

REFNOL



35th *Annual Report*
2015 - 2016

REFNOL RESINS AND CHEMICALS LIMITED

**ANNUAL REPORT
2015-2016**

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. Sumruti Anand (w.e.f. September 1, 2015) Ms. Anu Rajput (resigned w.e.f. July 31, 2016)
BANKERS	:	Indusind Bank Limited ICICI 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	:	M/s Link Intime India Pvt Ltd. C-13, Pannalalsilk Mills Compound , Lbs Marg, Bhandup (West), Mumbai 400 078, Maharashtra.

NOTICE

NOTICE IS HEREBY GIVEN THAT the 35th (Thirty Fifth) Annual General Meeting of the Members of REFNOL RESINS AND CHEMICALS LIMITED will be held on Friday, 30th September 2016 at 12:00 NOON at its registered office at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. The audited Financial Statements for the year ended on March 31, 2016, 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, 2016.
2. To appoint a Director in place of Mr. Mahendra Kishore Khatau (DIN: 00062794), who retires by rotation and being eligible offers himself 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 next Annual General Meeting be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix such remuneration 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. RATIFICATION AND APPROVAL OF THE RELATED PARTY TRANSACTIONS FOR THE FINANCIAL YEAR 2015-16

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

“RESOLVED THAT pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”), (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), consent of the members of the Company be and is hereby accorded to the Audit Committee and the Board of Directors to enter into transaction(s) with the parties, (‘Related Party’ as defined under Regulation 2(zb) of the Listing Regulations), in the ordinary course of business and also at arm’s length basis entered for Financial year 2015-16 for such sum as specified in the explanatory statement.”

RESOLVED FURTHER THAT all the Directors and Key Managerial Personnel be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof, and finalizing and executing necessary documents, including contracts, schemes, agreements and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps as the board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of members or otherwise to and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the board be and is hereby authorised to delegate all or any of powers herein conferred, to any Director (s) or Chief Financial Officer, Company Secretary or any other officer (s) / authorised representative (s) of the company to give effect to the aforesaid resolution (s).

RESOLVED FURTHER THAT all actions taken by the board in connection with any matters referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects.”

5. APPROVAL FOR MATERIAL RELATED PARTY TRANSACTIONS:

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

“RESOLVED THAT pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”), (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), consent of the members of the Company be and is hereby accorded to the Audit Committee and the Board of Directors to enter into transaction(s) with the parties, (‘Related Party’ as defined under Regulation 2(zb) of the Listing Regulations), in the ordinary course of business and also at arm’s length basis for such sum as specified in the explanatory statement for transactions to be entered for Financial year 2016-17 and each subsequent financial year, till termination of such arrangement or any modification in the terms.”

RESOLVED FURTHER THAT all the Directors and Key Managerial Personnel be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof, and finalizing and executing necessary documents, including contracts, schemes, agreements and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps as the board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further

consent or approval of members or otherwise to and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the board be and is hereby authorised to delegate all or any of powers herein conferred, to any Director (s) or Chief Financial Officer, Company Secretary or any other officer (s) / authorised representative (s) of the company to give effect to the aforesaid resolution (s).

RESOLVED FURTHER THAT all actions taken by the board in connection with any matters referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects.”

6. AUTHORITY TO KEEP REGISTER OF MEMBERS AND COPIES OF ANNUAL RETURN AT A PLACE OTHER THAN THE REGISTERED OFFICE OF THE COMPANY:

To consider and, if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 94, other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), consent of the Company be and is hereby accorded to keep the Register and Index of Members, Register and Index of Debenture Holders and copies of all Annual Returns under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the office of the Registrar and Share Transfer Agent of the Company viz. M/s Link Intime India Pvt Ltd. having their Registered Office at C-13, Pannalalsilk Mills Compound , Lbs Marg, Bhandup (West), Mumbai 400 078, or its any other office or place, instead of the Registered Office of the Company.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto.”

Registered Office

CIN NO: - L24200MH1980PLC023507

Plot No. 410/411, Khatau House,

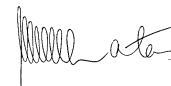
Mogul Lane, Mahim,

MUMBAI- 400 016.

Date : 10th August, 2016

Place: Mumbai

For and on behalf of the Board



Mahendra. K. Khatau

Chairman

DIN: 00062794

NOTES:

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

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

3. Corporate members are requested to send in advance, duly certified copy of the Board Resolution/ Power of Attorney authorizing their representative to attend the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2016 to 30th September, 2016 (both days inclusive) for the purpose of Annual General Meeting.
5. Only registered members of the Company or any proxy appointed by such registered member may attend the Annual General Meeting (AGM) as provided under the provisions of the Companies Act, 2013.
6. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forms part of the Notice.
7. All documents referred to in the Notice and the Explanatory Statement annexed hereto, are open for inspection upto two days prior to the said meeting, at the Registered Office of the Applicant Company between 11.00 a.m. and 1.00 p.m. on all working days of the Applicant Company (except Saturdays, Sundays and Government Holidays).
8. Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.
9. With a view to help us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write the Company to consolidate their holdings in one folio.

10. Members, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the numerous benefits of dematerialization, which includes easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
11. Alteration, if any, made in the Form of Proxy should be initiated.
12. Members to take note that Company's RTA changed from M/s. Sharepro Services India Limited to M/s. Link Intime India Private Limited. Members are requested to immediately address their communications regarding transfer of shares, change of address, etc. quoting their folio number(s) to the Company's Registrar & Transfer Agent:
M/s. Link Intime India Private Limited
303, 3rd floor. Shoppers Plaza V, Near Government Society,
Opp Municipal Market, C G Road, Navarangpura, Ahmedabad – 380 009, India
Phone : +91-79-26465179, Fax : +91-79-26465179 E-mail : ahmedabad@linkintime.co.in
13. To support the Green Initiative of the Government, Electronic copy of the Annual Report for the year ended 31st March, 2016 will be sent to members whose mail IDs are available with the Depository Participant(s). Members who have not registered their email address, physical copy of the Annual Report 2015-16 will be sent in the permitted mode. Accordingly by virtue of the above we request the members of the Company to kindly register/update their email address with their respective Depository Participants, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register/update their e-mail address with our Share Transfer Agent at ahmedabad@linkintime.co.in
14. The Company has been maintaining, inter alia, the following statutory registers at its registered office which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by members and others specified below:
 - i) Registers of contracts or arrangements in which directors are interested under Section 189 of the Companies Act, 2013, on all working days during business hours. The said Registers shall also be produced at the commencement of Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
 - ii) Registers of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013, on all working days during business hours. The said Registers shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to a person attending the meeting.
15. Members/ Proxies are requested to bring their attendance slip duly filled and signed for attending the meeting along with their copy of Annual Report to the meeting. Proxies are requested to bring their identity proof at the meeting for the purpose of identification.
16. The Securities and Exchange Board of India (SEBI) has made it mandatory for every participant in the securities/ capital market to furnish Income Tax Permanent Account Number (PAN) for transactions involve transfer of shares. Therefore members holding shares in physical form are requested to furnish their PAN along with self- attested photocopy of PAN Card to the Share Transfer Agent. Members holding shares in demat form are requested to register the details of their PAN with their DPs.
17. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
18. Members may note that the Notice of the 35th Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website www.refnol.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office situated at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai- 400 016 for inspection between 11.00 a.m. and 1.00 p.m. on all working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: secretarial@refnol.com.
19. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members to exercise their rights to vote at the 35th Annual General Meeting of the Company by electronic means through remote e- voting facility provided by Central Depository Services (India) Limited (CDSL).
20. The facility for voting through Ballot Paper shall be made available at the Annual General Meeting (AGM) and the members attending the meeting who have not cast their vote by Remote e-voting shall be able to exercise their right at the meeting through ballot paper.
21. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
The Company has appointed M/s Sandip Sheth & Associates, the firm of 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.

22. Route map for directions to the venue of the meeting is provided in the Annual Report.

➤ **The instructions for shareholders voting electronically are as under:**

- i) The voting period begins on 26th September, 2016, (9.00 a.m.) till 29th September, 2016 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2016 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the remote e-voting website www.evotingindia.com.
- iii) Click on Shareholders.
- iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

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

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and remote e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

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

Item No. 2:

Mr. Mahendra Kishore Khatau retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.

Mr. Mahendra Kishore Khatau (DIN: 00062794) aged about 61 (Sixty years), is possessing graduate degree having experience of more than 33 (Thirty Three) years. He possesses excellent administrative skills and knowledge. His skill and knowledge is of immense help to the company in keeping abreast cordial relations of the employees with management cadre.

Mr. Mahendra Kishore Khatau has Directorship in the following Companies;

1. Mulraj Khatau and Sons Private Limited
2. Khatau Leasing and Finance Company Private Limited
3. Khatau Makanji And Company Private Limited
4. Indokem limited
5. Priyanilgiri Holdings Pvt Ltd
6. Vindhya Priya Holdings Pvt Ltd
7. MKK Holdings Pvt Ltd
8. Khatau Holdings And Trading Company Private Limited
9. Khatau Agrotech Limited
10. Prism Plantations Pvt Ltd
11. Prerana Leasing & Finvest Private Limited
12. Chemron Texchem Private 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, financial or otherwise in the Resolution at Item No. 2 of the Notice.

Annexure-A

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

Name of the Director:	MAHENDRA KHATAU
Date of Birth:	23/07/1955
Date of Appointment:	01/07/1994
Relationship with Directors:	Relative (Husband) of Mrs. Asha Mahendra Khatau
Expertise in Specific Functional Area:	Excellent administrative skills and knowledge, having over 33 years of experience
Qualification:	Graduate
Board Membership of Companies as on March 31, 2016:	<ol style="list-style-type: none"> 1. Mulraj Khatau and Sons Private Limited 2. Khatau Leasing and Finance Company Private Limited 3. Khatau Makanji And Company Private Limited 4. Indokem limited 5. Priyanilgiri Holdings Pvt Ltd 6. Vindhyapriya Holdings Pvt Ltd 7. MKK Holdings Pvt Ltd 8. Khatau Holdings And Trading Company Private Limited 9. Khatau Agrotech Limited 10. Prism Plantations Pvt Ltd 11. Prerana Leasing & Finvest Private Limited 12. Chemron Texchem Private Limited
Chairman/Member of the Committee of the Board of directors as on March 31, 2016:	<ol style="list-style-type: none"> 1. Chairman of Committee of Board of Directors 2. Chairman of Vigil Mechanism Committee 3. Member of Stakeholders' Relationship Committee
Number of Shares held in the Company as on March 31, 2016:	12,78,180 Shares

Item No. 4:

During the Financial Year 2015-16, your Company has entered into certain business transactions with following Entites, which are a "Related Party" as defined under Regulation 2(zb) of the Listing Regulations. Out of these transactions, some are of value exceeding 10% of the Annual Consolidated Turnover of the Company as per the Last Audited Financial Statement of the Company. The details of all the related party transactions are given below:-

Transactions during 2015-16:

Sr. No.	Name of Related Party	Name of the Director or KMP who is related and Nature of Relationship	Amount (in Lacs)
	SALES		
1	Indokem Limited	Mr. Mahendra Khatau; Chairman & Member, Mrs. Asha Khatau; Director & Member, Mr. Rajagopalan Sessa; Director, Mr. Bhalchandra Sontakke, Director & Member	348.50
2	Orchard Acres	Mr. Mahendra Khatau; Mrs. Asha Khatau, Partners	18.34
3	Formost Chemicals Private Limited	Mrs. Hutoxy Dara Miller, Director	5.01
4	Tex Care Middle East (Export)	Subsidiary	81.22
	PURCHASE OF GOODS		
1	Orchard Acres	Mr. Mahendra Khatau; Mrs. Asha Khatau, Partners	521.72
	OTHER SERVICES PROVIDED		
1	TEX CARE MIDDLE EAST (Amount Reimburse.)	Subsidiary	3.73
2	Indokem Limited (Lab. Expenses)	Mr. Mahendra Khatau; Chairman & Member, Mrs. Asha Khatau; Director & Member, Mr. Rajagopalan Sessa; Director, Mr. Bhalchandra Sontakke, Director & Member	0.12
3	Orchard Acres (Interest)	Mr. Mahendra Khatau; Mrs. Asha Khatau, Partners	5.79
	KEY MANAGEMENT PERSONNEL & RELATIVE		
1	Smt. Leelabai Khatau (Salary and other)	Mother of Mahendra Khatau	17.27
2	Mr. Mahendra K. Khatau (Interest)	Chairman	0.16
3	Mr. Abhik Basu (Car Hire Charges)	Son of Arupkumar Basu	3.59
4	Mr. Vikas Agarwal (HUF) (Car Hire Charges)	HUF of Vikas Agarwal	2.46
	TOTAL		1007.91

Thus, in terms of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, these transaction requires the approval of the members by way of an Ordinary Resolution.

The above information be considered as additional information required to be disclosed pursuant to Rule 15 of the Companies (Meeting of Board and its Power) Rules, 2014.

In view of the above, approval of the shareholders is being sought in terms of Regulation 23 (4) of Listing Regulations.

The board recommends the above resolution to the shareholders for their approval.

According to the provisions of Regulation 23 (4) of Listing Regulations, related party shall abstain from voting on the resolution no 4 of the notice.

Relevant documents in respect of the said items are open for inspection by the members at the Registered Office of the Company on all working days during 11.00 a.m. to 1.00 p.m. up to the date of the Meeting.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives apart from the parties mentioned hereinabove may be deemed to be concerned or interested, financial or otherwise, in the said resolution.

Item No. 5:

The Company is engaged in the business of manufacture of textile chemicals, polyester resins and chemicals for laundry and garments wet process. As per the provisions of Section 188 (1) of the Companies Act, 2013 "Related Party Transactions" requires obtaining prior consent of the Board where transactions proposed to be entered into falls in the list of items referred therein and are within threshold limits prescribed under Rule 15 of Companies (Meeting of Board and its Power) Rules, 2015. Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 requires taking prior approval of the Company by Ordinary Resolution where transactions proposed to be entered to falls, in the list of items referred therein and are in excess of threshold limits. Proviso to Section 188 further provides that nothing contained in sub-section (1) of Section 188 applies where transactions are entered into by the company in the ordinary course of business other than transactions which are not on an arm's length basis. All transactions entered into by the Company with related parties are in the ordinary course of business and are at arm's length basis.

