SAFEGUARDING OZONE

Notes

Refex

The Refex Belief

At Refex we believe in continuously improving ourselves, our processes and our products in a way that compliments and benefits the world we live in and the people we live with. It is our strong base values and our committed working spirit that helps us set new standards as a corporate body.

let's go green

SAFEGUARDING OZONE

"Let's Go Green" is one of the primary philosophies at Refex. The harm done by Ozone Depleting Substances such as CFCs and HCFCs, were recognized years ago. Mainly found in air conditioning, refrigerating equipments, aerosols, these substances damage the Ozone layer allowing harmful Ultra Violet rays to enter the atmosphere. An overexposure to UVB radiation can cause sunburn and some forms of skin cancer. In humans, prolonged exposure to solar UV radiation may result in acute and chronic health effects on the skin, eye, and immune system. However the most deadly form - malignant melanoma - is mostly caused by the indirect DNA damage (free radicals and oxidative stress). This can be seen from the absence of a UV-signature mutation in 92% of all melanoma. By promoting the use of HFC based refrigerants, Refex aims to stop the harmful effects of these substances on the ozone and safeguard the future.

RRL Values

The company's beliefs are it's primary driving force. It is what gives the company the strength, courage and capacity to put in their best efforts every day at work.

RRL Goal

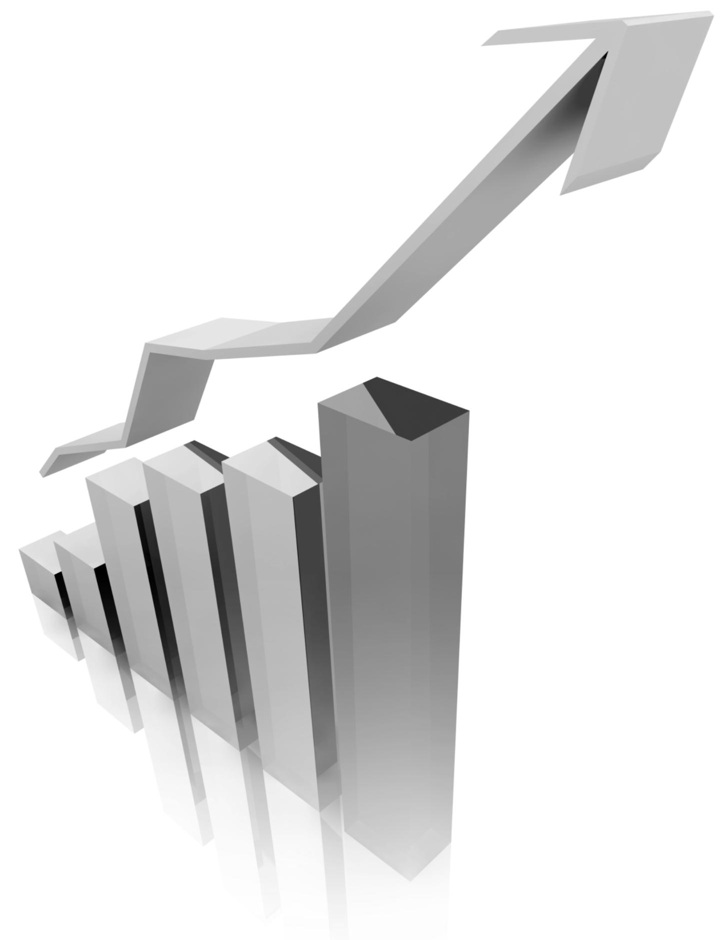
At the core of our business remains our commitment to our clients. To position Refex as a global player with a clear focus on each business

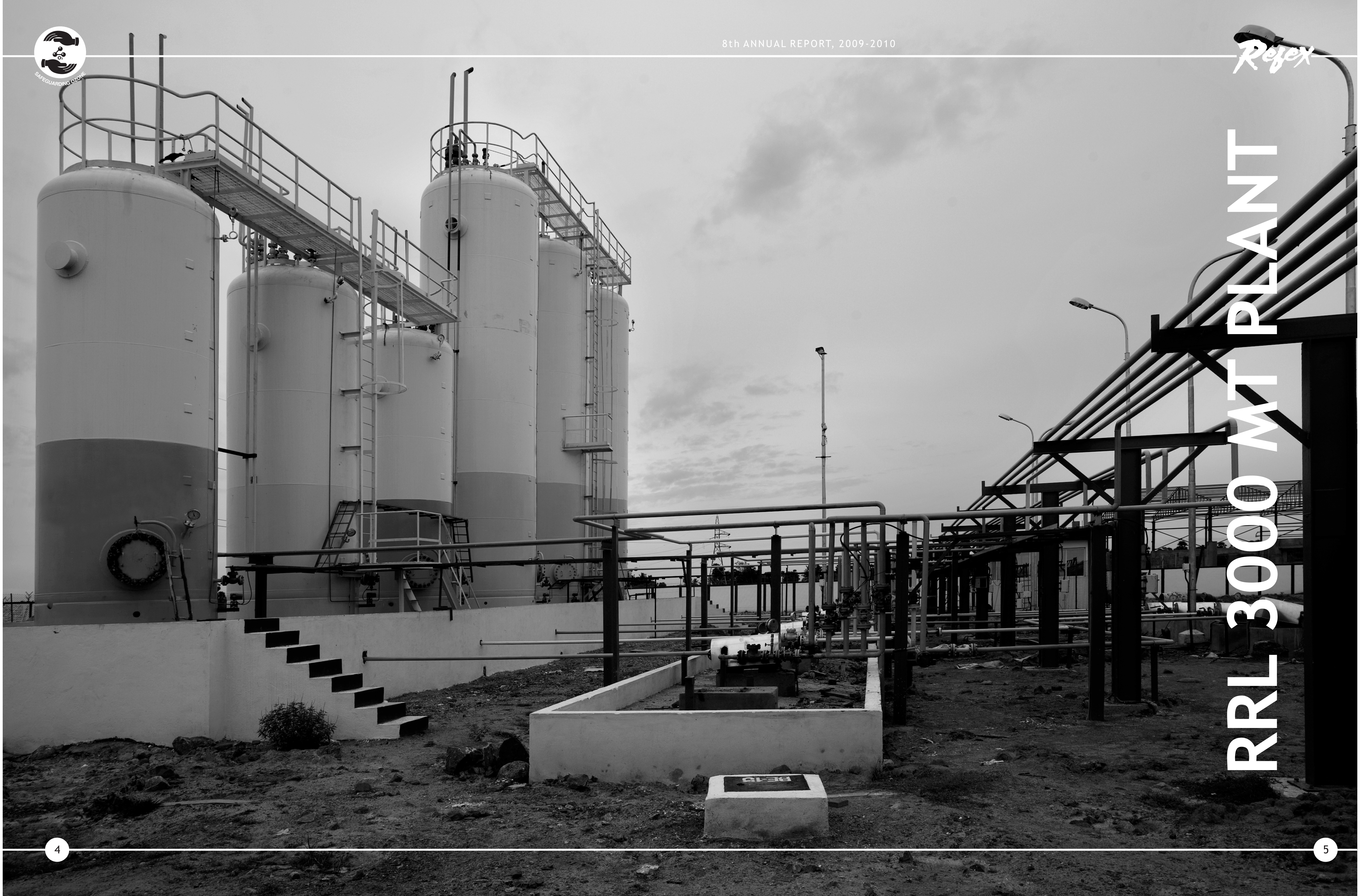
RRL Culture

- To maintain our competitive edge and meet the high expectations of our clients.
- To commit to excellence with continuous efforts. To enhance the quality of all our products.
- To deliver the best to our customers, shareholders, employees and society at large.

RRL Principles

• Loyalty • Dedication • Integrity • Competitiveness • Determination • Professionalism • Commitment • Seamlessness • Diversity





RRL 3000 MT PLANT

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CORPORATE INFORMATION

Board Of Directors

Sri. A. Tarachand Jain
Chairman
Sri.T.Anil Jain
Managing Director
Sri.T.Jagdish Jain
Whole Time Director
Sri.Anil K.Dhar (TILL 20.4.2010)
Sri N.D.Trivedi
Ms. Abhinandana Papisetty

Management Team

Sri S. Gopalakrishnan
Company Secretary

Sri P R Ramanan (TILL 12.7.2010)
Vice President - Finance

Sri. M K Sharda
General Manager

Auditors

M/s. Bhandari & Keswani
Chartered Accountants
75, Mahatma Gandhi Road
Nungambakkam, Chennai-600 034.

Bankers

State Bank of India
Commercial Branch
232, NSC Bose Road, Chennai - 600 001.

Registered Office

20 Mooker Nallamuthu Street, Chennai - 600 001.

Corporate Office

67, Bazullah Road, T.Nagar, Chennai 600 017.

Registrar and Share Tranfer Agents

M/s. Cameo Corporate Services Ltd
“Subramanian Building”
Fifth Floor, No.1, Club House Road, Chennai 600 002.

Notice

Notice is hereby given that the Eighth Annual General Meeting of the Company will be held on Friday, the 3rd December 2010 at 3.30 pm at **BENZZ PARK, Rover Hall, No.62, Thirumalai Pillai Road, T.Nagar, Chennai 600 017** to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance sheet as on 30th June 2010 and Profit and Loss Account for the period ended on that date together with the Reports of the Directors & Auditors thereon.

2. To elect Directors:

   a) To appoint a Director in the place of Mr T Jagdish Jain, who retires by rotation and being eligible, offers him for re-appointment.

   b) To appoint a Director in the place of Ms Abhinandana Papisetty, who retires by rotation and being eligible, offers herself for re-appointment.

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT M/S.Bhandari & Keswani, Chartered Accountants, Chennai, the retiring Statutory Auditors,(Firm No.R0004335) be and are hereby re-appointed as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company on a remuneration to be fixed by the Board of Directors of the Company".

