REFNOL

33rd Annual Report

2013-2014

REFNOL RESINS AND CHEMICALS LIMITED

ANNUAL REPORT
2013-2014

Board Of Directors	:	Mr. Mahendra K. Khatau	Chairman
		Mrs. Asha M. Khatau	Director
		Mr. Bhalchandra Sontakke	Director
		Mr. S. Rajagopalan	Director
		Mrs. H. D. Miller	Director
		Mr. Arup Basu	Managing Director
Bankers	:	Indusind Bank Ltd.	
Auditors	:	G. P. Kapadia & Co. Chartered Accountants	
Registered Office	:	Plot No. 410/411, Khatau House, Mogul Lane, Mahim, Mumbai - 400 016.	
Factory & Administrative Office	:	Plot No. 23, Phase - III, G.I.D.C. Naroda, Ahmedabad - 382 330.	
CIN	:	L24200MH1980PLC023507	
Web Site	:	www.refnol.com	
E-mail ID	:	secretarial@refnol.com	
Registrar & Transfer Agent	:	Sharepro Services Private Limited 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri East, Mumbai-400072.	

NOTICE

NOTICE IS HEREBY GIVEN THAT the 33rd Annual General Meeting of the Members of REFNOL RESINS AND CHEMICALS LIMITED will be held on TUESDAY, 30th September 2014 at 12:00 Noon at the its registered office at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt;
   a. The Audited Financial Statements for the year ended on March 31, 2014, including the Balance Sheet, Profit and Loss Statement and Cash Flow Statement as at that date 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, 2014.
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 appoint auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary resolution:

   "RESOLVED THAT pursuant to the provision of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, Messrs G. P. Kapadia & Co., Chartered Accountant, having Firm Registration No. 104768 w, be and is hereby appointed as auditors of the company, to hold office from the conclusion of this Annual General Meeting till the conclusion of Third Annual General Meeting (subject to ratification of the appointment by the Members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

4. **To re-appoint Mr. Arupkumar Basu as Managing Director (DIN: 00906760) of the Company and in this regard to consider and if thought fit, to pass, with or without modification (s) the following resolution as an Special Resolution:**

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

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

   "RESOLVED FURTHER that the remuneration and perquisites including the monetary value thereof as specified in the agreement may be varied, increased, expanded, enhanced, enlarged, widened or altered in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any amendments or re-enactments thereof and that the aforesaid agreement between the Company and Mr. Arupkumar Basu be suitably amended to give effect to the same in such manner as may be agreed to by and between the Board and Mr. Arupkumar Basu."

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

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

5. **To appoint Ms. Hutoxy Dara Miller (DIN: 02667258) as an Independent Director 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 provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualification of Directors) Rules, 2014 as amended from time to time, Ms. Hutoxy Dara Miller (DIN: 02667258), who is an Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act, who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing her candidature of the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 30th September 2014 upto 29th September 2019 and whose term of office shall not be liable to retirement by rotation."

6. **To appoint Mr. Rajagopalan Shesha (DIN: 00289643) as an Independent Director 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 provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualification of Directors) Rules, 2014 as amended from time to time, Mr. Rajagopalan Shesha (DIN: 00289643), who is an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act, who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature of the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 30th September 2014 upto 29th September 2019 and whose term of office shall not be liable to retirement by rotation."

7. **To appoint Mr. Bhalchandra G. Sontakke (DIN: 01225753) as an Independent Director 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 provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualification of Directors) Rules, 2014 as amended from time to time, Mr. Bhalchandra G. Sontakke (DIN: 01225753), who is an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act, who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature of the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 30th September 2014 upto 29th September 2019 and whose term of office shall not be liable to retirement by rotation."

8. **To approve the remuneration of the Cost Auditor for the financial year ending 31st March, 2015 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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the Cost records of the Company for the financial year ending March, 2015, be paid the remuneration as set out in the statement annexed to the notice convening this meeting;

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

9. **To approve borrowing limits and if thought fit, to pass, with or without modification (s), the following resolution as Special Resolution:**

   "RESOLVED THAT in supersession of all the resolutions passed earlier and pursuant to provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money, from time to time, which, together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in ordinary course of business) may exceed, at any time, the aggregate of the paid-up share capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 25.00 Crores (Rupees Twenty Five Crores only)."

   "RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such moneys are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members.

10. **To create charge on the assets of the Company and if thought fit, to pass, with or without modification (s), the following resolution as Special Resolution:**

    RESOLVED THAT in supersession of all the resolutions passed earlier and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or bodies/ trustees for holders of debentures/ bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as 'Lenders'), provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of Rs. 25.00 Crores (Rupees Twenty Five Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/ or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members.

Registered Office:
CIN NO:- L24200MH1980PLC023507
Plot No. 410/411,
Khatau House,
Mogul Lane, Mahim,
MUMBAI- 400 016.
Date: 29th May, 2014
Place: Mumbai

For and on behalf of the Board

Mahendra. K. Khatau
Chairman
(DIN: 00062794)

NOTES:

1. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking re-appointment for Item No. 2, under Code of Corporate Governance and the relevant explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business for item no. 4 to 10 to be transacted at the meeting, are annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of him/her and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
5. The Company has notified closure of Register of Members and Share Transfer Books from 25th September, 2014 to 30th September, 2014 (both days inclusive) for determining the names of members eligible for voting rights at the Meeting.
6. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
7. Members, who hold shares in dematerialization form, are requested to bring their depository account number for identification.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, between 11:00 a.m. and 1:00 p.m. up to the date of Meeting.
10. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form -SH-13 prescribed by the Government can be obtained from the Registrar & Share Transfer Agent or may be downloaded from the website of the Ministry of Corporate Affairs.
11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Sharepro Services Private Limited, for consolidation into a single folio.
12. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
13. Non-Resident Indian Members are requested to inform M/s. Sharepro Services Private Limited, immediately of:
    a) Change in their residential status on return to India for permanent settlement.
    b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s. Sharepro Services Private Limited.

15. To support the "Green Initiative in Corporate Governance" taken by The Ministry of Corporate Affairs by allowing paperless compliances and stating that service of notices / documents including Annual Report can be effected by sending the same through electronic mode to the registered e-mail addresses of the shareholders, notices/documents including the Annual Report are now being sent by electronic mode to the shareholders whose e-mail address have been registered with the Company. Members who would like to receive such notices / documents in electronic mode in lieu of physical copy and who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail addresses:
    - In respect of electronic shareholding – through their respective Depository Participants;
    - In respect of physical shareholding – by sending a request to the Company's Share Transfer Agent, mentioning therein their folio number and e-mail address.
16. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

    The instructions for e-voting are as under:

    i) In case a Member receives an e-mail from CDSL (for Members whose e-mail addresses are registered with the Company/ Depositories):
        a) Open the e-mail and also open PDF file namely "REFNOL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
        b) Open the internet browser and type the following URL:. www.evotingindia.co.in
        c) Click on Shareholder – Login.
        d) If you are already registered with CDSL for e-voting then you can use your existing user ID and password.
        e) If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
        f) The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
        g) Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
        h) Select "EVEN" (E-Voting Event Number) of Refnol Resins and Chemicals Limited which is 140820036.

        Now you are ready for e-voting as Cast Vote page opens.

        a) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
        b) Upon confirmation, the message "Vote cast successfully" will be displayed.
        c) Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.

        Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to refnol.scrutinizer@gmail.com, with a copy marked to evoting@cdsl.co.in.

        In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evotingindia.co.in .

        (i) In case a Member receives physical copy of the Notice of AGM (for whose email addresses are not registered with the Company/Depositories):
            a) Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
            b) Please follow all steps from Sl. No. (a) to Sl. No. (h) above, to cast vote.

        (i) Other Instructions:
            a) The e-voting period commences on 22nd September 2014, Monday (9.00 a.m. IST) and ends on 24th September 2014, Wednesday (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
            b) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on22nd August 2014.
            c) Mr. Sandip Sheth, Practicing Company Secretary (Membership No. FCS 5467), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
            d) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

e) Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Sandip Sheth, Practicing Company Secretary, (Membership No. FCS 5467), at the Registered Office of the Company not later than 24th September, 2014 (6.00 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to secretarial@refnol.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than 24th September, 2014 (6.00 p.m. IST).

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

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

f) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.refnol.com and on the website of CDSL www.evoting.cdsl.com within two days of the passing of the resolutions at the Thirty Third AGM of the Company on 30th September 2014 and communicated to the BSE Limited, where the shares of the Company are listed.

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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

Item No. 2:

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

Mr. Mahendra Khatau, aged 59 years, is possessing graduate degree having experience of 31 years. He has vast experience in the field of production and effective policy formulations for efficient and smooth running of the Company.

Mr. Mahendra Khatau has Directorship in the following Companies;

01] MKK Holdings Pvt.Ltd.

02] Vindhyapriya Holdings Pvt. Ltd

03] Khatau Makanji & Co.Pvt. Ltd

04] Mulraj Khatau & Sons Ltd

05] Indokem Ltd.

06] Priyanilgiri Holdings Pvt.Ltd

07] Khatau Leasing & Finance Co.Pvt.Ltd

08] Indokem Exports Ltd

09] Prism Plantations Pvt.Ltd

10] Khatau Holdings & Trading Co.Pvt.Ltd

11] Prerana Leasing & Finvest Pvt.Ltd

12] Indokem Overseas Ltd

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

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

Item No. 4:

Mr. Arup Basu was re-appointed as Managing Director of the Company on 15th June, 2012 for a period of 3 (Three) years, however the Central Government has accorded their approval for a period of two years and hence his term as Managing Director of the Company has been expired on 14th June, 2014. The Board Members re-appointed Mr. Arup Basu as Managing Director of the Company on 29th May, 2014 for a period of three years w.e.f. 15th June, 2014 on the terms & conditions recommended by the Remuneration Committee. The Remuneration Committee has considered the matter and recommended the terms of the Remuneration to the Board, subject to the approval of members under various Sections of the Act read with Schedule- V of the Companies Act, 2013. He is a B. Tech, Chemical Engineering from IIT, Bombay and has obtained a postgraduate management degree from IIM, Ahmedabad. He is with Company since last 34 years more particularly as Managing Director of the Company since last fifteen years. He has vast experience in management, administration and effective policy formulations for efficient and smooth running of the Company. In view of the manifold increase in Mr. Arup Basu's role and his responsibility, the Board approved the re-appointment of Mr. Arup Basu as Managing Director of the Company for a period of three years w.e.f. 15th June, 2014 as his period of office expired on 14th June, 2014. The details of the remuneration payable to Mr. Arup Basu, as Managing Director as contained in the agreement signed between the Company and Mr. Arup Basu are set out below:

a) **Salary**: Basic Salary of Rs. 1,16,500/- (Rupees One Lac Sixteen Thousand Five Hundred Only) per month with suitable increment on 1st April each year at the discretion of the Board of Directors in the Grade of Rs. 1,16,500/- to Rs. 2,50,000/-. So long as he functions as such, he shall not be paid any sitting fees for attending meeting of the Board of Directors or committees thereof,

b) The Managing Director shall be entitled to the following perquisites and facilities:

i) House Rent Allowance: 50% of the salary per month.

ii) Medical reimbursement: Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year. However, this medical entitlement can be accumulated for a period of five years.

iii) Leave Travel Concession: Leave Travel Concession for self and family once in a year in India/ or abroad incurred by him in accordance with the rules of the company.

iv) Club Fees: Fees of Club subject to a maximum of two clubs. (No admission and life membership fees will be paid)

v) Personal Accident Insurance & Medical Insurance: Personal Accident and Medical Insurance of an amount, the annual premium of which shall not exceed Rs. 25,000/-p.a.

vi) Earned/Privilege Leave: Leave on full pay and allowances as per the rules of the Company.

vii) Company's Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

viii) Gratuity payable should not exceed half month's salary for each completed year of service.

ix) Provision of car with driver and provision of telephones and other necessary communication facilities at his residence at Company's cost.

x) The Company shall reimburse actual entertainment and traveling expenses incurred by the Managing Director in connection with the Company's Business.

xi) Commission not exceeding 1% of the net profit of the Company.

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

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

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

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

I.	GENERAL INFORMATION:	
	(1) Nature of Industry	Manufacturing of Textile Chemicals, Resins & Garment Washing Chemicals.
	(2) Date or expected date of commencement of commercial production.	Existing Company and hence not applicable.
	(3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Existing Company and hence not applicable.
	(4) Financial Performance based on given indicators. (As at 31st March 2014)	Particulars — Rs. in Lacs Turnover (Net Sales) — 1570.88 Operating Loss — (3.47) Net Loss Before Tax — (184.77) Debt Equity Ratio — 0.07: 1 Current Ratio — 0.99:1 Net Worth — 165.88
	(5) Export Performance	The Company has achieved export Turnover FOB value of Rs. 520.03 Lacs for the financial year ended on 31.03.2014
	(6) Foreign Investments or collaborators, if any.	Except the investment made in wholly owned subsidiary based at Mauritius, no other investment has been made by the company.

