	2000	92	7.35	1472960	4.77
2001	to	3000	32	2.56	836460	2.71
3001	to	4000	19	1.52	694290	2.25
4001	to	5000	15	1.20	696400	2.25
5001	to	10000	30	2.40	2194240	7.10
10001	to	20000	10	0.80	1584800	5.13
		Above 20000	11	0.88	19634160	63.54
Total			1251	100.00	30899000	100.00

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

b) Shareholding pattern as on March 31, 2015.

Sr. No.	Category	No. of Shares Held	% of Total Shares
1	Promoters	16,41,501	53.12
2	Mutual Funds/UTI	0	0
3	Private Corporate Bodies	106245	3.44
4	Public	1251704	40.51
5	NRIs/OCBs	90450	2.93
6	Any Other	0	0.000
TOTAL		3089900	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, 2015

Particulars	No. of Equity Shares	% to Share Capital
NSDL	2245811	72.68
CDSL	581624	18.83
Physical	262465	8.49
TOTAL	3089900	100.00

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

For and on behalf of the board

Mahendra K. Khatau
Chairman
(DIN: 00062794)

Mumbai
Date : 10th August, 2015

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

This is to confirm as per Clause 49 of the Listing Agreement with the Stock Exchange, the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these codes are available on the Company's website.

I confirm that the Company has in respect of the financial year ended on March 31, 2015 received from the Senior Management team of the Company and the members of Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management team means the Managing Director, Senior General Manager and employees in the Executive cadre as on March 31, 2015.

For and on behalf of the board

Mahendra K. Khatau
Chairman
(DIN: 00062794)

Mumbai
Date : 10th August, 2015

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD

We, Arup Kumar 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 the financial statements and cash flow statement for the financial year ended March 31, 2015 and that to the best of our knowledge and belief, we state that:
 - (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 financial year ended March 31, 2015 are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- e) We have indicated to the Auditors and Audit Committee that :
 - (i) Significant changes, if any, in internal controls over financial reporting during the year ended March 31, 2015;
 - (ii) Significant changes, if any, in accounting policies during the year ended March 31, 2015 and that the same has been disclosed in the notes to the financial statements; and
 - (iii) There has not been any instance during the year ended March 31, 2015 of significant fraud with involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.

Arup Kumar Basu
Managing Director
DIN: 00906760
Place: Ahmedabad
Date : 10th August 2015

Vikas Agarwal
Chief Financial Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Refinol Resins And Chemicals Limited.

We have examined the compliance of conditions of Corporate Governance by Refinol Resins and Chemicals Limited ("the company"), for the year ended March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

Uday R. Parikh
Partner
Membership No. : 10217

Place : Ahmedabad
Date : 10th August, 2015

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, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 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.

Auditors' 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 controls 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 March 31, 2015, and its loss and its cash flows 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 incurred a net cash loss during the current and previous years and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 27, 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, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 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) The going concern matter described in sub-paragraph under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - (f) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (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 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.

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

Uday R. Parikh
Partner

Membership No. : 10217

Place : Ahmedabad
Date : 13th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal And Regulatory Requirements" section of our report of even date of Refinol Resins and Chemicals Limited on the Standalone Financial Statements for the year ended March 31, 2015)

01. In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a program of verification of fixed assets to cover all the assets in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

02. In respect of its inventory:

- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

03. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.

04. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal control system.

05. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of Sections 73 and 76 or any other relevant provisions of the Act.

06. In our opinion and according to the information and explanations given to us, the Companies (Cost Records and Audit) Rules, 2011 as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, the Company is not required to maintain prescribed cost records.

07. In respect of statutory dues:

- (a) According to the information and explanations give to us and the records of the company examined by us, in our opinion, the company is not regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Material statutory dues as applicable with the appropriate authorities.
- (b) There were no un undisputed amounts payable in respect of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Material statutory dues as applicable with the appropriate authorities except Penalty of late E-filing of TDS which remain unpaid exceeding six months as on 31st March 2015 is Rs. 2.31 Lacs.
- (c) There are no disputed statutory dues that have not been deposited on accounts of matter pending before appropriate authorities.

08. Due to accumulated losses, Company's Net Worth has been fully eroded. Company has incurred cash loss of Rs.35.57 Lacs in the current financial year and Rs.168.91 Lacs in the preceding financial year.

09. In our opinion and according to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of dues to financial institutions and banks.

10. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

11. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
12. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year nor have we been informed of such case by the management.

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

Uday R. Parikh
Partner
Membership No. : 10217

Place : Ahmedabad
Date : 13th May, 2015

BALANCE SHEET AS AT 31ST MARCH 2015

(Rs. in lacs)

	Notes	As At 31st March, 2015	As At 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	330.67	330.67
Reserves and Surplus	3	(229.87)	(164.79)
		<u>100.80</u>	<u>165.88</u>
Non-current liabilities			
Long-term borrowings	4	6.83	10.96
Other Long term liabilities	5	448.98	450.65
Long-term provisions	6	113.76	89.13
		<u>569.57</u>	<u>550.74</u>
Current liabilities			
Short-term borrowings	7	423.94	452.31
Trade payables	8	404.27	315.24
Other current liabilities	9	78.37	91.29
Short-term provisions	10	12.37	10.76
		<u>918.95</u>	<u>869.60</u>
TOTAL		<u><u>1589.32</u></u>	<u><u>1586.22</u></u>
ASSETS			
Non-current assets			
Fixed assets (Tangible)	11	512.83	540.03
Non-current investment	12	89.13	89.13
Long-term loans & advances	13	99.21	99.27
		<u>701.17</u>	<u>728.43</u>
Current Assets			
Inventories	14	281.07	274.67
Trade receivables	15	490.56	494.76
Cash and cash equivalents	16	55.70	32.05
Short-term loans and advances	17	60.82	56.31
		<u>888.15</u>	<u>857.79</u>
TOTAL		<u><u>1589.32</u></u>	<u><u>1586.22</u></u>
Significant Accounting Policies	1		

Accompanying notes form integral part of the financial statements

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 : 13th May, 2015

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
DIN: 00062794

Vikas Agarwal
Chief Financial Officer

Place : Mumbai
Date : 13th May, 2015

Arup Basu
Managing Director
DIN: 00906760

Anu Rajput
Company Secretary

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

	Notes	2014-15	(Rs. in lacs) 2013-14	
INCOME				
Revenue from operations	18	2028.45	1570.88	
Other Income	19	12.06	5.67	
		2040.51	1576.55	
EXPENSES				
Cost of Raw Materials Consumed	20	1200.45	988.79	
Change in Inventories	21	36.64	19.02	
Employees benefit expenses	22	250.78	212.65	
Financial Costs	23	95.08	109.71	
Other expenses	24	493.13	359.56	
Depreciation and amortization expense		22.76	39.53	
Less : Transfer from Revaluation Reserve		15.02	7.74	23.67 15.86
		2083.82	1705.59	
Profit/(Loss) before Exeptional Items and taxes		(43.31)	(129.04)	
Exceptional Items - charge		-	55.73	
Profit/(Loss) before taxes		(43.31)	(184.77)	
Tax expense		-	-	
Net Profit/(Loss) After Tax		(43.31)	(184.77)	
Basic and diluted earnings per share (in Rs.)		(1.40)	(5.98)	
Significant Accounting Policies	1			
Accompanying notes form integral part of the financial statements				