SPECIAL BUSINESS

To pass the following resolutions, with or without modifications, as Special Resolutions ITEM 4

"RESOLVED THAT, within the meaning of Section 94 of the Act, Clause V of the Memorandum of Association and Clause 4 of the Articles of Association, the Authorized Capital of the Company be and is hereby increased from the existing amount of Rs.18,00,00,000 comprising of 1,80,00,000 Equity Shares of Rs.10 each to Rs.30,00,00,000 comprising of 2,50,00,000 Equity Shares of Rs.10 each aggregating to Rs.25,00,00,000 and 5,00,000 Cumulative Redeemable Preference Shares of Rs.100 each aggregating to Rs.5,00,00,000 by creation of an additional 70,00,000 Equity Shares of Rs.10 each ranking parri passu with the existing equity shares and 5,00,000 Cumulative Redeemable Preference Shares of Rs.100 each."

"RESOLVED FURTHER THAT Clause V of the Memorandum of Association be and is hereby altered by substituting the following Clause in place of existing Clause V."

V. The Authorised Share Capital of the Company is Rs.30,00,00,000 (Rupees Thirty Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lacs only) Equity Shares of Rs.10 (Rupees Ten Only) each and 5,00,000 (Five Lakhs Only) Cumulative Redeemable Preference Shares of Rs.100 (Rupees Hundred Only) each with a power to increase its capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights and privileges as may be determined in accordance with the provisions of the Act.

ITEM 5

"RESOLVED THAT in accordance with the provisions of Sections 80 , 81(1A) and all other applicable provisions, if any, to the Companies Act, 1956, and enabling provisions in the Memorandum and Articles of Association of the Company, the listing agreement entered into by the Company with the stock exchanges where the shares of the Company are listed and in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) and clarifications thereon issued from time to time, if any and applicable , the notifications , guidelines as may be issued by Government of India and Reserve Bank of India in this regard, and subject to the approval of financial institutions, company's bankers, and subject to all other approvals, permissions and sanctions as may be required under applicable laws and regulations and of concerned authorities, bodies and agencies and subject to such modifications as may be imposed by such authorities while granting such approvals and which may be agreed to by the Board of Directors of the Company (Hereinafter refereed to as the 'Board', which term shall deem to include any duly authorized committee thereof for the time being exercising the powers conferred on the Board by this resolution) the consent of the Company be and is hereby accorded to the Board to create , issue , offer in the course of one or more pubic or private offering, in domestic , or one or more international markets Redeemable Cumulative Preference Shares carrying a dividend rate not exceeding 15% to investors (whether residents and / or non residents and / or strategic investors and / or institutions or banks and / or incorporated bodies and / or individuals and / or trustees and / or stabilization agents or otherwise irrespective or whether or not such investors are existing members or not) either through a prospectus and / or offer letter and / or a circular and / or on a private placement basis for an aggregate issue value not exceeding Rs. 100 crores , such issue and allotment to be made at such times in one or more tranches at such price or prices, either at nominal value or at a premium to the nominal value in such manner and where necessary in consultation with the lead managers and / or underwriters and / or advisors or otherwise on such terms and conditions which the Board may , in its absolute discretion, decide at the time of issue."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of preference shares may have all or any terms or combination of terms in accordance with prevalent market practice including terms relating to put and/ or call options, terms relating to redemption of such preference shares and / or terms relating to voting rights and rate of dividend, and all other terms and conditions there of. "

"RESOLVED FURTHER THAT for the purpose of giving effect to the above said resolution, the Board is hereby authorized, either on its own or through a committee of directors, to do all such acts, deeds, matters and things as it may, in its absolute discretion, feel necessary or expedient for such purpose, including , without limitation, entering into arrangement for handling the said issue of securities in all its aspects, including managing, underwriting, marketing, listing, trading, appointing of depository custodian, registrar, trustees and agencies as may be connected with the said issue and for issuing any offer document , writings applications, filings, deeds, documents, and to pay any fees, commission, remuneration and expenses and settle all questions, doubts and difficulties which may arise in this regard."

Place: Chennai
Dated: 28.08.2010

By Order of the Board
S. GOPALAKRISHNAN
COMPANY SECRETARY

Notes:

1. The Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business as contained in the Notice is annexed hereto. The relevant details of persons seeking appointment as Directors under Item No.2 of the Notice as required by Clause 49 of the Listing Agreement entered into with Stock Exchanges are also annexed.

2. A Member entitled to attend and vote, at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. Proxies in order to be effective must be duly filled in, stamped, signed and should be deposited at the Registered Office of the company, not later than 48hours before the meeting. Proxies submitted on behalf of Limited Companies, Societies, etc., must be supported by appropriate Resolution / Authority as applicable issued on behalf of the appointing organisation.

3. The Board in its meeting held on 28th January 2010 has extended the accounting year of the Company, by 3 months so as to end with 30th June 2010 covering a 15 months period between 1st April 2009 to 30th June 2010 .

4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 29th November 2010 to Friday, 3rd December 2010 (both the days inclusive).

5. Members holding Equity Shares in Physical Form are requested to notify immediately any change in their address to the Company's Registrar and Share Transfer Agents, M/s. Cameo Corporate Services Ltd. Members holding Equity Shares in dematerialized form must send advise about change in address to their respective Depository Participants and not to the Company.

6. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of the Annual Report to the meeting.

7. Members/Proxies are requested to affix their signature on the Attendance / Admission slip provided in the 'Annual Report' and hand over the same at the venue of the meeting. Only members / proxies (whose proxy forms have already reached the Company) with the 'Attendance slip' will be admitted.

8. All correspondence regarding Equity Shares of the Company should be addressed to the Company's Registrar and Share Transfer Agents M/s. Cameo Corporate Services Ltd. at "Subramanian Building", 5th Floor, No.1, Club House Road, Chennai - 600 002.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO 2

The following Directors Messers T.Jagdish Jain and Ms Abinandana Papisetty retire by rotation at the Annual General Meeting and being eligible offer themselves for re-appointment. Accordingly, Resolutions are proposed for re-appointment.

The Board of Directors recommends the Resolutions for approval of the Members.
As per Clause 49 of listing agreement with stock exchanges, a brief resume of Directors who are proposed to be re-appointed at this meeting is furnished below:

PROFILE OF SHRI T JAGDISH JAIN

Aged 32 years, Shri T Jagdish Jain has over 10 years experience in running the business relating to metal trading. He is a whole time Director of the Company and is in complete in charge of factory and refilling operations at the Company's plant near Chennai.

He is one of the promoters of the Company and is the son of Shri A Tarachand Jain, Chairman and brother of Shri T Anil Jain, Managing Director. He holds 4,72,000 Equity Shares in the Company. He is also a Partner of Bombay Metals and Director of Refex Energy Private Limited.

The Board recommends his re appointment.

PROFILE OF MS ABHINANDANA PAPISETTY

Aged 26 years, Ms Abhinandana Papisetty has experience in the areas of Financial Management and business Market Analysis. She has also handled due diligence, deal structuring and negotiation. She is also associated with Investment Analysis. Her experience in the Financial Management would help the Company in reviewing the Company's Financial and Risk Management Policies from time to time and offer right solutions.

The Board recommends her re-appointment.

Except Shri T. Jagdish Jain (along with Sri A.Tarachand Jain and Sri T. Anil Jain being relatives of Sri T. Jagdish Jain) and Ms.Abhinandana Papisetty, none of the other Directors of the Company is in anyway concerned or interested in the Resolution.

ITEM 4 & 5

The Board plans to expand the Company's operations by infusing additional capital, the object being to enter into new areas of allied business activities related to the present business activities of the Company. As the present Authorised Capital is Rs.1800 Lakhs comprising of 1,80,00,000 Equity Shares of Rs.10 each as against the paid up capital of Rs.1547.50 Lakhs comprising of 1,54,75,176 equity shares, there is a necessity to enhance the Authorised Capital to accomodate the proposed infusion of funds.

As the present capital market very much encourages new types of instruments such as Preference Capital, apart from the traditional Equity Instruments, the Board is of the opinion that the proposed Authorised Capital may have appropriate provision for such new instruments such as preference shares apart from the existing equity shares.

Hence a Special Resolution has been proposed as Item no.4 of the agenda, for increasing the Authorised Capital from the present level of Rs.1800 Lakhs to Rs.3000 Lakhs, comprising of both Equity and Preference Share Capital, as detailed more in the resolution.

Similarly, the Board also plans to float an issue of Preference Shares at an appropriate time, to such investors who would be interested to invest in the company as such an issue involves less of procedural formalities and time constraints. This issue of preference share capital would augment the funds availability of the Company much required for its business operations. Hence a Resolution has been proposed to issue of Preference Shares as item no.5 of the agenda.

This resolution is proposed to enable the Board to create, offer and issue Cumulative Preference Shares carrying a dividend rate, not exceeding 15% on such terms and conditions as may be decided by the Board or a committee thereof, for a total issue value not exceeding Rs.100 Crores. The Board feels that issue of such Preference Shares would bring in cost effective funds to the Company and would ultimately help and add stimulus to the faster paced growth of the Company.

None of the Directors are interested or concerned in the special resolutions forming part of items no.4 and 5 of the agenda.

Place: Chennai
Dated: 28.08.2010

By Order of the Board
S. GOPALAKRISHNAN
COMPANY SECRETARY

Directors' Report

Dear Members,

Your Directors have great pleasure in presenting the Eighth Annual Report together with the Audited Statement of Accounts for the 15 months period ended June 30, 2010.

FINANCIAL PERFORMANCE

The key financial parameters for the period under review are as follows.

(Rs.In Lakhs)

Description	2009-10	2008-09
Turnover	5164.10	8945.88
Other Income	106.15	116.22
Total Income	5270.25	9062.10
Expenditure (other than Tax)	4863.93	8728.53
Profit before tax	406.32	333.57
Provision for Income Tax	62.77	47.83
Profit after Income Tax	343.55	285.74
Provision for Dimunition in value of Investment	1953.43	----
Deferred Tax	27.02	65.09
Net Profit / (Loss)	(1636.90)	220.65
EARNING PER SHARE (IN RS.)	(10.58)	1.43

FINANCIAL PERFORMANCE

During the period, the company's turnover fell from Rs.8945.88 Lakhs to Rs.5164.10 Lakhs due to fall in demand of consumer durables and air conditioning equipments.