II.	**INFORMATION ABOUT THE APPOINTEE:**	
	(1) Background Details	Mr. Arup Basu is a B. Tech, Chemical Engineering from IIT, Bombay and has obtained a postgraduate management degree from IIM, Ahmedabad. He is with company since last 34 years more particularly as Managing Director of the Company since last fifteen years.
	(2) Past Remuneration	Remuneration paid for the Financial year 2013-14 was Rs. 15.14 lacs per annum plus perquisites of Rs. 2.36 lacs per annum.
	(3) Recognition or Awards	Mr. Arup Basu is Management Graduate from IIM, Ahmedabad and is technically well versed with education backed by IIT, Mumbai. Both these institutes are famous and recognized worldwide.
	(4) Job Profile and his suitability	Mr. Arup Basu has vast experience in management, administration and effective policy formulations for efficient and smooth running of the company. He has wide knowledge of the industry and markets that the company operates in, and has been instrumental in the turnaround of the company over the last few years.
	(5) Remuneration Proposed	As mentioned in the abstract of remuneration given in the preceding paras.
	(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is commensurate with level skills, experience of the appointee. Mr. Arup Basu has been re-appointed as Managing Director having superintendence and control of the Board of Directors of the Company to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company.
	(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	There is no such pecuniary relation either directly or indirectly with the company, its promoters or any managerial personnel of the company.
III.	**OTHER INFORMATION:**	
	(1) Reasons of loss or inadequate profits.	The Company has not made profit during the recently completed financial year due to higher financial charges, reduction in margins, due to stiff competition resulting into effective capital remains on negative side.
	(2) Steps taken or proposed to be taken for improvement	Efforts taken for cost cutting to improve margins. Search for improved quality and value added products.
	(3) Expected increase in productivity and profits in measurable terms.	Strict steps will be taken to control fixed costs and inventory costs, which will enable Company to improve its turnover and profits in years to come with normative numbers calculated with reference to good returns from the Chemical Industry.
IV.	**DISCLOSURES:**	
	(1) The remuneration package of Mr. Arup Basu has been enumerated above. A copy of the agreement entered with the Managing Director is available for inspection by the members of the Company at the Registered office of the Company between 11.00 a.m. to 1.00 p.m. on any working day except Saturdays and Sundays.	
	(2) The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable has been made in the Annual Report of the Company for the Financial Year 2013-14, wherever applicable.	

The re-appointment of Mr. Arup Basu as Managing Director of the company requires special majority of the members under Section 196, 197, 198 & 203 read with provisions of sub-clause (A) of section II of part II of Schedule V of the Companies Act, 2013, for payment of remuneration. The Company has not made any default in repayment of any of its debts, loans (including public deposits) or debentures or interest payable thereon in terms of the proviso of sub clause (ii) of Clause B of section II of Part II of schedule V of the Companies Act, 2013.

Consequently the said resolution for re-appointment of Mr. Arup Basu as Managing Director for a period of three years on the remuneration as set out in the Agreement, requires approval of Members in General Meeting with special majority. Hence, your directors recommend the resolution for your approval.

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

Except Mr. Arup Basu none of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution and recommend your acceptance thereof in the interest of the Company.

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

Item Nos. 5 to 7:

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Ms. Hutoxy Dara Miller (DIN: 02667258), Mr. Rajagopalan Sesha (DIN: 00289643) & Mr. Bhalchandra Gopinath Sontakke (DIN: 01225753), as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. The Nominations Committee has recommended the appointment of these directors as Independent Directors from 30th September 2014 up to 29th September, 2019.

Ms. Hutoxy Dara Miller (DIN: 02667258), Mr. Rajagopalan Sesha (DIN: 00289643) & Mr. Bhalchandra Gopinath Sontakke (DIN: 01225753), non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management.

A notice has been received along with prescribed fees from members proposing Ms. Hutoxy Dara Miller (DIN: 02667258), Mr. Rajagopalan Sesha (DIN: 00289643) & Mr. Bhalchandra Gopinath Sontakke (DIN: 01225753) as the candidates for the office of Director of the Company.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.

A brief profile of the Independent Directors to be appointed is given below:

Ms. Hutoxy Dara Miller (DIN: 02667258) is an Independent Director of the company and she hold this position in the company since December 2012. Ms. Hutoxy Dara Miller, age 64 yrs., is Arts Graduate- by profession. She has more than 42 years of experience in different industries such as Chemicals etc. She holds directorship in following companies:

1. Shubhlabh Chemicals Private Limited
2. Formost Chemicals Private Limited
3. Chemron Texchem Private Limited

Mr. Rajagopalan Sesha (DIN: 00289643) is an Independent Director of the company and he hold this position in the company since 2005. Mr. Rajagopalan Sesha, aged 75 yrs., is commerce Graduate and CWA. He has more than 42 years of experience in field of finance. He holds directorship in following company:

1. Indokem Limited

Mr. Bhalchandra Gopinath Sontakke (DIN: 01225753) is an Independent Director of the company and he hold this position in the company since 2004. Mr. Bhalchandra Gopinath Sontakke, aged 69 yrs., is Commerce Graduate. He has more than 37 years of experience in different industries such as the fields of Labour Law, Industrial law and by profession he is lawyer and legal advisors to many leading companies.

He holds directorship in following company:

1. Indokem Limited

Ms. Hutoxy Dara Miller (DIN: 02667258), Mr. Rajagopalan Sesha (DIN: 00289643) & Mr. Bhalchandra Gopinath Sontakke (DIN: 01225753) respectively, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment. Resolutions placed at Item Nos. 5 to 7 of the notice are recommended for approval of the Shareholders.

Item No. 8:

The Board of Directors of the Company at their meeting held on 29th May, 2014 has, on recommendation by the Audit Committee, appointed M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Reg. No.: 00025), as the Cost Auditors for the financial year 2014-15 at a remuneration of Rs. 50000/- (Rupees Fifty Thousand Only) plus applicable taxes and out of pocket expenses.

As per Section 148 of Companies Act, 2013 and applicable rules there under, the remuneration payable to the Cost Auditor is to be ratified/ approved by the members of the Company.

The Board considers the remuneration payable to the cost auditor as fair and recommends the resolution contained in item no.8 of the accompanying notice for approval of the members as an Ordinary Resolution.

None of the Directors, Key Managerial Persons (KMPs) or the relatives of Directors or KMPs are interested or concerned in the said resolution.

Item No. 9:

Under the erstwhile Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Under the provisions of Section 180 (1) (c) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company up

The Board recommends the Resolution at Item No.9 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.12 of the Notice.

Item Nos. 10:

Under the erstwhile Section 293 (1) (a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

Under the provisions of Section 180 (1) (a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders/ trustees for the holders of debentures/ bonds may contain the power to take over the management of the Company in certain events, it is necessary to obtain Members' approval under Section 180 (1) (a) of the Companies Act, 2013, by way of a Special Resolution.

The Board commends the Resolution at Item No.10 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.10 of the Notice.

Registered Office:
CIN NO:- L24200MH1980PLC023507
Plot No. 410/411,
Khatau House,
Mogul Lane, Mahim,
MUMBAI- 400 016.
Date: 29th May, 2014
Place: Mumbai

For and on behalf of the Board

Mahendra. K. Khatau
Chairman
(DIN: 00062794)

DIRECTORS' REPORT

To,
The Members,
Refnol Resins and Chemicals Limited
Mumbai

The Directors present their 33rd Annual Report together with the Audited Statement of Accounts of Company for the year ended 31st March, 2014.

1) FINANCIAL RESULTS:

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

(Rs. in lacs)

Particulars	2013-14	2012-13
Profit/(Loss) before Financial Costs and Depreciation	(3.47)	39.66
Less:- Interest & Financial Charges	109.71	124.82
Less:- Depreciation	15.86	15.27
loss before tax	(129.04)	(100.43)
Tax Expenses	-	-
Short Provision of Tax in respect of earlier years	-	-
Exceptional item -charge	55.73	-
Loss After Tax	(184.77)	(100.43)
Loss available for Appropriation	(184.77)	(100.43)

2) OPERATIONS:

During the year, your company achieved turnover of Rs. 1570.88 Lacs which shows a decrease around 17.29% compared to previous year of Rs. 1899.35 Lacs. Due to economic slowdown and poor market condition and stiff competition your Company's year to year sales and margins went downward in the financial year 2013-14. Exports including deemed exports decreased by 27.00% from Rs. 713.13 Lacs to Rs. 520.03 Lacs. Further other Income for the year ended on 31st March, 2014 has decreased from Rs. 10.91 Lacs to Rs. 5.67 Lacs.

Your company was not able to earn a profit this year because of sharp increase in the price of raw materials leading to lower margins as well as lower sales.

3) MARKETING AND EXPORTS:

The textile and garment industry both in India and worldwide are in the grip of a sharp down turn in demand. To counter this, strenuous efforts have been made by the company to widen its customer base and strengthen its presence in new markets at home and abroad.

Despite the critical situation in the international market and economic slowdown, your company with its great efforts, was able to achieve exports of Rs. 520.03 Lacs.

The company will continue its efforts to increase sales in both export and domestic markets this year and is making every effort to increase business in high value added products in the various business areas.

The company and its diverse range of products enjoys the loyalty of a large number of customers both in India and overseas and is confident of being able to increase business and profitability during the current year.

4) DIVIDEND:

In view of the accumulated losses, your Directors have not recommended any dividend for the year under review.

5) DEPOSITS:

Your Company has not accepted any public deposit within the meaning of the provisions of Section 58A of the Companies Act, 1956.

6) DIRECTORS:

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.

Mr. Mahendra Kishore Khatau (DIN: 00062794), Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Ms. Hutoxy Dara Miller (DIN: 02667258), Mr. Rajagopalan Sesha (DIN: 00289643) & Mr. Bhalchandra Gopinath Sontakke (DIN: 01225753), as Independent Directors of the Company.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 01, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Director. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

Your directors recommend the re-appointment of these directors.

7) INSURANCE:

All the insurable assets of the company including Plant & machinery, Buildings and Inventories are adequately insured.

8) SUBSIDIARY COMPANY:

Pursuant to Accounting Standard AS 21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of its subsidiary/ies. Further, the Company has decided to take benefit of MCA's circular no. 51/12/2007-CL-III dated 8th February 2011 for exemption in respect of mandatory attachment of balance sheet of subsidiary company U/s 212 of the Companies Act, 1956. The Annual Accounts of the Subsidiary company are available for inspection by any member at the registered office during business hours. The Company will send copies thereof to the shareholders who may, if required, write to the company.

9) MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

Market Structure, Development and Opportunity

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.

The domestic market for textile and garment chemicals has been sluggish in the recent past but growth is expected to revive in the coming months improving the prospects for your company.

Demand and growth in the laundry chemicals business has been steady and your company is making efforts to increase its market share.

Resins and polymers business for composites and coating is dependent on growth of the overall economy and expected to revive after last 2-3 years of sluggish growth. In the international market demand has been revived in the current calendar year and your company expects significant growth of its export business in the future.

Performance and Outlook

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

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

Eco friendly products were introduced and appreciated as a growth requirement for the future.

Export marketing efforts emphasized diversification and opening up of new territories. A beginning was made in South America with sales to Colombia and in Africa where markets in Ethiopia and Egypt and Mauritius are being development.

Risk and Concerns

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.

International Controls Systems and Their Adequacy

The Company has appropriate internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations.

Human Resource Management

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.

10) CORPORATE GOVERNANCE:

Your company has taken adequate measures to ensure that the provision of corporate Governance as prescribed under clause 49 of the listing agreement with stock exchanges are complied with. A detailed report as per **Appendix-I** on corporate governance, along with auditors' certificate on its Compliance by the Company, forms part of this report.

11) DIRECTORS' RESPONSIBILITY STATEMENT:

It is hereby confirmed:

1. That in the preparation of the Accounts for the financial year ended 31st March, 2014; the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or loss of the Company for the year under review.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the annual accounts on a going concern basis.

12) EMPLOYEES:

Relations between the employees and the management continued to be cordial during the period under review. The Directors hereby place on record their appreciation for the efficient services rendered by the company's employees at all levels.

The Company has not paid any remuneration attracting the provisions of Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act, 1956. Hence, no information is required to be appended to this report in this regard.

13) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Statement giving Particulars with respect to conservation of energy, technology absorption, foreign exchange earnings and out-go, in terms of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars) Rules, 1988 is given in **Appendix 'II'** forming part of this Report.

14) LISTING:

Your company's shares are listed with The 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.

15) AUDITORS AND AUDITORS' REPORT:

The present Auditors of the Company M/s. G. P. Kapadia & Co., Chartered Accountants (Firm No. 104768 w), retires at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint M/S. G. P. Kapadia & Co., Chartered Accountants, as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of Thirty Sixth AGM to be held in the year 2017, subject to ratification of his appointment at every subsequent AGM. The Company has received confirmation that his appointment will be within the limits prescribed under section 141 of the Companies Act, 2013. The Audit Committee of the Board has recommended his re-appointment. The necessary resolution is being placed before the shareholders for approval.