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 : 13th May, 2015

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
DIN: 00062794

Arup Basu
Managing Director
DIN: 00906760

Vikas Agarwal
Chief Financial Officer

Anu Rajput
Company Secretary

Place : Mumbai
Date : 13th May, 2015

Notes to the Financial Statements**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 lacs)	
		31.03.2015	31.03.2014
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			
3,089,900	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 lacs
Outstanding as at the beginning of the year	3,089,900	308.99
Issued and Allotted during the year	-	-
Outstanding as at the end of the year	3,089,900	308.99

2.4 Shareholders holding more than 5% shares in the Company

	31.03.2015		31.03.2014	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of Rs. 10 each				
M/s. Khatau Capacitors Pvt. Ltd.	1,274,400	41.24	1,274,400	41.24
M/s. Khatau Leasing & Finance Company Pvt. Ltd.	350,000	11.33	350,000	11.33

3 RESERVES & SURPLUS

	31.03.2013	Addition/ Deduction during theYear	31.03.2014	01.04.2014	Addition/ Deduction during theYear	31.03.2015
Securities Premium Reserve	201.18	-	201.18	-	-	201.18
Revaluation Reserve	446.63	23.67	422.96	-	15.02	407.94
Profit & Loss Account	(604.16)	(184.77)	(788.93)	-	(43.31)	(832.24)
Difference in depreciation due to change in life of assets	-	-	-	(6.75)	-	(6.75)
	43.65	(161.10)	(164.79)	(6.75)	(28.29)	(229.87)

(Rs. in lacs)

	31.03.2015	31.03.2014
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4 LONG TERM BORROWINGS

Term loan (Secured) (Vehicle Loan) (From Financial Institution against hypothecation of car)	6.83	10.96
	6.83	10.96

	(Rs. in lacs)	
	31.03.2015	31.03.2014
5 OTHER LONG TERM LIABILITIES		
Trade payables (From M/s. Texcare Middle East LLC, subsidiary of M/s. Refinol Overseas Ltd.)	445.66	440.99
Distributors Deposits*	3.32	9.66
	<u>448.98</u>	<u>450.65</u>
* Considering long term relations with Distributors; deposits are treated as long term, although company has no right to defer the payment of the same beyond one year.		
6 LONG TERM PROVISIONS		
Provision for employee's benefits		
For Gratuity	94.80	73.04
For Leave Encashment	18.96	16.09
	<u>113.76</u>	<u>89.13</u>
7 SHORT TERM BORROWINGS		
Working Capital (Secured)		
From Bank ^a	392.09	441.36
Loan from Director (Unsecured) ^b	4.00	4.95
Other Loans (Unsecured) ^b	27.85	6.00
	<u>423.94</u>	<u>452.31</u>
a Secured by a first charge over the entire fixed and current assets and personally guaranteed by two Promoter Directors of the Company		
b Loans from director (Mr. Mahendra K. Khatau) and others are generally of Short Term nature. However no repayment schedule is specified		
8 TRADE PAYABLES		
Acceptances	404.27	315.24
	<u>404.27</u>	<u>315.24</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 loans	3.78	3.03
Other payables	46.70	53.95
Advance from customers	26.50	33.52
Other payables (Staff)	1.39	0.79
	<u>78.37</u>	<u>91.29</u>
10 SHORT-TERM PROVISIONS		
Provision for employees benefits	2.81	1.96
Others	9.56	8.80
	<u>12.37</u>	<u>10.76</u>

11 FIXED ASSETS											(Rs. in lacs)	
Assets	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK			
	As at 1.4.2014	Additions	Sale/ Transfer	As at 31.3.2015	As at 1.4.2014	For the year	Adjust- ments	Up to 31.3.2015	As at 31.3.2015	As at 31.3.2014		
Tangible												
Lease Hold Land	306.19	-	-	306.19	23.34	4.36	-	27.70	278.49	282.85		
Building	169.60	-	-	169.60	61.83	4.35	-	66.18	103.42	107.77		
Plant and Machineries	521.07	1.70	-	522.77	404.68	11.49	1.05	417.22	105.55	116.39		
Furniture & Fixtures	12.24	-	-	12.24	11.69	0.06	0.06	11.81	0.43	0.55		
Office Equipments	36.10	0.62	-	36.72	28.68	0.50	5.64	34.82	1.90	7.43		
Vehicles	28.72	-	-	28.72	3.68	2.00	-	5.68	23.04	25.04		
TOTAL	1073.92	2.32		1076.24	533.90	22.76	6.75	563.41	512.83	540.03		
Previous Year	1084.61	2.78	13.47	1073.92	502.43	39.53	8.06	533.90	540.03			
i. The gross block of fixed assets includes Rs. 541.33 lacs (Previous year Rs. 541.33 lacs) 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 lacs (Previous year Rs. 23.67) and an equivalent amount has been withdrawn from Revaluation Reserve and credited in the profit and loss statement. This has no impact on loss of the year.												
ii. Company has re-assessed useful life of Tangible Fixed Assets during the year and accordingly an amount of Rs. 6.75 lacs has been charged to opening balance of Profit & Loss account as per schedule II of the Companies Act, 2013.												
									31.03.2015	31.03.2014		
12 NONCURRENT INVESTMENT												
Subsidiary Company (unquoted)										89.13	89.13	
240000 Equity shares of Refnol Overseas Limited of US \$ 1/ each										89.13	89.13	
									89.13	89.13		
13 LONG-TERM LOANS & ADVANCES												
Advances to related parties										89.68	89.68	
Other Deposits										9.53	9.59	
									99.21	99.27		
Disclosure as per Clause 32 of the Listing Agreement:												
Advances given to Associates												
					Maximum Balance outstanding during the							
					Current Year	Previous Year						
Name of the Company												
M/s. Indokem Ltd.					35.00	35.00	35.00	35.00				
M/s. Khatau Capacitors Pvt. Ltd.					54.68	54.68	54.68	54.68				
					89.68	89.68	89.68	89.68				
14 INVENTORIES												
Raw Materials*										177.07	134.20	
Packing Materials										9.69	6.99	
Fuel										1.51	4.04	
Stock in Process										15.60	4.20	
Finished Goods										77.20	125.24	
									281.07	274.67		
*Includes materials in transit Current year Nil Previous year 2.82 Lacs.												
15 TRADE RECEIVABLES												
Unsecured over six months												
Considered good										42.13	42.81	
Considered doubtful										2.18	2.18	
									44.31	44.99		
Less : Provision										2.18	2.18	
									42.13	42.81		
Others, considered good										448.43	451.95	
									490.56	494.76		