In spite of this declining trend, the Company made a higher operational profit (before tax) of Rs.406.32 Lakhs as against Rs. 333.57 Lakhs for the earlier year, mainly due to better planning and cost management resulting in increased profits.

However, the Company had to make one time provision towards the losses incurred by its Wholly Owned Subsidiary Company (WOS) M/S Sherisha Technologies (S) Pte Ltd, Singapore. Consequent to the write off of the entire investments made by the said (WOS) in its step down Subsidiary Companies viz Kaltech Engineering & Refrigeration Pte Ltd and Global Refrigerants (S) Pte Ltd. Singapore. As a result your Company has to bear a net loss of Rs 1636.90 Lakhs. .

Although the loss arising out of disposal of such investment primarily pertain to the books of WOS, the Company has also recognized the loss by writing off its investment in the WOS to a substantial extent .Accordingly the provision for diminution in value of Investment has been made in the books of your Company at Rs.1953.43 Lakhs, dealt more clearly in the notes on accounts forming part of schedules to the financial statements.

Due to this one time provisioning, the Company had to report a net loss of Rs.1636.90 Lakhs for the financial period under consideration.

DIVIDEND

The Board of Directors have very carefully considered the present industry position vis a vis the Company's fund requirement for future growth. The Board after taking into account the present recessionary trend in the economy and the possibilities of recessionary factors continuing into the major portion of next financial 2010-11 also, have not recommended any dividend for this fiscal period.

The Board hopes that with recessionary trends weaning away in the next financial year, the Company would be in a position to record better growth in the years to come and endeavor to reward the shareholder.

EXTENSION OF FINANCIAL YEAR

Your Company had extended its financial year 2009-10 by three months so as to close on 30th June 2010. Accordingly the accounts of the Company reflect transactions for a period of fifteen months with effect from 1st April 2009. The said extension is also line with the relevant provisions of the Companies Act 1956, which permits a Company to have fifteen months period in a financial year.

CURRENT INDUSTRY AND FUTURE OUTLOOK

During the period, your Company's sales had fallen drastically due to the fall in demand in Consumer durable and Air-Conditioning Industry. In spite of tough competition from the industry your Company has been steadily trying to maintain its market share. Your company's new product Refrigerant Gas in small cans have become a big hit in the market and have started supplementing the Cylinder sales. In few years time these Cans would reduce Marketing cost in Refrigerant gases by reducing the investment on cylinders and freight for movement of cylinders to and fro. Though your Company has tied up with many OEM's for supply of Refrigerant gases, your Company will be concentrating more on after Sales, Trade and Service Markets as the margins in this sector is much higher than the OEM's. Refex has become a brand which speaks of its quality in the Industry. Your Company has been successful in its endeavor to make Refrigerant gases a consumer product. Your Company with a state of the art refilling facility have earned a name with international manufacturers across the globe to market their products. In the current period the company has tied up with Daiken Arkema Refrigerants Asia Limited for exclusively marketing their specialty Refrigerant gases in India. This will increase the sale of speciality Refrigerants in the newer markets.

With rupee getting stronger the margins for the next season looks better. With Auto Consumer Durables, Cold storage, Refrigerated transportation etc looking up, the demand for your Companies product is set to go up. Your Company plans to increase its domestic market share of the HFC Brand Refrigerant in the next Two years, by continuously introducing new packing and products to cater to different segments. By following this line of approach your Company will contribute immensely to the non-ozone depleting products to the community at large.

During the financial period, the Company, secured members consent by way of postal ballot for amending the Memorandum of Association by inclusion of energy ventures as one of the Main objects, apart from its existing objects.

Your Company has been one of the first few to be awarded a project to set up a 5Mwp Solar Power plant under the Jawaharlal Nehru National Solar Mission (JNNSM) by NTPC Vidyut Vyapar Nigam Limited (NVVN). Your Company has already signed an MOU for the same on 24th July 2010 and the plant will be installed and commissioned within a period of 15 months. This is another endeavor by the Company to produce green energy and create a safer environment for our future generation.

SUBSIDARY COMPANIES

During the financial period your Company further acquired 25,66,968 Equity shares of its Wholly Owned Subsidiary M/S Sherisha Technologies (S) Pte Limited, Singapore. The said WOS in the very same period has completely disposed of its investment in its two step-down subsidiaries viz Kaltech Engineering and Refrigeration Pte Limited, Singapore and Global Refrigerants (S) Pte Limited, Singapore. Accordingly these two Companies cease to be the Subsidiary Companies of your Company as at the end of financial period under consideration.

The audited financial statements of the WOS namely, Sherisha Technologies (S) Pte Ltd, has been appended to this annual report as required under the Companies Act, 1956 and along with the statement under Section 212 of the Companies Act.

However, since the investments made by Sherisha Technologies (S) Pte Ltd, Singapore are not proposed to be held on a long term basis, the Board is of the opinion that in terms of Para 11 of Accounting Standard 21 (AS 21) issued by Institute of Chartered Accountants of India, the financial statement of the said Subsidiary Company, have to be excluded from Consolidation of Accounts and hence no consolidated financial statements in terms of AS-21 have been prepared.

CORPORATE GOVERNANCE

A detailed Report on the Corporate Governance pursuant to Clause 49 of the Listing Agreement with the BSE and NSE along with the Auditors' Certificate on Compliance with the mandatory provisions on Corporate Governance is annexed to this Report.

The Managing Director and Chief Financial Officer of the Company have issued necessary certificate to the Board in terms of Clause 49(v) of Listing Agreement with Stock Exchanges for the financial period ended 30th June 2010.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report pursuant to Clause 49 of the Listing Agreement with the BSE & NSC for the period under review is given as a separate statement in the Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm that

I. In the preparation of the Annual Accounts, the applicable Accounting Standards has been followed,

II. They have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Period and of the Loss of the Company for that period.

III. They 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; and

IV. They have prepared the Annual Accounts on a going concern basis.

DIRECTORS

During the period under review, Shri Anil K Dhar resigned from the Board citing personal reasons. The Board expresses its sincere appreciation and gratitude to the outgoing Director for his valuable assistance and advice rendered by him during the tenure of his association with the Board.

Apart from this, Shri T Jagdish Jain and Ms Abinandhna Papi Setty, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment. Necessary resolutions are submitted for your approval.

AUDITORS

The Company's auditors M/s. Bhandari & Keswani, Chartered Accountants, Chennai who retire at the conclusion of this Annual General Meeting are eligible for re-appointment. A resolution is proposed for their reappointment in the Notice.

As regards qualification of auditors in their report dated 30th June 2010, regarding non compliance with AS 21 (Accounting Standard on Consolidation of financial statement of subsidiaries') the reasons for non furnishing of consolidated financial statement is already given in the para relating to Subsidiary Companies, above.

LISTING

During the financial period, the Company's shares were listed in National Stock Exchange of India Ltd, Mumbai apart from its initial listing with Bombay Stock Exchange Ltd. Mumbai The Company has paid the listing fees up to date.

INFORMATION AS PER SECTION 217(2)(a) OF THE COMPANIES ACT 1956:

None of the employees of the Company are in receipt of remuneration in excess of the limits specified in Section 217(2) (a) of the Companies Act, 1956.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

FOREIGN EXCHANGE EARNINGS	Rs. 46,96, 382/-
FOREIGN EXCHANGE OUTGO	Rs. 17, 95,600/-
TOWARDS DIVIDEND	Rs.14,400/-

DETAILS IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 217 (1)(e) OF THE COMPANIES ACT 1956:

The Company does not engage in any manufacturing activity involving energy intensive processes. However, the company has taken sufficient steps towards general energy saving techniques and conservation.

Given the nature of process employed by the company, there is no technology absorption involved.

PUBLIC DEPOSITS

The Company did not invite or accept any Deposits from the Public under Section 58A of the Companies Act, 1956.

ACKNOWLEDGMENT

Your Directors gratefully acknowledge the excellent support and co-operation extended by all the stake holders, more particularly, State Bank of India, Shareholders, Customers, Dealers, Bankers, regulatory and Govt. Authorities.

Your Directors also place on record their appreciation for the contributions of the members of the Management Team and all Employees in achieving an Impressive performance, during the period under review.

Place: Chennai
Dated: 28.08.2010

By Order of the Board
A. TARACHAND JAIN
CHAIRMAN

Management Discussion and Analysis Sheet

INDUSTRY STRUCTURE AND DEVELOPMENT

REFEX REFRIGERANTS LIMITED was incorporated on 13th September 2002 and is an ISO 14001 Company. Refex Refrigerants Ltd. is engaged in the business of refilling non ozone depleting refrigerant gases popularly known as Hydrofluoro Carbon or HFCs, which are used in Automobile Air-conditioners, Room Air-conditioners and Refrigerating Equipments.

The Company has commissioned during Aug 08, modern factory building with the latest machinery and equipments that include large vertical storage tanks, pipeline structure to facilitate automatic filling of cylinders, gantry crane etc.

During the period, the actual production of refrigerant gases accounted for 2240 MT against the installed capacity of 3000 MT. The sales of products in terms of qty recorded 2192 MT.

OPPORTUNITIES

The Company is engaged in the business of Hydro Fluoro Carbons (HFCs) which are replacement of the Ozone depleting CFC which are already banned in India and HCFC that are to be banned in a phased manner from 2020 onwards as per the implementation schedule of the Montreal Protocol by developing countries. These are primarily used as refrigerants in refrigeration and air-conditioning applications, propellants and aerosols, a blowing agent for insulating from and other application. Your Company has a wide breadth of customers in all major market segments like replacement Market, original equipment and households. Also the growth of consumer durable industry and Automobile industry, there are huge opportunities coming its way. Your company is strong in after markets and service industry which is growing multifold with the growth of the Manufacturing sector. The refrigerants are typically consumables and need to be replaced or refilled in systems atleast 5-7 times over the life of the equipment.

THREATS

The Company is largely dependent on foreign countries for the supply of raw materials and hence the shortage in the availability of raw material cost coupled with adverse foreign exchange fluctuations will affect the cost structure and bottom line of the Company. Any changes in the regulatory framework pertaining to manufacturing and importing of refrigerant gases could have an adverse impact on the business of the Company.