The Auditors Report and the notes to the Accounts being self-explanatory, no further explanation is required.

16) COST AUDIT REPORT:

The Government has stipulated Cost Audit of the Company's records in respect of chemical industries. M/s Kiran J. Mehta & Co., Cost Accountants have carried out this audit. Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules. 2014, the board has appointed said cost auditor for F.Y. 2014-15.

17) COMPLIANCE REPORT:

In accordance with Section 383A of the Companies Act, 1956, the Company has obtained a Certificate from Company Secretary in the whole time practice confirming that the Company has complied with the provisions of the Companies Act, 1956 or Companies Act, 2013, wherever applicable as mentioned in the Certificate, and a copy of such certificate is annexed to this report.

18) 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 : 29th May, 2014

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these Codes are available on the Company's web site.

I confirm that the Company has in respect of the financial year ended on 31st March, 2014, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Managing Director, Senior General Manager and employees in the Executive cadre as on 31st March, 2014.

For and on behalf of the Board,

Mahendra. K. Khatau
(Chairman)
(DIN: 00062794)

Place : Mumbai
Date : 29th May, 2014

CIN No.:- L24200MH1980PLC023507 Nominal Capital:-Rs. 4,00,00,000/-

COMPLIANCE CERTIFICATE

To,
The Members,
M/s. REFNOL RESINS AND CHEMICALS LIMITED
410-411, Khatau House,
Mogul Lane, Mahim (W),
Mumbai-400016

I have examined the registers, records, books and papers of **M/s. Refnol Resins and Chemicals Limited** as required to be maintained under the **Companies Act 1956,** (the Act) and the rules made there under, and applicable provisions of Companies Act 2013 i.e. 98 Sections notified with effect from 12th September, 2013 (to the extent applicable) and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March 2014.** In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and representatives,

I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been generally recorded.

2. The Company has filed online e-forms and returns as stated in **Annexure 'B'** to this certificate, with the Ministry of Corporate Affairs Portal (Registrar of Companies, Maharashtra) and Central Government with the proper filling fees as per schedule- X read with section 611 of the Act during the year under review. However, no form or return was filed with Regional Director, Company Law Board or other authorities during the financial year under review.

3. The Company being a public limited Company having paid-up capital of Rs. 3,08,99,000/-during the year under review.

4. The Board of Directors met Five (5) times respectively on 29th May 2013, 30th May 2013, 14th August 2013, 31st October 2013 and 14th February 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Books maintained for the purpose.

5. The Company has closed its register of members from 25th September 2014 to 30th September 2014 (both days inclusive) and necessary compliance of Section 154 of the Act has been made during the financial year under review.

6. The annual general meeting for the financial year ended on 31st March 2013 was held on 30th September 2013 after giving notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.

7. No extra-ordinary general meeting was held during the financial year.

8. As per the information and explanation furnished to us by the management and as per the auditors report notes on related party, the Company has not advanced any loans to the persons referred to in Section 295 of the Companies Act 1956 and Section 185 of the Companies Act, 2013 during the year under review. Though, the advances given in the past have continued to remain outstanding during the year under review.

9. As, confirmed by the management, the Company has entered in to the transactions which attracts the provisions of Section 297 of the Act during the year under review.

10. The Company has made necessary entries in the register maintained under Section 301 of the Act during the year under review.

11. The Company has not passed any resolution under Section 314 of the Act during the year under review, though the salary to one of the relatives of director has been continuously paid since long.

12. The Company has not issued any duplicate certificates during the financial year.

13. The Company has:

    (a) delivered all the certificates on lodgment thereof for transfer of securities in accordance with the provisions of the Act. However the Company has not made any allotment during the year under review.

    (b) not declared any dividend during the financial year.

    (c) was not required to post warrants to any members of the Company as no dividend was declared during the financial year.

(d) no amount lying in the Books of Account in respect of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon.

(e) complied with the provisions of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Director, alternate Director and Director to fill Casual vacancy during the year under review. However, appointment of one of the director who was appointed as an additional director has been regularized at Annual General Meeting held on 30.09.2013.

15. The Company has not made any appointment and/or reappointment any Managing Director and/or whole time director and/or Manager during the financial year under review.

16. The Company has not appointed any sole selling agents during the financial year.

17. The Company has not obtained any approval from the Central Government, Regional Director, Company Law board, Registrar of Companies and/or such authorities prescribed under the various provisions of the act during the year under review.

18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.

19. The Company has not issued any shares, debentures or other securities during the financial year.

20. The Company has not bought back any shares during the financial year ended on 31st March 2014.

21. There being no preference shares or debentures hence question of redemption does not arise.

22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

23. The Company has not accepted any deposits falling within the purview of Section 58A during the financial year under review.

24. The amount borrowed by the Company from directors, member, public, financial institutions, banks and other during the financial year ending 31st March 2014 is / are within the borrowing limits of the Company.

25. The Company has not made any investment in Bodies Corporate during the year under review. However the Company has made necessary entries in the register kept for the purpose for investments already made by the Company.

26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under scrutiny.

27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under scrutiny.

28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under scrutiny.

29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year under scrutiny.

30. The Company has not altered its Articles of Association during the year under review.

31. As confirmed by the management, there were no prosecutions initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.

32. As confirmed by the management, the Company has not received any money as security from its employees during the financial year.

33. As confirmed by the management, the Company has not been generally regular in depositing both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For, **Sandip Sheth & Associates**
Company Secretaries

(Sandip Sheth)
Proprietor
C.P. No. 4354

Place : Ahmedabad
Date : 29th May 2014

ANNEXURE-'A'

Statutory & Other Registers maintained by the Company/RTA:

1.	Register of Members	u/s. 150(1)
2.	Minutes of the General Meetings	u/s. 193(1)
3.	Minutes of the Board Meetings	u/s. 193(1)
4.	Register of Contracts	u/s. 301(1)
5.	Register of Directors, Managing Directors etc.	u/s. 303(1)
6.	Register of Director's Shareholdings	u/s. 307(1)
7.	Register of Investments	u/s. 372A
8.	Register of Transfers	u/s. 108

ANNEXURE-'B'

E-forms and returns filed by the Company with Ministry of Corporate Affairs Portal on-line during the financial year ended 31st March 2014.

Sr. No.	Form No.	Filed U/S	Details of Forms	Period of Filing As per Law	Date of Actual filing	Remarks
1	Schedule-V (e-form 20B)	159	Annual Return made upto 30.09.13	Within 60 days from AGM Date	28.11.13	Filed vide SRN No. Q25696329.
2	Schedule-VI form 23AC & 23ACA XBRL	220	Annual Accounts as at 31.03.13	Within 30 Days From AGM date	29.10.13	Filed vide SRN (e-No. Q19973874.
3	Compliance Certificate E-form-66	383A(1)	To be attached with Board report	From AGM date Within 30 Days	25.10.13	Filed vide SRN No. Q16748519.
4	Form No.23	192	Board Reso. Accepting ariation of terms of appointment of MD.	Within 30 days from the date of passing resolution	02.07.13	Late Filed vide SRN No. B78470176
5	E-Form 32	303(2)	To Change Designation of Mrs. H D Miller as Director.	Within 30 days of the date of appointment	24.10.13	Filed vide SRN No. B87619128
6	E-Form 23C	233B(2)	Application to the Central Government for appointment of cost auditor	Within 90 days from the date of appointment	17.06.13	Filed vide SRN No. S21280144

Signature for Annexure 'A' and Annexure 'B'

For, **Sandip Sheth & Associates**
Company Secretaries

(Sandip Sheth)
Proprietor
C.P. No. 4354

Place : Ahmedabad
Date : 29th May 2014

APPENDIX - I

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

1. Company's Philosophy on Corporate Governance:

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

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:

A. Composition & size of the Board

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.

The details of the Directors on the Board of your Company are given bellow:

a. PROMOTER DIRECTORS

Name	Date of Appointment	Designation
Mr. Mahendra Khatau	01/07/1994	Non Executive Director & Chairman
Mrs. Asha M. Khatau	30/12/1993	Non Executive Director

EXECUTIVE DIRECTOR

Name	Date of Appointment	Designation
Mr. Arup Basu	15/06/1999	Managing Director

INDEPENDENT DIRECTOR

Name	Date of Appointment	Designation
Mr. Bhalchandra Sontakke	01/10/2004	Non Executive Director
Mr. S. Rajagopalan	20/05/2005	Non Executive Director
Ms. H D Miller	10/12/2012	Non Executive Director

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

Five Board Meetings were held during the year 2013-14 the dates on which the said meetings were held are as follows:

1) 29th May, 2013 2) 30th May, 2013

3) 14th August, 2013 4) 31st October, 2013

5) 14th February, 2014

Attendance of each Director at Board Meeting and the last Annual General Meeting (AGM) and the number of Companies and Committees where he/she is Director/Member are as under:

Name of Director	No. of Board Meeting Attended	Attendance at the last AGM	No. of Directorship in other Companies (Excluding Pvt. Ltd. Companies)	No. of specified Committees (Other than RRCL) in which Chairman / Member	
				Chairman	Member
Mr. Mahendra K. Khatau	3	Yes	4	1	2
Mrs. Asha M. Khatau	3	No	3	-	-
Mr. Arup Basu	5	Yes	-	-	-
Mr. Bhalchandra Sontakke	5	Yes	1	1	2
Mr. S. Rajagopalan	5	No	1	-	2
Mrs. H. D. Miller	3	Yes	-	-	-

- The committees mentioned above include only Audit Committee and Share holders Investors' Grievance Committee, Shareholders Transfer committee.
- None of the Directors of the Company was a member of more than ten Committees of Boards as stipulated under Clause 49 of the Listing Agreement nor was a Chairman of more than five such committees across all companies in which he was a director.

C. Information about Directors seeking appointment and re-appointment:

1. Mr. Mahendra Khatau

Mr. Mahendra Khatau, director of the company is seeking re-appointment at the ensuing Annual General Meeting.

Mr. Mahendra Khatau, aged 59 years, is possessing graduate degree having experience of 31 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. Mahendra Khatau has Directorship in the following Companies;

01] MKK Holdings Pvt.Ltd.

02] Vindhyapriya Holdings Pvt.Ltd

03] Khatau Makanji & Co.Pvt.Ltd

04] Mulraj Khatau & Sons Ltd

05] Indokem Ltd.

06] Priyanilgiri Holdings Pvt.Ltd

07] Khatau Leasing & Finance Co.Pvt.Ltd

08] Indokem Exports Ltd

09] Prism Plantations Pvt.Ltd

10] Khatau Holdings & Trading Co.Pvt.Ltd

11] Prerana Leasing & Finvest Pvt.Ltd

12] Indokem Overseas Ltd

D. Information placed before the Board of Directors:

All major decisions regarding resource mobilization, capital expenditure, etc. are considered by the Board, in addition to day-to-day matters, which are statutorily required to be placed before the Board of Directors for its approval. Following information is regularly put up before the Board for its consideration and approval:

- Review of operational results
- Quarterly financial results
- Minutes of the meeting of Audit Committee and Shareholder's/Investors' Grievance Committee of the Board.
- Compliance with various statutory requirements.

The Board is informed of all material, financial and commercial decision from time to time.

3. Audit Committee:

The Audit Committee of the Company comprises of following three Non-Executive Directors and all of them are Independent Director:

1. Mr. S. Rajagopalan — Chairman/NED and Independent
2. Mr. Bhalchandra Sontakke — Member/NED and Independent
3. Mrs. H D Miller — Member/NED and Independent

Meeting and the attendance during the year

Four meetings of the Audit Committee were held during the year, which were attended by Members present on the Board as per the table given herein below.

The power and role of the Audit Committee are as per Guidelines set out in Clause 49 of the Listing Agreement with the Stock Exchange.

The Terms of the reference of the Audit Committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines. The Audit Committee met prior to the finalization of Accounts for the year ended 31st March 2014.

The details of attendance of the members at these Audit Committee Meetings are as follows:

Name of the Members	Attendance of the Audit Committee held on;			
	30.05.13	14.08.13	31.10.13	14.02.14
Mr. S. Rajagopalan	Yes	Yes	Yes	Yes
Mr. Bhalchandra Sontakke	Yes	Yes	Yes	Yes
Mrs. H. D. Miller	No	Yes	Yes	Yes

The Chairman of the Audit Committee was not present at 32nd Annual General Meeting of the Company held on 30th September 2013.

4. Remuneration Committee:

i) The Company constituted remuneration Committee of Directors on 27th June 2005. However, no remuneration committee meeting was held during the financial year.

ii) The Company does not have any ESOP Scheme.

iii) Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the company endeavors to attract, retain, develop and motivate a high performance workforce. The company pays remuneration by way of salary, benefits, perquisites and allowances to its Managing Director. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and Central Government.