The amended Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") which was made applicable from December 01, 2015 contains regulation 23 in respect of Related Party Transactions. The Regulation also defines term Material Related Party Transaction. It provides that all related party transactions shall be considered as "Material" if the transaction entered with or transactions to be entered individually or taken together with a Related Party along with previous transactions during a Financial Year exceed 10% of the Annual Consolidated Turnover of the company as per the Last Audited Financial Statement of the Company. The Material Related Party Transactions requires approval of the Shareholders by passing a Resolution and in respect of voting on such resolution(s); the said related party shall abstain from voting. However Regulation 23 shall apply in respect of the listed entity having paid up equity share capital not exceeding Rupees ten crore and net worth not exceeding twenty five crore as on last day of the previous financial year. Though, the Corporate Governance Regulations are not applicable to the company, but still your Company has adopted the same as a matter of Good Corporate Governance Practice.

Consequently, this related party transaction with the above mentioned parties may come under the purview of material related party transaction as per explanation to Regulation 23 (1) of Listing Regulations and would thus require Shareholders' Approval as per Regulation 23 (4) of the Listing Regulations. Hence, it is proposed to secure shareholders approval on resolution no. 5 of the notice convening the AGM for approving the following prospective material related party transaction for financial year 2016-17 and each subsequent financial year, till the termination of the contract or arrangement or any modification in the terms thereof:

Transactions during 2016-17:

		Maximum value of Contract/ Transaction (per annum) (Rs. In Crores)			
Sr. No.	Name of Related Parties	Name of the Director or KMP who is related and Nature of Relationship	Transaction defined under Regulation 23 of Listing Regulations		
			Sale , purchase or supply of any goods, materials	Leasing of property of any kind.	Availing or rendering of any services or Appointment of any agent for purchase or sale of goods, materials, services or property
On actual basis, Exempted being in the ordinary course of business and on arm's length basis. (Subject to a maximum of amount p.a. as mentioned against the name of the Company)					
1.	Formost Chemicals Private Limited	Mrs. Hutoxy Dara Miller, Director	5	0.25	5
2.	Chemron Texchem Private Limited	Mr. Mahendra Khatau; Director & Member, Mrs. Asha Khatau, Director & Member, Ms. Priya Khatau, Member & Daughter of Mahendra Khatau	5	0.25	5
3.	Priyamvada Holdings Limited	Mrs. Leela Khatau; Mother of Mahendra Khatau & Mrs. Asha Khatau, Director; Mr. Mahendra Khatau, Member	1	0.25	1
4.	Vindhyapriya Holdings Pvt Ltd	Mrs. Leela Khatau; Mother of Mahendra Khatau, Mr. Mahendra Khatau, Chairman, Mr. Anil Khatau, Brother of Mahendra Khatau	1	0.25	1

			Maximum value of Contract/ Transaction (per annum) (Rs. In Crores)		
Sr. No.	Name of Related Parties	Name of the Director or KMP who is related and Nature of Relationship	Transaction defined under Regulation 23 of Listing Regulations		
			Sale , purchase or supply of any goods, materials	Leasing of property of any kind.	Availing or rendering of any services or Appointment of any agent for purchase or sale of goods, materials, services or property
5.	Khatau Leasing & Finance Company Private Limited	Mrs. Leela Khatau; Mother of Mahendra Khatau, Mr. Mahendra Khatau, Chairman & Member, Mr. Anil Khatau, Brother of Mahendra Khatau; Mrs. Asha Khatau, Member	1	0.25	1
6.	MKK Holdings Private Limited	Mrs. Leela Khatau; Mother of Chairman, Mr. Mahendra Khatau, Chairman, Mr. Anil Khatau, Brother of Mahendra Khatau	1	0.25	1
7.	Shubhlabh Chemicals Pvt. Ltd.	Mrs. Hutoxy Dara Miller, Director	5	0.25	5
8.	Indokem Limited	Mr. Mahendra Khatau; Chairman & Member, Mrs. Asha Khatau; Director & Member, Mr. Rajagopalan Sessa; Director, Mr. Bhalchandra Sontakke, Director & Member	10	0.25	1
9.	TEXCARE MIDDLE EAST LLC	Subsidiary	5	1	3

PARTNERSHIP FIRMS:					
1.	Orchard Acres	Mr. Mahendra Khatau; Mrs. Asha Khatau, Partners	10	0.25	1
Directors/KMPs/Relatives of Directors & KMPs/Other Firms & Companies in which director have some interest as per the provisions of section 2(76) of the Companies Act, 2013.					
1.	Mr. Mahendra K. Khatau	Chairman	-	0.25	0.50
2.	Mr. Abhik Basu	Son of Arupkumar Basu	-	-	0.50
3.	Mrs. Leelabai K. Khatau	Mother of Mahendra Khatau	-	0.25	0.50
4.	Vikas Agarwal (HUF)	HUF of Vikas Agarwal	-	-	0.10
5.	*Chief Financial Officer	-	-	-	0.50
6.	Company Secretary	-	-	-	0.50
7.	Managing Director	-	-	-	2.00
*Any Contract between the Company & person appointed / designated as Company Secretary, Chief Financial Officer and Managing Director					
All the transactions have been approved by the Audit Committee and the Board of Directors of the Company.					
Any Contract or transaction with all the above parties for selling or otherwise disposing of, or buying, property of any kind to be on marker value and on arms lengths relationship basis.					

The above information be considered as additional information required to be disclosed pursuant to Rule 15 of the Companies (Meeting of Board and its Power) Rules, 2014.

In view of the above, approval of the shareholders is being sought in terms of Regulation 23 (4) of Listing Regulations.

The board recommends the above resolution to the shareholders for their approval.

According to the provisions of Regulation 23 (4) of Listing Regulations, related party shall abstain from voting on the resolution no 5 of the notice.

Relevant documents in respect of the said items are open for inspection by the members at the Registered Office of the Company on all working days during 11.00 a.m. to 1.00 p.m. up to the date of the Meeting.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives apart from the parties mentioned hereinabove may be deemed to be concerned or interested, financial or otherwise, in the said resolution.

Item No. 6:

As required under the provisions of Section 94 the Companies Act, 2013, certain documents such as the Register of Members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a general meeting of the Company.

Accordingly, the approval of the members is sought in terms of Section 94(1) of the Companies Act, 2013, for keeping the aforementioned registers and documents at the office of the Registrar and Transfer Agent ("RTA"), M/s Link Intime India Pvt Ltd. having their Registered Office at C-13, Pannalalsilk Mills Compound, Lbs Marg, Bhandup (West), Mumbai 400 078, or its any other office or place, instead of the Registered Office of the Company

A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, Maharashtra, as required under the said Section 94 (1) of the Companies Act, 2013.

The Board therefore recommends the resolution as set out at Item No. 6 for approval of the members as Special Resolution.

None of the directors and Key managerial personnel of the company and their relatives are concerned and interested, financially or otherwise in the said resolution.

Registered Office

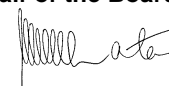
CIN NO: - L24200MH1980PLC023507

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

Date : 10th August, 2016

Place: Mumbai

For and on behalf of the Board



Mahendra. K. Khatau

Chairman

DIN: 00062794

DIRECTORS' REPORT

Dear members,
Refnol Resins and Chemicals Limited
 Mumbai

The Board of Directors present their 35th Annual Report together with the Audited Financial Statements of Company for the year ended 31st March, 2016. The Management Discussion and Analysis has also been incorporated into this report.

1. FINANCIAL RESULTS

The standalone and consolidated financial results of the company for the year ended 31st March, 2016, are as under:
 (Rs. In Lakhs)

FINANCIAL RESULTS	STANDALONE		CONSOLIDATED	
	2015-16	2014-15	2015-16	2014-15
Revenue from Operations	2265.29	2028.45	3822.46	3728.11
Profit before Financial costs & Depreciation	179.09	59.51	367.13	214.88
Less:- Interest & Financial Charges	82.96	95.08	129.89	145.31
Less:- Depreciation	9.40	7.74	25.93	37.52
NET PROFIT BEFORE TAX FOR THE YEAR	86.73	(43.31)	211.31	32.05
Tax Expenses	-	-	-	-
Profit After Tax	86.73	(43.31)	211.31	32.05
Profit available for Appropriation	86.73	(43.31)	211.31	32.05

2. DIVIDEND

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

3. TRANSFER TO RESERVES

The company has not proposed to transfer any amount to the reserves during the year under review.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTUS

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

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

a. Consolidated Financial Performance

- Consolidated income for the year increased by 3.38% to Rs. 3879.63 Lakhs as compared to Rs. 3752.96 Lakhs in 2015.
- Consolidated net sales for the year were Rs. 3822.46 Lakhs as compared to Rs. 3728.11 Lakhs in 2015, growth of 2.53%.
- Consolidated profit before tax and after tax for the year was Rs. 211.31 Lakhs as compared to Rs. 32.05 Lakhs in 2015.

b. Standalone Financial Performance

- Standalone income for the year increased by 11.62% to Rs. 2277.68 Lakhs as compared to Rs. 2040.51 Lakhs in 2015.
- Standalone net sales for the year were Rs. 2265.29 Lakhs as compared to Rs. 2028.45 Lakhs in 2015, growth of 11.68%.
- Standalone profit before tax and after tax for the year was Rs. 86.73 Lakhs as compared to Rs. (43.31) Lakhs in 2015.

5. INFORMATION ON STATE OF THE COMPANY'S AFFAIRS

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

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

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

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

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

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

8. SAFETY, HEALTH AND ENVIRONMENT

a) Safety:

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

b) Health:

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

c) Environment:

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

9. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES AND POLICY

Your Company does not fall under the criteria of Corporate Social Responsibility as laid down under Section 135 of the Companies Act, 2013 and by virtue of above your Company has not initiated any Initiative for the same.

10. FINANCE

Cash and Cash equivalent as at 31st March, 2016 was Rs. 61.85 Lakhs. Interest and Fixed charges has decreased from Rs. 95.08 Lakhs to Rs. 82.96 Lakhs. The company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

10.1 PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

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

10.2 DEPOSITS

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

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

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

12. INTERNAL FINANCIAL CONTROLS

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

13. RELATED PARTY TRANSACTIONS

All transactions / arrangements / transactions entered into with the Related Parties during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee on a quarterly basis and the Board of Directors for their approval on a yearly basis.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website <http://www.refnol.com/pdf/policy/Related-Party-Transaction-Policy.pdf> .

Details of Material Related Party transactions as entered during the financial year under review are given in Form AOC-2 is given as prescribed Attached herewith and marked as "**Annexure – C**".

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

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

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

However,

- Company's Net Worth has been fully eroded, due to accumulated losses.
- The Company has cash profits in the current financial year as compare to cash losses in the preceding financial years.
- Company has net profit of Rs. 86.73 lakhs during the financial year 2015-16 as compared to Net losses of Rs. 43.31 lakhs in 2014-15, showing growth in profitability.
- Company's accounts were prepared on going concern basis.

15. EXTRACT OF ANNUAL RETURN

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

16. MEETINGS

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

17. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (3) of the Companies Act, 2013, in relation to the financial statements for FY 2015-16, the Board of Directors states that:

- a) In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2016 and of the profits for the year ended 31st March, 2016;
- c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) In spite of company's net worth being fully eroded, the Directors have prepared the annual accounts on a going concern basis.
- e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

18. SUBSIDIARY COMPANIES

As on 31st March, 2016 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)

The Company has prepared Consolidated Financial Statement in strict compliance with the applicable accounting standards and erstwhile listing agreement(s) executed with the stock exchanges where the shares of the Company are currently listed. In compliance with Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, audited consolidated financial statements form part of this annual report. The accounts of the Subsidiary Companies

and the related detailed information will be made available to any shareholder of the holding as well as Subsidiary Companies seeking such information at any point of time and are also available for inspection by the members of the Company as well as Subsidiary Companies at the registered office of the Company and subsidiaries concerned.

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

19. DECLARATION OF INDEPENDENT DIRECTORS

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

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Ms. Anu Rajput resigned as the Company Secretary and Compliance Officer of the Company with effect from 31st July, 2015. The Board had appointed Ms. Sumruti Anand as Company Secretary (CS), of the Company along with the terms of remuneration with effect from September 1, 2015 during the period under review.

In accordance with the provisions of the Companies Act 2013 and in terms of the Memorandum and Articles of Association of the Company, **Mr. Mahendra Khatau, (DIN:00062794)** Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. **Mr. Mahendra Khatau** holds Directorship in the following companies:

1. Mulraj Khatau and Sons Private Limited
2. Khatau Leasing and Finance Company Private Limited
3. Khatau Makanji And Company Private Limited
4. Indokem limited
5. Priyanilgiri Holdings Pvt Ltd
6. Vindhya Priya Holdings Pvt Ltd
7. MKK Holdings Pvt Ltd
8. Khatau Holdings And Trading Company Private Limited
9. Khatau Agrotech Limited
10. Prism Plantations Pvt Ltd
11. Prerana Leasing & Finvest Private Limited
12. Chemron Texchem Private Limited

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

21. PERFORMANCE EVALUATION

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013, Rules made thereof, Erstwhile Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has Carried out an evaluation of its own performance, the directors individually as well as the evaluation of its Committees as per the criteria laid down in the Nomination, Remuneration and Evaluation policy. Further the Independent directors have also reviewed the performance of Non-Independent directors and Board as a whole including reviewing the performance of the Chairperson of the company taken into account the views of Executive Directors and Non-Executive Directors vide their separate meeting which was held on March 14, 2016 at registered office of the Company. The said policy including above said criteria for the evaluation of the Board, individual directors including independent directors and the committee of the board has been laid down in the Corporate Governance Report, which forms part of this Annual Report.

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

The Board of Directors of the Company in its meeting held on May 29, 2014 constituted/renamed the Nomination and Remuneration Committee with the requisite terms of reference as required under Section 178 of the Companies Act, 2013 and other applicable provisions thereof in place of existing Remuneration Committee. The said Committee framed adopted and recommended the “Nomination, Remuneration & Evaluation Policy” vide its committee meeting dated November 14, 2014 and the said policy has been approved by the Board in its Board meetings which was scheduled on the same date i.e. November 14, 2014. The Details of the Nomination and Remuneration Committee and the said Policy have been provided under Corporate Governance Report, which forms part of this Annual Report. The policy is also available on our website at following link <http://www.refnol.com/pdf/policy/policy-on-nomination-remuneration-and-evaluation.pdf>

23. PARTICULARS REGARDING EMPLOYEES REMUNERATION

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

- a. The ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2015-2016

Sr. No.	Name	Designation	CTC	Median Employee Salary	Ratio
1	Mr. Arup Basu	Managing Director	21.54	2.01	10.72 : 1

- b. The percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary or manager, in the Financial Year 2015-2016

Sr. No.	Name	Designation	Remuneration Paid in F Y 2014-15 (Rs. In Lakhs)	Remuneration Paid in F Y 2015-16 (Rs. In Lakhs)	Change (Rs. In Lakhs)	% of changes
1	Mr. Arup Basu	Managing Director	17.58	21.54	3.96	22.53%
2	Mr. Vikas Agarwal	Chief Financial Officer	7.89	9.90	2.01	25.48%
3	Ms. Anu Rajput*	Company Secretary	1.50	0.99	NA	(51.52)
4	Ms. Sumruti Anand**	Company Secretary	-	1.72	NA	N.A.