COMPETITIVE STRENGTH

The Company is engaged in the Business of refilling HFC, which unlike other Refrigerant Gases, is an eco friendly gas that does not harm the Ozone layer. The Company has reputed corporates and MNCs in its clientele The client base of the Company is steadily increasing. It had introduced Refrigerants in small cans making it a retail product available off the shelf. It has also well branded the product, that the consumer recognizes the product when they need it.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Refex's stringent Internal Control System and procedures is well defined and is commensurate with the size and nature of the business to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statutes, Code of Conduct and Corporate Policies are duly complied with.

The Internal Audit Division reviews the adequacy and efficiency of the internal controls. The scope of the audit activity is guided by the Annual Audit Plan, which is approved by the Audit Committee of the Board.

The Company's Audit Committee comprises three Non-Executive Directors Ms Abhinanda Papisetty, Mr N D Trivedi and Mr T Anil Jain, Managing Director. One of the objective of the Audit Committee is to review the Reports submitted by the Internal Audit Department and to monitor, follow up and ensure that corrective action is taken by the management.

The Company Secretary is the designated Compliance Officer to ensure compliance with SEBI Guidelines and with the Listing Agreement entered into with Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd. Mumbai.

HUMAN RESOURCE DEVELOPMENT

Refex believes that human resources represent its primary Assets. The Company strives to provide fair, empowered, merit-based and continuously learning workplaces which go a longway in enriching competence and accelerating corporate growth. During the period under review the Company had a total employee's strength of more than 75 persons. The Company is also actively engaged in imparting both functional and attitudinal training across employees for maximum productivity.

DISCUSSION ON FINANCIAL PERFORMANCE

An overview of financial performance of the Company vis a vis previous year is given separately in the Director's Report.

PRODUCT WISE / SEGMENT WISE PERFORMANCE

The company is in a single product/segment of refilling of refrigerant gases. The quantitative performance vis a vis previous year is given below.

	2009-10	2008-09
Sales (in KGS)	21, 92,350	33, 27,089

The above statements are as perceived by the Directors based on the current scenario and the input available. Any extraneous developments and force majeure may have an impact on the above perceptions.

Report On Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your company firmly believes in transparency in its dealings and lays emphasis on the integrity and regulatory compliance. Your company considers good corporate governance a prerequisite for meeting the needs and aspirations of its shareholders and other stakeholders in the Company. With this end in view this period's annual report has made substantial disclosures on the Board, the Board Committees as also on the financial and the stock performance.

2. BOARD OF DIRECTORS

Composition and Category of Directors

The total strength of the Board is five Directors. Presently, the board has 2 Independent Directors, Messers N D Trivedi, and Ms Abhinandana Papisetty out of the total Board strength of five Directors. As Mr Anil K Dhar, an independent director, resigned during April 2010, the Company is in the process inducting an independent director to fill up the vacancy.

Number of Board Meetings

During the financial period 2009-2010, the Board met 10 times on following dates: 10th April 2009, 30th June 2009, 23rd July 2009, 29th July 2009, 19th September 2009, 13th October 2009, 30th October 2009, 07th December 2009, 28th January 2010 and 10th May 2010 and the gap between two Meetings has not exceeded four months.

DIRECTORS ATTENDANCE RECORD AND DIRECTORSHIPS HELD

Name of the Director	Position	Board Meetings		Last AGM Attended	Board Membership (Other Companies)
		Held	Attended		
Mr A. Tarachand Jain	Chairman - Promoter Executive	10	10	Yes	1
Mr. T Anil Jain	Managing Director - Promoter Executive	10	10	No	7
Mr. T Jagdish Jain	Whole Time Director - Promoter Executive	10	10	Yes	1
Mr. Anil K Dhar (Till 20.04.10)	Director - Non Promoter, Non Executive Independent	9	5	No	Nil
Mr.N DTrivedi	Director - Non Promoter, Non Executive Independent	10	Nil	No	Nil
Ms Abhinandana Papisetty	Director - Non Promoter, Non Executive Independent	10	10	Yes	Nil

None of the Directors is a member of more than 10 Board Level Committees or Chairman of more than 5 such Committees across all Companies as covered under Clause 49 of the Listing Agreement.

Code of Business Conduct and Ethics for Board of Directors and Senior Management Personnel:

The Company has in place the Code of Business Conduct and Ethics for Board of Directors and Senior Management personnel which are approved by the Board of Directors. The Code has been communicated to Directors and the members of the Senior Management personnel. The Code of conduct has also been posted on to the website of the Company. All Board Members and Senior Management personnel have confirmed compliance with the Code for the period ended 30th June 2010. The Annual Report contains a declaration to this effect signed by the Chairman, Managing Director and Company Secretary as compliance officer for the code.

3. BOARD COMMITTEES

(a) Audit Committee:

The Audit committee includes the following

Mr. Anil K Dhar (Till 20.4.2010)	Chairman
Mr.T Anil Jain, Managing Director	Member
Ms. Abhinandana Papisetty	Member (Chairman since 20.4.2010)
Mr.N D Trivedi	Member (Since 20.4.2010)

The brief description of the terms of reference of the audit committee is:

I. To oversee the company's financial reporting process and ensuring correct, adequate and credible disclosure of financial information.

II. To recommend appointment and removal of internal as also external auditors and fixing of their fees.

III. To review with management the annual financial statements before submission to the Board with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements.

IV. To review the adequacy of audit and compliance function including their policies, procedures, techniques and other regulatory requirements.

V. To take up any other terms of reference assigned by the Board from time to time.

The Committee met on 30.6.2009, 29.7.2009, 30.10.2009, 28.01.2010 and 10.05.2010 for discharging the functions and was attended by all members for 4 meetings and 2 members for 1 meeting.

(b) Remuneration Committee

The Remuneration committee includes the following, all of whom are Independent Directors

Mr. Anil K Dhar (Till 20.04.2010)	Chairman
Mr. N D Trivedi	Member
Ms. Abhinandana Papisetty	Member (Chairman since 20.04.10)

The brief description of the terms of reference of the Remuneration Committee is:

i) To review market practices and to decide / make recommendations to the Board on remuneration packages applicable to the Managing Director, Executive Director and the Senior Executives of the Company.

ii) To decide on the commission and / or other incentives payable taking into account the individual's performance as well that of the Company.

iii) To assess the overall compensation structure and the policies of the Company with an objective to attract, retain and motivate employees , consider grant of stock options to employees etc.

iv) To review the compensation levels of the company's employees vis a vis the other companies in the same field and industry in general

v) To meet the requirements of remuneration committee as laid down in Schedule XIII to the Companies Act, 1956 dealing with Managerial Remuneration.

The committee was not required to meet during 2009-10 as no occasion arose warranting any discussion and approval regarding revision of remuneration to managerial personnel.

Managerial Remuneration paid during the period.

	Amount (Rs. In Lakhs)
Managing Director	10.20
Whole Time Director	10.20

During the financial period ended 30th June 2010, Chairman waived his remuneration for the entire period while Managing Director and Whole time Director waived the remuneration for a period of 3 months out of 15 months.

The Company has not paid any other remuneration in the form of other benefits, bonus, pension, performance link incentives etc .The Company does not have a scheme for grant of stock options either to the Managing Director or to the employees.

None of the Non Executive Directors, holds any share in the Company.

The Non-Executive Directors does not have any pecuniary relationship or transactions with the company.

(c) Share Transfer and Shareholder / Investors Grievance Committee.

The brief description of the terms of references of the committee is to

i) To oversee share transfers involving physical shares and monitor redressal of shareholders and investors complaints.

ii) To review the process and service standards adopted by the in-house share department/Registrar and Share Transfer Agents.

iii) To resolve the investors' complaints.

The committee comprises of

Mr. Anil K Dhar (Till 20.4.2010)	Chairman
Mr. T Anil Jain	Member
Mr T Jagdish Jain(Since 20.4.2010)	Member

The Committee met on 10.08.2009 for discharging the functions and were attended by both the members

During the period under review, the Company received three investor compliant which were resolved. As such there was no compliant pending unresolved as on 30th June 2010. All requests for dematerialization of shares were carried out within the stipulated time period and no share certificates were pending for dematerialization as on 30th June 2010 beyond the stipulated period.

4. SECRETARIAL AUDIT

A qualified Company Secretary carries out an audit on quarterly basis to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) with total issued and listed capital.

5. DIRECTORS MEMBERSHIP / CHAIRMANSHIP IN COMMITTEES

No Director is a Member of more than 10 Committees or Chairman of more than 5 Committees across all Companies in which he is a Director.

6. PROFILE OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT.

A brief resume containing the profile in specific functional areas, Directorships / Membership of Committees held in other Companies in respect of Directors retiring by rotation / being appointed at the ensuing Annual General Body Meeting forms part of the Explanatory Statement to the notice of the Annual General Meeting .

7. GENERAL BODY MEETINGS

Date, Time and Venue of the last three AGMs

Financial Year Ended	Date	Time	Venue
31st March 2009	06.11.2009	03.30 P.M.	Benz Park, Rover Hall, 62, Tirumalai Pillai Road, T.nagar Chennai 17.
31st March 2008	09.06.2008	03.30 P.M.	GRT Convention Centre, 120, Sir Thyagaraya Road, T.nagar. Chennai- 600 017.
31st March 2007	23.05.2007	11.00 A.M.	20, Mooker Nalla Muthu Street, Chennai 600 001

SPECIAL RESOLUTONS PASSED IN THE LAST 3 ANNUAL GENERAL MEETING.

DATE OF AGM 09.06.2008

INCREASE IN REMUNERATION TO CHAIRMAN FROM RS.50,000 TO RS.1,00,000 PER MONTH

INCREASE OF REMUNERATION TO MANAGING DIRECTOR FROM RS.60,000 TO RS.85,000 PER MONTH

APPOINTMENT OF MR JAGDISH JAIN AS WHOLE TIME DIRECTOR AND FIXATION OF REMUNERATION AT RS.85,000 PER MONTH

Apart from the above, no special resolutions were passed in the earlier Annual General Meetings.