The Company pays Sitting Fees of Rs. 750 per meeting to its Non-Executive Directors (NEDs) for attending the meeting of the Board. However, the Company does not pay any sitting fees to the members for attending any other committee meetings.

The details of the remuneration paid to the directors for the year 2013-2014 are as follows:

(Rs. in lacs.)

Directors	Salary	Perquisites	Fixed Commission	Sitting Fees	Total
Mr. Mahendra K. Khatau	—-	—-	—-	0.022	0.022
Mrs. Asha M. Khatau	—-	—-	—-	0.022	0.022
Mr. Bhalchandra Sontakke	—-	—-	—-	0.037	0.037
Mr. S. Rajagopalan	—-	—-	—-	0.037	0.037
Mr. Arup Basu	15.14	2.36	—-	—-	17.50
Mrs. H. D. Miller	—-	—-	—-	0.022	0.022

Company has not issued any convertible instrument. However, the details of the Shares held by Non-Executive Directors as at 31st March 2014 are as follows:

Sr. No.	Name of Non-Executive Director	No. of Shares Held
1	Mr. Mahendra K. Khatau	300
2	Mrs. Asha M. Khatau	Nil
3	Mr. Bhalchandra Sontakke	Nil
4	Mr. S. Rajagopalan	Nil
5	Mrs. H. D. Miller	Nil

5. Shareholders/Investors' Grievance Committee:

RRCL constituted a Shareholders/Investors' Grievance Committee to ensure timely services to the Member/Investors and to supervise the performance of the Registrar and Share Transfer Agent and to provide the best services to the Investors. It is also empowered to approve transfer, transmission and transposition of shares, issue duplicate share certificates, etc. from time to time.

The Committee consists of following three Non-Executive Directors, as under;

1. Mrs. Asha M. Khatau Chairperson/NED
2. Mr. Mahendra K. Khatau Member/NED
3. Mrs. H D Miller Member/NED

Smt. Asha M. Khatau, who is a non-executive director, is a Chairperson of the Committee and Mr. Arup Basu, Managing Director of the Company is designated as Compliance Officer appointed by the Board.

The number of shareholder's complaints received through Stock Exchange or SEBI during the year 2013-14 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 31.03.2014
SEBI	None	None	None
Shareholders	None	None	None

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

6. General Body Meetings:

Details of the location and time of last three Annual General Meetings (AGM), and the details of the resolutions passed are as under.

AGM for the F.Y. ended on	Date and Time of AGM	Location	Particulars of Special resolution passed, if any
2012-13	30th Sept 13 at 12.00 Noon	Khatau House, 410/411, Mogul Lane, Mahim (W), MUMBAI-400 016	NONE
2011-12	6th Sept 12 at 12.00 Noon	Khatau House, 410/411, Mogul Lane, Mahim (W), MUMBAI-400 016.	Special Resolution for approval of remuneration of Shri Arup Basu.
2010-11	29th Sept'11 at 12.00 Noon	Khatau House, 410/411, Mogul Lane, Mahim (W), MUMBAI-400 016.	Special Resolution for adoption of new set of Articles of Association.

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. No item requiring for postal ballot under the statute was applicable at the aforesaid meetings. At the forthcoming AGM, there is no item on the agenda that needs approval by postal ballot.

7. Disclosure:

There were no transactions of material nature between the Company and its Directors or Management and their relatives or Promoters that may have potential conflict with the interest of the Company. Transactions with the related parties are disclosed in Note No. 30 of the Accounts in the Annual Report.

i) The Company continuously endeavors to ensure its employees about their right of access are communicated through means of internal circulars. Your Company has always followed fair business and corporate practices. The Company affirms that no personnel have been denied access to the audit committee.

ii) As a non-mandatory requirements your Company has adopted the following clauses;

a) The Company has set up Remuneration Committee to determine remuneration package of executive director.

8. Means of Communication with shareholders:

(i) Quarterly Results : Quarterly results were taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirements of clause 41 of the Listing Agreement. Quarterly results are normally published in English and Marathi newspapers.

(ii) Website : www.refnol.com

(iii) Whether it also displays official News releases; : Press release, if any made by the Company are also displayed from time to time.

(iv) The presentations made to institutional investors or to the analysts : No such presentation has been made during the year.

(v) Whether MD&A is Part of Annual Report : Yes

9. General Shareholders Information :

(i) Annual General Meeting :
Date : 30th September 2014
Time : 12:00 Noon.
Venue : 410/411, Khatau House, Mogul Lane, Mahim (west), Mumbai-400 016.

(ii) Financial Calendar : Quarterly results of the Company have been announced within stipulated time period for the respective quarter.

Whenever, the audited results are published for the fourth Quarter, they are announced within 60 days of the quarter as prescribed.

(iii) Book Closure dates : 25th September 2014 to 30th September 2014 (Both days inclusive)

(iv) Dividend Payment Date : The Company has not declared any dividend during last three years.

(v) Listing on Stock Exchanges : Your Company's share is listed with The Bombay Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-1. The Company is regular in payment of Annual Listing fees of The Stock Exchange, Mumbai for the respective financial year.

(vi) Stock Code : BSE - 530815

(vii) Market Price Data : As Below

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

Period	BSE		No. of
	High (Rs.)	Low (Rs.)	Shares Traded
Apr' 13	7.12	6.50	5745
May' 13	8.97	6.74	1354
Jun' 13	8.78	6.44	192
July' 13	9.40	8.53	151
Aug' 13	10.33	9.82	512
Sept' 13	11.25	9.79	2005
Oct' 13	11.80	10.66	6
Nov' 13	12.00	10.08	505
Dec' 13	12.55	12.55	1
Jan' 14	14.65	11.95	1509
Feb' 14	18.90	15.35	6
Mar' 14	19.75	17.90	16

(viii) Registrar & Transfer Agents Address : Sharepro Services Private Limited
Office No. 416 to 420, Devnandan Mall, Opp. Sanyas Ashram, Ashram Road, Ellisbridge, Ahmedabad-380006.
(+91) (079) 26582381/85

(ix) Share Transfer System : The Company has hired the services of SEBI registered Registrar and Transfer Agent, Sharepro Services (India) Pvt. Ltd. for physical transfer as well as electronic connectivity.

(x) Distribution of Shareholding :

a. Distribution of Shareholding as on 31st March 2014

Share Holding of Nominal value			Share Holders		Share Amount	
Rs. (1)			Number (2)	% of Total (3)	In Rs. (4)	% of Total (5)
001	To	500	826	66.88	1976660	6.40
501	To	1000	212	17.17	1819220	5.89
1001	To	2000	82	6.64	1306410	4.23
2001	To	3000	35	2.83	891780	2.89
3001	To	4000	15	1.21	552280	1.78
4001	To	5000	14	1.13	643460	2.08
50001	To	10000	28	2.26	1992710	6.45
10001	And	20000	11	0.89	1826830	5.91
Above 20000			12	0.99	19889650	64.37
TOTAL			1235	100.00	30899000	100.00

(Note: - These shares does not includes 4,33,600 forfeited shares.)

b. Shareholding pattern as on 31st March 2014.

Sr. No.	Category	No. of Shares Held	% of Total Shares
1	Promoters	16,25,000	52.59
2	Mutual Funds/UTI	0	0
3	Private Corporate Bodies	276291	8.94
4	Public	1097309	35.52
5	NRIs/OCBs	91300	2.95
6	Any Other	0	0.000
	TOTAL	**3089900**	**100.00**

(Note: - These shares does not includes 4,33,600 forfeited shares.)

(xi) Dematerialization of Shares and Liquidity:

Number of shares held in dematerialized and physical mode as on 31st March 2014

Particulars	No. of Equity Shares	% to Share Capital
NSDL	2256012	69.34
CDSL	569868	17.53
Physical	264020	8.13
TOTAL	**3089900**	**100.00**

(Note:- These shares does not includes 4,33,600 forfeited shares.)

(xii) Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on Equity : The Company has not issued any of these instruments.

(xiii) Plant Locations : Plot No. 23, Phase-III, G.I.D.C, Naroda, Ahmedabad-382 330.

(xiv) Address for Correspondence :

1. Share Transfer in Physical Form and other communication in that regard including share certificates, dividend and change of address etc., may be addressed to our Registrar & Share Transfer Agents at the address mentioned above.
2. Shareholders may also contact the Compliance Officer, Refnol Resins And Chemicals Limited, Plot No. 23, Phase-III, G.I.D.C Naroda, Ahmedabad-382 330 for any assistance.
3. Shareholders holding shares in electronic mode should address all their correspondence to their respective depository participants.

Auditors' Certificate on Corporate Governance

To,
The Members,
Refnol Resins & Chemicals Ltd.

We have examined the compliance of conditions of Corporate Governance by Refnol Resins and Chemicals Limited for the year ended March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

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

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

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

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

Uday R. Parikh
Partner
Membership No. : 10217

Place : Ahmedabad
Date : May 29th, 2014

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, 2014

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 : 2013-14

I Power and Fuel Consumption

	Units	**Current Year**	Previous Year
1 Electricity			
(a) Purchase from Electricity Board	Kwh	**304118**	436500
Total amount	Rs. in lacs	**20.62**	26.79
Average Cost/Unit	Rs / Kwh	**6.78**	6.14
(b) Own Generation	Kwh	**5461**	7800
Total Amount	Rs. in lacs	**0.95**	0.90
Average Cost/Unit	Rs / Kwh	**17.39**	11.59
2 Others (LSHS / LDO)			
Quantity	Ltrs	**75075**	106010
Total Cost	Rs. in lacs	**39.45**	53.80
Average Rate	Rs / Ltrs	**52.55**	50.75

II Consumption per unit of Production

Products	Quantity	Item	Unit/Qty	**Current Year**	Previous Year
Chemicals	2802713.92 kgs	Electricity	0.11 Kwh/Kg.	**0.74 Rs./Kg.**	0.80 Rs./Kg.
		Furnace Oil / LDO	0.03 Ltrs/Kg.	**1.41 Rs./Kg.**	1.26 Rs./Kg.

B. TECHNOLOGY ABSORPTION

FORM B
Disclosure of Particulars with respect to Technology Absorption : 2013-14

(I) Research and Development :

1. Specific area in which R & D is carried out by the company :

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

(i) Substitution of imported raw materials and across the spectrum of available raw materials to optimise cost and improve product properties.

(ii) Improving performance of existing products and modifying to meet customers requirements.

(iii) Development of new products to meet specific applications.

(iv) Improvement in process technology.

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

(i) Company has commercialised a number of new grades of resins as well as garment chemicals and textile chemicals for specific application in export and domestic markets.

(ii) Improvement in product quality and consistency .

(iii) Product and packaging made suitable for export markets.

3. Future Plan of action :

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

4. Expenditure on R & D

(i) Capital : Nil

(ii) Recurring : Rs. 2.75 Lacs

(II) Technology, Absorption, Adoption and Innovation :

1 Efforts, in brief made towards technology absorption, adoption and innovation

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

2 Benefit derived as a result of the above efforts

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

C. FOREIGN EXCHANGE USED & EARNED

(a) Activities relating to exports, initiatives to increase exports, development of new Export market for products and service and export plans.	:	As mentioned in the Directors' Report
(b) Total foreign exchange used & earned		**(Rupees in lacs)**
(i) Foreign exchange earned		
- FOB Value of Exports (including deemed exports)	:	Rs. 515.75
(ii) CIF value of imports	:	Rs. 57.42
(iii) Expenditure in foreign exchange		
- Travelling	:	Rs. 0.84
- Professional fees	:	Rs. 1.11
- Commission	:	Rs. 1.24

INDEPENDENT AUDITORS' REPORT

To the Members of Refnol Resins and Chemicals Limited

Report on the Financial Statements

1] We have audited the accompanying financial statements of Refnol Resins and Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2] The Management of the company is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies act 1956 of India ("the act") read with the general circular 15/2013 date September 13,2013 of the Ministry of Corporate Affairs, Government of India in respect of section 133 of the companies act.2013 and accounting standard 30,financial instruments: Recognition and measurement issued by the Institute of Chartered Accounts of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3] Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India . Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4] An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the auditors, 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 control relevant to the Company's preparation and fair presentation of the financial statements by the company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6] In our opinion and to the best of our information and according to the explanations given to us, the accompanying 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:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

(ii) in the case of Statement of Profit & Loss, of the 'Loss' of the Company for the year ended on that date and

(iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7] As required by the 'Companies (Auditor's Report) Order, 2003' ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, (hereinafter referred to as "the order"), and on the basis of such checks of the books in records of the Company as we considered appropriate and according to the information and explanations given to us , we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8] As required by section 227 (3) of the Act, we report that:

a. we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13,2013 of the Ministry of Corporate Affairs, Government of India in respect of the section 133 of the Companies Act, 2013;

e. on the basis of written representations received from the Directors as on March 31,2014,and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f. In spite of company's net worth being negative, Accounts have been prepared on going concern basis (Note No. 27).