* Ms. Anu Rajput resigned as a CS from July 31, 2015.

** Ms. Sumruti Anand appointed as a CS from September 01, 2015.

- c. The percentage increase in the median remuneration of employees in the Financial Year 2015-2016

Remuneration of 2014-15 (Rs. In Lakhs)	Remuneration of 2015-16 (Rs. In lakhs)	Increase	Percentage
1.84	2.01	0.17	9.24%

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

Name of the company	No. of Employees as on March 31, 2015	No. of Employees as on March 31, 2016	% of change during the year
REFNOL RESINS AND CHEMICALS LIMITED	93	90	(3.22)%

- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

Remuneration paid to employee excluding managerial personnel for the F Y 2014-15	Remuneration paid to employee excluding managerial personnel for the F Y 2015-16	% of Change in remuneration paid to employees excluding managerial personnel	Remuneration paid to managerial personnel for the F Y 2014-15	Remuneration paid to managerial personnel for the F Y 2015-16	% of Change in remuneration paid to managerial personnel
188.53	215.69	14.39%	26.95	34.15	26.62%

• Ms. Anu Rajput resigned as a CS from July 31, 2015.

• Ms. Sumruti Anand appointed as a CS from September 1, 2015.

- f. Affirmation that the remuneration is as per the remuneration policy of the Company

It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

There is no employee drawing a salary exceeding the limit prescribed under Section 197(12) read with Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

24. 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/ratification of appointment and payment of remuneration will be confirmed and approved at the ensuing Annual General Meeting. Messrs G.P. Kapadia & Co., Chartered Accountants have issued a Certificate of eligibility pursuant to Section 141 of the Companies Act, 2013. As required under 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 ratification/re-appointment is included in the notice of the ensuing 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 2015-2016. The Report of the Secretarial Audit Report is annexed herewith as **“Annexure – F”**.

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

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

26. RISK MANAGEMENT

The Company has constituted a Business Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

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

The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level. Risk management forms an integral part of the Company's Mid-Term Planning cycle. The key business risks identified by the Company and its mitigation plans are as under:

26.1 Competition Risks

The Chemical Industry is becoming intensely competitive with the foray of new entrants and some of the existing players adopting inorganic growth strategies. To mitigate this risk, the Company is leveraging on its expertise, experience and 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.

26.2 Occupational Health & Safety Risks

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

26.3 Interest Rate Risk

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.

26.4 Foreign Exchange Risk

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

26.5 Regulatory Compliance Risk

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

26.6 Risk Management Policy

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

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

The Audit Committee consists of the following members:

- a. Mr. Bhalchandra Sontakke → Chairman
- b. Mr. Rajagopalan Sessa → 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 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.

28. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 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, 2016, Directors who holds Shares of the Company are:

Name of Director	Number of Shares	% of Total Shares hold
Mahendra Khatau	12,78,180	41.37
Asha Khatau	3,500	0.11
Arup Kumar Basu	2,200	0.07
Total	12,83,880	41.55

There is no change in share capital structure of the Company during the financial year 2015-2016.

a. Buy Back of Securities

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

b. Sweat Equity

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

c. Bonus Shares

No Bonus Shares were issued during the year under review.

d. Employees Stock Option Plan

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

29. INSURANCE

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

30. CODE OF CONDUCT

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

31. INSIDER TRADING POLICY

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

32. CORPORATE GOVERNANCE

The Requirement of Corporate Governance as per SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is not mandatorily applicable to the Company. However, the Company voluntarily complies with said provisions as a part of good corporate governance. The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report and titled as "Corporate Governance" is attached herewith as "**Annexure – G**".

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

In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has set up Internal Complaints Committees at its workplaces to redress complaints received regarding sexual harassment. No complaints have been reported during the financial year 2015-16. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

34. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the financial year 2015-16.

35. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

37. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

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

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

Equity share held by the Non-Executive Director of the Company as on March 31, 2016

Name of Director	Number of Shares	% of Total Shares hold
Mahendra Khatau	12,78,180	41.37
Asha Khatau	3,500	0.11
Total	1281600	41.48

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

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

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

40. ENHANCING SHAREHOLDERS VALUE

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

41. CONSOLIDATED FINANCIAL STATEMENTS

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

42. CAUTIONARY STATEMENT

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

43. LISTING

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

44. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors,

Mahendra. K. Khatau
(Chairman)

DIN: 00062794

Place: Mumbai

Date : 10th August, 2016

ANNEXURE-A
MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

A. Industry Structure and Developments

With Asia's growing contribution to the global chemical industry, India emerges as one of the focus destinations for chemical companies worldwide. The Indian chemical industry stands as the third largest producer in Asia and 12th in world, in terms of volume. This industry could grow at 14 per cent per annum to reach a size of US\$ 350 billion by 2021. India accounts for approximately 7 per cent of the world production of dyestuff and dye intermediates and is currently the world's third largest consumer of polymers and fourth largest producer of agrochemicals. Government recognizes Chemical industry as a key growth element of Indian economy. In Chemical Sector, 100% FDI is permissible.

During financial year 2015-2016 the production of chemicals by Refnol Resins and Chemicals Limited grew from 3384.95 metric tonne (MT) to 3493.54 metric tonne (MT). Total exports of chemicals grew from 844.64 metric tonne (MT) to 1063.91 metric tonne (MT) a compound annual growth rate of 25.96%.

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. Sales of Laundry chemicals have increased due to intensive marketing efforts. The company intends to cover more states and cities in the current year to increase this business further.

Resins and Polymers business has seen a revival in most markets and your company has been able to grow this business especially in export markets.

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.

The industry is poised to take advantage of the thrust on manufacturing and investment in infrastructure to supply increasing quantities and varieties of inputs and building blocks.

There are good opportunities in segments such as Speciality Chemicals and Polymers, for catering to huge emerging domestic demand as also as a manufacturing hub. 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.

C. Product wise Performance

	(Rs. In lakhs)		
Product wise Performance	2015-16	2014-15	% of changes
Sales-Domestics			
Textile Sizing Chemicals	465.12	504.71	(8.51%)
Garment wash Chemicals & Textile Auxiliaries	222.78	180.64	23.33%
Laundry Chemicals	400.26	359.37	11.38%
Resins	67.30	45.27	48.66%
Miscellaneous	78.21	76.70	1.97%
	1233.67	1,166.69	5.74%
Sales -Export			
Textile Sizing Chemicals	915.80	737.40	24.19%
Garment wash Chemicals & Textile Auxiliaries	52.95	98.70	(46.35%)
Resins	62.87	25.66	145.01%
	1031.62	861.76	19.71%
Total	2265.29	2,028.45	11.68%

D. Outlook

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

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

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

E. Risks and Concerns

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

F. Internal Control System and Their Adequacy

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

G. Results of Operations

Your Company generated income from the operations of Rs. 2277.68 Lakhs in 2016 which was higher as compared to Rs. 2040.51 Lakhs generated last year. The Profit after tax and exceptional items stood at as Rs. 86.73 Lakhs against a loss of (Rs. 43.31) Lakhs last year which shows the exponential improvement as compared to last year.

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

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

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

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, 2016

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 : 2015-2016****I Power and Fuel Consumption**

	Units	<u>Current Year</u>	<u>Previous Year</u>
1 Electricity			
(a) Purchase from Electricity Board	Kwh	454516	410034
Total amount	Rs. in lakhs	33.17	27.45
Average Cost/Unit	Rs / Kwh	7.30	6.70
(b) Own Generation	Kwh	6825	4464
Total Amount	Rs. in lakhs	0.29	0.46
Average Cost/Unit	Rs / Kwh	4.30	10.33
2 Others (LSHS / LDO)			
Quantity	Ltrs	187562	101130
Total Cost	Rs. in lakhs	48.88	44.11
Average Rate	Rs / Ltrs	26.06	43.62

II Consumption per unit of Production

Products	Quantity	Item	Unit/Qty	<u>Current Year</u>	<u>Previous Year</u>
Chemicals	3493540.78 kgs	Electricity	0.13 Kwh/Kg.	0.96 Rs./Kg.	0.82 Rs./Kg.
		Furnace Oil / LDO	0.05 Ltrs/Kg.	1.40 Rs./Kg.	1.30 Rs./Kg.

B. TECHNOLOGY ABSORPTION**FORM B****Disclosure of Particulars with respect to Technology Absorption : 2015-16****(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 : 3.97 Lakhs

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

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

2 Benefit derived as a result of the above efforts

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

C. FOREIGN EXCHANGE USED & EARNED

(a) Activities relating to exports, initiatives to increase exports, development of new Export market for products and service and export plans.	:	As mentioned in the Directors' Report
(b) Total foreign exchange used & earned		(Rupees in lakhs)
(i) Foreign exchange earned		
- FOB Value of Exports	:	Rs. 273.98
(ii) CIF value of imports	:	Rs. 57.14
(iii) Expenditure in foreign exchange		
- Travelling	:	Rs. 1.79
- Professional fees	:	NIL
- Commission	:	Rs. 1.43

Annexure – C
FORM No. AOC-2

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

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

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

Name of the Related Party & Nature of Relationship	Nature of Contracts/ Arrangements / transactions	Duration of Contracts/ Arrangements / Transactions	Salient terms of Contracts/ Arrangements / Transactions including value, if any	Justification for entering into such Contracts/ Arrangements / Transactions	Date of Approval by the Board	Amount paid as advances, if any	Date of passing Special Resolution
NA							

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

Name of the Related Party & Nature of Relationship	Nature of Contracts/ Arrangements/ transactions	Duration of Contracts/ Arrangements/ Transactions	Salient terms of Contracts/ Arrangements/ Transactions including value, if any	Date of Approval by the Board, if any	Amount paid as advances, if any
Not Applicable to the Company					

Note:- The details of material related party transactions is in the ordinary course of business and arm's length price and therefore exempt u/s. 188 of the Companies Act, 2013 read with applicable Rules however the company has sought approval from members under regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the transactions details mentioned in the resolutions and therefore the same are not covered hereinabove.

For and on behalf of the Board of Directors,

Mahendra. K. Khatau
(Chairman)
DIN: 00062794

Place: Mumbai

Date : 10th August, 2016

ANNEXURE-D:
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2016
[Pursuant to Section 92(3) of the Companies Act, 2013, and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT – 9

I. REGISTRATION AND OTHER DETAILS:

CIN	L24200MH1980PLC023507
Registration Date	01.12.1980
Name of the Company	REFNOL RESINS AND CHEMICALS LIMITED
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	Plot No.410/411, Khatau House, Mogul Lane, Mahim, Mumbai - 400016
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s LINK INTIME INDIA PVT LTD, C-13, Pannalalsilk Mills Compound , Lbs Marg, Bhandup (West), Mumbai 400 078 Tel: 079- 26465179

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1.	Refnol Overseas Limited (Mauritius)	NA	Subsidiary	100	2(87)
2.	Tex Care Middle East L.L.C. (Sharjah, UAE)	NA	Subsidiary	49	2(87)

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

i) Category-wise Share Holding

Category of 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	16101	0	16101	0.52	12,90,501	0	12,90,501	41.77	41.25
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	1625400	0	1625400	52.60	3,51,000	0	3,51,000	11.35	-41.25
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1):	1641501	0	1641501	53.12	1641501	0	1641501	53.125	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2):	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	1641501	0	1641501	53.12	1641501	0	1641501	53.125	0
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	81545	24700	106245	3.44	76871	24700	101571	3.29	-0.15
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ' 1 lakh	714853	123365	838218	27.13	686728	120765	807493	26.13	-1.00
ii) Individual Shareholders holding nominal share capital in excess of ' 1 lakh	366186	34000	400186	12.95	398106	34000	432106	13.99	1.04
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	10050	80400	90450	2.93	8050	80400	88450	2.86	-0.07
iii) Non-Resident non Repatriate	13300	0	13300	0.430	18699	0	18699	0.61	0.18
iv) Non- domestic company	0	0	0	0	0	0	0	0	0
v) Trusts	0	0	0	0	0	0	0	0	0
vi) Others	0	0	0	0	80	0	80	0	0
Sub-Total (B)(2):	1185934	262465	1448399	46.88	1188534	259865	1448399	46.88	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	1185934	262465	1448399	46.88	1188534	259865	1448399	46.88	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2827435	262465	3089900	100.00	2830035	259865	3089900	46.88	0

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in 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	3,780	0.122	-	12,78,180	41.366	-	41.244
Mrs. Asha Khatau	3,500	0.113	-	3,500	0.113	-	0
Mr. Manish Khatau	5,000	0.162	-	5,000	0.162	-	0
Ms. Priya Khatau	3,521	0.114	-	3,521	0.114	-	0
Mr. Anil Khatau	300	0.009	-	300	0.009	-	0
Prism Plantation Private Limited	1,000	0.032	-	1,000	0.032	-	0
Khatau Leasing and Financing Company Private Limited	3,50,000	11.327	0.83	3,50,000	11.327	0.83	0
Khatau Capacitor Private Limited	12,74,400	41.244	29.17	-	-	-	-41.244
Total	16,41,501	53.123	30.00	16,41,501	53.123	0.83	0

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	16,41,501	53.12	16,41,501	53.12
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):	No*			
At the End of the year	16,41,501	53.12	16,41,501	53.12

***Note: There is no change in the total shareholding of the Promoters, but the only change that has happened during the year was inter-se transfer of shares between promoters and the same has been reflected in clause (ii) of MGT 9 indicating bifurcation of individual shareholding of promoters.**

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1. VIJAY KUMAR JAIN	100000	3.24	100000	3.24
2. RAJU AJIT BHANDARI	45000	1.46	45000	1.46
3. MAHENDRA GIRDHARILAL	44275	1.43	56779	1.84
4. RADHEY SHYAM	39800	1.29	42750	1.38
5. ARVINDKUMAR J SANCHETI	28772	0.93	-	-
6. OM PRAKASH CHUGH .	28169	0.91	28476	0.92
7. BHARGAV PATEL	28000	0.91	28000	0.91
8. ARUN KUMAR SANCHETI (HUF)	25000	0.81	17000	0.55
9. MINAXI SHAH	20000	0.65	20000	0.65
10. NIMISH SHAH	20000	0.65	20000	0.65
11. SANJAY RAMESH DOSHI	-	-	27191	0.88
12. LOKESH KUMAR AGARWAL	-	-	22790	0.74