RESOLUTIONS THROUGH POSTAL BALLOT

The Company conducted postal ballot resolution during May 2009 for seeking members approval by way of special resolution for amendment to main object clause of the Memorandum of Association, by inclusion of objects relating to business of energy venture, such as electric and solar power supply , installation of power plants and related activities.

The special resolution was passed by the members on 6th June 2009 in the postal ballot under the following voting results.

Total Ballot forms received	211
Valid ballot forms	209
Invalid forms	2

Total votes in favour	209 holding 99, 90,186 shares
Total votes against	NIL

The said amendment were registered with Registrar of Companies, Tamil Nadu

8. MATERIAL CONTRACTS / TRANSACTIONS CONCERNING DIRECTORS INTEREST:

The Company does not have related party transactions with any of its Directors which may have potential conflict with the interest of the Company at large.

All the related party transactions both in the ordinary course of activities and others have been approved in the audit committee of the Company. None of the transactions with any of the related parties were in conflict with the interest of the company at large. The details of the related party transactions are furnished in the notes of accounts.

The company has complied with all the applicable mandatory requirements in terms of Clause 49 of Listing Agreement. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

9. MEANS OF COMMUNICATION

(a) **Quarterly Results**

(i) Which news paper normally published
Economic Times / Financial Express / News Today
Makkal Kural (Tamil)

(ii)Any website displayed
Nill

(b) Whether website also displays official news releases:
No

(c) Whether presentations were made to the institutional investors or to the analysts:
No

(d) Whether Management Discussion and Analysis is part of annual report or not:
YES

10. GENERAL SHAREHOLDER'S INFORMATION

AGM Date, Time and Venue	3rd December 2010 at 3.30 pm in Benzz Park, Rover Hall, 62, Thirumalai Pillai Road, T. Nagar, Chennai – 600 017	
Financial Year	30th June 2010	
Financial Calendar for 2010-2011 (tentative dates for declaration of Quarterly Financial Results)	1st Quarter ending Sept 30, 2010	Between 22nd October 2010 to 15th November 2010
	2nd Quarter ending Dec. 31,2010	Between 22nd January 2011 to 15th February 2011
	3rd Quarter ending March 31, 2011	Between 22nd April 2011 to 15th May 2011
	4th Quarter ending June 30,2011	Between 22nd July 2011 to 15th August 2011
Date of Book closure	29th November 2010 to 3rd December 2010 (both days inclusive)	
Dividend Payment Date	Within Thirty days of declaration	
Name of the Stock Exchange on which shares are listed	Bombay Stock Exchange Ltd *Scrip Code: 532884	National Stock Exchange of India Ltd Scrip Code REFEX
Name & Address of Registrar & Share Transfer Agents	M/s.Cameo Corporate Services Ltd "Subramanian Building" Fifth Floor No.1, Club House Road, Chennai – 600 002	
Dematerialisation of shares	Approximately 94.55% of the shares are dematerialised. *DEMAT ISIN :INE 056i01017	
Address for Correspondance	M/s.Refex Refrigerants Limited, 67, Bazuallah Road, T Nagar, Chennai – 600 017.	

*Demat Arrangement with National Securities Depository Limited (NSDL) & Central Depository Services (India) Ltd (CDSL)

Details of Market Price-BSE

MONTH ENDED ON	HIGH (Rs.)	LOW (Rs.)
30.04.2009	24.90	14.67
31.05.2009	35.35	21.65
30.06.2009	44.90	28.45
31.07.2009	31.50	26.30
31.08.2009	35.05	28.15
30.09.2009	37.35	30.55
31.10.2009	32.40	25.45
30.11.2009	30.05	24.25
31.12.2009	35.25	27.50
31.01.2010	32.85	26.65
28.02.2010	28.70	21.30
31.03.2010	26.20	21.40
30.04.2010	31.80	22.10
31.05.2010	27.50	20.95
30.06.2010	29.00	23.05

Details of Market Price-NSE (Listed on 1st December 2009)

MONTH ENDED ON	HIGH (Rs.)	LOW (Rs.)
31.12.2009	36.00	27.35
31.01.2010	32.80	26.60
28.02.2010	28.95	22.10
31.03.2010	26.00	21.75
30.04.2010	31.80	22.15
31.05.2010	27.95	21.05
30.06.2010	29.20	22.05

Share Transfer System:

A Committee of Directors has been constituted to approve the Transfer, Transmission and other allied matters. In compliance with SEBI requirements share transfer are entertained both under demat and physical form. Share transfers in respect of physical stocks are normally effected within a maximum of 15 days from the date of receipt. In compliance with the Listing Guidelines, every six months the system of physical share transfers is audited by a Qualified practicing Company Secretary and a certificate to that effect is issued.

In compliance with the Listing Guidelines, every three months a qualified practicing Company Secretary audits the system relating to dematerialization of shares and certificate to that effect is issued.

11. SHARE HOLDING PATTERN AS ON 30th JUNE 2010

Category	Number of Share Holders	Number of Shares Held	%of Share Holding
Directors and their relatives including Associate Companies	8	8921272	57.65
Bodies Corporate	241	2217332	14.33
Foreign Company/ Nationals	2	569000	3.67
Foreign Institutional Investors	--	--	--
Banks / Financial Institutions	--	--	--
NRI	29	25746	0.16
UTI / Mutual Fund	--	--	--
Public(others)	5673	3741826	24.19
TOTAL	5953	15475176	100.00

12. INVESTORS CORRESPONDENCE

All enquires, clarifications and correspondence should be addressed to Registrars and the ShareTransfer Agents or to the Compliance Officer at the following addresses:

Name & Address of Registrar and
Share Transfer / Demat Agents
M/s.Cameo Corporate Services Limited,
Subramanian Building, Fifth Floor
No 1, Club House Road, Chennai - 600 002.

Name & Address of the Compliance Officer
S Gopalakrishnan
Company Secretary
Refex Refrigerants Limited.
Admin Office , 67, Bazullah Road,
T.Nagar, Chennai- 600 017

13. LIST OF DIRECTORS HOLDING SHARES OF THE COMPANY

Name of the Director	Category	Number of Shares held	% of Share holding
A. Tarachand Jain	Chairman, Promoter	1,85,200	1.20
T Anil Jain	Managing Director, Promoter	28,40,902	18.36
T Jagdish Jain	WholeTime Director, Promoter	4,72,000	3.05

DECLARATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF BUSINESS CONDUCT AND ETHICS.

To
The Members of
Refex Refrigerants Ltd.,

On the basis of the written representations received from Members of the Board and Senior Management Personnel as on 30th June 2010 in terms of Clause 49 of the Listing Agreement, we hereby certify that both the Members of the Board and the Senior management personnel have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the Board of Directors.

Place: Chennai	**A Tarachand Jain**	**T Anil Jain**	**S. Gopalakrishnan**
Date : 28.08.2010	Chairman	Managing Director	Company Secretary

Auditor's Certificate on Corporate Governance

To
The Members of
Refex Refrigerants Limited
Chennai

We have examined the Compliance of the conditions of Corporate Governance by M/s Refex Refrigerants Limited, for the period ended on 30th June 2010, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and representations made to us 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 state that no investors' grievances are pending for the period exceeding 30 days against the Company as per the records maintained by the Registrar and Share Transfer Agents of the Company and presented to the Share Holders/Investors Grievances Committee.

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

Place : Chennai
Date : 28.08.2010

For Bhandari & Keswani
Chartered Accountants
P Bhandari
Partner
Membership No.17411

Auditors' Report

To the Members of
REFEX REFRIGERANTS LIMITED

1. We have audited the attached Balance Sheet of REFEX REFRIGERANTS LIMITED as at June 30, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

   An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit;

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

   c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 except with AS-21, relating to preparation of Consolidated financial Statement, in respect of its Overseas Subsidiary Companies as mentioned in Note 2 (ii) of Schedule - 17.

   e) On the basis of written representations received from the Directors as on 30th June 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th June 2010 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 our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon given more particularly note no 2 & 7 (c) the information required by the Companies Act, 1956, 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 30th June 2010

      (ii) in the case of the Profit and Loss Account, of the Profit 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.

PLACE: Chennai
DATE: 28.08.2010

For BHANDARI & KESWANI
Chartered Accountants
P. Bhandari
Partner

Annexure

Re: Refex Refrigerants Limited

Referred to in paragraph 3 of our report of even date

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the Fixed Assets.

(b) The fixed assets have been physically verified by the management during the year which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies have been noticed on such verification.

(c) During the year, the Company has not disposed off a major part of the plant and machinery. According to the information and explanations given to us, we are of the opinion that the sale of the small portion of plant and machinery has not affected the going concern status of the Company.

(ii) (a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) 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 is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material.

(iii) (a) During the year under review, the Company has not granted any loans to the parties covered in the register maintained under Section 301 of the Companies Act.

(b) The Company has taken interest free loans from 3 parties amounting to Rs.7, 50, 15, 595/- (Rs.8,32,25,000) from the parties covered in the register maintained under Section 301 of the Companies Act and no interest has been paid on such loans.

(c) There is no stipulation with respect to repayment of principal and interest in (a) and (b) above.

Apart from the above the Company had neither granted nor taken loans, secured or unsecured to or from Companies, Firms and other parties covered in the register maintained under Section 301 of the Companies Act.

(iv) 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 with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls during the course of our Audit.

(v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

b) In our opinion and according to the information and explanations given to us, the Company has not entered into transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value rupees five lakhs in respect of any party during the year.

(vi) In our opinion and according to the information and explanations given to us, the company has not accepted Deposits from the Public within the meaning of Sections 58A and 58AA of the Act and the rules framed thereunder during the year.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We report that no cost records under 209 (1) (d) of the Companies Act, 1956 have been prescribed for the Company.

(ix) (a) The Company has been generally regular in depositing undisputed amounts relating to Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty, Cess and other material Statutory dues as applicable with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty, Cess and other material Statutory dues were in arrears as at 30th June 2010 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty, Cess and other material Statutory dues which have not been deposited on account of any dispute.