	(Rs. In lacs)	
	31.03.2015	31.03.2014
16 CASH AND CASH EQUIVALENTS		
Cash on hand	0.08	0.08
Balances with Banks		
- Current Accounts	25.81	4.47
Other Bank Balances		
- Margin Money (Fixed Deposits)	29.81	27.50
	<u>55.70</u>	<u>32.05</u>
17 SHORT-TERM LOANS AND ADVANCES		
Unsecured considered good		
Advances recoverable in cash or kind	2.81	2.81
Balances with Government Authorities	49.28	46.08
Advance Tax	6.75	6.66
Advance to contractor labour	0.27	0.10
Loans and Advances to employees	1.71	0.66
	<u>60.82</u>	<u>56.31</u>
	<u>2014-2015</u>	<u>2013-2014</u>
18 REVENUE FROM OPERATIONS		
Sales - Domestic	1333.36	1199.05
Less : Excise Duty / Taxes	166.67	148.20
	<u>1166.69</u>	<u>1050.85</u>
Sales - Exports	861.76	520.03
	<u>2028.45</u>	<u>1570.88</u>
19 OTHER INCOME		
Interest Income	6.39	3.13
Insurance Claim	-	0.94
Exchange Rate Difference	0.40	0.13
Balances Written off	0.23	1.47
VAT Refund	5.04	-
	<u>12.06</u>	<u>5.67</u>
20 COST OF RAW MATERIALS CONSUMED		
Opening Stock	134.20	113.78
Purchases	1243.32	1009.21
	<u>1377.52</u>	<u>1122.99</u>
Less : Closing Stock	177.07	134.20
Raw Material Consumed	<u>1200.45</u>	<u>988.79</u>
21 CHANGE IN INVENTORIES		
Stock as at 31 st March, 2015		
Stock in Process	15.60	4.20
Finished Goods	77.20	125.24
	<u>92.80</u>	<u>129.44</u>
Less : Stock as at 31 st March, 2014		
Stock in Process	4.20	3.42
Finished Goods	125.24	145.04
	<u>129.44</u>	<u>148.46</u>
	<u>(36.64)</u>	<u>(19.02)</u>

	(Rs. In lacs)	
	2014-2015	2013-2014
22 EMPLOYEES BENEFIT EXPENSES		
Salaries, Wages & Bonus etc.	188.05	177.95
Contribution to Provident Fund & other Funds *	44.88	76.44
Staff Welfare expenses	17.85	13.99
	<u>250.78</u>	<u>268.38</u>
* Includes NIL for the current year and Rs.55.73 Lacs for Gratuity as an exceptional item in previous year.		
23 FINANCE COST		
Interest expense	88.90	104.05
Other borrowing costs	6.18	5.66
	<u>95.08</u>	<u>109.71</u>
24 OTHER EXPENSES		
Stores & Spares Consumed	5.64	3.94
Packing Materials Consumed	152.34	110.35
Power, Fuel & Water Charges	90.69	69.82
Repairs - Machineries	6.22	5.39
- Building	5.13	0.51
- Others	2.99	0.78
Inward Freight, Clearing & Forwarding	32.47	25.37
Laboratory & Testing Expenses	3.49	2.75
Labour Charges	17.99	15.17
Insurance	2.45	1.71
Rent	5.56	5.49
Rates & Taxes	7.14	9.60
Postage & Telephone	8.81	9.04
Legal & Professional Charges*	11.19	10.89
Conveyance & Vehicle Expenses	28.96	27.93
Printing & Stationery	3.62	2.79
Misc. Expenses	5.94	5.04
Directors' Fees	0.48	0.14
Service Tax	0.49	0.24
Loss on sale of asset	-	3.81
Commission	5.90	0.87
Outward Freight & Export Expenses	75.82	32.26
Sample Expenses	0.63	0.37
Advertisement & Sales Promotion	0.88	0.40
Travelling Expenses	13.55	9.46
Stock Transfer tax	4.75	5.44
	<u>493.13</u>	<u>359.56</u>
*Payment to Auditors :	2014-2015	2013-2014
Statutory Auditors		
As Auditors	0.73	0.73
For Tax Audit	0.28	0.28
For other services	0.42	0.56
	<u>1.43</u>	<u>1.57</u>
Cost Auditors		
As Auditors	-	0.56

	<u>2014-15</u>	<u>2013-14</u>
25 CONTINGENT LIABILITIES (not provided for)		
Claim against company not acknowledged as Debt	2.50	0.50
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.		
28 The company's operations fall under single segment namely "Chemicals".		
29 Earning per share:	<u>2014-15</u>	<u>2013-14</u>
Net Profit/(Loss) After Tax	(43.31)	(184.77)
Number of equity shares outstanding	3,089,900	3,089,900
Basic and diluted earning per share (Par value of Rs.10 each)	(1.40)	(5.98)
30 Related Party Disclosure		
a. Parties where control exists :		
Refinol Overseas Limited	Subsidiary	
Tex Care Middle East LLC	Sub-subsidiary	
Tex Care Bahrain WLL	Sub-subsidiary	
b. Other related parties with whom transactions have taken place during the year :		
i. Other parties		
Indokem Limited	Associate	
Indokem Export Limited	Associate	
Shubhlabh Chemicals Pvt. Ltd.	Associate	
Formost Chemicals Pvt. Ltd.	Associate	
Chemron Texchem 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. Anu Rajput, Company Secretary		
5. Vikas Agarwal (HUF), HUF firm of 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 lacs)
	<u>2014-15</u>	<u>2013-14</u>
(i) Sales		
Indokem Limited	405.32	298.42
Indokem Export Limited	-	1.44
Shubhlabh Chemicals Pvt. Ltd.	-	2.45
Formost Chemicals Pvt. Ltd.	-	21.71
Chemron Texchem Pvt. Ltd.	-	1.28
Orchard Acres	28.15	36.01
Texcare Middle East LLC	93.08	87.05
	<u>526.55</u>	<u>448.36</u>
(ii) Purchase		
Orchard Acres	261.94	-
Texcare Middle East LLC	-	0.25
(iii) Payment for other services / interest		
Tex Care Middle East LLC	3.18	-
Orchard Acres (Interest)	3.75	-
Priyamvada Holdings Limited (Commission)	0.60	0.12
Khatau Leasing and Finance Co. Pvt. Ltd.	-	0.03
MKK Holdings Private Limited	-	0.02
Vindypriya Holdings Private Limited	-	0.02
Mr. Mahendra K. Khatau (Interest)	0.53	2.01
Mr. Arup Basu (Interest)	-	0.06
Vikas Agarwal (HUF) (Car Hire Charges)	2.05	-
Mr. Abhik Basu (Car Hire Charges)	3.59	-
Smt. Leela K. Khatau (Salary & Others)	2.38	1.99
	<u>16.08</u>	<u>4.25</u>