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 Shareholding 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	3780	0.12	3780	0.12
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	78180 (04/09/2015) 1278180 (11/09/2015)	2.53 41.37	78180 1278180	2.53 41.37
At the End of the year	1278180	41.37	1278180	41.37

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	10	0.0003	10	0.0003
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	-	-	-	-
At the End of the year	10	0.0003	10	0.0003
Mrs. Asha Khatau, Director				
At the beginning of the year	3,500	0.11	3,500	0.11
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	3,500	0.11	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	402.70	31.85	0.00	434.55
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	434.80
Change in Indebtedness during the financial year				
Addition	27.11	308.77	0.00	335.88
Reduction	3.78	308.70	0.00	312.48
Net Change	23.33	0.07	0.00	23.40
Indebtedness at the end of the financial year				
i) Principal Amount	426.03	32.00	0.00	458.03
ii) Interest due but not paid	0.00	0.17	0.00	0.17
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	426.03	32.17	0.00	458.20

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	21.11	21.11
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	0.43	0.43
	(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	-	-
	Retrials	-	-
	Total (A)	21.54	21.54
	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	22,500	10,000	27,500	60,000
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total B(1)	22,500	10,000	27,500	60,000

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	15,000	15,000		30,000
Commission	-	-		-
Others, please specify	-	-		-
Total B(2)	15,000	15,000	-	30,000
Total (B)=B(1) + B(2)	37,500	25,000	27,500	90,000
Total Managerial Remuneration				
Overall Ceiling as per the Act	As per Companies Act, 2013			

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (In Lakhs)
		Mr. Vikas Agarwal Chief Financial Officer	Ms. Anu Rajput Company Secretary*	Ms. Sumruti Anand Company Secretary**	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.82	0.93	1.52	11.27
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.08	0.06	0.20	1.34
	(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	-	-	-	-
	Total	9.90	0.99	1.72	12.61
	Overall Ceiling as per the Act	As per Company Policy	As per Company Policy	As per Company Policy	

**CS (resigned) w.e.f. 31.07.2015

**CS (designate) w.e.f. 01.09.2015

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 – E
FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part “A”: Subsidiaries

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

1	Sl. No.	1	2
2	Name of Subsidiary	Refnol Overseas Limited	Texcare Middle East LLC (TCME)*
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2015-16	2015-16
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD & 66.25 INR	AED & 18.05 INR
5	Share Capital	2,40,000	3,00,000
6	Reserves & Surplus	1,04,883	48,91,919
7	Total assets	3,47,563	70,69,087
8	Total Liabilities	2,680	21,77,168
9	Investments	41,013	-
10	Turnover	16,041	88,90,182
11	Profit before taxation	8,470	6,02,951
12	Provision for taxation	-	-
13	Profit after taxation	8,470	6,02,951
14	Proposed Dividend	-	-
15	% of shareholding	100%	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).

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

Note 2 : Part B is not applicable

In terms of our Report of even date

For **G. P. KAPADIA & CO.**

Chartered Accountants
(Registration no. 104768 w)

Uday R. Parikh

Partner

Membership No.10217

Place : Ahmedabad

Date : May 12, 2016

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
DIN: 00062794

Vikas Agarwal
Chief Financial Officer

Place : Mumbai

Date : May 12, 2016

Arup Basu
Managing Director
DIN: 00906760

Sumruti Anand
Company Secretary

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, 2016

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Refnol Resins and Chemicals Limited (hereinafter referred to as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 (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, 2016 according to the provisions of:

- (i) The Companies Act, 2013 and/or The Companies Act, 1956 (severally referred to as the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(Not applicable to the Company during Audit Period)*
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 as may be applicable from time to time;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of audit, and also on the review of quarterly compliance reports by respective department heads/Company Secretary/

Chief Financial Officer/Executive Director taken on record by the Board of Directors of the Company, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company;

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Erstwhile Listing Agreements entered into by the Company with Stock Exchange i.e. BSE Limited.
- (iii) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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, there were no other specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Sandip Sheth & Associates
Practicing Company Secretaries

Sd/-
Prashant Prajapati
Partner

ACS: 32597

CP No.: 12531

Place : Ahmedabad

Date : 10th August, 2016

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

“Annexure – A”

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

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

- (a) Maintenance of records, documents, papers maintained pursuant to Companies Act, 2013 and other applicable laws as reported in our report is the responsibility of the management of the Company. Our responsibility is to express an opinion on these records based on our audit.
- (b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in the records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, as the same are being verified by the statutory/tax/internal auditors from time to time.
- (d) Where ever required, we have obtained the representations from the Management and respective departmental heads about the Compliance of laws, rules and regulations and happening of events etc. during the audit period.
- (e) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis, for the purpose of issuing Secretarial Audit Report.
- (f) The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- (g) We conducted our audit in the manner specified under section 204 of the Companies Act, 2013 and Rules made there under, which seeks an opinion and reasonable assurance about the compliance status of various applicable acts and rules to the Company.

Sandip Sheth & Associates
Practicing Company Secretaries

Sd/-
Prashant Prajapati
Partner

ACS: 32597
CP No.: 12531

Place : Ahmedabad
Date : 10th August, 2016

ANNEXURE-G**REPORT ON CORPORATE GOVERNANCE****(Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)****1. Company's Philosophy on Corporate Governance:**

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

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

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

2. Board of Directors:

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

Composition of the Board as on March 31, 2016:

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 61 years, is possessing graduate degree having experience of 33 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 61 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 36 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 58 years, is a graduate, having over 23 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 72 years, is a B.Com, LL.B, Master in Labour Studies, having over 32 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 77 years is commerce graduate and ICWA. He has more than 37 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 66 years, is an Arts graduate and holds a degree of BA (Honours). She is an Adviser to many companies and has more than 43 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 2015-16 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 13, 2015	6	6
August 10, 2015	6	5
November 3, 2015	6	5
February 12, 2016	6	6

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

Attendance of Directors at Board Meetings and Annual General Meeting

Name of the Director	Attendance at the Board Meetings held on				Attendance at the AGM held on September 30, 2015
	May 13, 2015	August 10, 2015	November 3, 2015	February 12, 2016	
Mr. Mahendra Khatau	✓	✓	✓	✓	✓
Mrs. Asha Khatau	✓	✓	✓	✓	Absent
Mr. Arup Basu	✓	✓	✓	✓	✓
Mr. S. Rajagopalan	✓	Absent	✓	Absent	✓
Mr. Bhalchandra Sontakke	✓	✓	✓	✓	✓
Mrs. H.D. Miller	✓	✓	✓	✓	✓

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

Name of the Director	Date of Appointment	Category	*Number of Directorship(s) held in Indian Public Limited Companies (including RRCL)	**Committee(s) Position (including RRCL)	
				Member	Chairman
Mr. Mahendra Khatau	01/07/1994	Promoter Director	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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING:

Shri Mahendra K. Khatau, Non Executive Director is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Profile of Shri Mahendra K. Khatau as required to be given under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 is mentioned in the notice which forms part of this Annual Report.

TRAINING OF BOARD MEMBERS:

During the Audit and Board Meetings, the Chairman and Company Secretary give extensive briefings to the Board members on the business of the Company and on various financial, legal & compliance issues.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee oversees the work carried out in the financial reporting process by the Management, 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, 2016 and details of member's participation at the meetings of the committees during the year 2015-16 are as under:

Name of the Member	Category	Attendance at the Audit Committee Meetings held on			
		May 30, 2015	August 10, 2015	November 3, 2015	February 12, 2016
Mr. Bhalchandra Sontakke	Chairman (Non-Executive/ Independent)	✓	✓	✓	✓
Mr. S. Rajagopalan	Member (Non-Executive/ Independent)	✓	Absent	✓	Absent
Mr. Arup Kumar Basu	Member (Non-Executive/ Independent)	✓	✓	✓	✓
Mrs. Hutoxy Dara Miller	Member (Non-Executive/ Independent)	✓	✓	✓	✓

Terms of Reference:

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under the Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

II. Nomination and Remuneration Committee (Mandatory Committee):

The Company has constituted Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013 and Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of the Nomination and Remuneration committee as on March 31, 2016 and details of member's participation at the meetings of the committees are as under:

Name of the Member	Category	Attendance at the Nomination & Remuneration Committee Meetings held on August 10, 2015
Mr. Bhalchandra Sontakke	Chairman (Non-Executive/ Independent)	✓
Mr. S. Rajagopalan	Member (Non-Executive/ Independent)	Absent
Mrs. Hutoxy Dara Miller	Member (Non-Executive/ Independent)	✓

- a) The Company does not have any ESOP scheme.

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

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

The details of the remuneration paid to the directors for the year 2015-2016 are as follows:

Name of Director	Salary	Perquisites	Fixed Commission	Sitting Fees	Total (In Lakhs)
Mr. Mahendra Khatau	-	-	-	0.150	0.150
Mrs. Asha Khatau	-	-	-	0.150	0.150
Mr. Bhalchandra Sontakke	-	-	-	0.225	0.225
Mr. S. Rajagopalan	-	-	-	0.100	0.100
Mrs. Hutoxy Dara Miller	-	-	-	0.275	0.275
Mr. Arup Basu	21.11	0.43	-	-	21.54

Note: None of the Non-Executive Directors have any pecuniary relationship or transaction vis-à-vis the Company. Shri. Mahendra K. Khatau and Smt. Asha M. Khatau are related to each other as husband & wife. The Non-Executive Directors do not get any Remuneration from the Company except the sitting fees as approved by the Board from time to time. All Independent Directors are experts in their respective fields and their services are beneficial to the Company.

Company has not issued any convertible instrument. However, the details of the shares held by Non Executive Directors as at March 31, 2016 are as follows:

Name of Non Executive Director	Number of Shares held
Mr. Mahendra Khatau	12,78,180
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 Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2016 and details of member's participation at the meetings of the committees are as under:

Name of the Member	Category	Attendance at the Nomination & Remuneration Committee Meetings held on February 12, 2016
Mrs. Asha Khatau (Chairperson)	Chairperson (Non Executive Director)	✓
Mr. Mahendra Khatau	Member (Non Executive Director)	✓
Mrs. Hutoxy Dara Miller	Member (Non Executive Director/Independent)	✓

Ms. Sumruti Anand, Company Secretary also functions as the Compliance Officer.

The number of shareholder's complaints received through Stock Exchange or SEBI during the year 2015-16 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 31.03.2016
SEBI	None	None	None
Shareholders	1	1	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. Committee of Board of Directors:

This Committee is chaired by Chairman, Mr. Mahendra Kishore Khatau. The Committee takes care of such matters as may be delegated by the Board from time to time.

The composition of the Committee of Board of Directors as at March 31, 2016 and details of member's participation at the meetings of the committees are as under:

Name of the Member	Category	Attendance at the Nomination & Remuneration Committee Meetings held on May 4, 2015
Mr. Mahendra Khatau	Chairman (Non Executive Director)	✓
Mrs. Asha Khatau	Member (Non Executive Director)	✓
Mr. Arup Kumar Basu	Member (Executive Director)	Absent
Mrs. Hutoxy Dara Miller	Member (Non Executive Director/Independent)	✓

V. Risk Management Committee (Mandatory Committee):

In compliance with Clause 49(VI)(C) of the Erstwhile 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, 2016:

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

The objectives and scopes of risk management committee broadly comprise:

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

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 14, 2016 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 2016-17, by the board at its meeting held on May 12, 2016. 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 & EVALUATION

1. Objective

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

- Appointment and removal of Directors, Key Managerial Personnel and employees in Senior Management;
- Remuneration payable to the Directors, Key Managerial Personnel and employees in Senior Management;
- Board Diversity;
- 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 Erstwhile 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 Erstwhile 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:
- review the performance of Non-independent Directors and the Board as a whole;
 - review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-executive Directors;
 - 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.
 - 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.

PERFORMANCE EVALUATION

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

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution independence of judgement, safeguarding the interest of the company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

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

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

Sr. No.	Particulars of Programme	Date and Place	Faculty
1	Seminar on Secretarial Standards which came into effect from 01.07.2015	30th September, 2015 Registered Office, Mumbai	CS Sumruti Anand
2	Seminar on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into effect from 01.12.2015	3rd November, 2015 Registered Office, Mumbai	CS Sumruti Anand

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

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

SUBSIDIARY COMPANIES

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

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

GENERAL BODY MEETINGS:**Details of Annual General Meetings held during the proceeding 3 years and Special Resolution passed thereat are given below:**

AGM	Financial Year	Venue	Date	Time	Special Resolutions passed
34 th	2014-2015	410/411, Khatau house, Mogul Lane, Mahim (west), Mumbai-400016	September 30, 2015	12.00 Noon	1. Adoption of new set of Articles of Association of the company in conformity with the provisions of the Companies Act, 2013
33 rd	2013-2014	As Above	September 30, 2014	12.00 Noon	1. Re-appoint Mr. Arup Basu as Managing Director of the Company. 2. To approve borrowing limit of the Company. 3. To create charge on the assets of the Company.
32 nd	2012-13	As Above	September 30, 2013	12.00 Noon	None

- 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 34th Annual General Meeting of the company held on September 30, 2015.

POSTAL BALLOT

There has been no resolution passed through Postal Ballot during the year 01st April, 2015 and 31st March, 2016.

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

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

B. Policy on dealing with Related Party Transactions:

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

C. Policy for preservation of documents:

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

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

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

E. Policy On Prevention Of Sexual Harassment At Workplace:

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

F. Policy For Determination Of Materiality:

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

DISCLOSURE**RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an

arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013 . There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standard (AS18) has been made in the notes to the Financial Statements.

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

CODE OF CONDUCT

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

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

All the members of the Board and the Senior Management Personnel have affirmed compliance to the said Code of Conduct during the Financial Year ended March 31, 2016. A declaration is signed by the Managing Director of the Company, affirming compliance with the Code of Conduct by the members of the Board and Senior Management Personnel.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

In compliance of Section 177 of the Companies Act, 2013 and Clause 49 of the Erstwhile Listing Agreement, the Board of Directors in their meeting held on May 29, 2014 approved the Whistle Blower Policy which is applicable to all board members and employees. The policy ensures that strict confidentiality is maintained while dealing with concerns and no discrimination will be meted for genuinely raised concern. Any employee may make a disclosure regarding malpractices and events covered under this policy by presenting the same in writing before any of the members of the Audit Committee or through addressing an e- mail at secretarial@refnol.com. No employee is denied of opportunity to meet the members/Chairman of the Audit Committee of the Company.

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

DISCLOSURE ON 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.