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or banks.

(xii) We are of the opinion that the Company has not granted any loans on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

(xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

(xv) According to the information and explanations given to us the Company has given guarantee for loans taken by two subsidiary Companies incorporated outside India to banks and the terms and conditions are not prejudicial to the interests of the Company.

(xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent Working Capital.

(xviii) According to the information and explanations given to us the Company during the period has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

(xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.

(xx) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

PLACE: Chennai
DATE: 28.08.2010

For BHANDARI & KESWANI
Chartered Accountants
P. Bhandari
Partner

Balance Sheet as at 30th June, 2010

	Schedule	30th June 2010 Rupees		31st March 2009 Rupees	
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Capital	1	1,54,751,760		154,751,760	
b) Reserves and Surplus	2	274,621,967	4,29,373,727	329,211,198	483,962,958
2. Loan Funds					
a) Secured Loans	3	282,856,839		275,305,473	
b) Unsecured Loans	4	114,809,353	397,666,192	141,491,004	416,796,477
3. Deferred Tax - Net			43,132,103		40,430,210
	Total		870,172,022		941,189,645
II. APPLICATION OF FUNDS					
1. Fixed Assets	5				
a) Gross Block		459,981,789		378,265,566	
b) Less: Depreciation		39,948,901		21,275,029	
c) Net Block		420,032,888		356,990,537	
d) Capital Work-in-Progress		1,091,621	421,124,509	-	356,990,537
2. Investments	6		4,794,937		185,956,082
3. Current Assets, Loans and Advances					
a) Inventories	7	141,062,820		53,158,279	
b) Sundry Debtors	8	222,576,019		324,342,090	
c) Cash and Bank Balances	9	12,761,282		15,319,348	
d) Loans and Advances	10	99,814,728		118,369,504	
	(A)	476,214,850		511,189,221	
Less :					
4. Current Liabilities and Provisions					
a) Liabilities	11	149,938,209		121,648,671	
b) Provisions	12	7,434,858		7,228,590	
	(B)	157,373,067		128,877,260	
Net Current Assets	(A-B)		318,841,783		382,311,961
5. Miscellaneous Expenditure	13		125,410,793		15,931,066
	Total		**870,172,022**		**941,189,645**

As per our Audit Report of even date
For **BHANDARI & KESWANI**
Chartered Accountants

P. Bhandari
Partner

Place : Chennai
Date : 28.08.2010

A.Tarachand Jain
Chairman

T. Jagadish Jain
Director

S.Gopalakrishnan
Company Secretary

T. Anil Jain
Managing Director

Abhinandana Papisetty
Director

Profit & Loss Account for the Fifteen Months Ended 30th June, 2010

	Schedule	30th June 2010 Rupees	31st March 2009 Rupees
I. INCOME			
Gross Sales		565,090,372	940,307,415
Less: Excise Duty		48,680,780	45,719,205
Net Sales		516,409,592	894,588,210
Other Income		10,615,646	11,622,175
	Total (A)	527,025,238	906,210,385
II. EXPENDITURE			
Cost of Sales of Manufactured Goods	14	299,879,728	283,195,329
Purchase of Goods		44,752,695	491,570,511
Establishment Expenses	15	17,138,367	14,666,120
Administrative Expenses	16	33,505,494	26,749,450
Amortisation of Deferred Revenue Expenses		6,932,704	3,982,766
Interest		57,828,459	28,985,699
Loss on Sale of Investment		7,329,215	-
Depreciation	5	19,026,119	23,703,325
	Total (B)	486,392,781	872,853,199
III. PROFIT			
Profit Before Tax	(A-B)	40,632,457	33,357,186
Additional Income Tax Provision for earlier years		-	127,027
Provision for Income Tax		6,277,715	4,083,600
Provision for Dimunition in Value of Investment		195,343,146	-
Deferred Tax Liability		2,701,893	6,509,460
Provision for Fringe Benefit Tax		-	572,420
Net Profit for the Year		(163,690,297)	22,064,679
Add :Balance brought forward from Previous Year		54,589,231	41,335,070
Profit available for Appropriation		(109,101,066)	63,399,749
IV. APPROPRIATIONS			
Dividend		-	1,547,518
Dividend Distribution Tax on Dividend		-	263,001
General Reserve		-	7,000,000
Surplus carried forward to Balance Sheet		(109,101,066)	54,589,231
		(109,101,066)	63,399,749
Earnings Per Share (Rs.) - Basic & Diluted (Face value of Rs.10/- each)		(10.58)	1.43

As per our Audit Report of even date
For **BHANDARI & KESWANI**
Chartered Accountants

P. Bhandari
Partner

Place : Chennai
Date : 28.08.2010

A.Tarachand Jain
Chairman

T. Jagadish Jain
Director

S.Gopalakrishnan
Company Secretary

T. Anil Jain
Managing Director

Abhinandana Papisetty
Director

Schedules forming part of the Balance Sheet and the Profit & Loss Account

	30th June 2010 Rupees		31st March 2009 Rupees	
1. CAPITAL				
Authorised				
1,80,00,000 Equity Shares of Rs.10/- each		180,000,000		180,000,000
Issued , Subscribed and Paid-Up				
1,54,75,176 Equity Shares of Rs.10/- each fully paid-up		154,751,760		154,751,760
		154,751,760		154,751,760
Of the above:				
31,29,000 Equity Shares of Rs.10/- each are allotted as fully paid up bonus shares by way of capitalisation of General Reserve				
2. RESERVES AND SURPLUS				
Securities Premium		232,411,967		232,411,967
General Reserve				
As per last Balance Sheet	42,210,000		35,210,000	
Add: Transfer from Profit & Loss Account	-	42,210,000	7,000,000	42,210,000
Profit & Loss Account				54,589,231
		274,621,967		329,211,198
3. SECURED LOANS				
Loans and Advances from Banks		282,856,839		275,305,473
Secured by Charge over certain Fixed Assets and Current Assets of the Company both present and future.				
		282,856,839		275,305,473
4. UNSECURED LOANS				
Intercorporate Deposits		88,633,663		86,580,244
From Others		-		9,350,000
From Directors		26,175,689		45,560,760
		114,809,353		141,491,004
6. INVESTMENTS				
In Mutual Funds - Non Trade, Unquoted				
HDFC Asset Management Company Limited				15,075,000
In Equity Shares-Non Trade, Unquoted of an Overseas Subsidiary				
Sherisha Technologies (Singapore) Pte Ltd (Sch.16)				
73,61,905(47,94,937) shares of SGD 1 each	200,138,083			170,881,082
Less: Provision for dimunition in Value if Investment	195,343,146	4,794,937		
(See Note 2 (I)of Schedule 17)				
		4,794,937		185,956,082
7. INVENTORIES (As valued and certified by the Management)				
Stock of Raw Materials		141,062,820		53,158,279
		141,062,820		53,158,279
8. SUNDRY DEBTORS				
(Unsecured Considered Good, except otherwise stated)				
Over six months	134,582,890		12,576,137	
Others	96,307,013		321,718,902	
	230,889,903		334,295,039	
Less: Deposits from normal Trade Debtors - Contra	8,313,884	222,576,019	9,952,949	324,342,090
		222,576,019		324,342,090
9. CASH AND BANK BALANCES				
Cash on hand		31,646		57,092
With Scheduled Banks in:				
Current Accounts		53,036		558,767
Deposit Accounts		12,676,600		14,703,488
		12,761,282		15,319,347

	30th June 2010 Rupees		31st March 2009 Rupees	
10. LOANS AND ADVANCES				
(Unsecured Considered Good, unless otherwise stated)				
Advance recoverable in cash or in kind or for value to be received		27,597,240		75,057,894
Advances to Suppliers		57,906,135		29,476,010
Balance with Excise		11,963,498		12,722,597
Rent Deposit		900,035		947,000
Security Deposit		1,447,820		3,166,003
		99,814,728		118,369,504
11. CURRENT LIABILITIES				
Advances from Customers		30,484,903		150,344
Sundry Creditors		114,032,100		121,498,327
Sundry Creditors - Expenses		5,421,207		-
		149,938,209		121,648,671
12. PROVISIONS				
Gratuity		1,421,508		781,792
Proposed Dividend		-		1,547,518
Income Tax Provision		-		263,001
Fringe Benefit Tax (net of advance payment)		1,277,500		848,398
Taxation (net of advance payment)		4,735,850		3,787,881
		7,434,858		7,228,590
13. MISCELLANEOUS EXPENDITURE				
(To be extent not written off or adjusted)				
Profit & Loss Account		109,101,066		
Deferred revenue Expenses				
Opening Balance	15,931,066			
Add: Addition (Deduction) During the year	7,311,365		19,913,832	
	23,242,431		19,913,832	
Less: Transfer to P&L A/C	6,932,704	16,309,727	3,982,766	15,931,066
		125,410,793		15,931,066
14. COST OF SALES				
Opening Stock		53,158,279		22,714,317
Add: Purchase of Raw Materials		336,260,133		276,507,961
		389,418,412		299,222,279
Less: Closing Stock of Raw Materials		141,062,820		53,158,279
		248,355,592		246,064,000
Direct Expenses				
Transport and Carriage Expenses		15,232,625		14,620,651
Customs Duty		23,006,146		12,598,640
Stores & Consumables		132,540		227,265
Packing Materials		1,162,613		140,785
Discount		-		106,752
Factory Maintenance		1,603,682		603,546
Freight & Handling Charges		1,510,604		1,707,368
Clearing & Forwarding Charges		7,965,081		6,116,421
Power Charges		910,844		1,009,902
		299,879,728		283,195,329
15. ESTABLISHMENT EXPENSES				
Bonus		527,444		493,920
Salary		12,913,168		11,098,294
Gratuity		664,293		-
Provident Fund		580,184		483,645
Employee State Insurance		163,909		155,332
Staff Welfare		2,289,369		2,434,928
		17,138,367		14,666,120
16. ADMINISTRATIVE EXPENSES				
Advertisement Charges		460,784		861,958
Audit Fees		75,000		75,000
Ban k Charges/Processing fee		7,260,902		2,982,323
Books and Periodicals/Subscription		83,907		42,790
Brokerage		37,900		402,948
Business Promotion		384,549		940,298
Consultancy Charges		729,609		1,264,138
Conveyance		303,753		485,362
Directors Remuneration/Directors sitting fee		2,080,000		-
Donation		5,000		482,250
General Expenses/Bad Debts		751,945		85,790
Insurance		1,909,351		255,863
Legal & Professional Fees		3,171,964		3,436,217
Rates, Taxes and Fees		928,962		495,031
Office Maintenance /Bad Debts		404,562		287,490
Petrol Expenses		1,012,207		1,164,695
Postage and Courier		316,776		341,564
Printing and Stationery		689,104		651,135
Rent		2,328,331		1,369,984
Repairs & Maintenance				
Machinery		221,217		144,925
Vehicles		405,064		310,215
Others		183,037		227,647
Security Charges		680,400		699,510
Telepone Charges		1,810,689		1,508,256
Travelling Expenses		6,910,590		8,234,061
Loss on sale if Investment		359,892		-
		33,505,494		26,749,450