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

Uday R. Parikh
Partner
Membership No.10217

Place : Ahmedabad
Date : May 29th, 2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7 of the Independent Auditor's Report of even date to the Members of Refnol Resins and Chemicals Ltd on the Financial Statements as of and for the year ended March 31,2014)

1. In respect of its fixed assets:

   a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

   b. The fixed assets are physically verified by the Management according to phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Pursuant to the programme, a portion of fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

   c. In our opinion, and according to the information and explanation given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

2. In respect of its inventories:

   a. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.

   b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   c. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. a. The company has not granted any secured or unsecured loans to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

   b. The company has taken unsecured loan from a director, Mr. Mahendra K. Khatau of Rs. 40.00 Lacs during 2012-13, out of which Rs.35.05 Lacs was paid during the year, leaving balance of Rs. 4.95 Lacs on 31st March, 2014.

   c. In our opinion, the rate of interest and other terms and conditions of this loan are not prima facie prejudicial to the interest of the company.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

5. a. According to the information and explanations given to us, we are of the opinion that during the year, the particulars of the contracts / arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the Register required to be maintained under that section.

   b. According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. According to information and explanations given to us, the company has not accepted any deposits from pubic. Therefore, provisions of clause (iv) of paragraph 4 of the order are not applicable to the company.

7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.

8. The Central Government has prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 in respect of all manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

9. In respect of statutory dues:

   a) According to the information and explanations give to us and the records of the company examined by us, in our opinion, the company is not regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Material statutory dues as applicable with the appropriate authorities. Penalty of late E-filing of TDS which remain unpaid exceeding six months as on 31st March 2014 is Rs. 2.31 Lacs.

b) The disputed statutory dues, that have not been deposited on accounts of matter pending before appropriate authorities is as under:

Name of the Statute	Nature of the Dues	Period to which amount relates	Forum where is pending Dispute	Amount (Rs. In lacs)
Service Tax Act, 1993	Service Tax	August 2011	Audit Commissioner of Service Tax	5.78

10. Due to accumulated losses, Company's Net Worth has become negative. Company has incurred cash loss of Rs.168.91 Lacs in the current financial year and Rs. 85.16 Lacs in the preceding financial year.

11. According to the books of account and records of the company, there has been no default in repayment of dues to bank.

12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.

14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

16. In our opinion, on the basis of information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.

18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures.

20. The Company has not raised any money by way of public issue during the year.

21. In our opinion and according to the information and explanations given to us, no material frauds on or by the company has been noticed or reported during the year.

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

Uday R. Parikh
Partner
Membership No.10217

Place : Ahmedabad
Date : May 29th, 2014

BALANCE SHEET AS AT 31ST MARCH 2014

(Rs. in lacs)

	Notes	As At 31st March, 2014	As At 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	**330.67**	330.67
Reserves and Surplus	3	**(164.79)**	43.65
		165.88	374.32
Non-current liabilities			
Long-term borrowings	4	**10.96**	13.99
Other Long term liabilities	5	**450.65**	235.95
Long-term provisions	6	**89.13**	37.47
		550.74	287.41
Current liabilities			
Short-term borrowings	7	**452.31**	507.20
Trade payables	8	**315.24**	307.63
Other current liabilities	9	**91.29**	64.20
Short-term provisions	10	**10.76**	10.31
		869.60	889.34
TOTAL		**1586.22**	1551.07
ASSETS			
Non-current assets			
Fixed assets (Tangible)	11	**540.03**	582.18
Non-current investment	12	**89.13**	89.13
Long-term loans & advances	13	**99.27**	99.69
		728.43	771.00
Current Assets			
Inventories	14	**274.67**	272.78
Trade receivables	15	**494.76**	427.70
Cash and cash equivalents	16	**32.05**	30.91
Short-term loans and advances	17	**56.31**	48.68
		857.79	780.07
TOTAL		**1586.22**	1551.07
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 29th, 2014

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
(DIN:00062794)

Arup Basu
Managing Director
(DIN:00906760)

Place : Mumbai
Date : May 29th, 2014

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

(Rs. in lacs)

	Notes		2013-2014		2012-2013
INCOME					
Revenue from operations	18		**1570.88**		1899.35
Other Income	19		**5.67**		10.91
			1576.55		1910.26
EXPENSES					
Cost of Raw Materials Consumed	20		**988.79**		1129.54
Change in Inventories	21		**19.02**		34.60
Employees benefit expenses	22		**212.65**		223.00
Financial Costs	23		**109.71**		124.82
Other expenses	24		**359.56**		483.46
Depreciation and amortization expense		**39.53**		38.94	
Less : Transfer from Revaluation Reserve		**23.67**	**15.86**	23.67	15.27
			1705.59		2010.69
Profit/(Loss) from ordinary activity and before taxes			**(129.04)**		(100.43)
Exceptional Items - charge			**55.73**		-
Profit/(Loss) before taxes			**(184.77)**		(100.43)
Tax expense			**-**		-
Net Profit/(Loss) After Tax			**(184.77)**		(100.43)
Basic and diluted earnings per share (in Rs.)			**(5.98)**		(3.25)
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 29th, 2014

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
(DIN:00062794)

Arup Basu
Managing Director
(DIN:00906760)

Place : Mumbai
Date : May 29th, 2014

Notes to the Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONCEPTS

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

B. FIXED ASSETS

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

C. DEPRECIATION

Depreciation on fixed assets including revalued assets i.e. Building and Plant & Machineries is provided on straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. 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 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 VI to the company's Act, 1956. Based in the nature of products and time between the acquisition of assets for processing and their realization in cash & cash equivalent, 12 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 Kotak Mahindra Old Mutual Life Insurance Ltd. and an independent firm of actuaries respectively to arrive at year end figures.

H. SALES

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

I. FOREIGN CURRENCY TRANSACTIONS

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

J. PROVISIONS / CONTINGENCIES

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

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

2 SHARE CAPITAL

2.1 Schedule

		(Rs. in lacs)
	31.03.2014	31.03.2013
Authorised		
40,00,000 Equity Shares of Rs.10/- each	400.00	400.00
	400.00	400.00
Issued		
35,23,500 Equity Shares of Rs.10/- each	352.35	352.35
	352.35	352.35
Subscribed & fully paid		
3,089,900 Equity Shares of Rs.10/- each	308.99	308.99
Add: Forfeited Shares	21.68	21.68
	330.67	330.67

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

2.3 Reconciliation of number of shares

	Equity Shares of Rs. 10 each	Rs. in lacs
Outstanding as at the beginning of the year	3,089,900	308.99
Issued and Allotted during the year	-	-
Outstanding as at the end of the year	3,089,900	308.99

2.4 Shareholders holding more than 5% shares in the Company

	31.03.2014		31.03.2013	
	No. of Shares	**% holding**	No. of Shares	% holding
Equity Shares of Rs. 10 each				
Khatau Capacitors Pvt. Ltd.	**1,274,400**	**41.24**	1,274,400	41.24
Khatau Leasing & Finance Company Pvt. Ltd.	**350,000**	**11.33**	350,000	11.33

3 RESERVES & SURPLUS

	31.03.2012	Addition/ Deduction during theYear	31.03.2013	Addition/ Deduction during theYear	**31.03.2014**
Securities Premium Reserve	201.18		201.18		**201.18**
Revaluation Reserve	470.30	23.67	446.63	23.67	**422.96**
Profit & Loss Account	(503.73)	(100.43)	(604.16)	(184.77)	**(788.93)**
	167.75	(76.76)	43.65	(161.10)	**(164.79)**

		(Rs. in lacs)
	31.03.2014	31.03.2013
4 LONG TERM BORROWINGS		
Term loan (Secured) (From Financial Institution against hypothecation of car)	**10.96**	13.99
	10.96	13.99

(Rs. in lacs)

		31.03.2014	31.03.2013
5	**OTHER LONG TERM LIABILITIES**		
	Trade payables	**440.99**	226.61
	(From M/s. Texcare Middle East LLC, subsidiary of M/s. Refnol Overseas Ltd.)		
	Distributors Deposits*	**9.66**	9.34
		450.65	235.95
	* Considering long term relations with Distributors; deposits are treated as long term, although company has no right to defer the payment of the same beyond one year.		
6	**LONG TERM PROVISIONS**		
	Provision for employee's benefits		
	For Gratuity*	**73.04**	21.54
	For Leave Encashment	**16.09**	15.93
		89.13	37.47
	* Includes Rs.55.73 Lacs provided for Gratuity. [Current year Rs.12.05 Lacs and previous year Rs. 43.68 lacs]		
7	**SHORT TERM BORROWINGS**		
	Working Capital (Secured)		
	From Bank [a]	**441.36**	457.20
	Loan from Director (Unsecured) [b]	**4.95**	40.00
	Other Loans (Unsecured) [b]	**6.00**	10.00
		452.31	507.20
	a Secured by a first charge over the entire fixed and current assets and personally guaranteed by two Promoter Directors of the Company.		
	b Loans from director (Mr. Mahendra K. Khatau) and others are generally of Short Term nature. However no repayment schedule is specified.		
8	**TRADE PAYABLES**		
	Acceptances	**315.24**	307.63
		315.24	307.63
	Company is awaiting information from the suppliers to identify enterprises falling under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.		
9	**OTHER CURRENT LIABILITIES**		
	Current maturities of long-term loans	**3.03**	3.03
	Other payables	**53.95**	46.00
	Advance from customers	**33.52**	14.11
	Other payables (Staff)	**0.79**	1.06
		91.29	64.20
10	**SHORT-TERM PROVISIONS**		
	Provision for employees benefits	**1.96**	2.20
	Others	**8.80**	8.11
		10.76	10.31

11 FIXED ASSETS

(Rs. in lacs)

Assets	GROSS BLOCK As at 1.4.2013	Additions	Sale/ Transfer	**As at 31.3.2014**	DEPRECIATION / AMORTIZATION As at 1.4.2013	For the year	Adjust-ments	**Up to 31.3.2014**	NET BLOCK **As at 31.3.2014**	As at 31.3.2013
Tangible										
Lease Hold Land	306.19	-	-	**306.19**	18.99	4.35	-	**23.34**	**282.85**	287.20
Building	169.60	-	-	**169.60**	56.58	5.25	-	**61.83**	**107.77**	113.02
Plant and Machineries	519.25	1.82	-	**521.07**	380.54	24.14	-	**404.68**	**116.39**	138.71
Furniture & Fixtures	12.24	-	-	**12.24**	11.61	0.08	-	**11.69**	**0.55**	0.63
Office Equipments	35.14	0.96	-	**36.10**	26.82	1.85	-	**28.67**	**7.43**	8.32
Vehicles	42.19	-	13.47	**28.72**	7.89	3.85	8.06	**3.68**	**25.04**	34.30
TOTAL	**1084.61**	**2.78**	**13.47**	**1073.92**	**502.43**	**39.53**	**8.06**	**533.90**	**540.03**	582.18
Previous Year	1063.94	31.13	10.46	1084.61	470.17	38.94	6.68	502.43	582.18	

The gross block of fixed assets includes Rs. 541.33 lacs (Previous year Rs. 541.33 lacs) on account of revaluation of fixed assets carried out on 31/03/09. Consequent to the said revaluation, there is an additional charge of depreciation of Rs. 23.67 lacs (Previous year Rs. 23.67) and an equivalent amount has been withdrawn from Revaluation Reserve and credited in the profit and loss statement. This has no impact on loss of the year.

	31.03.2014	31.03.2013
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	**89.68**	89.68
Other Deposits	**9.59**	10.01
	99.27	99.69

Disclosure as per Clause 32 of the Listing Agreement:

Advances given to Associates	Maximum Balance outstanding during the Current Year	Previous Year		
Name of the Company				
M/s. Indokem Ltd.	**35.00**	35.00	**35.00**	35.00
M/s. Khatau Capacitors Pvt. Ltd.	**54.68**	54.68	**54.68**	54.68
	89.68	89.68	**89.68**	89.68

14 INVENTORIES		
Raw Materials*	**134.20**	113.78
Packing Materials	**6.99**	6.94
Fuel	**4.04**	3.60
Stock in Process	**4.20**	3.42
Finished Goods	**125.24**	145.04
	274.67	272.78

*Includes materials in transit Current year Rs. 2.82 Lacs Previous year Nil.