Following information has been disseminated on the website of the Company at www.refnol.com

1. Details of business of Company
2. Terms and Conditions of appointment of Independent Directors.
3. Composition of various Committees of Board of Directors
4. Code of conduct for Board of Directors and Senior Management Personnel.
5. Details of establishment of Vigil Mechanism/ Whistle Blower Policy.
6. Policy on dealing with Related Party Transactions.
7. Details of familiarization programmes imparted to Independent Directors.
8. Policy for Determining materiality of events.
9. Prevention of Insider Trading Rules, 2015
10. Policy on Nomination, Remuneration & Evaluation.
11. Board Performance and Evaluation Policy.
12. Policy on Prevention of Sexual Harassment at Workplace
13. Archival Policy for any Material Event / Information Disclosed to the Stock Exchange.

REMUNERATION OF DIRECTORS

The Details of Remuneration package, sitting fees paid, etc., to the Directors of the Company during the financial year 2015-16 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

As required under Regulation 34(2) read with Schedule V of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis is enclosed as a part of this report as Annexure A.

The Company has taken necessary steps to adhere to all the requirements of SEBI(LODR) Regulations, 2015. A report on corporate governance together with the certificate of the statutory auditors confirming compliance with the conditions of Corporate Governance as stipulated in Regulation 34(2) read with Schedule V of SEBI LODR Regulations is included as a part of Report as Annexure A.

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 Erstwhile Listing Agreement and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ADDRESS FOR CORRESPONDENCE:

Ms. Sumruti Anand,
Refnol Resins and Chemicals Limited
Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai – 400016.
Phone : +91-79-22820013, 40209200 Fax : +91-79-22820476 Email: secretarial@refnol.com

CEO/CFO CERTIFICATION

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

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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

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

COMPLIANCE BY THE COMPANY

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

COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS

The Company has complied with the applicable mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MEANS OF COMMUNICATION:

Quarterly results

In compliance with Clause 41 of the Erstwhile Listing Agreement and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange the unaudited quarterly /half yearly results are announced within forty-five days of the close of the quarter and the audited annual results are announced within sixty days from the end of the financial year. The aforesaid financial results are sent to BSE Limited where the company's securities are listed, immediately after these are approved by the Board. The results are thereafter given by way of press release to various news agencies and are published within forty- eight hours mostly in leading English newspaper "The Financial Express" and Marathi newspapers "Mumbai Lakshadweep". The audited financial statements form a part of the Annual Report which is sent to the members well in advance of the Annual General Meeting.

GENERAL INFORMATION TO SHAREHOLDERS

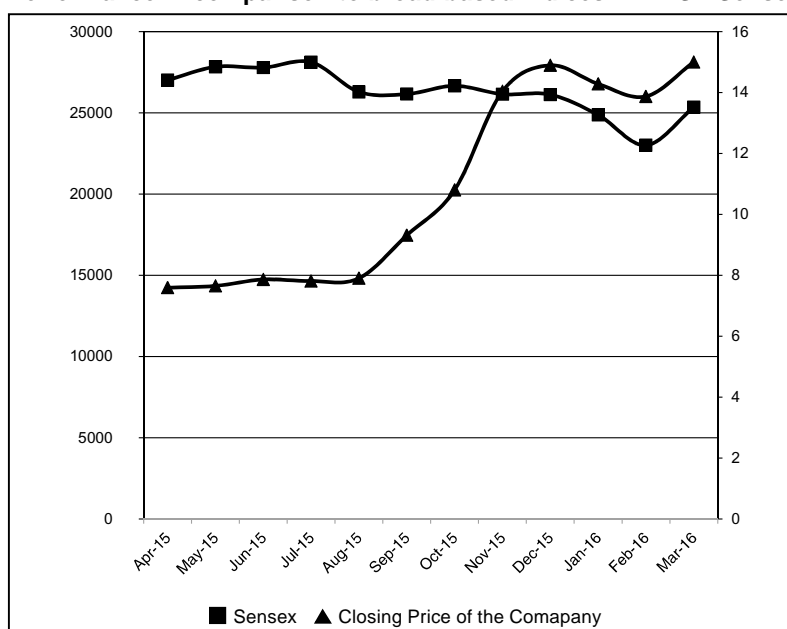
Annual General Meeting	
Date, time and Venue	September 30, 2016 12.00 Noon at Registered Office
Financial Year	April 1, 2015 to March 31, 2016
Date of Book Closure	24 th September, 2016 to 30 th September 2016
Dividend payment Date	The Company has not declared any dividend during last three years.
Listing on Stock Exchange	Your Company's share is listed with The Bombay Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-1.
Stock Code	BSE-530815
ISIN for Equity Shares	INE428C01011
Listing Fees	The Company is regular in payment of Annual Listing fees of The Stock Exchange, Mumbai for the respective financial year.
Registered office	410/411, Khatau House, Mogul Lane, Mahim (west) Mumbai-400016 Tel: 079-22820013/22822266 Fax : 079-22820476 E-mail : secretarial@refnol.com Website: www.refnol.com
Plant Location	Plot no. 23, Phase III, G.I.D.C. Naroda, Ahmedabad- 382330
Registrar and Transfer Agents	M/s LINK INTIME INDIA PVT LTD. having their registered office at C-13, Pannalalsilk Mills Compound , Lbs Marg, Bhandup (West), Mumbai 400 078, Tel: 079- 26465179
Share Transfer System	The Company has hired the services of SEBI registered Registrar and Transfer Agent, LINK INTIME INDIA PVT LTD for Physical transfer as well as electronic connectivity.
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion Date and likely impact on equity	The Company has not issued any of these instruments.
Address for Correspondence	<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-15	8.37	7.22	5830	45967
May-15	7.65	6.61	2607	17865
Jun-15	8.85	7.86	4088	33539
Jul-15	8.66	7.14	11286	89868
Aug-15	8.80	7.43	105115	853181
Sep-15	9.76	7.92	1216503	9655587
Oct-15	10.80	8.85	13415	131178
Nov-15	14.04	11.25	52285	698564
Dec-15	14.89	14.74	11215	166924
Jan-16	18.45	13.60	49601	823907
Feb-16	17.00	13.87	18920	302464
Mar-16	16.22	13.83	7612	117573

Performance in comparison to broad-based indices viz. BSE Sensex



a) Distribution of Shareholding as on March 31, 2016

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	827	67.02	191764	6.21
501	to	1000	201	16.29	173637	5.62
1001	to	2000	90	7.29	144972	4.69
2001	to	3000	31	2.51	80542	2.61
3001	to	4000	20	1.62	72062	2.33
4001	to	5000	14	1.13	64722	2.09
5001	to	10000	28	2.27	206456	6.68
10001	to	20000	11	0.89	176879	5.72
		Above 20000	12	0.97	1978866	64.04
Total			1234	100.00	30899000	100.00

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

b) Shareholding pattern as on March 31, 2016.

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	1,01,571	3.29
4	Public	12,39,599	40.12
5	NRIs/OCBs	1,07,149	3.47
6	Any Other	80	0.002
TOTAL		30,89,900	100.00

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

Dematerialization of Shares and Liquidity:

Number of shares held in dematerialized and physical mode as on March 31, 2016

Particulars	No. of Equity Shares	% to Share Capital
NSDL	9,25,088	29.94
CDSL	19,04,947	61.65
Physical	2,59,865	8.41
TOTAL	30,89,900	100.00

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

For and on behalf of the board

Mahendra K. Khatau
Chairman
(DIN: 00062794)

Mumbai
Date : 10th August, 2016

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors/Senior Personnel for the Financial Year 2015-16.

FOR, REFNOL RESINS AND CHEMICALS LIMITED

Place: Mumbai
Date : 10th August, 2016

ARUPKUMAR BASU
Managing Director
(DIN : 00906760)

CERTIFICATE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD

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

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We further confirm that :
- there were no significant changes in internal control over financial reporting during the year;
 - there were no significant changes in accounting policies during the year and
 - there were no instances of significant fraud of which we are aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Arup Kumar Basu
Managing Director
DIN: 00906760

Vikas Agarwal
Chief Financial Officer

Place: Mumbai
Date : 12th May, 2016

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

We have examined the compliance of corporate governance by Refnol Resins and Chemicals Limited, for the year ended on March 31, 2016 as stipulated under Clause 49 of the Listing Agreement executed by the company with the BSE Limited ('BSE') for the period from 1st April, 2015 to 30th November, 2015; and as prescribed in Regulation 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of the Chapter IV to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) for the period 1st December, 2015 to 31st March, 2016

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, We Certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement and above mentioned Chapter IV to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purposes.

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

Uday R. Parikh
Partner
Membership No. : 10217

Place : Ahmedabad
Date : May 12, 2016

INDEPENDENT AUDITORS' REPORT**To the Members of Refinol Resins and Chemicals Limited****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Refinol Resins and Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management' s Responsibility for the Standalone Financial Statements

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

Auditor ' s Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company' s Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Emphasis of Matters

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

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

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor' s Report) Order, 2016 (" the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The Balance sheet, the statement of Profit and Loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" ; and
- (g) With respect to the other matters to be included in the Auditor' s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 25 (a) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Uday R. Parikh
Partner

Place : Ahmedabad
Date : May 12, 2016

Membership No. : 10217

ANNEXURE - A TO THE AUDITOR S' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is a Manufacturing company, primarily manufacturing of Textile Chemicals, Garment Wash Chemicals, Resins and Laundry Chemicals. Accordingly, the inventories were physically verified during the year by Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted loans, secured or unsecured, to the companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013 (' the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues, the company has generally been regular in depositing undisputed statutory dues with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues as applicable with appropriate authorities except Penalty of late E-filing of TDS which remain unpaid exceeding six months as on 31 March 2016 Rs. 2.31 Lakhs.
- (c) The disputed statutory dues, that have not been deposited on account of matters pending before appropriate authorities is as under :

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

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans and borrowings to financial institutions. .
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Uday R. Parikh
Partner

Place : Ahmedabad
Date : May 12, 2016

Membership No. : 10217

ANNEXURE - B TO THE AUDITOR S' REPORT

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

We have audited the internal financial controls over financial reporting of Refnol Resins and Chemicals Limited (" the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management' s Responsibility for Internal Financial Controls

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

Auditor s' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor' s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Uday R. Parikh
Partner

Membership No. : 10217

Place : Ahmedabad
Date : May 12, 2016

BALANCE SHEET AS AT 31ST MARCH 2016

(Rs. in lakhs)

	Notes	As At 31st March, 2016	As At 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	330.67	330.67
Reserves and Surplus	3	(158.16)	(229.87)
		<u>172.51</u>	<u>100.80</u>
Non-current liabilities			
Long-term borrowings	4	4.22	6.83
Other Long term liabilities	5	397.46	448.98
Long-term provisions	6	135.89	113.76
		<u>537.57</u>	<u>569.57</u>
Current liabilities			
Short-term borrowings	7	451.37	423.94
Trade payables	8	455.06	404.27
Other current liabilities	9	48.78	78.37
Short-term provisions	10	19.51	12.37
		<u>974.72</u>	<u>918.95</u>
TOTAL		<u>1684.80</u>	<u>1589.32</u>
ASSETS			
Non-current assets			
Fixed assets (Tangible)	11	498.91	512.83
Non-current investment	12	89.13	89.13
Long-term loans & advances	13	45.01	99.21
		<u>633.05</u>	<u>701.17</u>
Current Assets			
Inventories	14	317.12	281.07
Trade receivables	15	597.22	490.56
Cash and cash equivalents	16	61.85	55.70
Short-term loans and advances	17	75.56	60.82
		<u>1051.75</u>	<u>888.15</u>
TOTAL		<u>1684.80</u>	<u>1589.32</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 : May 12, 2016

For and on behalf of the Board,

Mahendra K. Khatau
 Chairman
 DIN: 00062794

Arup Basu
 Managing Director
 DIN: 00906760

Vikas Agarwal
 Chief Financial Officer

Sumruti Anand
 Company Secretary

Place : Mumbai
 Date : May 12, 2016

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Rs. in lakhs)

	Notes	2015-16	2014-15
INCOME			
Revenue from operations	18	2265.29	2028.45
Other Income	19	12.39	12.06
		2277.68	2040.51
EXPENSES			
Cost of Raw Materials Consumed	20	1290.34	1,200.45
Change in Inventories	21	(30.90)	36.64
Employees benefit expenses	22	289.77	250.78
Financial Costs	23	82.96	95.08
Other expenses	24	549.38	493.13
Depreciation and amortization expense		24.42	22.76
Less : Transfer from Revaluation Reserve		15.02	9.40
		2190.95	2083.82
Profit/(Loss) before Exeptional Items and taxes		86.73	(43.31)
Exceptional Items - charge		-	-
Profit/(Loss) before taxes		86.73	(43.31)
Tax expense		-	-
Net Profit/(Loss) After Tax		86.73	(43.31)
Basic and diluted earnings per share (in Rs.)		2.81	(1.40)

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 : May 12, 2016

For and on behalf of the Board,

Mahendra K. Khatau
 Chairman
 DIN: 00062794

Arup Basu
 Managing Director
 DIN: 00906760

Vikas Agarwal
 Chief Financial Officer

Sumruti Anand
 Company Secretary

Place : Mumbai
 Date : May 12, 2016

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

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

B. FIXED ASSETS

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

C. DEPRECIATION

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

D. INVESTMENTS

Investments are shown at cost.