SAFEGUARDING OZONE

Schedule ' 5 '

SCHEDULE OF FIXED ASSETS - ACCOUNTS FOR THE PERIOD ENDED 30TH JUNE 2010

DESCRIPTION	RATE	GROSS BLOCK						DEPRECIATION				NET BLOCK
		As at 01.04.2009	Deductions	Additions for the Period	Deletions for the Period	Depreciation on additions	As at 30.06.2010	Up to 01.04.2009	For the Period	Deductions	Up to 30.06.2010	As at 30.06.2010
LAND		102,279,110	-	-	-	-	102,279,110	-	-	-	-	102,279,110
BUILDING	3.34%	138,564,517	5,744,070	192,460-	-	2,272	138,756,977	4,115,318	5,746,342	-	9,861,660	133,010,635
ELECTRICAL INSTALLATIONS	4.75%	24,288,536	1,427,905	19,414	-	295	24,307,950	712,530	1,428,200	-	2,140,730	22,879,750
FURNITURE & FITTINGS	6.33%	5,959,538	465,689	23,797	-	1,444	5,983,335	1,546,539	467,134	-	2,013,673	5,516,201
OFFICE EQUIPMENTS	4.75%	3,266,824	192,220	17,050	-	494	3,283,874	437,690	192,714	-	630,404	3,091,160
PLANT & MACHINERY	16.21%	28,135,649	5,808,724	81,279,178	222,000	1,629,530	109,192,827	10,951,553	7,438,255	-	18,389,808	145,498,006
PLANT & MACHINERY	4.75%	46,550,135	2,732,684	224,196	298,117	96	46,476,214	1,751,269	2,732,781	47,496	4,436,554	-
VEHICLES - Others	9.50%	7,486,816	878,754	1,635,766	803,275	78,491	8,319,307	1,701,544	957,245	304,750	2,354,040	7,758,027
VAN	11.31%	459,414	63,449	-	-	-	459,414	58,586	63,449	-	122,035	-
TOTAL		356,990,538	17,313,496	83,391,861	1,323,392	1,712,622	439,059,007	21,275,030	19,026,119	352,246	39,948,903	420,032,888

Schedule - 16
Significant Accounting Policies

1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956. The Profit and Loss Account and Balance Sheet materially comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.

2. Use of Estimates

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

3. Fixed Assets

Fixed Assets are stated at cost net of cenvat / value added tax and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

4. Depreciation

Depreciation on fixed assets is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life.

5. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

6. Foreign Currency Transactions

(a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

(b) Monetary items if any denominated in foreign currencies at the year end are restated at year end rates.

(c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

7. Investments

Current investments are carried at the lower of cost or quoted / fair value, computed category wise and include the cost of such acquisition and any other related costs incurred thereon. Long Term Investments are stated at cost and any other related costs incurred thereon.

Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

Investments in Subsidiary Company are carried at cost at which they were made and is inclusive of any foreign exchange fluctuation, in this regard. as cost of acquisition also includes all direct cost and other relatable cost to the investment.

8. Inventories

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined FIFO basis.

9. Turnover

Turnover includes sale of goods, services, sales tax, service tax, and excise duty, adjusted for discounts (net), value added tax (VAT) and gain / loss on corresponding hedge contracts.

10. Excise Duty and Sales Tax

Excise duty is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in bonded warehouses and branches if any. Value Added Tax paid in excess of the Input Credit Tax availed is charged to profit and loss account.

11. Employee Benefits

(i) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

(ii) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The Company does not have a Defined Benefit Plan and as such the expense is recognized at the present value of the amounts payable determined using Actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

12. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

13. Initial Public Offer and Deferred Revenue Expenditure

Initial Public Offer expenses have been included in the Preliminary expenses and set off against Share Premium Account.

Advertisement, Publicity and other related expenses incurred by the Company towards Brand Building included in the Cost of Project are treated as Deferred Revenue Expenditure and are written off at the rate of 1/5th every year commencing from the current period, being the year in which the New Project is commissioned. Advertisement, Public awareness and Brand Building Expenses incurred by the Company after commissioning the new project leading upto the adoption and implementation of Montreal Protocol, in India shall be amortized over a period of 5 years.

14. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

15. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Schedule 17
Notes On Accounts

1. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current period year financial statements and are to be read in relation to the amounts and other disclosures relating to the current period.

2. (I) During the current financial period the Company Wholly Owned Subsidiary (WOS), Sherisha Technologies (S) Pte Ltd, Singapore disposed of its entire investment in both of its step down Subsidiaries namely Kaltech Engineering & Refrigeration Pte Ltd and Global Refrigerants (S) Pte Ltd both incorporated in Singapore.

Although the loss arising out of disposal of such investment primarily pertain to the books of WOS, the Company has also recognized the loss by writing off its investment in the Wholly Owned Subsidiary to a substantial extent and has reset the value of investment in wholly owned Subsidiary at a notional value @ Rs.0.65 per equity share held as at the end of financial period each in the Wholly Owned Subsidiary. Accordingly the Provision for Dimunition value of Investment has been made in the books of the Company at Rs.19,53,43,146/- the value being the total value of investment made in the Wholly Owned Subsidiary (including all Direct and other related cost both financial and non-financial after taking into account the terms of One Time Settlement given by Axis Bank on Loan borrowed from them , specifically for the purpose of investment) as reduced by the notional value as aforesaid.

The Board is of the opinion that this conservative and prudent accounting policy has been followed as the Wholly Owned Subsidiary was formed by the Company as a Special Purpose Vehicle for investing in other Companies in Singapore.

(ii) The Company has not complied with AS-21, relating to preparation of consolidated financial Statement, in respect of its Overseas Subsidiary Company, Sherisha Technologies (S) Pte Ltd., Singapore as the investments are not proposed to be held on a long term basis. Hence the Board is of the opinion that in terms of Para 11 of Accounting Standard 21 (AS 21) issued by Institute of Chartered Accountants of India, the Subsidiary Company have to be excluded from Consolidation of Accounts and hence no consolidated financial statements in terms of AS-21 have been prepared.

3. The Company's contribution paid/payable during the year to Employees Provident Fund Organization and Employee State Insurance Corporation are recognized in the Profit and Loss Account. As regards provision for Gratuity, the Company has estimated the provision based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The additional provision for Gratuity for the current period is Rs. 14, 21,508 (Previous Year Rs.NIL)

	2009-10 Rs.	2008-09 Rs.
4. Other Income includes Profits made on sale of assets	NIL	97,99,094
5. Payment to Auditors:		
Audit Fees	75,000	75,000
6. Managerial Remuneration:		
Directors Remuneration	20,40,000	14,20,000

7. (a) In respect of Fixed Assets (Vehicles) taken on hypothecation, future obligations towards Equated Monthly Installments (EMI) under the said hypothecation as on 30.06.2010 amount to Rs.21,50,253/- (Previous year Rs.36,70,513/-).

Within one year	4,34,488	21,31,920
Later than one year and not later than five years	17,15,765	15,38,593
Total	**21,50,253**	**36,70,513**

(b) General Description of Hypothecation

(i) EMI's are charged on the basis of agreed terms.

(ii) Assets are taken on hypothecation over a period of 3 to 5 years.

(c) Fixed Assets also includes Rs.6,90,46,224/- (Rs.Nil) worth of equipments sold by the company last year, but bought back during current period as the original buyer failed to comply with terms of sale agreement.

8. The deferred tax charge comprise of the following:

	As at 30th June, 2010 Rs.	As at 31st March, 2009 Rs.
Deferred Tax Liability		
Related to fixed assets	42,49,000	12,93,896
Related to expenses	(15,47,107)	52,15,564
Total	**27,01,893**	**65,09,460**

9. Quantitative information in regard to Licensed Capacity, Installed Capacity and actual production of the Goods manufactured by the Company:

Class of goods	Units	Licenced / Registered Capacity		Installed Capacity		Actual Production	
		2010	2009	2010	2009	2010	2009
Refrigerant Gases	Kilograms	NA	NA	30,00,000	30,00,000	22,39,841	26,01,569

10. Quantitative details of Raw materials consumed:

Product	Units	Quantity		Value (Rs.)	
		2010	2009	2010	2008
Refrigerant Gases	Kilograms	22,39,841	26,01,569	24,83,55,592	24,60,64,000

11. Quantitative information in regard to Opening Stocks, Purchase and Closing Stocks of Purchase of Goods:

Products	Units	Opening Stock				Purchases				Closing Stock			
		Qty 2010	Value Rs. 2010	Qty 2009	Value Rs. 2009	Qty 2010	Value Rs. 2010	Qty 2009	Value Rs. 2009	Qty 2010	Value Rs. 2010	Qty 2009	Value Rs. 2009
Refrigerant Gases	Kgs	NIL	NIL	NIL	NIL	2,09,531	2,69,69,205	7,25,520	43,86,34,700	NIL	NIL	NIL	NIL
Refrigerant Gases In Cans	Nos	17,379	12,28,110	NIL	NIL	1,45,000	1,62,36,234	2,80,129	1,31,45,691	45237	38,86,983	17,379	12,28,110