15 TRADE RECEIVABLES		
Unsecured		
Over six months		
Considered good	**42.81**	39.44
Considered doubtful	**2.18**	2.18
	44.99	41.62
Less : Provision	**2.18**	2.18
	42.81	39.44
Others, considered good	**451.95**	388.26
	494.76	427.70

(Rs. In lacs)

		31.03.2014	31.03.2013
16	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	**0.08**	0.04
	Balances with Banks		
	- Current Accounts	**4.47**	22.55
	Other Bank Balances		
	- Margin Money (Fixed Deposits)	**27.50**	8.32
		32.05	30.91
17	**SHORT-TERM LOANS AND ADVANCES**		
	Unsecured considered good		
	Advances recoverable in cash or kind	**2.81**	2.81
	Balances with Government Authorities	**46.08**	36.77
	Advance Tax	**6.66**	6.10
	Advance to contractor labour	**0.10**	0.02
	Loans and Advances to employees	**0.66**	0.45
	Prepaid interest	**-**	2.53
		56.31	48.68

		2013-2014	2012-2013
18	**REVENUE FROM OPERATIONS**		
	Sales - Domestic	**1199.05**	1353.51
	Less : Excise Duty / Taxes	**148.20**	167.29
		1050.85	1186.22
	Sales - Exports	**520.03**	713.13
		1570.88	1899.35
19	**OTHER INCOME**		
	Interest Income	**3.13**	8.37
	Insurance Claim	**0.94**	1.51
	Exchange Rate Difference	**0.13**	-
	Balances Written off	**1.47**	1.03
		5.67	10.91
20	**COST OF RAW MATERIALS CONSUMED**		
	Opening Stock	**113.78**	134.17
	Purchases	**1009.21**	1109.15
		1122.99	1243.32
	Less : Closing Stock	**134.20**	113.78
	Raw Material Consumed	**988.79**	1129.54
21	**CHANGE IN INVENTORIES**		
	Stock as at 31st March, 2014		
	Stock in Process	**4.20**	3.42
	Finished Goods	**125.24**	145.04
		129.44	148.46
	Less : Stock as at 31st March, 2013		
	Stock in Process	**3.42**	12.72
	Finished Goods	**145.04**	170.34
		148.46	183.06
		(19.02)	(34.60)

(Rs. In lacs)

		2013-2014	2012-2013
22	**EMPLOYEES BENEFIT EXPENSES**		
	Salaries, Wages & Bonus etc.	**177.95**	177.95
	Contribution to Provident Fund & other Funds *	**76.44**	25.05
	Staff Welfare expenses	**13.99**	20.00
		268.38	223.00
	* Includes Rs.55.73 Lacs provided for Gratuity. [Current year Rs.12.05 Lacs and previous year Rs. 43.68 lacs]		
23	**FINANCE COST**		
	Interest expense	**104.05**	118.36
	Other borrowing costs	**5.66**	6.46
		109.71	124.82
24	**OTHER EXPENSES**		
	Stores & Spares Consumed	**3.94**	7.08
	Packing Materials Consumed	**110.35**	117.50
	Power, Fuel & Water Charges	**69.82**	92.39
	Repairs - Machineries	**5.39**	6.45
	- Building	**0.51**	0.15
	- Others	**0.78**	0.71
	Inward Freight, Clearing & Forwarding	**25.37**	28.97
	Laboratory & Testing Expenses	**2.75**	2.88
	Labour Charges	**15.17**	14.21
	Insurance	**1.71**	1.67
	Rent	**5.49**	4.90
	Rates & Taxes	**9.60**	14.36
	Postage & Telephone	**9.04**	10.86
	Legal & Professional Charges*	**10.89**	12.80
	Exchange rate difference	**-**	20.46
	Conveyance & Vehicle Expenses	**27.93**	29.72
	Printing & Stationery	**2.79**	2.47
	Misc. Expenses	**5.04**	3.91
	Directors' Fees	**0.14**	0.22
	Service Tax	**0.24**	0.18
	Loss on sale of asset	**3.81**	1.73
	Commission	**0.87**	8.94
	Outward Freight & Export Expenses	**32.26**	86.20
	Sample Expenses	**0.37**	0.51
	Advertisement & Sales Promotion	**0.40**	1.17
	Travelling Expenses	**9.46**	6.95
	Stock Transfer tax	**5.44**	6.07
		359.56	483.46

*Payment to Auditors :	2013-2014	2012-2013
Statutory Auditors		
As Auditors	**0.73**	0.73
For Tax Audit	**0.28**	0.28
For other services	**0.56**	0.38
	1.57	1.39
Cost Auditors		
As Auditors	**0.56**	0.56

		2013-14	2012-13
25	**CONTINGENT LIABILITIES** (not provided for)		
	Claim against company not acknowledged as Debt	**0.50**	0.50
	Bills discounted with bank	**-**	129.54

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 negative, Accounts have been prepared on going concern basis.

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

29	Earning per share:	**2013-14**	2012-13
	Net Profit/(Loss) After Tax	**(184.77)**	(100.43)
	Number of equity shares outstanding	**3,089,900**	3,089,900
	Basic and diluted earning per share (Par value of Rs.10 each)	**(5.98)**	(3.25)

30 Related Party Disclosure

a. Parties where control exists :

Refnol Overseas Limited	Subsidiary
Tex Care Middle East LLC	Sub-subsidiary
Tex Care Bahrain WLL	Sub-subsidiary
Indokem Limited	Associate
Indokem Export Limited	Associate
Priyamvada Holdings Limited	Associate
Khatau Capacitors Pvt. Ltd	Associate
Khatau Leasing and Finance Co. Pvt. Ltd.	Associate
MKK Holdings Private Limited	Associate
Vindhyapriya Holdings Private Limited	Associate
Shubhlabh Chemicals Pvt. Ltd.	Associate
Formost Chemicals Pvt. Ltd.	Associate
Chemron Texchem Pvt. Ltd.	Associate
Orchard Acres	Associate

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

Key Management Personnel & Relatives :

1. Mr. Mahendra K. Khatau, Chairman
2. Mr. Arup Basu, Managing Director
3. Mrs. Leela K. Khatau, Executive (Mother of Mr. Mahendra K. Khatau, Chairman)

Other:

1. Curiosity Workshop - proprietory firm of Mrs. Manisha Arup Basu (Wife of Mr. Arup Basu, Managing Director)

c. Nature of Transaction

	2013-14	2012-13
		(Rs. In lacs)
(i) Sales		
Indokem Limited	298.42	244.65
Indokem Export Limited	1.44	2.45
Shubhlabh Chemicals Pvt. Ltd.	2.45	7.78
Formost Chemicals Pvt. Ltd.	21.71	21.53
Chemron Texchem Pvt. Ltd.	1.28	4.42
Orchard Acres	36.01	31.15
Texcare Middle East LLC	87.05	108.51
	448.36	420.50
(ii) Purchase		
Texcare Middle East LLC	**0.25**	5.06
(iii) Payment for other services / interest		
Curiosity Workshop (Interest)	-	0.22
Priyamvada Holdings Limited (Commission)	0.12	-
Khatau Leasing and Finance Co. Pvt. Ltd.	0.03	-
MKK Holdings Private Limited	0.02	-
Vindhyapriya Holdings Private Limited	0.02	-
Smt. Leela K. Khatau (Salary)	1.99	2.17
Mr. Arup Basu (Interest)	0.06	-
Mr. Mahendra K. Khatau (Interest)	2.01	0.50
	4.25	2.89
(iv) Loan from Related Party		
Mr. Mahendra K. Khatau	-	40.00
Mr. Arup Basu	7.25	-
	7.25	40.00
(v) Amount received from Tex care Middle East		
Against supplies	**268.01**	98.56
Against export expenses	**3.39**	1.04
(vi) Outstanding Balances as at 31st March 2014		
a. Receivables		
Indokem Limited	169.48	158.77
Indokem Export Limited	0.93	0.73
Shubhlabh Chemicals Pvt. Ltd.	60.24	60.24
Formost Chemicals Pvt. Ltd.	3.10	3.10
	233.75	222.84
b. Acceptances		
Texcare Middle East LLC	440.99	252.03
Khatau Leasing and Finance Co. Pvt. Ltd.	0.13	0.09
MKK Holdings Private Limited	0.06	0.05
Vindhyapriya Holdings Private Limited	0.12	0.09
Priyamvada Holdings Limited	2.05	1.94
	443.35	254.20

(Rs. In lacs)

	2013-14	2012-13
c. Loan from Related Parties		
Mr. Mahendra K. Khatau	**4.95**	40.00
d. Advances to Related Parties		
Indokem Limited (Security Deposit)	35.00	35.00
Khatau Capacitors Pvt. Ltd	54.68	54.68
	89.68	89.68
e. Other payable		
Smt. Leela K. Khatau (Salary)	**0.18**	0.18
(vii) Managing Directors' Remuneration :		
Computation of Managing Directors' remuneration u/s 309 (5) of the Companies Act, 1956.		
Salary	**15.14**	15.93
Contribution to PF	**1.18**	1.18
Gratuity	**0.47**	0.47
Perquisites	**0.71**	0.59
	17.50	18.17

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

Define Benefit Plan Disclosures (Rs. In Lacs)

Sr. No.	Particular	Gratuity 2013-14	Leave Benefit 2013-14	Gratuity 2012-13	Leave Benefit 2012-13
1	Components to Employer Expense				
a]	Current Service Cost	12.05	0.87	4.16	0.13
b]	Interest Cost	-	-	-	-
c]	Past service cost	43.68	-	-	-
d]	Excess provision reversed	-	0.67	0.30	0.01
e]	Actuarial (Gain)/Loss	-	-	-	-
f]	Total expense /(gain) recognised in the P & L A/c.	55.73	1.55	4.46	0.13
2	Net Assets / Liability Recognised in the Balance Sheet				
a]	Present value of obligation as at 01/04/2013	21.54	15.93	19.58	21.31
b]	Fair Value of Plan Assets as at 01/04/2013	-	-	-	-
c]	Assets/Liability recognized in Balance Sheet	73.03	16.09	21.54	15.93
3	Change in Defined Benefit Obligation (DBO) during Year ended 31st March 2014.				
a]	Present value of obligation as at 01/04/2013	21.54	15.93	19.58	21.31
b]	Current Service Cost	12.05	0.87	4.16	0.13
c]	Interest Cost	-	-	-	-
d]	Past service cost	43.68	-	-	-
e]	Actuarial (Gain)/Loss	-	-	-	-
f]	Benefit paid	4.25	0.71	2.20	5.51
g]	Present value of obligation as at 31/03/2014	73.03	16.09	21.54	15.93

32 Value of consumables

	2013-14 %	2013-14 Rs.	2012-13 %	2012-13 Rs.
Raw materials				
Imported	**3.43**	**33.90**	4.39	49.57
Indigenous	**96.57**	**954.89**	95.61	1079.97
TOTAL	**100.00**	**988.79**	100.00	1129.54
Packing Materials				
Indigenous	**100.00**	**110.35**	100.00	117.50
Stores & spares				
Indigenous	**100.00**	**3.94**	100.00	7.08
TOTAL	**100.00**	**1129.54**	100.00	1195.27

33 Foreign Currency Transactions

		2013-14	2012-13
i	Value of Imports on CIF basis		
	Raw materials	**57.42**	53.13
ii	Earnings in foreign exchange		
	Exports at FOB Value (including deemed exports)	**515.75**	651.15
iii	Expenditure in Foreign Currency		
	Travelling expenses	**0.84**	1.87
	Professional fees	**1.11**	-
	Commission	**1.24**	5.41

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 29th, 2014

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
(DIN:00062794)

Arup Basu
Managing Director
(DIN:00906760)

Place : Mumbai
Date : May 29th, 2014

CASH FLOW STATEMENT FOR 2013-2014

(Rs. in lacs)

	2013-14		2012-13	
A. Cash flow from operating activities				
Net loss after tax and extra ordinary items		**(184.77)**		(100.43)
Adjustments for:				
Depreciation	**15.86**		15.27	
Interest expenses & finance charges	**109.71**		124.82	
Interest income	**(3.13)**		(8.37)	
Loss on sale of fixed assets	**3.81**	**126.25**	1.73	133.45
Operating profit / (Loss) before working capital changes		**(58.52)**		33.02
Adjustments for:				
Trade and other receivables	**(74.27)**		37.61	
Inventories	**(1.89)**		53.70	
Trade and other payables	**301.51**	**225.35**	(75.15)	16.16
Net cash generated from operating activities	**(A)**	**166.83**		49.18
B. Cash flow from investing activities				
Interest received	**3.13**		8.37	
Purchase of fixed assets	**(2.78)**		(31.13)	
Sale of fixed assets	**1.60**		2.05	
Net cash from (Used in) investing activities	**(B)**	**1.95**		(20.72)
C. Cash flow from financing activities				
Proceeds /(Repayment) from borrowings (Net)	**(57.92)**		60.90	
Interest & finance charges paid	**(109.71)**		(124.82)	
Net cash used in financing activities	**(C)**	**(167.63)**		(63.92)
Net increase (Decrease) in cash and cash equivalents (a+b+c)		**1.14**		(35.46)
Cash and cash equivalents-opening balance		**30.91**		66.36
Cash and cash equivalents-closing balance		**32.05**		30.91

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 29th, 2014

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
(DIN:00062794)

Arup Basu
Managing Director
(DIN:00906760)

Place : Mumbai
Date : May 29th, 2014

CONSOLIDATED FINANCIAL STATEMENTS & NOTES

INDEPENDENT AUDITORS' REPORT

To the Board of Directors Refnol Resins and Chemicals Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Refnol Resins and Chemicals Limited** ("the Company") and its subsidiaries (collectively referred to as "the group"), which comprise the Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India . Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements / consolidated financial statements of subsidiaries as noted below, the 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:

(i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;

(ii) in the case of the Consolidated Statement of Profit & Loss, of the 'Loss' of the Group for the year ended on that date and

(iii) in the case of the Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

Other Matter

We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of Rs.606.10 lacs as at 31st March 2014, total revenues of Rs. 1507.55 lacs and net cash inflows amounting of Rs. 79.98 lacs. for the year ended on that date, reflect group's share of net loss of Rs. 146.16 lacs as considered in the Consolidated Financial Statements. These Financial Statements are audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of other auditors.