	(Rs. In lacs)	
	2014-15	2013-14
(iv) Loan from Related Party		
Mr. Arup Basu	-	7.25
	-	7.25
(v) Amount received from Texcare Middle East LLC		
Against supplies	105.64	268.01
Amount Reimbursed	4.27	3.39
(vi) Outstanding Balances as at 31st March 2015		
a. Receivables		
Indokem Limited	278.65	169.48
Indokem Export Limited	0.86	0.93
Shubhlabh Chemicals Pvt. Ltd.	3.47	60.24
Formost Chemicals Pvt. Ltd.	-	3.10
	282.98	233.75
b. Acceptances		
Texcare Middle East LLC	439.82	440.99
Orchard Acres	123.55	-
Khatau Leasing and Finance Co. Pvt. Ltd.	0.13	0.13
MKK Holdings Private Limited	0.06	0.06
Vindypriya Holdings Private Limited	0.12	0.12
Priyamvada Holdings Limited	0.27	2.05
	563.95	443.35
c. Loan from Related Parties		
Mr. Mahendra K. Khatau (O/s with interest)	4.25	4.95
d. Advances to Related Parties		
Indokem Limited (Security Deposit)	35.00	35.00
Khatau Capacitors Pvt. Ltd	54.68	54.68
	89.68	89.68
e. Other payable		
Smt. Leela K. Khatau (Salary)	0.18	0.18
(vii) Remuneration :		
a] Mr. Arup Basu, Managing Director		
Salary	15.17	15.14
Contribution to PF	1.18	1.18
Gratuity	0.47	0.47
Perquisites	0.76	0.71
	17.58	17.50
b] Mr. Vikas Agarwal, Chief Financial Officer		
Salary	6.99	-
Contribution to PF	0.64	-
Gratuity	0.26	-
Perquisites	-	-
	7.89	-
c] Ms. Anu Rajput, Company Secretary		
Salary	1.32	-
Contribution to PF	0.11	-
Gratuity	0.07	-
Perquisites	-	-
	1.50	-

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

Define Benefit Plan Disclosures

(Rs. In Lacs)

Sr. No. Particular	Gratuity		Leave Benefit	
	2014-15	2014-15	2013-14	2013-14
1 Components to Employer Expense				
Current Service Cost	19.98	3.66	12.05	0.87
Interest Cost	-	-	-	-
Past service cost	3.81	0.38	43.68	-
Excess provision reversed	-	-	-	0.67
Actuarial (Gain)/Loss				
Total expense /(gain) recognised in the P & L A/c.	23.79	4.04	55.73	1.55
2 Net Assets / Liability Recognised in the Balance Sheet				
Present value of obligation as at 01/04/2014	73.03	16.09	21.54	15.93
Fair Value of Plan Assets as at 01/04/2014	-	-	-	-
Assets/Liability recognized in Balance Sheet	94.80	18.96	73.03	16.09
3 Change in Defined Benefit Obligation (DBO) during Year ended 31 st March 2015.				
Present value of obligation as at 01/04/2014	73.03	16.09	21.54	15.93
Current Service Cost	19.98	3.66	12.05	0.87
Interest Cost	-	-	-	-
Past service cost	3.81	0.38	43.68	-
Actuarial (Gain)/Loss	-	-	-	-
Benefit paid	2.02	1.17	4.25	0.71
Present value of obligation as at 31/03/2015	94.80	18.96	73.03	16.09

32 Value of consumables

	2014-15		2013-14	
	%	Rs.	%	Rs.
Raw materials				
Imported	3.20	38.39	3.43	33.90
Indigenous	96.80	1162.05	96.57	954.89
TOTAL	100.00	1200.45	100.00	988.79
Packing Materials				
Indigenous	100.00	152.34	100.00	110.35
Stores & spares				
Indigenous	100.00	5.64	100.00	3.94

33 Foreign Currency Transactions

	2014-15	2013-14
i Value of Imports on CIF basis		
Raw materials	38.92	57.42
ii Earnings in foreign exchange		
Exports at FOB Value (including deemed exports)	898.80	515.75
iii Expenditure in Foreign Currency		
Travelling expenses	0.56	0.84
Professional fees	NIL	1.11
Commission	5.11	1.24

34 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 : 13th May, 2015

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
DIN: 00062794

Arup Basu
Managing Director
DIN: 00906760

Vikas Agarwal
Chief Financial Officer

Anu Rajput
Company Secretary

Place : Mumbai
Date : 13th May, 2015

CASH FLOW STATEMENT FOR 2014-15

	(Rs. in lacs)	
	2014-15	2013-14
A. Cash flow from operating activities		
Net loss after tax and extra ordinary items	(43.31)	(184.77)
Adjustments for:		
Depreciation	7.74	15.86
Interest expenses & finance charges	95.08	109.71
Interest income	(6.39)	(3.13)
Loss on sale of fixed assets	-	3.81
	96.43	126.25
Operating profit / (Loss) before working capital changes	53.12	(58.52)
Adjustments for:		
Trade and other receivables	(0.25)	(74.27)
Inventories	(6.40)	(1.89)
Trade and other payables	100.69	301.51
	94.04	225.35
Net cash generated from operating activities	(A) 147.16	166.83
B. Cash flow from investing activities		
Interest received	6.39	3.13
Purchase of fixed assets	(2.32)	(2.78)
Sale of fixed assets	-	1.60
Net cash from (Used in) investing activities	(B) 4.07	1.95
C. Cash flow from financing activities		
Proceeds /(Repayment) from borrowings (Net)	(32.50)	(57.92)
Interest & finance charges paid	(95.08)	(109.71)
Margin Money	(2.31)	(19.18)
Net cash used in financing activities	(C) (129.89)	(186.81)
Net increase (Decrease) in cash and cash equivalents (a+b+c)	21.34	(18.04)
Cash and cash equivalents-opening balance	4.55	22.59
Cash and cash equivalents-closing balance	25.89	4.55

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 **G. P. KAPADIA & CO.**
Chartered Accountants
(Registration no. 104768 w)

Uday R. Parikh
Partner
Membership No.10217

Place : Ahmedabad
Date : 13th May, 2015

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
DIN: 00062794

Vikas Agarwal
Chief Financial Officer

Place : Mumbai
Date : 13th May, 2015

Arup Basu
Managing Director
DIN: 00906760

Anu Rajput
Company Secretary

**CONSOLIDATED
FINANCIAL STATEMENTS
&
NOTES**

INDEPENDENT AUDITORS' REPORT**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 Company") and its subsidiaries (collectively referred to as "the group"), which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 these 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place 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 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, 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 Group, as at March 31, 2015, and their consolidated profit/loss 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 two step-down subsidiaries whose financial statements reflect total assets of Rs.693.51 lacs as at 31st March 2015, total revenues of Rs. 1712.45 lacs and net cash outflows amounting of Rs. 0.19 lacs. for the year ended on that date, reflect group's share of net profit of Rs. 32.05 lacs 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 the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) 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 and the reports of the other auditors.
 - (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 March 31, 2015 taken on record by the Board of Directors of the Holding Company incorporated in India, none of the directors of the holding company, is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 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 : 13th May, 2015

BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH 2015

(Rs. in lacs)

	Notes	As At 31st March, 2015	As At 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	330.67	330.67
Reserves and Surplus	3	523.68	403.45
		<u>854.35</u>	<u>734.12</u>
Non-current liabilities			
Long-term borrowings	4	139.36	173.98
Other Long term liabilities	5	3.32	9.66
Long-term provisions	6	153.27	127.45
		<u>295.95</u>	<u>311.09</u>
Current liabilities			
Short-term borrowings	7	459.39	480.66
Trade payables	8	532.87	505.03
Other current liabilities	9	127.16	149.57
Short-term provisions	10	13.11	11.85
		<u>1132.53</u>	<u>1147.11</u>
TOTAL		<u><u>2282.83</u></u>	<u><u>2192.32</u></u>
ASSETS			
Non-current assets			
Fixed assets	11	547.76	585.20
Long-term loans & advances	12	99.21	99.27
		<u>646.97</u>	<u>684.47</u>
Current Assets			
Inventories	13	385.32	386.28
Trade receivables	14	971.25	882.12
Cash and cash equivalents	15	153.24	151.12
Short-term loans and advances	16	126.05	88.33
		<u>1635.86</u>	<u>1507.85</u>
TOTAL		<u><u>2282.83</u></u>	<u><u>2192.32</u></u>
Significant Accounting Policies	1		
Accompanying notes form integral part of the financial statements			