E. INVENTORIES

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

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

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

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

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

G. RETIREMENT BENEFITS

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

H. SALES

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

I. FOREIGN CURRENCY TRANSACTIONS

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

J. PROVISIONS / CONTINGENCIES

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

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

2 SHARE CAPITAL

2.1 Schedule		(Rs. in lakhs)	
		31.03.2016	31.03.2015
Authorised			
40,00,000	Equity Shares of Rs.10/- each	400.00	400.00
		400.00	400.00
Issued			
35,23,500	Equity Shares of Rs.10/- each	352.35	352.35
		352.35	352.35
Subscribed & fully paid			
30,89,900	Equity Shares of Rs.10/- each	308.99	308.99
Add:	Forfeited Shares	21.68	21.68
		330.67	330.67

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

2.3 Reconciliation of number of shares

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

2.4 Shareholders holding more than 5% shares in the Company

	31.03.2016		31.03.2015	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of Rs. 10 each				
Mr. Mahendra Kishore Khatau	12,78,180	41.37	-	-
M/s. Khatau Capacitors Pvt. Ltd.	-	-	12,74,400	41.24
M/s. Khatau Leasing & Finance Company Pvt. Ltd.	3,50,000	11.33	3,50,000	11.33

3 RESERVES & SURPLUS

	31.03.2014	01.04.2014	Addition/ Deduction during theYear	31.03.2015	Addition/ Deduction during theYear	31.03.2016
Securities Premium Reserve	201.18	-	-	201.18	-	201.18
Revaluation Reserve	422.96	-	15.02	407.94	15.02	392.92
Profit & Loss Account	(788.93)	(6.75)*	(43.31)	(838.99)	86.73	(752.26)
	(164.79)	(6.75)	(28.29)	(229.87)	101.75	(158.16)

*Difference in depreciation due to change in life of assets

		(Rs. in lakhs)	
		31.03.2016	31.03.2015

4 LONG TERM BORROWINGS

Term loan (Secured) (Vehicle Loan) (From Financial Institution against hypothecation of car)	4.22	6.83
	4.22	6.83

(Rs. in lakhs)

31.03.2016 31.03.2015

5 OTHER LONG TERM LIABILITIES

Trade payables (From M/s. Texcare Middle East LLC, subsidiary of M/s. Refinol Overseas Ltd.)	397.46	445.66
Distributors Deposits	-	3.32
	<u>397.46</u>	<u>448.98</u>

6 LONG TERM PROVISIONS

Provision for employee's benefits		
For Gratuity	113.91	94.80
For Leave Encashment	21.98	18.96
	<u>135.89</u>	<u>113.76</u>

7 SHORT TERM BORROWINGS

Working Capital (Secured)		
From Bank*	419.20	392.09
Loan from Director (Unsecured)	-	4.00
Other Loans (Unsecured)	32.17	27.85
	<u>451.37</u>	<u>423.94</u>

* Secured by a first charge over the entire fixed and current assets and personally guaranteed by two Promoter Directors of the Company

8 TRADE PAYABLES

Acceptances	455.06	404.27
	<u>455.06</u>	<u>404.27</u>

Company is awaiting information from the suppliers to identify enterprises falling under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

9 OTHER CURRENT LIABILITIES

Current maturities of long-term borrowings	2.61	3.78
Other payables	24.08	46.70
Advance from customers	19.77	26.50
Other payables (Staff)	2.32	1.39
	<u>48.78</u>	<u>78.37</u>

10 SHORT-TERM PROVISIONS

Provision for employees benefits	7.67	2.81
Others	11.84	9.56
	<u>19.51</u>	<u>12.37</u>

11 FIXED ASSETS											(Rs. in lakhs)	
Assets	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK			
	As at 1.4.2015	Additions	Sale/ Transfer	As at 31.3.2016	As at 1.4.2015	For the year	Adjust- ments	Up to 31.3.2016	As at 31.3.2016	As at 31.3.2015		
Tangible												
Lease Hold Land	306.19	-	-	306.19	27.70	4.35	-	32.05	274.14	278.49		
Building	169.60	-	-	169.60	66.18	4.30	-	70.48	99.12	103.42		
Plant and Machineries	522.77	8.01	-	530.78	417.22	9.86	-	427.08	103.70	105.55		
Furniture & Fixtures	12.24	1.01	-	13.25	11.81	0.10	-	11.91	1.34	0.43		
Office Equipments	36.72	1.48	-	38.20	34.82	0.73	-	35.55	2.65	1.90		
Vehicles	28.72	-	-	28.72	5.68	5.08	-	10.76	17.96	23.04		
TOTAL	1076.24	10.50	-	1086.74	563.41	24.42	-	587.83	498.91	512.83		
Previous Year	1073.92	2.32	-	1076.24	533.90	22.76	6.75	563.41	512.83	-		
1. The gross block of fixed assets includes Rs. 541.33 lakhs (Previous year Rs. 541.33 lakhs) on account of revaluation of fixed assets carried out on 31/03/2009. Consequent to the said revaluation, there is an additional charge of depreciation of Rs. 15.02 lakhs (Previous year Rs. 15.02) and an equivalent amount has been withdrawn from Revaluation Reserve and credited in the profit and loss statement. This has no impact on profit of the year.												
									31.03.2016	31.03.2015		
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			
13 LONG-TERM LOANS & ADVANCES												
Advances to related parties								35.48	89.68			
Other Deposits								9.53	9.53			
								45.01	99.21			
Disclosure as per Clause 34(3) and 53(f) of SEBI (LODR) Regulation, 2015												
Advances given to Associates												
Maximum Balance outstanding during the												
Name of the Company												
M/s. Indokem Ltd.												
				89.68	89.68		35.48	89.68				
				89.68	89.68		35.48	89.68				
14 INVENTORIES												
Raw Materials								179.43	177.07			
Packing Materials								13.43	9.69			
Fuel								0.56	1.51			
Stock in Process								12.02	15.60			
Finished Goods								111.68	77.20			
								317.12	281.07			
15 TRADE RECEIVABLES												
Unsecured over six months												
Considered good								39.71	42.13			
Considered doubtful								2.18	2.18			
								41.89	44.31			
Less : Provision								2.18	2.18			
								39.71	42.13			
Others, considered good								557.51	448.43			
								597.22	490.56			

(Rs. In lakhs)

	31.03.2016	31.03.2015
16 CASH AND CASH EQUIVALENTS		
Cash on hand	0.07	0.08
Balances with Banks		
- Current Accounts	27.11	25.81
Other Bank Balances		
- Margin Money (Fixed Deposits)	34.67	29.81
	<u>61.85</u>	<u>55.70</u>
17 SHORT-TERM LOANS AND ADVANCES		
Unsecured considered good		
Advances recoverable in cash or kind	2.81	2.81
Balances with Government Authorities	61.57	49.28
Advance Tax	6.98	6.75
Advance to others	0.55	0.27
Loans and Advances to employees	3.65	1.71
	<u>75.56</u>	<u>60.82</u>
	2015-2016	2014-2015
18 REVENUE FROM OPERATIONS		
Sales - Domestic	1409.90	1333.36
Less : Excise Duty / Taxes	176.23	166.67
	<u>1233.67</u>	<u>1166.69</u>
Sales - Exports	1031.62	861.76
	<u>2265.29</u>	<u>2028.45</u>
19 OTHER INCOME		
Interest Income	2.74	6.39
Duty Drawback	1.84	-
Exchange Rate Difference	5.29	0.40
Balances Written off	0.03	0.23
VAT Refund	2.49	5.04
	<u>12.39</u>	<u>12.06</u>
20 COST OF RAW MATERIALS CONSUMED		
Opening Stock	177.07	134.20
Purchases	1292.70	1243.32
	<u>1469.77</u>	<u>1377.52</u>
Less : Closing Stock	179.43	177.07
Raw Material Consumed	<u>1290.34</u>	<u>1200.45</u>
21 CHANGE IN INVENTORIES		
Stock as at 31 st March, 2016		
Stock in Process	12.02	15.60
Finished Goods	111.68	77.20
	<u>123.70</u>	<u>92.80</u>
Less : 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>
	<u>30.90</u>	<u>(36.64)</u>

(Rs. In lakhs)

	2015-2016	2014-2015
22 EMPLOYEES BENEFIT EXPENSES		
Salaries, Wages & Bonus etc.	222.03	192.03
Contribution to Provident Fund & other Funds	45.36	44.88
Staff Welfare expenses	22.38	13.87
	<u>289.77</u>	<u>250.78</u>
23 FINANCE COST		
Interest expense	77.93	88.90
Other borrowing costs	5.03	6.18
	<u>82.96</u>	<u>95.08</u>
24 OTHER EXPENSES		
Stores & Spares Consumed	7.91	5.64
Packing Materials Consumed	160.56	152.34
Power, Fuel & Water Charges	84.49	90.69
Repairs - Machineries	11.41	6.22
- Building	6.80	5.13
- Others	1.77	2.99
Inward Freight, Clearing & Forwarding	34.24	32.47
Laboratory & Testing Expenses	4.47	3.49
Labour Charges	22.63	17.99
Insurance	1.75	2.45
Rent	5.33	5.56
Rates & Taxes	8.59	7.14
Postage & Telephone	11.34	8.81
Legal & Professional Charges*	15.13	11.19
Conveyance & Vehicle Expenses	40.00	28.96
Printing & Stationery	4.25	3.62
Misc. Expenses	7.34	5.94
Directors' Fees	0.80	0.48
Service Tax & Swatch Bharat Cess	0.79	0.49
Commission	2.20	5.90
Outward Freight & Export Expenses	83.55	75.82
Sample Expenses	0.36	0.63
Advertisement & Sales Promotion	1.09	0.88
Travelling Expenses	29.85	13.55
Stock Transfer tax	2.73	4.75
	<u>549.38</u>	<u>493.13</u>
*Payment to Auditors :	2015-2016	2014-2015
Statutory Auditors		
As Auditors	0.73	0.73
For Tax Audit	0.28	0.28
For other services	0.55	0.42
	<u>1.56</u>	<u>1.43</u>

	<u>2015-16</u>	<u>2014-15</u>
25 CONTINGENT LIABILITIES (not provided for)		
a. Claim against company not acknowledged as Debt	3.75	2.50
b. Disputed levies of Income Tax (excluding interest)	14.42	-
26 In view of uncertainty that sufficient future taxable income will be available against unabsorbed depreciation and carried forward losses under tax laws, deferred tax assets has not been recognized.		
27 In spite of company's net worth being fully eroded, Accounts have been prepared on going concern basis. The Company has cash profit for the current financial year.		
28 The company's operations fall under single segment namely "Chemicals".		
29 Earning per share:	<u>2015-16</u>	<u>2014-15</u>
Net Profit/(Loss) After Tax	86.73	(43.31)
Number of equity shares outstanding	3,089,900	3,089,900
Basic and diluted earning per share (Par value of Rs.10 each)	2.81	(1.40)
30 Related Party Disclosure		
a. Parties where control exists :		
Refnol Overseas Limited	Subsidiary	
Tex Care Middle East LLC	Step-down Subsidiary	
b. Other related parties with whom transactions have taken place during the year :		
i. Other parties		
Indokem Limited	Associate	
Shubhlabh Chemicals Pvt. Ltd.	Associate	
Formost Chemicals Pvt. Ltd.	Associate	
Orchard Acres	Associate	
Priyamvada Holdings Limited	Associate	
Khatau Leasing and Finance Co. Pvt. Ltd.	Associate	
MKK Holdings Private Limited	Associate	
Vindyapriya 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 (Up to 31/07/2015)		
5. Ms. Sumruti Anand, Company Secretary (From 01/09/2015)		
6. Vikas Agarwal (HUF), HUF firm of Mr. Vikas Agarwal, Chief Financial Officer		
7. Mr. Abhik Basu, S/o, Mr. Arup Basu, Managing Director		
8. Mrs. Leela K. Khatau, Executive (Mother of Mr. Mahendra K. Khatau, Chairman)		
c. Nature of Transaction		(Rs. In lakhs)
	<u>2015-16</u>	<u>2014-15</u>
(i) Sales		
Indokem Limited	348.50	405.32
Formost Chemicals Pvt Ltd	5.01	-
Orchard Acres	18.34	28.15
Texcare Middle East LLC	81.22	93.08
	<u>453.07</u>	<u>526.55</u>
(ii) Purchase		
Orchard Acres	521.72	261.94
(iii) Payment for other services / interest		
Tex Care Middle East LLC	3.73	3.18
Indokem Ltd (Lab. Expenses)	0.12	-
Orchard Acres (Interest)	5.79	3.75
Priyamvada Holdings Limited (Commission)	-	0.60
Mr. Mahendra K. Khatau (Interest)	0.16	0.53
Vikas Agarwal (HUF) (Car Hire Charges)	2.46	2.05
Mr. Abhik Basu (Car Hire Charges)	3.59	3.59
Smt. Leela K. Khatau (Salary & Other)	17.27	2.38
	<u>33.12</u>	<u>16.08</u>

	(Rs. In lakhs)	
	<u>2015-16</u>	<u>2014-15</u>
(iv) Amount received from Tex care Middle East LLC		
Against supplies	77.78	105.64
Amount Reimbursed	3.12	4.27
(v) Outstanding Balances as at 31st March 2016		
a. Receivables		
Indokem Limited	243.96	279.51
Shubhlabh Chemicals Pvt. Ltd.	3.47	3.47
Formost Chemicals Pvt. Ltd.	5.01	-
	<u>252.44</u>	<u>282.98</u>
b. Acceptances		
Texcare Middle East LLC	403.00	439.82
Orchard Acres	175.89	123.55
Khatau Leasing and Finance Co. Pvt. Ltd.	-	0.13
MKK Holdings Private Limited	-	0.06
Vindyapriya Holdings Private Limited	-	0.12
Priyamvada Holdings Limited	-	0.27
	<u>578.89</u>	<u>563.95</u>
c. Loan from Related Parties		
Mr. Mahendra K. Khatau (O/s with interest)	-	4.25
d. Advances to Related Parties		
Indokem Limited*	35.48	89.68
*Khatau Capacitors Pvt. Ltd is merged with Ms. Indokem Ltd w.e.f. 24th Sep. 2015		
e. Other payable		
Smt. Leela K. Khatau (Salary)	0.18	0.18
(vi) Remuneration :		
a] Mr. Arup Basu, Managing Director		
Salary	19.05	15.17
Contribution to PF	1.47	1.18
Gratuity	0.59	0.47
Perquisites	0.43	0.76
	<u>21.54</u>	<u>17.58</u>
b] Mr. Vikas Agarwal, Chief Financial Officer		
Salary	8.82	6.99
Contribution to PF	0.77	0.64
Gratuity	0.31	0.26
	<u>9.90</u>	<u>7.89</u>
c] Ms. Anu Rajput, Company Secretary		
Salary	0.93	1.32
Contribution to PF	0.06	0.11
Gratuity	-	0.07
	<u>0.99</u>	<u>1.50</u>
d] Ms. Sumruti Anand, Company Secretary		
Salary	1.52	-
Contribution to PF	0.12	-
Gratuity	0.08	-
	<u>1.72</u>	<u>-</u>

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

Define Benefit Plan Disclosures

(Rs. In Lakhs)

Sr. No. Particular	Gratuity	Leave Benefit	Gratuity	Leave Benefit
	2015-16	2015-16	2014-15	2014-15
1 Components to Employer Expense				
a] Current Service Cost	26.26	4.75	19.98	3.66
b] Interest Cost	-	-	-	-
c] Past service cost	(3.49)	(1.12)	3.81	0.38
d] Excess provision reversed	-	-	-	-
e] Actuarial (Gain)/Loss	-	-	-	-
f] Total expense /(gain) recognised in the P & L A/c.	22.77	3.63	23.79	4.04
2 Net Assets / Liability Recognised in the Balance Sheet				
a] Present value of obligation as at 01/04/2015	94.80	18.96	73.03	16.09
b] Fair Value of Plan Assets as at 01/04/2015	-	-	-	-
c] Assets/Liability recognized in Balance Sheet	113.91	21.98	94.80	18.96
3 Change in Defined Benefit Obligation (DBO) during Year ended 31 st March 2016.				
a] Present value of obligation as at 01/04/2015	94.80	18.96	73.03	16.09
b] Current Service Cost	26.26	4.75	19.98	3.66
c] Interest Cost	-	-	-	-
d] Past service cost	(3.49)	(1.12)	3.81	0.38
e] Actuarial (Gain)/Loss	-	-	-	-
f] Benefit paid	3.66	0.61	2.02	1.17
g] Present value of obligation as at 31/03/2016	113.91	21.98	94.80	18.96