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

Uday R. Parikh
Partner
Membership No.10217

Place : Ahmedabad
Date : May 29th, 2014

BALANCE SHEET (CONSOLIDATED) AS AT 31st MARCH 2014

(Rs. in lacs)

	Notes	As At 31st March, 2014	As At 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	**330.67**	330.67
Reserves and Surplus	3	**403.45**	555.83
		734.12	886.50
Non-current liabilities			
Long-term borrowings	4	**173.98**	32.73
Other Long term liabilities	5	**9.66**	9.33
Long-term provisions	6	**127.45**	69.10
		311.09	111.16
Current liabilities			
Short-term borrowings	7	**480.66**	518.80
Trade payables	8	**505.03**	414.11
Other current liabilities	9	**149.57**	125.39
Short-term provisions	10	**11.85**	10.63
		1147.11	1068.93
TOTAL		**2192.32**	2066.59
ASSETS			
Non-current assets			
Fixed assets	11	**585.20**	638.93
Long-term loans & advances	12	**99.27**	99.69
		684.47	738.62
Current Assets			
Inventories	13	**386.28**	395.65
Trade receivables	14	**882.12**	783.90
Cash and cash equivalents	15	**151.12**	71.14
Short-term loans and advances	16	**88.33**	77.28
		1507.85	1327.97
TOTAL		**2192.32**	2066.59
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 29th, 2014

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
(DIN:00062794)

Arup Basu
Managing Director
(DIN:00906760)

Place : Mumbai
Date : May 29th, 2014

PROFIT AND LOSS STATEMENT (CONSOLIDATED) FOR THE YEAR ENDED 31ST MARCH 2014

(Rs. in lacs)

	Notes		2013-2014		2012-2013
INCOME					
Revenue from operations	17		**3078.42**		3238.59
Other Income	18		**14.83**		22.39
			3093.25		3260.98
EXPENSES					
Cost of Materials Consumed	19		**1851.59**		1875.76
Change in Inventories	20		**22.17**		48.91
Employees benefit expenses	21		**342.63**		338.59
Financial Costs	22		**143.34**		145.14
Other expenses	23		**775.23**		870.72
Depreciation and amortization expense		**72.40**		70.18	
Less : Transfer from Revaluation Reserve		**23.67**	**48.73**	23.67	46.51
			3183.69		3325.63
Profit/(Loss) from ordinary activity and before taxes			**(90.43)**		(64.65)
Exceptional Items - charge			**55.73**		-
Profit/(Loss) before taxes			**(146.16)**		(64.65)
Tax expense			**-**		-
Net Profit/(Loss) After Tax			**(146.16)**		(64.65)
Basic and diluted earnings per share (in Rs.)			**(4.73)**		(2.09)
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 29th, 2014

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
(DIN:00062794)

Arup Basu
Managing Director
(DIN:00906760)

Place : Mumbai
Date : May 29th, 2014

1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

A. PRINCIPLES OF CONSOLIDATION

1. The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standards (AS) 21- "Consolidated Financial Statements"

2. In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.

3. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

4. The Consolidated Financial Statement comprises Audited Financial Statements (except as mentioned otherwise) of the Company, its Subsidiaries and its interest for the year ended 31st March, 2014, which are as under:

Name of the Company	Nature	Country of Incorporation	% of Share Holding		% of Voting power	
			31.03.2014	31.03.2013	31.03.2014	31.03.2013
Refnol Overseas Limited (ROL)	Subsidiary	Mauritius	100%	100%	100%	100%
Texcare Middle East LLC (TCME)*	Subsidiary of ROL	Dubai	49%	49%	49%	49%
Texcare Bahrain WLL (TCB)**	Subsidiary of TCME	Bahrain	49%	49%	49%	49%

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

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

B. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

2 SHARE CAPITAL

2.1 Schedule

(Rs. in lacs)

		31.03.2014	31.03.2013
Authorised			
40,00,000	Equity Shares of Rs.10/- each	400.00	400.00
		400.00	400.00
Issued			
35,23,500	Equity Shares of Rs.10/- each	352.35	352.35
		352.35	352.35
Subscribed & fully paid			
3,089,900	Equity Shares of Rs.10/- each	308.99	308.99
Add: Forfeited Shares		21.68	21.68
		330.67	330.67

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

2.3 Reconciliation of number of shares

	Equity Shares of Rs. 10 each	Rs. in lacs
Outstanding as at the beginning of the year	3,089,900	308.99
Issued and Allotted during the year	-	-
Outstanding as at the end of the year	3,089,900	308.99

2.4 Shareholders holding more than 5% shares in the Company

	31.03.2014		31.03.2013	
	No. of Shares	**% holding**	No. of Shares	% holding
Equity Shares of Rs. 10 each				
Khatau Capacitors Pvt. Ltd.	**1,274,400**	**41.24**	1,274,400	41.24
Khatau Leasing & Finance Company Pvt. Ltd.	**350,000**	**11.33**	350,000	11.33

3 RESERVES & SURPLUS

	31.03.2012	Addition/ Deduction during theYear	31.03.2013	Addition/ Deduction during theYear	**31.03.2014**
Securities Premium Reserve	201.18	-	201.18	-	201.18
Statutory Reserve	22.45	1.87	24.32	6.20	30.52
Revaluation Reserve	470.30	(23.67)	446.63	(23.67)	422.96
Profit & Loss Account	(169.57)	(66.51)	(236.08)	(152.33)	(388.41)
Capital reserve	30.00	-	30.00	-	30.00
Exchange Flucation Reserve	63.53	26.25	89.78	17.43	107.20
	617.93	**(62.06)**	**555.83**	**(152.38)**	**403.45**

(Rs. in lacs)

	31.03.2014	31.03.2013
4 LONG TERM BORROWINGS		
Vehicle loan (Secured)	**16.83**	32.73
Term loan (Secured)	**157.15**	-
	173.98	32.73

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

(Rs. in lacs)

		31.03.2014	31.03.2013
5	**OTHER LONG TERM LIABILITIES**		
	Distributors Deposits	**9.66**	9.33
		9.66	9.33
	Considering the long term relation with Distributors all disributors deposits received from them are treated as long term, although company has no right to defer the payment of the same beyond one year.		
6	**LONG TERM PROVISIONS**		
	Provision for employee's benefits	**127.45**	69.10
		127.45	69.10
	* Includes Rs.55.73 Lacs provided for Gratuity. [Current year Rs.12.05 Lacs and previous year Rs. 43.68 lacs]		
7	**SHORT TERM BORROWINGS**		
	Working Capital (Secured)		
	From Bank [a]	**469.71**	468.80
	Loan from Director (Unsecured) [b]	**4.95**	40.00
	Other Loans (Unsecured) [b]	**6.00**	10.00
		480.66	518.80
	a 1] Comprises of Rs.441.36 Lacs (Previous year 457.20 lacs) against first charge over the entire fixed and current assets and personally guaranteed by two Promoter Directors of the Company.		
	a 2] Rs. 28.35 Lacs (Previous year 11.60 lacs) as term loan personally guranteed by one of the director along with post dated cheques.		
	b Loans from director (Mr. Mahendra K. Khatau) and others are generally of Short Term nature. However no repayment schedule is specified.		
8	**TRADE PAYABLES**		
	Acceptances	**505.03**	414.11
		505.03	414.11
9	**OTHER CURRENT LIABILITIES**		
	Current maturities of long-term loans	**17.87**	22.51
	Other payables	**97.39**	87.71
	Advance From customers	**33.52**	14.11
	Other payables (Staff)	**0.79**	1.06
		149.57	125.39
10	**SHORT-TERM PROVISIONS**		
	Provision for employees benefits	**3.06**	2.52
	Others	**8.80**	8.11
		11.85	10.63

11 FIXED ASSETS

(Rs. in lacs)

Assets	GROSS BLOCK As at 1.4.2013	Additions	Sale/ Transfer	**As at 31.3.2014**	DEPRECIATION / AMORTIZATION As at 1.4.2013	For the year	Adjust-ments	**Up to 31.3.2014**	NET BLOCK **As at 31.3.2014**	As at 31.3.2013
Tangible										
Lease Hold Land	315.63	-	-	**315.63**	27.83	4.60	-	**32.43**	**283.20**	287.80
Building	169.60	-	-	**169.60**	56.58	5.25	-	**61.83**	**107.77**	113.02
Plant and Machineries	590.70	21.66	-	**612.36**	436.34	34.65	-	**470.99**	**141.37**	154.36
Furniture & Fixtures	21.55	-	-	**21.55**	20.71	0.12	-	**20.83**	**0.72**	0.84
Office Equipments	63.43	2.41	-	**65.84**	54.12	2.33	-	**56.45**	**9.40**	9.31
Vehicles	135.01	-	13.47	**121.54**	61.41	25.45	8.06	**78.80**	**42.74**	73.60
TOTAL	**1295.92**	**24.07**	**13.47**	**1306.53**	**656.99**	**72.40**	**8.06**	**721.33**	**585.20**	638.93
Previous Year	1258.61	63.57	26.26	1295.92	609.27	70.18	22.48	656.97	638.93	

The gross block of fixed assets includes Rs. 541.33 lacs (Previous year Rs. 541.33 lacs) on account of revaluation of fixed assets carried out on 31/03/09. Consequent to the said revaluation, there is an additional charge of depreciation of Rs. 23.67 lacs (Previous year Rs. 23.67) and an equivalent amount has been withdrawn from Revaluation Reserve and credited in the profit and loss statement. This has no impact on loss of the year.

(Rs. In lacs)

	31.03.2014	31.03.2013
12 LONG-TERM LOANS & ADVANCES		
Advances to Related Parties		
Indokem Ltd.	**35.00**	35.00
Khatau Capacitors Pvt. Ltd.	**54.68**	54.68
Other Deposits	**9.59**	10.01
	99.27	99.69
13 INVENTORIES		
Raw Materials*	**185.42**	175.24
Packing Materials	**6.99**	6.94
Fuel	**4.04**	3.60
Stock in Process	**4.20**	3.42
Finished Goods	**185.63**	206.46
	386.28	395.66

*Includes materials in transit Current year Rs. 2.82 Lacs Previous year Nil.

14 TRADE RECEIVABLES		
Unsecured		
Over six months		
Considered good	**430.17**	395.64
Considered doubtful	**3.81**	2.25
	433.98	397.89
Less : Provision	**3.81**	2.25
	430.17	395.64
Others, considered good	**451.95**	388.26
	882.12	783.90

(Rs. In lacs)

		31.03.2014	31.03.2013
15	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	**2.69**	3.69
	Balances with Banks		
	- Current Accounts	**120.93**	59.13
	Other Bank Balances		
	- Margin Money	**27.50**	8.32
		151.12	71.14
16	**SHORT-TERM LOANS AND ADVANCES**		
	Unsecured considered good		
	Advances recoverable in cash or kind	**2.81**	2.81
	Balances with Government Authorities	**61.43**	54.27
	Advance Tax	**6.66**	6.10
	Advance and guarntee to contractor labour	**11.40**	2.27
	Loan and Advances to Employees	**0.66**	0.45
	Prepaid interest and others	**5.37**	11.38
		88.33	77.28

		2013-2014	2012-2013
17	**REVENUE FROM OPERATIONS**		
	Sales - Domestic	**2302.83**	2282.80
	Less : Excise Duty / Taxes	**148.20**	167.29
		2154.63	2115.51
	Sales - Exports	**923.79**	1123.08
		3078.42	3238.59
18	**OTHER INCOME**		
	Interest Income	**12.29**	16.82
	Insurance Claim	**0.94**	1.51
	Exchange Rate Difference	**0.13**	0.00
	Balances Written off	**1.47**	1.03
	Profit on sale of asset	**-**	2.99
	Misc. Income	**-**	0.04
		14.83	22.39
19	**COST OF MATERIAL CONSUMED**		
	Opening Stock	**236.65**	243.38
	Purchases	**1822.53**	1883.33
		2059.18	2126.71
	Less : Closing Stock	**207.59**	250.96
	Raw Material Consumed	**1851.59**	1875.76
20	**CHANGE IN INVENTORIES**		
	Stock as at 31st March, 2014		
	Stock in Process	**4.20**	3.42
	Finished Goods	**125.24**	145.04
		129.44	148.46
	Less : Stock as at 31st March, 2013		
	Stock in Process	**3.42**	12.72
	Finished Goods	**145.04**	184.65
		148.46	197.37
		(22.17)	(48.91)