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 : 13th May, 2015

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
DIN: 00062794

Arup Basu
Managing Director
DIN: 00906760

Vikas Agarwal
Chief Financial Officer

Anu Rajput
Company Secretary

Place : Mumbai
Date : 13th May, 2015

PROFIT AND LOSS STATEMENT (CONSOLIDATED) FOR THE YEAR ENDED 31ST MARCH 2015

	Notes	2014-15	(Rs. in lacs) 2013-14	
INCOME				
Revenue from operations	17	3728.11	3078.42	
Other Income	18	24.85	14.83	
		3752.96	3093.25	
EXPENSES				
Cost of Materials Consumed	19	2147.37	1851.59	
Change in Inventories	20	29.66	22.17	
Employees benefit expenses	21	404.89	342.63	
Financial Costs	22	145.31	143.34	
Other expenses	23	956.16	775.23	
Depreciation and amortization expense		52.54	72.40	
Less : Transfer from Revaluation Reserve		15.02	37.52	23.67 48.73
		3720.91	3183.69	
Profit/(Loss) from ordinary activity and before taxes		32.05	(90.43)	
Exceptional Items - charge		-	55.73	
Profit/(Loss) before taxes		32.05	(146.16)	
Tax expense		-	-	
Net Profit/(Loss) After Tax		32.05	(146.16)	
Basic and diluted earnings per share (in Rs.)		1.04	(4.73)	
Significant Accounting Policies	1			
Accompanying notes form integral part of the financial statements				

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 : 13th May, 2015

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
DIN: 00062794

Arup Basu
Managing Director
DIN: 00906760

Vikas Agarwal
Chief Financial Officer

Anu Rajput
Company Secretary

Place : Mumbai
Date : 13th May, 2015

1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

A. PRINCIPLES OF CONSOLIDATION

- 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"
- 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.
- 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.
- 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, 2015, which are as under:

Name of the Company	Nature	Country of Incorporation	% of Share Holding		% of Voting power	
			31.03.2015	31.03.2014	31.03.2015	31.03.2014
Refnol Overseas Limited (ROL)	Subsidiary	Mauritius	100%	100%	100%	100%
Texcare Middle East LLC (TCME)*	Subsidiary of ROL	Dubai	49%	49%	49%	49%
Texcare Bahrain WLL (TCB)**	Subsidiary of TCME	Bahrain	49%	49%	49%	49%

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

** Texcare Bahrain WLL (TCB), Represented by Texcare Middle East LLC (49% of share holding) & Karan Anne Farangi Hinkly (51% of share holding).

B. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

2 SHARE CAPITAL

2.1 Schedule		(Rs. in lacs)	
		31.03.2015	31.03.2014
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			
3,089,900	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 lacs
Outstanding as at the beginning of the year	3,089,900	308.99
Issued and Allotted during the year	-	-
Outstanding as at the end of the year	3,089,900	308.99

2.4 Shareholders holding more than 5% shares in the Company

	31.03.2015		31.03.2014	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of Rs. 10 each				
Khatau Capacitors Pvt. Ltd.	1,274,400	41.24	1,274,400	41.24
Khatau Leasing & Finance Company Pvt. Ltd.	350,000	11.33	350,000	11.33

3 RESERVES & SURPLUS

	31.03.2013	Addition/ Deduction during theYear	31.03.2014	01.04.2014	Addition/ Deduction during theYear	31.03.2015
Securities Premium Reserve	201.18	-	201.18	-	-	201.18
Statutory Reserve	24.32	6.20	30.52	-	2.04	32.56
Revaluation Reserve	446.63	(23.67)	422.96	-	(15.02)	407.94
Profit & Loss Account	(236.06)	(15.12)	(251.18)	-	30.01	(221.17)
Capital reserve	30.00	-	30.00	-	-	30.00
Difference in Depreciation due to Change in life of assets	-	-	-	(6.75)	-	(6.75)
Exchange Flucation Reserve	52.23	17.42	69.65	-	10.27	79.92
	518.30	(15.17)	403.45	(6.75)	27.30	523.68

(Rs. in lacs)

	31.03.2015	31.03.2014
--	------------	------------

4 LONG TERM BORROWINGS

Vehicle loan (Secured)	11.56	16.83
Term loan (Secured)	127.80	157.15
	139.36	173.98

The Vehicles are hypothicated with bank and financial institution against bank loan.
Term loan personally guaranteed by one of the director along with post dated cheques.

		(Rs. in lacs)	
		31.03.2015	31.03.2014
5	OTHER LONG TERM LIABILITIES		
	Distributors Deposits	3.32	9.66
		<u>3.32</u>	<u>9.66</u>
		<u><u>3.32</u></u>	<u><u>9.66</u></u>
	Considering the long term relation with Distributors all distributors deposits received from them are treated as long term, although company has no right to defer the payment of the same beyond 1 year.		
6	LONG TERM PROVISIONS		
	Provision for employee's benefits	153.27	127.45
		<u>153.27</u>	<u>127.45</u>
		<u><u>153.27</u></u>	<u><u>127.45</u></u>
7	SHORT TERM BORROWINGS		
	Working Capital (Secured)		
	From Bank ^a	427.54	469.71
	Loan from Director (Unsecured) ^b	4.00	4.95
	Other Loans (Unsecured) ^b	27.85	6.00
		<u>459.39</u>	<u>480.66</u>
		<u><u>459.39</u></u>	<u><u>480.66</u></u>
	a	Comprises of Rs.392.09 Lacs (Previous year 441.36 lacs) against first charge over the entire fixed and current assets and personally guaranteed by two Promoter Directors.	
	a	Rs. 35.45 Lacs (Previous year 28.35 lacs) as term loan personally guaranteed by one of the directors along with post dated cheques.	
	b	Loans from director (Mr. Mahendra K. Khatau) and others are generally of Short Term nature. However no repayment schedule is specified	
8	TRADE PAYABLES		
	Acceptances	532.87	505.03
		<u>532.87</u>	<u>505.03</u>
		<u><u>532.87</u></u>	<u><u>505.03</u></u>
9	OTHER CURRENT LIABILITIES		
	Current maturities of long-term loans and borrowings	13.93	17.87
	Other payables	85.34	97.39
	Advance From customers	26.50	33.52
	Other payables (Staff)	1.39	0.79
		<u>127.16</u>	<u>149.57</u>
		<u><u>127.16</u></u>	<u><u>149.57</u></u>
10	SHORT-TERM PROVISIONS		
	Provision for employees benefits	3.55	3.05
	Others	9.56	8.80
		<u>13.11</u>	<u>11.85</u>
		<u><u>13.11</u></u>	<u><u>11.85</u></u>