32 Value of consumables

	2015-16		2014-15	
	%	Rs.	%	Rs.
Raw materials (Imported)	3.03	39.11	3.20	38.39
Raw materials (Indigenous)	96.97	1251.22	96.80	1162.05
TOTAL	100.00	1290.34	100.00	1200.45
Packing Materials (Indigenous)	100.00	160.56	100.00	152.34
Stores & spares (Indigenous)	100.00	7.91	100.00	5.64

33 Foreign Currency Transactions

	2015-16	2014-15
i Value of Imports on CIF basis		
Raw materials	57.14	38.92
ii Earnings in foreign exchange		
Exports at FOB Value	273.98	202.95
iii Expenditure in Foreign Currency		
Travelling expenses	1.79	0.56
Commission	1.43	5.11

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 : May 12, 2016

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
DIN: 00062794

Arup Basu
Managing Director
DIN: 00906760

Vikas Agarwal
Chief Financial Officer

Sumruti Anand
Company Secretary

Place : Mumbai
Date : May 12, 2016

CASH FLOW STATEMENT FOR THE YEAR 2015-16

	2015-16		(Rs. in lakhs) 2014-15	
A. Cash flow from operating activities				
Net loss after tax and extra ordinary items		86.73		(43.31)
Adjustments for:				
Depreciation	9.40		7.74	
Interest expenses & finance charges	82.96		95.08	
Interest income	(2.74)	89.62	(6.39)	96.43
Operating profit / (Loss) before working capital changes		176.35		53.12
Adjustments for:				
Trade and other receivables	(67.20)		(0.25)	
Inventories	(36.05)		(6.40)	
Trade and other payables	(1.05)	(104.30)	100.69	94.04
Net cash generated from operating activities	(A)	72.05		147.16
B. Cash flow from investing activities				
Interest received		2.74		6.39
Purchase of fixed assets		(10.50)		(2.32)
Net cash from (Used in) investing activities	(B)	(7.76)		4.07
C. Cash flow from financing activities				
Proceeds /(Repayment) from borrowings (Net)		24.82		(32.50)
Interest & finance charges paid		(82.96)		(95.08)
Margin Money		(4.86)		(2.31)
Net cash used in financing activities	(C)	(63.00)		(129.89)
Net increase (Decrease) in cash and cash equivalents (a+b+c)		1.29		21.34
Cash and cash equivalents-opening balance		25.89		4.55
Cash and cash equivalents-closing balance		27.18		25.89

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 : May 12, 2016

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
DIN: 00062794

Arup Basu
Managing Director
DIN: 00906760

Vikas Agarwal
Chief Financial Officer

Sumruti Anand
Company Secretary

Place : Mumbai
Date : May 12, 2016

**CONSOLIDATED
FINANCIAL STATEMENTS
&
NOTES**

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report on Consolidated Financial Statements

To the Members of Refnol Resins and Chemicals Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Refnol Resins and Chemicals Limited** ("the Holding Company") and its subsidiaries and associate (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

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

Opinion

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

Other Matter

We did not audit the financial statements of one subsidiary and one step-down subsidiary whose financial statements reflect total assets of Rs.690.45 lakhs as at 31st March 2016, total revenues of Rs. 1601.95 lakhs and net cash inflows amounting of Rs. 50.31 lakhs for the year ended on that date, reflect group's share of net profit of Rs. 124.58 lakhs as considered in the Consolidated Financial Statements. These Financial Statements are audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group,— Refer Note 25 (a) to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

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

Uday R. Parikh
Partner

Membership No. : 10217

Place : Ahmedabad
Date : May 12, 2016

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of **Refnol Resins and Chemicals Limited** ("the Holding Company") and its subsidiary companies which are companies incorporated outside India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated outside India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Uday R. Parikh
Partner
Membership No. : 10217

Place : Ahmedabad
Date : May 12, 2016

BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH 2016

(Rs. in lakhs)

	Notes	As At 31st March, 2016	As At 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	330.67	330.67
Reserves and Surplus	3	618.38	523.68
		<u>949.05</u>	<u>854.35</u>
Non-current liabilities			
Long-term borrowings	4	97.31	139.36
Other Long term liabilities	5	-	3.32
Long-term provisions	6	171.54	153.27
		<u>268.85</u>	<u>295.95</u>
Current liabilities			
Short-term borrowings	7	496.59	459.39
Trade payables	8	542.07	532.87
Other current liabilities	9	99.18	127.16
Short-term provisions	10	19.51	13.11
		<u>1,157.35</u>	<u>1,132.53</u>
TOTAL		<u>2375.25</u>	<u>2282.83</u>
ASSETS			
Non-current assets			
Fixed assets	11	532.05	547.76
Long-term loans & advances	12	45.01	99.21
		<u>577.06</u>	<u>646.97</u>
Current Assets			
Inventories	13	426.66	385.32
Trade receivables	14	1,044.99	971.25
Cash and cash equivalents	15	208.41	153.24
Short-term loans and advances	16	118.13	126.05
		<u>1798.19</u>	<u>1635.86</u>
TOTAL		<u>2375.25</u>	<u>2282.83</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 : May 12, 2016

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
DIN: 00062794

Arup Basu
Managing Director
DIN: 00906760

Vikas Agarwal
Chief Financial Officer

Sumruti Anand
Company Secretary

Place : Mumbai
Date : May 12, 2016

PROFIT AND LOSS STATEMENT (CONSOLIDATED) FOR THE YEAR ENDED 31ST MARCH 2016

(Rs. in lakhs)

	Notes	2015-16	2014-15
INCOME			
Revenue from operations	17	3822.46	3728.11
Other Income	18	57.17	24.85
		3879.63	3752.96
EXPENSES			
Cost of Materials Consumed	19	2059.77	2147.37
Change in Inventories	20	(26.57)	29.66
Employees benefit expenses	21	465.01	404.89
Financial Costs	22	129.89	145.31
Other expenses	23	1014.29	956.16
Depreciation and amortization expense		40.95	52.54
Less : Transfer from Revaluation Reserve		15.02	15.02
		3668.32	3720.91
Profit/(Loss) from ordinary activity and before taxes		211.31	32.05
Exceptional Items - charge		-	-
Profit/(Loss) before taxes		211.31	32.05
Tax expense		-	-
Net Profit/(Loss) After Tax		211.31	32.05
Basic and diluted earnings per share (in Rs.)		6.84	1.04

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 : May 12, 2016

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
DIN: 00062794

Vikas Agarwal
Chief Financial Officer

Place : Mumbai
Date : May 12, 2016

Arup Basu
Managing Director
DIN: 00906760

Sumruti Anand
Company Secretary

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, 2016, which are as under:

Name of the Company	Nature	Country of Incorporation	% of Share Holding		% of Voting power	
			31.03.2016	31.03.2015	31.03.2016	31.03.2015
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%

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

** Operation of TCB have been discontinued during the fourth quarter of 2014-15, due to lack of viable business.

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

		(Rs. in lakhs)	
		31.03.2016	31.03.2015
2.1 Schedule			
Authorised			
40,00,000	Equity Shares of Rs.10/- each	400.00	400.00
		400.00	400.00
Issued			
35,23,500	Equity Shares of Rs.10/- each	352.35	352.35
		352.35	352.35
Subscribed & fully paid			
30,89,900	Equity Shares of Rs.10/- each	308.99	308.99
Add:	Forfeited Shares	21.68	21.68
		330.67	330.67

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

2.3 Reconciliation of number of shares

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

2.4 Shareholders holding more than 5% shares in the Company

	31.03.2016		31.03.2015	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of Rs. 10 each				
Mr. Mahendra Kishore Khatau	12,78,180	41.37	-	-
M/s. Khatau Capacitors Pvt. Ltd.	-	-	12,74,400	41.24
M/s. Khatau Leasing & Finance Company Pvt. Ltd.	3,50,000	11.33	3,50,000	11.33

3 RESERVES & SURPLUS

	31.03.2014	Addition/ Deduction during theYear	31.03.2015	Addition/ Deduction during theYear	31.03.2016
Securities Premium Reserve	201.18	-	201.18	-	201.18
Statutory Reserve	30.52	2.04	32.55	(11.98)	20.57
Revaluation Reserve	422.96	(15.02)	407.94	(15.02)	392.92
Profit & Loss Account	(251.18)	30.01	(221.17)	203.58	(17.59)
Capital reserve	30.00	(6.75)*	23.25	(11.98)	11.27
Exchange Fluctuation Reserve	69.65	10.27	79.92	(69.89)	10.03
	503.13	20.55	523.68	94.70	618.38

* Difference in Depreciation due to Change in life of assets.

(Rs. in lakhs)

	31.03.2016	31.03.2015
4 LONG TERM BORROWINGS		
Vehicle loan (Secured)	5.13	11.56
Term loan (Secured)	92.18	127.80
	97.31	139.36

The Vehicles are hypothicated with bank/Financial Institution against bank loan.
Term loan personally guaranteed by one of the directors along with post dated cheques.

(Rs. in lakhs)

	31.03.2016	31.03.2015
5 OTHER LONG TERM LIABILITIES		
Distributors Deposits	-	3.32
	<u>-</u>	<u>3.32</u>
	<u>-</u>	<u>3.32</u>
6 LONG TERM PROVISIONS		
Provision for employee's benefits	171.54	153.27
	<u>171.54</u>	<u>153.27</u>
	<u>171.54</u>	<u>153.27</u>
7 SHORT TERM BORROWINGS		
Working Capital (Secured)		
From Bank *	464.42	427.54
Loan from Director (Unsecured)	-	4.00
Other Loans (Unsecured)	32.17	27.85
	<u>496.49</u>	<u>459.39</u>
	<u>496.49</u>	<u>459.39</u>
* 1] Comprises of Rs.419.20 Lakhs (Previous year 392.09 lakhs) against first charge over the entire fixed and current assets and personally guaranteed by two Promoter Directors.		
* 2] Rs. 45.22 Lakhs (Previous year 35.45 lakhs) as term loan personally guaranteed by one of the directors along with post dated cheques.		
8 TRADE PAYABLES		
Acceptances	542.07	532.87
	<u>542.07</u>	<u>532.87</u>
	<u>542.07</u>	<u>532.87</u>
9 OTHER CURRENT LIABILITIES		
Current maturities of long-term loans and borrowings	6.92	13.93
Other payables	70.17	85.34
Advance From customers	19.77	26.50
Other payables (Staff)	2.32	1.39
	<u>99.18</u>	<u>127.16</u>
	<u>99.18</u>	<u>127.16</u>
10 SHORT-TERM PROVISIONS		
Provision for employees benefits	7.67	3.55
Others	11.84	9.56
	<u>19.51</u>	<u>13.11</u>
	<u>19.51</u>	<u>13.11</u>

11 FIXED ASSETS											(Rs. in lakhs)	
Assets	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK			
	As at 1.4.2015	Additions	Sale/ Transfer	As at 31.3.2016	As at 1.4.2015	For the year	Adjust- ments	Up to 31.3.2016	As at 31.3.2016	As at 31.3.2015		
Tangible												
Lease Hold Land	315.63	-	-	315.63	37.05	4.44	-	41.49	274.14	278.58		
Building	169.60	-	-	169.60	66.18	4.30	-	70.48	99.12	103.42		
Plant and Machineries	622.61	22.22	-	644.83	492.69	22.56	-	515.24	129.59	129.92		
Furniture & Fixtures	18.77	1.01	-	19.78	18.33	0.10	-	18.43	1.35	0.44		
Office Equipments	63.65	2.01	-	65.66	59.08	1.57	-	60.65	5.01	4.57		
Vehicles	121.07	-	-	121.07	90.23	8.00	-	98.23	22.84	30.84		
TOTAL	1311.33	25.24	-	1336.57	763.56	40.97	-	804.52	532.05	547.76		
Previous Year	1306.53	22.15	17.34	1311.34	721.32	52.55	(10.30)	763.57	547.76			
1. The gross block of fixed assets includes Rs. 541.33 lakhs (Previous year Rs. 541.33 lakhs) on account of revaluation of fixed assets carried out on 31/03/2009. Consequent to the said revaluation, there is an additional charge of depreciation of Rs. 15.02 lakhs (Previous year Rs. 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.												
											(Rs. In lakhs)	
											31.03.2016	31.03.2015
12 LONG-TERM LOANS & ADVANCES												
Advances to Associates Parties												
Indokem Ltd.											35.48	89.68
Other Deposits											9.53	9.53
											45.01	99.21
13 INVENTORIES												
Raw Materials											247.34	235.35
Packing Materials											13.43	9.69
Fuel											0.56	1.51
Stock in Process											12.02	15.60
Finished Goods											153.31	123.17
											426.66	385.32
14 TRADE RECEIVABLES												
Unsecured Over six months												
Considered good											69.68	159.59
Considered doubtful											17.34	18.07
											87.02	177.66
Less : Provision											17.34	18.07
											69.68	159.59
Others, considered good											975.31	811.66
											1,044.99	971.25

(Rs. In lakhs)

	31.03.2016	31.03.2015
15 CASH AND CASH EQUIVALENTS		
Cash on hand	3.98	2.85
Balances with Banks		
- Current Accounts	169.76	120.58
Other Bank Balances		
- Margin Money	34.67	29.81
	<u>208.41</u>	<u>153.24</u>
16 SHORT-TERM LOANS AND ADVANCES		
Unsecured considered good		
Advances recoverable in cash or kind	2.81	2.81
Balances with Government Authorities	79.83	66.46
Advance Tax	6.98	6.75
Advance to supplier & others	23.64	11.06
Loan and Advances to Employees	3.65	1.71
Prepaid interest and others	1.22	37.26
	<u>118.13</u>	<u>126.05</u>
	2015-2016	2014-2015
17 REVENUE FROM OPERATIONS		
Sales - Domestic	2967.07	2521.79
Less : Excise Duty / Taxes	176.23	166.67
	<u>2790.84</u>	<u>2355.12</u>
Sales - Exports	1031.62	1372.99
	<u>3822.46</u>	<u>3728.11</u>
18 OTHER INCOME		
Interest Income	47.52	16.18
Duty Drawback	1.84	-
Exchange Rate Difference	5.29	0.40
Balances Written off	0.03	0.23
VAT Refund	2.49	5.04
Profit on sale of asset	-	3.00
	<u>57.17</u>	<u>24.85</u>
19 COST OF RAW MATERIAL CONSUMED		
Opening Stock	235.36	207.59
Purchases	2071.75	2174.03
	<u>2307.11</u>	<u>2381.62</u>
Less : Closing Stock	247.34	234.25
Raw Material Consumed	<u>2059.77</u>	<u>2147.37</u>
20 CHANGE IN INVENTORIES		
Stock as at 31 st March, 2016		
Stock in Process	12.02	15.60
Finished Goods	153.31	123.16
	<u>165.33</u>	<u>138.76</u>
Less : 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>
	<u>26.57</u>	<u>(29.66)</u>