(Rs. In lacs)

		2013-2014	2012-2013
21	**EMPLOYEES BENEFIT EXPENSES**		
	Salaries, Wages & Bonus etc.	**307.93**	293.54
	Contribution to Provident Fund & other Funds*	**76.44**	20.58
	Staff Welfare expenses	**13.99**	24.47
		398.36	338.59
	* Includes Rs.55.73 Lacs provided for Gratuity. [Current year Rs.12.05 Lacs and previous year Rs. 43.68 lacs]		
22	**FINANCE COST**		
	Interest expense	**137.68**	138.68
	Other borrowing costs	**5.66**	6.46
		143.34	145.14
23	**OTHER EXPENSES**		
	Stores & Spares Consumed	**3.94**	7.08
	Packing Materials Consumed	**110.35**	117.50
	Power, Fuel & Water Charges	**69.82**	92.39
	Repairs - Machineries	**20.03**	16.40
	- Building	**0.51**	0.15
	- Other	**0.78**	0.71
	Inward Freight, Clearing & Forwarding	**149.05**	132.35
	Laboratory & Testing Expenses	**2.75**	2.88
	Labour Charges	**15.17**	14.21
	Insurance	**4.28**	2.42
	Rent	**31.96**	23.99
	Rates & Taxes	**9.60**	14.36
	Postage & Telephone	**20.05**	21.62
	Legal & Professional Charges	**34.77**	31.94
	Exchange rate difference	**-**	20.46
	Conveyance & Vehicle Expenses	**27.93**	29.72
	Printing & Stationery	**3.02**	2.76
	Misc. Expenses	**14.59**	30.58
	Directors' Fees	**0.71**	0.75
	Service Tax	**0.24**	0.18
	Loss on sale of asset	**3.81**	0.00
	Commission	**103.88**	105.40
	Outward Freight & Export Expenses	**49.56**	102.57
	Sample Expenses	**0.37**	0.51
	Advertisement & Sales Promotion	**70.09**	44.75
	Travelling Expenses	**22.53**	27.39
	Stock Transfer tax	**5.44**	6.07
	Bad debts	**-**	21.58
		775.23	870.72

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

(Amount in lacs)

Sr. No.	Name of Subsidiary Company	Year	Currency	Share Capital	Reserves & Surplus	Total Assets (Non Current Assets + Current Assets)	Total Liabilities (Non Current Lia. + Current Lia.)	Details of Current & Non -Current invest ments	Net Turn over	Profit/ (Loss) before taxation	Provision for Taxation	Profit/ (Loss) after taxation	Proposed Divedend
1	Refnol Overseas Limited	**2013-14**	**US $**	**2.40**	**0.90**	**2.92**	**0.03**	**0.41**	**0.16**	**0.10**	-	**0.10**	-
			INR	**89.13**	**87.91**	**163.65**	**1.85**	**15.23**	**9.16**	**5.44**	-	**5.44**	-
		2012-13	US $	2.40	0.80	2.82	0.03	0.41	0.16	0.10	-	0.10	-
			INR	89.13	77.67	153.03	1.46	15.23	8.45	5.03	-	5.03	-
2	Texcare Middle East LLC	**2013-14**	**AED**	**3.00**	**34.41**	**68.51**	**31.97**	**0.87**	**82.33**	**3.99**	-	**3.99**	-
			INR	**33.25**	**493.27**	**1,036.75**	**520.85**	**10.61**	**1,281.78**	**30.57**	-	**30.57**	-
		2012-13	AED	3.00	30.43	52.59	20.03	0.87	75.81	1.31	-	1.31	-
			INR	33.25	454.80	773.46	296.02	10.61	1,085.28	24.78	-	24.78	-
3	Texcare Bahrain WLL	**2013-14**	**BD**	**0.20**	**0.29**	**0.72**	**0.22**	-	**1.50**	**0.02**	-	**0.02**	-
			INR	**22.59**	**53.88**	**111.09**	**34.62**	-	**225.76**	**2.58**	-	**2.58**	-
		2012-13	BD	0.20	0.28	0.93	0.45	-	1.81	0.03	-	0.03	-
			INR	22.59	46.56	134.02	64.86	-	253.96	5.98	-	5.98	-

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

Sr. No.	Currency	Balance Sheet (Closing Rate)		P & L Account (Avg. Rate)	
		2013-14	2012-13	**2013-14**	2012-13
1	US Dollar (US$)	**0.0167**	0.0184	**0.0175**	0.0190
2	UAE Dirham (AED)	**0.0614**	0.0677	**0.0642**	0.0698
3	Bahrain Dirham (BD)	**0.0064**	0.0069	**0.0067**	0.0071

25 **CONTINGENT LIABILITIES** (not provided for)

	2013-14	2012-13
Claim against company not acknowledged as Debt	**0.50**	0.50
Bills discounted with bank	**-**	129.54

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 negative, Accounts have been prepared on going concern basis.

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

29 Earning per share:

	2013-14	2012-13
Net Profit/(Loss) After Tax	**(146.16)**	(64.65)
Number of equity shares outstanding	**3,089,900**	3,089,900
Basic and diluted earning per share (Par value of Rs.10 each)	**(4.73)**	(2.09)

30 Related Party Disclosure

a. Parties where control exists :

Indokem Export Limited	Associate
Priyamvada Holdings Limited	Associate
Khatau Capacitors Pvt. Ltd	Associate
Khatau Leasing and Finance Co. Pvt. Ltd.	Associate
MKK Holdings Private Limited	Associate
Vindhyapriya Holdings Private Limited	Associate
Shubhlabh Chemicals Pvt. Ltd.	Associate
Formost Chemicals Pvt. Ltd.	Associate
Chemron Texchem Pvt. Ltd.	Associate
Orchard Acres	Associate

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

Key Management Personnel & Relatives :

1. Mr. Mahendra K. Khatau, Chairman
2. Mr. Arup Basu, Managing Director
3. Mrs. Leela K. Khatau, Executive (Mother of Mr. Mahendra K. Khatau, Chairman)

Other :

1. Curiosity Workshop - proprietory firm of Mrs. Manisha Arup Basu (Wife of Mr. Arup Basu, Managing Director)

c. Nature of Transaction (Rs. In lacs)

	2013-14	2012-13
(i) Sales		
Indokem Limited	298.42	244.65
Indokem Export Limited	1.44	2.45
Shubhlabh Chemicals Pvt. Ltd.	2.45	7.78
Formost Chemicals Pvt. Ltd.	21.71	21.53
Chemron Texchem Pvt. Ltd.	1.28	4.42
Orchard Acres	36.01	31.15
Texcare Middle East LLC	87.05	108.51
	448.36	420.50
(ii) Payment for other services / interest		
Curiosity Workshop (Interest)	-	0.22
Priyamvada Holdings Limited (Commission)	0.12	-
Khatau Leasing and Finance Co. Pvt. Ltd.	0.03	-
MKK Holdings Private Limited	0.02	-
Vindhyapriya Holdings Private Limited	0.02	-
Smt. Leela K. Khatau (Salary)	1.99	2.17
Mr. Arup Basu (Interest)	0.06	-
Mr. Mahendra K. Khatau (Interest)	2.01	0.50
	4.25	2.89
(iii) Loan from Related Party		
Mr. Mahendra K. Khatau	-	40.00
Mr. Arup Basu	7.25	-
	7.25	40.00

(iv) Outstanding Balances as at 31st March 2014

a. Receivables		
Indokem Limited	169.48	158.77
Indokem Export Limited	0.93	0.73
Shubhlabh Chemicals Pvt. Ltd.	60.24	60.24
Formost Chemicals Pvt. Ltd.	3.10	3.10
	233.75	222.84
b. Acceptances		
Khatau Leasing and Finance Co. Pvt. Ltd.	0.13	0.09
MKK Holdings Private Limited	0.06	0.05
Vindhyapriya Holdings Private Limited	0.12	0.09
Priyamvada Holdings Limited	2.05	1.94
	2.35	2.17
c. Loan from Related Parties		
Mr. Mahendra K. Khatau	**4.95**	40.00
d. Advances to Related Parties		
Indokem Limited (Security Deposit)	35.00	35.00
Khatau Capacitors Pvt. Ltd	54.68	54.68
	89.68	89.68
e. Other payable		
Smt. Leela K. Khatau (Salary)	**0.18**	0.18

(v) Managing Directors' Remuneration :

Computation of Managing Directors' remuneration u/s 309 (5) of the Companies Act, 1956.

		(Rs. in lacs)
	2013-14	2012-13
Salary	**15.14**	15.93
Contribution to PF	**1.18**	1.18
Gratuity	**0.47**	0.47
Perquisites	**0.71**	0.59
	17.50	18.17

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 29th, 2014

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
(DIN:00062794)

Arup Basu
Managing Director
(DIN:00906760)

Place : Mumbai
Date : May 29th, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR 2013-2014

(Rs. in lacs)

	2013-14		2012-13	
A. Cash flow from operating activities				
Net loss after tax and extra ordinary items		**(146.16)**		(64.65)
Adjustments for:				
Depreciation	**48.73**		46.51	
Intrest expenses & finance charges	**143.34**		145.14	
Interest income	**(12.29)**		(16.83)	
Unrealised exchange rate difference	**17.43**		26.25	
Profit/ loss on sale of fixed assets(net)	**3.81**	**201.02**	(2.99)	198.09
Operating profit/loss before working capital changes		**54.86**		133.44
Adjustments for:				
Trade and other receivables	**(108.85)**		(62.39)	
Inventories	**9.37**		40.03	
Trade and other payables	**175.00**	**75.52**	(22.28)	(44.64)
Net cash generated from operating activities	**(A)**	**130.38**		88.80
B. Cash flow from investing activities				
Interest received	**12.29**		16.83	
Purchase of fixed assets	**(24.07)**		(63.57)	
Sale of fixed assets	**1.60**		6.77	
Net cash from (Used in) investing activities	**(B)**	**(10.18)**		(39.97)
C. Cash flow from financing activities				
Proceeds /(Repayment) from borrowings (Net)	**103.12**		53.53	
Interest & finance charges paid	**(143.34)**		(145.14)	
Net cash used in financing activities	**(C)**	**(40.23)**		(91.61)
Net increase (Decrease) in cash and cash equivalents (a+b+c)		**79.98**		(42.79)
Cash and cash equivalents-opening balance		**71.14**		113.93
Cash and cash equivalents-closing balance		**151.12**		71.14

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 29th, 2014

For and on behalf of the Board,

Mahendra K. Khatau
Chairman
(DIN:00062794)

Arup Basu
Managing Director
(DIN:00906760)

Place : Mumbai
Date : May 29th, 2014

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

(To be handed over at the entrance of the meeting hall)

Full Name of the Member Attending _____

Full name of the First Joint Holder _____

(To be filled in if first named joint-holder does not attend the meeting _____

Name of Proxy _____
(To be filled if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the Thirty Three Annual General Meeting held at Plot No: 410/411 Khatau House, Mogul Lane, Mahim (W), Mumbai 400 016 on Tuesday, 30th September, 2014 at 12.00 noon.

Regd. Folio/ Client ID No. _____

DP ID No _____ Member's/ Proxy's Signature _____

No. of Shares held _____

(To be signed at the time of handling over this slip)

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

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 33rd Annual General Meeting of the company, to be held on the 30th day of September 2014, at 12.00 noon at Plot No: 410/411 Khatau House, Mogul Lane, Mahim, Mumbai-400 016 and at any adjournment thereof in respect of such resolutions as are indicated below:-

[PTO]

Resolution No.	Resolutions	Optional	
		For	Against
	ORDINARY BUSINESS		
(1)	Adoption of final statements for the year ended 31st march, 2014.		
(2)	Appointment of Mr. Mahendra Khatau as a Director.		
(3)	Appointment of Messrs G. P. Kapadia & Co., Chartered Accountant, as Auditors and fix their remuneration.		
	SPECIAL BUSINESS:		
(4)	Appointment of Mr. Arupkumar Basu as Managing Director.		
(5)	Appointment of Ms. Hutoxy Dara Miller as Independent Director.		
(6)	Appointment of Mr Rajagopalan Shesha as Independent Director.		
(7)	Appointment of Mr. Bhalchandra G. Sontakke as Independent Director.		
(8)	Approve remuneration of Cost Auditor for the year ending 31st march 2015.		
(9)	Approval of borrowings limits.		
(10)	Creation of charge on assets of Company.		

Signed this _____ day of _____ 2014

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix Revenue Stamp

Note:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement & Notes, please refer to Notice of the 33rd Annual General Meeting
3. It is optional to put an 'X' in the appropriate column against the resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy, will be entitled to vote in the manner as He/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

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.