11 FIXED ASSETS											(Rs. in lacs)
Assets	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK		
	As at 1.4.2014	Additions	Sale/ Transfer	As at 31.3.2015	As at 1.4.2014	For the year	Adjust- ments	Up to 31.3.2015	As at 31.3.2015	As at 31.3.2014	
Tangible											
Lease Hold Land	315.63	-	-	315.63	32.43	4.62	-	37.05	278.58	283.20	
Building	169.60	-	-	169.60	61.83	4.35	-	66.18	103.42	107.77	
Plant and Machineries	612.36	10.25	-	622.61	470.98	20.66	1.05	492.69	129.92	141.38	
Furniture & Fixtures	21.55	-	2.78	18.77	20.82	0.83	(3.32)	18.33	0.44	0.72	
Office Equipments	65.84	1.00	3.19	63.65	56.45	0.18	2.45	59.08	4.57	9.39	
Vehicles	121.54	10.90	11.37	121.07	78.80	21.91	(10.48)	90.23	30.84	42.74	
TOTAL	1306.53	22.15	17.34	1311.34	721.32	52.55	(10.30)	763.57	547.76	585.20	
Previous Year	1295.92	24.07	13.47	1306.53	656.99	72.40	8.06	721.33	585.20		
1. The gross block of fixed assets includes Rs. 541.33 lacs (Previous year Rs. 541.33 lacs) 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 lacs (Previous year Rs. 23.67) 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.											
2. Company has re-assessed useful life of Tangible Fixed Assets during the year and accordingly an amount of Rs. 6.75 lacs has been charged to opening balance of Profit & Loss account as per schedule II of the Companies Act, 2013.											
(Rs. In lacs)											
									31.03.2015	31.03.2014	
12 LONG-TERM LOANS & ADVANCES											
Advances to Associates Parties											
Indokem Ltd.											
									35.00	35.00	
Khatau Capacitors Pvt. Ltd.											
									54.68	54.68	
Other Deposits											
									9.53	9.59	
									99.21	99.27	
13 INVENTORIES											
Raw Materials*											
									235.36	206.83	
Packing Materials											
									9.69	6.99	
Fuel											
									1.51	4.04	
Stock in Process											
									15.60	4.20	
Finished Goods											
									123.16	164.22	
									385.32	386.28	
*Includes materials in transit Current year Nil and Previous year Rs. 2.82 Lacs.											
14 TRADE RECEIVABLES											
Unsecured Over six months											
Considered good											
									466.23	430.17	
Considered doubtful											
									18.07	3.81	
									484.30	433.98	
Less : Provision											
									18.07	3.81	
									466.23	430.17	
Others, considered good											
									505.02	451.95	
									971.25	882.12	

	(Rs. In lacs)	
	31.03.2015	31.03.2015
15 CASH AND CASH EQUIVALENTS		
Cash on hand	2.85	2.69
Balances with Banks		
- Current Accounts	120.58	120.93
Other Bank Balances		
- Margin Money	29.81	27.50
	<u>153.24</u>	<u>151.12</u>
16 SHORT-TERM LOANS AND ADVANCES		
Unsecured considered good		
Advances recoverable in cash or kind	2.81	2.81
Balances with Government Authorities	66.46	61.43
Advance Tax	6.75	6.66
Advance to supplier & others	11.07	11.40
Loan and Advances to Employees	1.71	0.66
Prepaid interest and others	37.26	5.37
	<u>126.06</u>	<u>88.33</u>
	<u>2014-2015</u>	<u>2013-2014</u>
17 REVENUE FROM OPERATIONS		
Sales - Domestic	2521.79	2302.83
Less : Excise Duty / Taxes	166.67	148.20
	<u>2355.12</u>	<u>2154.63</u>
Sales - Exports	1372.99	923.79
	<u>3728.11</u>	<u>3078.42</u>
18 OTHER INCOME		
Interest Income	16.18	12.29
Insurance Claim	-	0.94
Exchange Rate Difference	0.40	0.13
Balances Written off	0.23	1.47
VAT Refund	5.04	-
Profit on sale of asset	3.00	-
	<u>24.85</u>	<u>14.83</u>
19 COST OF RAW MATERIAL CONSUMED		
Opening Stock	207.59	236.65
Purchases	2174.03	1822.53
	<u>2381.62</u>	<u>2059.18</u>
Less : Closing Stock	234.25	207.59
Raw Material Consumed	<u>2147.37</u>	<u>1851.59</u>
20 CHANGE IN INVENTORIES		
Stock as at 31 st March, 2015		
Stock in Process	15.60	4.20
Finished Goods	123.16	164.22
	<u>138.76</u>	<u>168.42</u>
Less : Stock as at 31 st March, 2014		
Stock in Process	4.20	3.42
Finished Goods	164.22	187.17
	<u>168.42</u>	<u>190.59</u>
	<u>(29.66)</u>	<u>(22.17)</u>

	(Rs. In lacs)	
	2014-2015	2013-2014
21 EMPLOYEES BENEFIT EXPENSES		
Salaries, Wages & Bonus etc.	342.16	307.93
Contribution to Provident Fund & other Funds*	44.88	76.44
Staff Welfare expenses	17.85	13.99
	<u>404.89</u>	<u>398.36</u>
* Includes NIL for the current year and Rs.55.73 Lacs for Gratuity as an exceptional item in previous year.		
22 FINANCE COST		
Interest expense	139.13	137.68
Other borrowing costs	6.18	5.66
	<u>145.31</u>	<u>143.34</u>
23 OTHER EXPENSES		
Stores & Spares Consumed	5.64	3.94
Packing Materials Consumed	152.34	110.35
Power, Fuel & Water Charges	90.69	69.82
Repairs - Machineries	17.44	20.03
- Building	5.13	0.51
- Other	2.99	0.78
Inward Freight, Clearing & Forwarding	134.81	149.05
Laboratory & Testing Expenses	3.49	2.75
Labour Charges	17.99	15.17
Insurance	5.54	4.28
Rent	30.54	31.96
Rates & Taxes	7.14	9.60
Postage & Telephone	21.90	20.05
Legal & Professional Charges	28.92	34.77
Conveyance & Vehicle Expenses	28.96	27.93
Printing & Stationery	3.87	3.02
Misc. Expenses	17.17	14.59
Directors' Fees	1.13	0.71
Service Tax	0.49	0.24
Loss on sale of asset	0.13	3.81
Commission	158.71	103.88
Outward Freight & Export Expenses	94.01	49.56
Sample Expenses	0.63	0.37
Advertisement & Sales Promotion	83.72	70.09
Travelling Expenses	38.03	22.53
Stock Transfer tax	4.75	5.44
	<u>956.16</u>	<u>775.23</u>
*Payment to Auditors :		
Statutory Auditors		
As Auditors	4.44	4.38
	<u>4.44</u>	<u>4.38</u>
Cost Auditors		
As Auditors	-	0.56

24. 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 lacs)