(Rs. In lakhs)

	2015-2016	2014-2015
21 EMPLOYEES BENEFIT EXPENSES		
Salaries, Wages & Bonus etc.	395.51	342.16
Contribution to Provident Fund & other Funds	45.36	44.88
Staff Welfare expenses	24.14	17.85
	<u>465.01</u>	<u>404.89</u>
22 FINANCE COST		
Interest expense	118.91	133.23
Other borrowing costs	10.98	12.08
	<u>129.89</u>	<u>145.31</u>
23 OTHER EXPENSES		
Stores & Spares Consumed	7.91	5.64
Packing Materials Consumed	160.56	152.34
Power, Fuel & Water Charges	84.49	90.69
Repairs - Machineries	11.41	6.22
- Building	6.80	5.13
- Other	11.08	14.21
Inward Freight, Clearing & Forwarding	100.14	134.81
Laboratory & Testing Expenses	4.47	3.49
Labour Charges	22.63	17.99
Insurance	6.60	5.54
Rent	36.86	30.54
Rates & Taxes	8.59	7.14
Postage & Telephone	27.67	21.90
Legal & Professional Charges*	41.31	28.92
Conveyance & Vehicle Expenses	40.00	28.96
Printing & Stationery	4.25	3.87
Misc. Expenses	18.35	17.17
Directors' Fees	1.60	1.13
Service Tax	0.79	0.49
Loss on sale of asset	-	0.13
Commission	170.91	158.71
Outward Freight & Export Expenses	83.55	94.01
Sample Expenses	0.36	0.63
Advertisement & Sales Promotion	93.87	69.73
Travelling Expenses	52.64	38.03
Stock Transfer tax	2.73	4.75
Bad debts	14.72	13.99
	<u>1014.29</u>	<u>956.16</u>
*Payment to Auditors :		
Statutory Auditors		
As Auditors	4.08	4.44
	<u>4.08</u>	<u>4.44</u>

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 lakhs)

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	2015-16	US \$	2.40	1.05	3.07	0.03	0.41	0.16	0.08	-	0.08	-
			INR	89.13	103.79	179.46	1.78	15.23	10.30	5.44	-	5.44	-
		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	-
2	Texcare Middle East LLC	2015-16	AED	3.00	45.92	70.69	21.77	-	88.90	6.03	-	6.03	-
			INR	33.25	751.60	1,175.26	390.41	-	1,557.17	119.15	-	119.15	-
		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	-
3	Texcare Bahrain WLL	2015-16	BD	-	-	-	-	-	-	-	-	-	-
			INR	-	-	-	-	-	-	-	-	-	-
		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)	-

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)	
		2015-16	2014-15	2015-16	2014-15
1	US Dollar (US\$)	0.0151	0.0184	0.0156	0.0190
2	UAE Dirham (AED)	0.0558	0.0677	0.0571	0.0698
3	Bahrain Dirham (BD)	0.0000	0.0069	0.0000	0.0071

25 CONTINGENT LIABILITIES (not provided for)

	2015-16	2014-15
a Claim against company not acknowledged as Debt	6.84	5.59
b Disputed levies of Income Tax (excluding interest)	14.42	-

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

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

28 Earning per share:	2015-16	2014-15
Net Profit/(Loss) After Tax	211.31	32.05
Number of equity shares outstanding	3,089,900	3,089,900
Basic and diluted earning per share (Par value of Rs.10 each)	6.84	1.04

29 Related Party Disclosure

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

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

b Key Management Personnel & Relatives :

1. Mr. Mahendra K. Khatau, Chairman
2. Mr. Arup Basu, Managing Director
3. Mr. Vikas Agarwal, Chief Financial Officer
4. Ms. Anu Rajput, Company Secretary (Up to 31/07/2015)
5. Ms. Sumruti Anand, Company Secretary (From 01/09/2015)
6. Vikas Agarwal (HUF), HUF firm of Vikas Agarwal, Chief Financial Officer
7. Mr. Abhik Basu, S/o, Mr. Arup Basu, Managing Director
8. Mrs. Leela K. Khatau, Executive (Mother of Mr. Mahendra K. Khatau, Chairman)

c. Nature of Transaction

	2015-16	(Rs. In lakhs) 2014-15
(i) Sales		
Indokem Limited	348.50	405.32
Formost Chemicals Pvt Ltd	5.01	-
Orchard Acres	18.34	28.15
	371.85	433.47
(ii) Purchase		
Orchard Acres	521.72	261.94
(iii) Payment for other services / interest		
Indokem Ltd (Lab. Expenses)	0.12	-
Orchard Acres (Interest)	5.79	3.75
Priyamvada Holdings Limited (Commission)	-	0.60
Mr. Mahendra K. Khatau (Interest)	0.16	0.53
Vikas Agarwal (HUF) (Car Hire Charges)	2.46	2.05
Mr. Abhik Basu (Car Hire Charges)	3.59	3.59
Smt. Leela K. Khatau (Salary & Others)	17.27	2.38
	29.39	12.90
(iv) Outstanding Balances as at 31st March 2016		
a. Receivables		
Indokem Limited	243.96	279.51
Shubhlabh Chemicals Pvt. Ltd.	3.47	3.47
Formost Chemicals Pvt. Ltd.	5.01	-
	252.44	282.98

	2015-16	(Rs. In lakhs) 2014-15
b. Acceptances		
Orchard Acres	175.89	123.55
Khatau Leasing and Finance Co. Pvt. Ltd.	-	0.13
MKK Holdings Private Limited	-	0.06
Vindypriya Holdings Private Limited	-	0.12
Priyamvada Holdings Limited	-	0.27
	175.89	124.13
c. Loan from Related Parties		
Mr. Mahendra K. Khatau (O/s with interest)	-	4.25
d. Advances to Related Parties		
Indokem Limited*	35.48	89.68
*Khatau Capacitors Pvt. Ltd is merged with Ms. Indokem Ltd w.e.f. 24th Sep. 2015		
e. Other payable		
Smt. Leela K. Khatau (Salary)	0.18	0.18
(v) Remuneration :		
a] Mr. Arup Basu, Managing Director		
Salary	19.05	15.17
Contribution to PF	1.47	1.18
Gratuity	0.59	0.47
Perquisites	0.43	0.76
	21.54	17.58
b] Mr. Vikas Agarwal, Chief Financial Officer		
Salary	8.82	6.99
Contribution to PF	0.77	0.64
Gratuity	0.31	0.26
	9.90	7.89
c] Ms. Anu Rajput, Company Secretary		
Salary	0.93	1.32
Contribution to PF	0.06	0.11
Gratuity	-	0.07
	0.99	1.50
d] Ms. Sumruti Anand, Company Secretary		
Salary	1.52	-
Contribution to PF	0.12	-
Gratuity	0.08	-
	1.72	-

In terms of our Report of even date
For **G. P. KAPADIA & CO.**
Chartered Accountants
(Registration no. 104768 w)

Uday R. Parikh
Partner
Membership No.10217
Place : Ahmedabad
Date : May 12, 2016

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
DIN: 00062794

Arup Basu
Managing Director
DIN: 00906760

Vikas Agarwal
Chief Financial Officer

Sumruti Anand
Company Secretary

Place : Mumbai
Date : May 12, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR 2015-2016

(Rs. in lakhs)
2014-15

	2015-16	2014-15
A. Cash flow from operating activities		
Net loss after tax and extra ordinary items	211.31	32.05
Adjustments for:		
Depreciation	25.93	37.52
Transfer to General Reserves	(31.70)	96.43
Interest expenses & finance charges	129.89	145.31
Interest income	(47.52)	(16.18)
Unrealised exchange rate difference	(69.89)	10.27
Depreciation Difference due to change in Life of Assets	-	(6.75)
Profit/ loss on sale of fixed assets(net)	-	266.60
Operating profit/loss before working capital changes	218.02	298.65
Adjustments for:		
Trade and other receivables	(11.62)	(126.79)
Inventories	(41.34)	0.96
Trade and other payables	2.57	26.17
Net cash generated from operating activities	(A) 167.63	198.99
B. Cash flow from investing activities		
Interest received	47.52	16.18
Purchase of fixed assets	(25.24)	(22.15)
Sale of fixed assets	-	10.30
Net cash used in investing activities	(B) 22.28	4.33
C. Cash flow from financing activities		
Proceeds /(Repayment) from borrowings (Net)	(4.85)	(55.89)
Interest & finance charges paid	(129.89)	(145.31)
Margin Money	(4.86)	(2.31)
Net cash used in financing activities	(C) (139.60)	(203.51)
Net increase (Decrease) in cash and cash equivalents (a+b+c)	50.31	(0.19)
Cash and cash equivalents-opening balance	123.43	123.62
Cash and cash equivalents-closing balance	173.74	123.43

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 : May 12, 2016

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
DIN: 00062794

Arup Basu
Managing Director
DIN: 00906760

Vikas Agarwal
Chief Financial Officer

Sumruti Anand
Company Secretary

Place : Mumbai
Date : May 12, 2016

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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 SLIP

Venue of the meeting : **Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016**Date & Time : **30TH September, 2016 at 12.00 Noon****Please fill Attendance Slip and hand it over at the entrance of the Meeting venue:**

Name _____

Address _____

DP Id* _____

Client Id* _____

Folio No. _____

No. of shares held _____

*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 35TH Annual General Meeting of the Company held on 30th September, 2016 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 35th Annual general meeting/ Extraordinary general meeting of the company, to be held on the Friday, 30th September, 2016 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 2015-2016 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 2016 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, 2016, 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, 2016.		
2.	To appoint a Director in place of Mr. Mahendra Khatau (DIN: 00062794), who retires by rotation and being eligible offers himself 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.	Ratification and approval of the Related Party Transactions for the financial year 2015-16.		
5.	Approval for Material Related Party Transactions.		
6.	Authority to keep Register of Members and Copies of Annual Return at a place other than the Registered office of the Company:		

Signed this _____ day of _____ 2016

Signature of shareholder _____

Signature of Proxy holder(s) _____

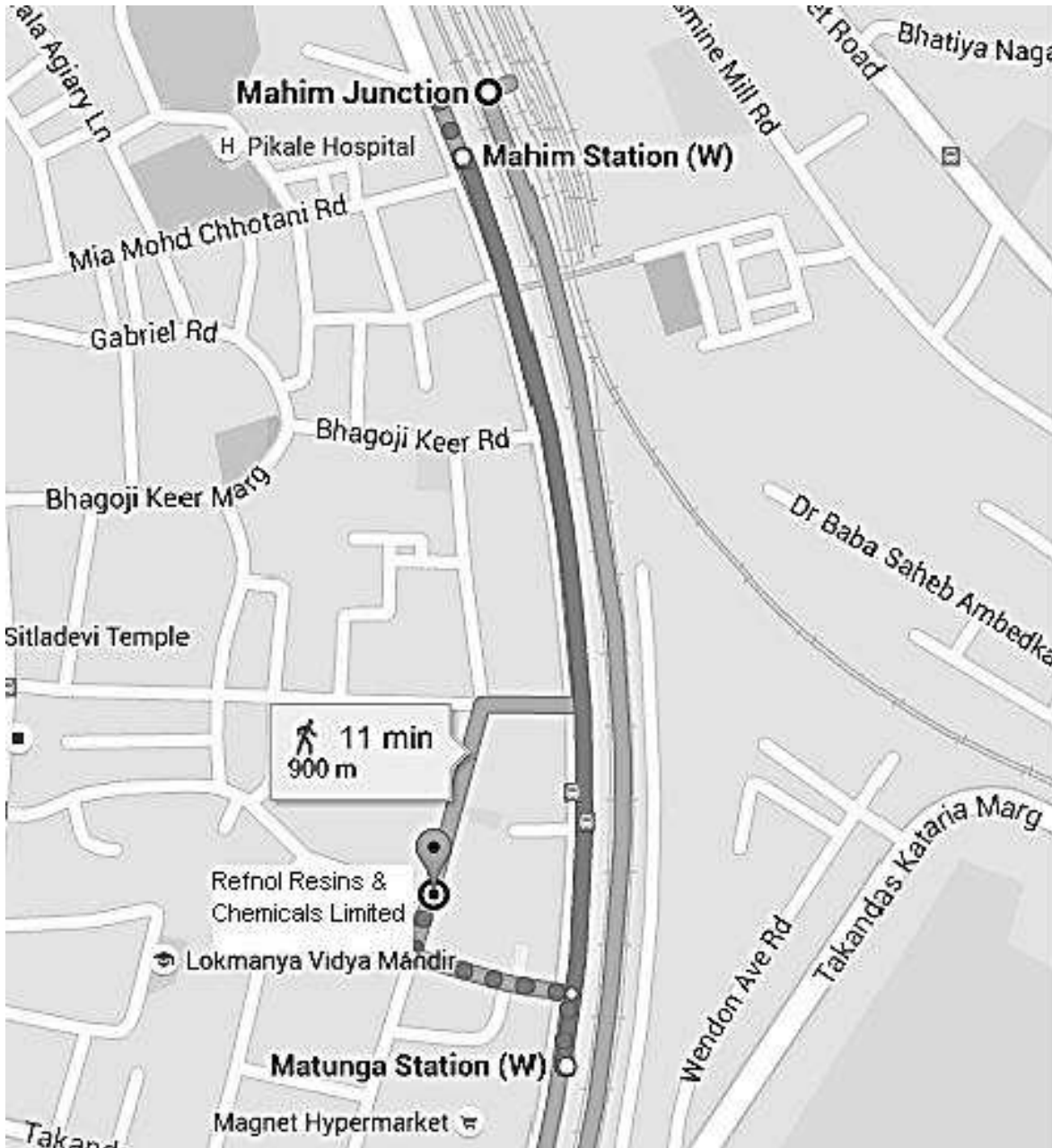
Affix Re. 1/- Revenue Stamp

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 35th Annual General Meeting on September 30, 2016

You are cordially invited to attend the 35th Annual General Meeting of the Company on Friday, September 30, 2016 at 12.00 Noon at 410/411, Khatau House, Mogul Lane, Mahim (west) Mumbai-400016.

ROUTE MAP TO THE VENUE



TO

If undelivered, Please return to :

REFNOL RESINS AND CHEMICALS LIMITED

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

Naroda, Ahmedabad - 382 330, India.