Sr. No.	Name of Subsidiary Company	Year	Currency	Share Capital	Reserves & Surplus	Total Assets (Non Current Assets + Current Assets)	Total Liabilities (Non Current Lia. + Current Lia.)	Details of Current & Non -Current investments	Net Turn over	Profit/(Loss) before taxation	Provision for Taxation	Profit/(Loss) after taxation	Proposed Dividend
1	Refinol Overseas Limited	2014-15	US \$	2.40	0.96	2.98	0.03	0.41	0.16	0.07	-	0.07	-
			INR	89.13	94.23	169.97	1.84	15.23	9.79	4.21	-	4.21	-
		2013-14	US \$	2.40	0.90	2.92	0.03	0.41	0.16	0.10	-	0.10	-
			INR	89.13	87.91	163.65	1.85	15.23	9.16	5.44	-	5.44	-
2	Texcare Middle East LLC	2014-15	AED	3.00	39.89	68.97	26.95	0.87	91.91	5.48	-	5.48	-
			INR	33.25	688.61	1,165.37	454.12	10.61	1,530.92	92.09	-	92.09	-
		2013-14	AED	3.00	34.41	68.51	31.97	0.87	82.33	3.99	-	3.99	-
			INR	33.25	493.27	1,036.75	520.85	10.61	1,281.78	30.57	-	30.57	-
3	Texcare Bahrain WLL	2014-15	BD	0.20	0.16	0.37	0.01	-	1.05	(0.13)	-	(0.13)	-
			INR	22.59	37.55	61.54	1.40	-	168.74	(20.93)	-	(20.93)	-
		2013-14	BD	0.20	0.29	0.72	0.22	-	1.50	0.02	-	0.02	-
			INR	22.59	53.88	111.09	34.62	-	225.76	2.58	-	2.58	-

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)	
		2014-15	2013-14	2014-15	2013-14
1	US Dollar (US\$)	0.0161	0.0184	0.0164	0.0190
2	UAE Dirham (AED)	0.0593	0.0677	0.0600	0.0698
3	Bahrain Dirham (BD)	0.0061	0.0069	0.0062	0.0071

25 CONTINGENT LIABILITIES (not provided for)

	2014-15	2013-14
Claim against company not acknowledged as Debt	5.59	3.47

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

28 Earning per share:	2014-15	2013-14
Net Profit/(Loss) After Tax	32.05	(146.16)
Number of equity shares outstanding	3,089,900	3,089,900
Basic and diluted earning per share (Par value of Rs.10 each)	1.04	(4.73)

29 Related Party Disclosure**a Other related parties with whom transactions have taken place during the year :**

Indokem Limited	Associate
Indokem Export Limited	Associate
Shubhlabh Chemicals Pvt. Ltd.	Associate
Formost Chemicals Pvt. Ltd.	Associate
Chemron Texchem 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. Anu Rajput, Company Secretary
- 5 Vikas Agarwal (HUF), HUF firm of Vikas Agarwal, CFO.
- 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

	2014-15	(Rs. In lacs) <u>2013-14</u>
(i) Sales		
Indokem Limited	405.32	298.42
Indokem Export Limited	-	1.44
Shubhlabh Chemicals Pvt. Ltd.	-	2.45
Formost Chemicals Pvt. Ltd.	-	21.71
Chemron Texchem Pvt. Ltd.	-	1.28
Orchard Acres	28.15	36.01
	433.47	361.31
(ii) Purchase		
Orchard Acres	261.94	-
(iii) Payment for other services / interest		
Orchard Acres (Interest)	3.75	-
Priyamvada Holdings Limited (Commission)	0.60	0.12
Khatau Leasing and Finance Co. Pvt. Ltd.	-	0.03
MKK Holdings Private Limited	-	0.02
Vindypriya Holdings Private Limited	-	0.02
Mr. Mahendra K. Khatau (Interest)	0.53	2.01
Mr. Mahendra K. Khatau (Interest)	0.53	2.01
Mr. Arup Basu (Interest)	-	0.06
Vikas Agarwal (HUF) (Car Hire Charges)	2.05	-
Mr. Abhik Basu (Car Hire Charges)	3.59	-
Smt. Leela K. Khatau (Salary & Others)	2.38	1.99
	12.90	4.25

	2014-15	(Rs. In lacs) 2013-14
(iv) Loan from Related Party Mr. Arup Basu	-	7.25
(v) Outstanding Balances as at 31st March 2015		
a. Receivables		
Indokem Limited	278.65	169.48
Indokem Export Limited	0.86	0.93
Shubhlabh Chemicals Pvt. Ltd.	3.47	60.24
Formost Chemicals Pvt. Ltd.	-	3.10
	282.98	233.75
b. Acceptances		
Orchard Acres	123.55	-
Khatau Leasing and Finance Co. Pvt. Ltd.	0.13	0.13
MKK Holdings Private Limited	0.06	0.06
Vindyapriya Holdings Private Limited	0.12	0.12
Priyamvada Holdings Limited	0.27	2.05
	124.13	2.36
c. Loan from Related Parties		
Mr. Mahendra K. Khatau (O/s with interest)	4.25	4.95
d. Advances to Related Parties		
Indokem Limited (Security Deposit)	35.00	35.00
Khatau Capacitors Pvt. Ltd	54.68	54.68
	89.68	89.68
e. Other payable		
Smt. Leela K. Khatau (Salary)	0.18	0.18
(vi) Remuneration :		
a] Mr. Arup Basu, Managing Director		
Salary	15.17	15.14
Contribution to PF	1.18	1.18
Gratuity	0.47	0.47
Perquisites	0.76	0.71
	17.58	17.50
b] Mr. Vikas Agarwal, Chief Financial Officer		
Salary	6.99	-
Contribution to PF	0.64	-
Gratuity	0.26	-
Perquisites	-	-
	7.89	-
c] Ms. Anu Rajput, Company Secretary		
Salary	1.32	-
Contribution to PF	0.11	-
Gratuity	0.07	-
Perquisites	-	-
	1.50	-

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 : 13th May, 2015

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
DIN: 00062794

Vikas Agarwal
Chief Financial Officer

Place : Mumbai
Date : 13th May, 2015

Arup Basu
Managing Director
DIN: 00906760

Anu Rajput
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR 2014-2015

(Rs. in lacs)

	2014-15	2013-14	
A. Cash flow from operating activities			
Net loss after tax and extra ordinary items	32.05		(146.16)
Adjustments for:			
Depreciation	37.52		48.73
Transfer to General Reserves	96.43		-
Interest expenses & finance charges	145.31		143.34
Interest income	(16.18)		(12.29)
Unrealised exchange rate difference	10.27		17.43
Depreciation Difference due to change in Life of Assets	(6.75)		-
Profit/ loss on sale of fixed assets(net)	-	266.60	3.81
	298.65		201.02
Operating profit/loss before working capital changes		298.65	54.86
Adjustments for:			
Trade and other receivables	(126.79)		(108.85)
Inventories	0.96		9.37
Trade and other payables	26.17	(99.66)	175.00
			75.52
Net cash generated from operating activities	(A)	198.99	130.38
B. Cash flow from investing activities			
Interest received	16.18		12.29
Purchase of fixed assets	(22.15)		(24.07)
Sale of fixed assets	10.30		1.60
Net cash used in investing activities	(B)	4.33	(10.18)
C. Cash flow from financing activities			
Proceeds /(Repayment) from borrowings (Net)		(55.89)	103.12
Interest & finance charges paid		(145.31)	(143.34)
Margin Money		(2.31)	(19.18)
Net cash used in financing activities	(C)	(203.51)	(59.41)
Net increase (Decrease) in cash and cash equivalents (a+b+c)		(0.19)	60.80
Cash and cash equivalents-opening balance		123.62	62.82
Cash and cash equivalents-closing balance		123.43	123.62

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 **G. P. KAPADIA & CO.**
Chartered Accountants
(Registration no. 104768 w)

Uday R. Parikh
Partner
Membership No.10217

Place : Ahmedabad
Date : 13th May, 2015

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
DIN: 00062794

Vikas Agarwal
Chief Financial Officer

Place : Mumbai
Date : 13th May, 2015

Arup Basu
Managing Director
DIN: 00906760

Anu Rajput
Company Secretary

REFNOL RESINS AND CHEMICALS LIMITED

CIN No. L24200MH1980PLC023507

Registered Office: Plot No: 410/411 Khatau House, Mogul Lane, Mahim, Mumbai 400 016.

Tel: 79-22820013/ 40209200-9 Fax No. 79-22820476 • Website: www.refnol.com, E-mail: secretarial@refnol.com

ATTENDANCE SLIPVenue of the meeting : **Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016**Date & Time : **30TH September, 2015 at 12 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 _____

*Applicable for investors holding shares in Electronic form.

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

I hereby record my presence at the 34TH Annual General Meeting of the Company held on 30th September, 2015 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**REFNOL RESINS AND CHEMICALS LIMITED**

CIN No. L24200MH1980PLC023507

Registered Office: Plot No: 410/411 Khatau House, Mogul Lane, Mahim, Mumbai 400 016.

Tel: 79-22820013/ 40209200-9 Fax No. 79-22820476 • Website: www.refnol.com, E-mail: secretarial@refnol.com

**MGT - 11
PROXY FORM**(Pursuant to section 105(6) of the Companies Act, 2013 & rule 19(3)
of the Companies (Management & Administration) Rules, 2014)

Name of the Member(s) : _____

Registered Address : _____

E-mail Id : _____

Folio No/ Client Id : _____

DP ID : _____

I/We, being the member(s), holding _____ Shares of the above named Company, hereby appoint

1) Name: _____ Address _____

E-mail Id _____ Signature _____ or failing him;

2) Name: _____ Address _____

E-mail Id _____ Signature _____ or failing him;

3) Name: _____ Address _____

E-mail Id _____ Signature _____ or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual general meeting/ Extraordinary general meeting of the company, to be held on the Wednesday, 30th September, 2015 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:

[PTO]

Note:

1. Electronic copy of the Annual Report for 2015 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.
2. Physical copy of the Annual Report for 2015 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.

Resolution 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, 2015, 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, 2015.		
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 re-appoint Messrs. G. P. Kapadia & Co., Chartered Accountant as Statutory Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.		
	SPECIAL BUSINESS:		
4.	To adopt new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.		

Signed this _____ day of _____ 2015

Signature of shareholder _____

Signature of Proxy holder(s) _____

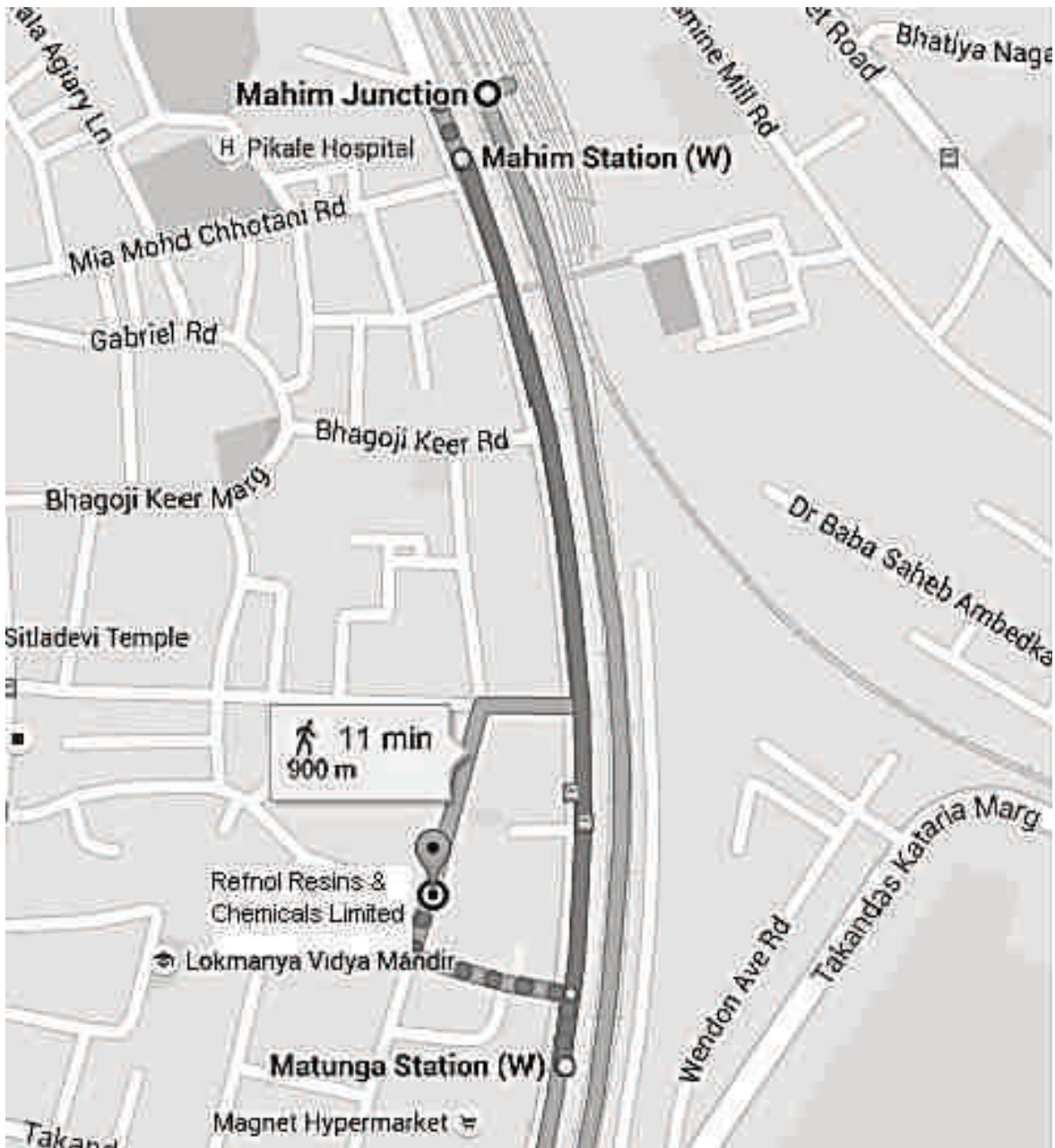
Affix Re. 1/- Revenue Stamp

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 34th Annual General Meeting on September 30, 2015

You are cordially invited to attend the 34th Annual General Meeting of the Company on Wednesday, September, 30, 2015 at 12 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.