12. Quantitative information in regard to Sale of Goods:

Product	Units	Quantity		Value (Rs.)	
		2010	2009	2010	2009
Refrigerant Gases	Kgs	21,92,350	33,27,089	51,64,09,592	89,45,88,210

	30th June 2010 Rs.	31st March 2009 Rs.
13. Percentage of Raw Material consumption		
Imported	83.63%	76.54%
Indigenous	16.36%	23.46%
14. Expenditure in foreign currency with Respect to Travel	22,20,548	21,34,259
15. Value of Imports calculated on CIF basis	20,76,99,782	21,87,87,387
16. Earnings in foreign exchange FOB value of exports	46, 96,382	36, 74,280
17. Remittance in foreign currency on account of dividend		
(i) Dividend		
a) Number of Non Resident Shareholders	NIL	17
b) Number of Equity Shares held by them	NIL	9,21,098
c) (i) Amount of Dividend Paid (Gross)	NIL	9,21,098
(ii) Tax Deducted at Source	NIL	NIL
(iii)Year to which dividend relates	2009-10	2008-09
18. Earnings Per Share has been computed as under:		
Net Profit	(16,36,90,297)	2,2,64,679
Weighted average number o fequity shares Outstanding	1,54,75,176	1,54,75,176
Earnings per share (Rs.)- Basic & Diluted (Face Value of RS.10 per share)	(10.58)	1.43
19. Contingent Liability		
(a) Corporate Guarantees given by the Company Guaranteeing the loans of Subsidiary Companies	16,85,40,750	41,74,75,000

The Corporate Guarantee relates to Guarantee given in respect of Kaltech Engineering & Refrigeration (S) Pte Ltd, Singapore, an erstwhile Subsidiary of the Company in respect of loan availed by the said company from United Bank of Singapore. Although the said Company ceased to be the subsidiary as on 30th June 2010, the Bank is yet to surrender the related Corporate Guarantee.

(b) Estimated amount of Contracts remaining to be Executed on Capital Account and not provided for	NIL	NIL
(c) Letter of Credit issued by the bankers remaining Outstanding (net of margin deposits)	2,42,82,500	4.80,22,824

20 Related Party Transactions

(a) Key Management Personnel:

1) Mr.A.Tarachand Jain 2) Mr.T.Anil Jain 3) Mr.T.Jagdish Jain

(b) Other Related Parties

1) Sherisha Technologies Private Limited 2) Refex Energy Private Ltd 3) Sherisha Technologies (S) Pte Ltd, Singapore

21. The following transactions were carried out with the related parties in the ordinary course of business:

i) Persons referred to in (a) above (Amount in rupees)

Sl.No	Nature of Transaction	Current Period Rs.	Previous year Rs.
1	Salary		
	A.Tarachand Jain	NIL	NIL
	T.Anil Jain	10,20,000	NIL
	T.Jagdish Jain	10,20,000	NIL
2	Loan received - A.Tarachand Jain		
	Opening Balance	99,719	1,00000
	Amount received during the year	10,65,000	16,190
	Amount repaid during the year	NIL	16,471
	Closing Balance - Payable	11,64,719	99,719
3	Loan received - T.Anil Jain		
	Opening Balance	5,48,09,083	76,05,244
	Amount received during the year	3,41,06,689	8,20,84,014
	Amount repaid during the year	6,65,86,281	3,48,80,175
	Closing Balance - Payable	2,23,29,491	5,48,09,083
4.	Loan received - T.Jagdish Jain		
	Opening Balance	1,958	94,472
	Amount received during the year	30,36,691	2,45,237
	Amount repaid during the year	3,57,170	3,37,751
	Closing Balance - Payable	26,81,479	1,958

ii) Parties referred to in item (b) above

Sl.No	Nature of Transaction	Current Period Rs.	Previous year Rs.
1	Sherisha Technologies Pvt. Ltd.		
	(a) Unsecured Loan Received		
	Opening balance	4,64,996	81,50,000
	Amount received during the year	31,05,128	NIL
	Amount repaid during the year	31,484	81,50,000
	Closing balance	26,08,648	NIL
	B) Purchases	NIL	4,64,996
2	Refex Energy Pvt. Ltd.		
	Opening balance	6,34,83,519	NIL
	Amount received during the year	21,01,343	7,80,50,000
	Amount repaid during the year	1,00,45,705	1,45,66,481
	Closing balance	5,55,39,157	6,34,83,519
3	Sherisha Technologies (S) Pte Ltd		
	(a) Investment in shares	47,94,937	14,52,52,476
	(b) Share Application Money	NIL	3,21,52,689
	(c) Payment of advance for raw materials	NIL	1,66,08,398
4	Kaltech Engineering & Refrigeration Pte Ltd		
	(a) Purchases	NIL	58,54,312
	(b) Sales	NIL	21,13,313

23. The Company reviewed the disclosure of segment wise reporting and is of the view that it manufactures Refrigerant Gases and related products which is a single segment in accordance with Accounting Standard '17', 'Segment Reporting', issued by the Institute of Chartered Accountants of India.

Signature to Schedules 1 to 17.

For **BHANDARI & KESWANI**	**A.Tarachand Jain**	**T. Anil Jain**	**T. Jagadish Jain**
Chartered Accountants	Chairman	Managing Director	Director
P. Bhandari	**Abhinandana Papisetty**	**S.Gopalakrishnan**	
Partner	Director	Company Secretary	

Place : Chennai

Date : 28.08.2010

Cash Flow Statement for the period ended 30th June, 2010

(Figures for the previous year have been rearranged to conform with the revised presentation)

	For the period ended 30th June, 2010 Rs		For the year ended 31st March, 2009 Rs	
A. NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		40632457		33357186
ADJUSTMENTS FOR :				
Depreciation	19026119		23703325	
Interest etc. (Net)	57828459		28985699	
Income from Long Term Investments	0		0	
Amortisation of Deferred Revenue Expenditure	6932704		3982766	
Income from Current Investments	0		0	
Fixed Assets - Profit on Sale	359892		(9799074)	
Loss on Sale of Current Investments - Net	7,329,215		0	
Unrealised (Gain)/Loss on Exchange (Net)	0		0	
Write off/loss on sald of Long Term Investment	0		0	
		91,476,389		46872716
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**132108846**		**80229902**
ADJUSTMENTS FOR :				
Trade and Other Receivables		101766071		(148489117)
Inventories		(87904541)		(30443962)
Trade Payables		28289538		(79227948)
CASH GENERATED FROM OPERATIONS		174259914		(19475230)
Income Tax Paid		-		(12820760)
Cash Flow before Exceptional items		174259914		(32295990)
Exceptional items paid/received [see Schedule 19(ii)]		-		0
NET CASH FROM OPERATING ACTIVITIES		**174259914**		**32295990**
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(83391861)		(76991473)	
Sale of Fixed Assets	611255		77524804	
Purchase of Business	0		0	
Purchase of Current Investments	0		0	
Sale/Redemption of Current Investments	0		0	
Purchase of Long Term Investments	-		(170611669)	
Sale of Long Term Investments	(181161145)		0	
Income from Long Term Investments Received	0		0	
Income from Current Investments Received	0		0	
Interest Received	0		0	
Refund of Deposits towards Property Options	0		0	
Loans Given	25487479			
Loans Realised		**(238454273)**	872525	**(161353088)**
NET CASH USED IN INVESTING ACTIVITIES		**(64194359)**		**(193649078)**
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from issue of Share Capital	0		0	
Proceeds from Long Term Borrowings	7551366		109273508	
Repayments of Long Term Borrowings	0		0	
Net increase / (decrease) in Cash/Export Credit Facilities and other Short Term Loan	(26681652)		133341004	
Interest etc. Paid	(57828459)		(28985699)	
Dividends Paid	-		(15475176)	
Income Tax on Dividend Paid	-		(2630006)	
NET CASH FLOW USED IN FINANCING ACTIVITIES		**(76958745)**		**195523632**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(141153104)**		**1874554**
OPENING CASH AND CASH EQUIVALENTS		**15319347**		**13444794**
CLOSING CASH AND CASH EQUIVALENTS		**12761282**		**15319348**
CASH AND CASH EQUIVALENTS COMPRISE :				
Cash and Bank Balances	12761282		15319348	
Unrealised Loss / (Gain) on Foreign Currency Cash and Cash Equivalents	0		0	
		12761282		**15319348**

As per our Audit Report of even date

For **BHANDARI & KESWANI**	**A.Tarachand Jain**	**T. Anil Jain**	**T. Jagadish Jain**
Chartered Accountants	Chairman	Managing Director	Whole Time Director
P. Bhandari			
Partner			
Place : Chennai	**Abhinandana Papisetty**		**S.Gopalakrishnan**
Date : 28.08.2010	Director		Company Secretary

Balance Sheet Abstract and Company's General Business Profile

1 Registration Details — **State Code** 18

Registration No. 4 9 6 0 1

Balance Sheet Date Rupees

2 Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	Right Issue
NIL	N I L
Bonus Issue	Private Placement
N I L	NIL

3 Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

<u>Total Liabilities</u>	<u>Total Assets</u>
870,172	870,172

<u>Sources of Funds</u>

Paid - Up Capital	Reserves & Surplus
154,752	274,622
Secured Loans	Unsecured Loans
282,857	114,809
Deferred Tax Liability	
43,132	

<u>Application of Funds</u>

Net Fixed Assets	Investments
421,125	4,795
Net Current Assets including long term Loans & Advances	
444,253	
Accumulated Losses	Misc. Expenditure
-	-

4 Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
527,025	486,393
Profit Before Tax	Profit After Tax
40,632	(163,690)
Earning Per Share in Rs (Rs. 10/- paid)	Dividend Rate %
(10.58)	0%

5 Generic Names of Three Principal Products/Services of Company (As per Monetary Terms)

i) Items Code No. (ITC Code)	iii) Iitems Coda No. (ITC Code)
27.11.29.00	
Product Description	Product Description
Refrigerant gas	

ii) iii) Iitems Coda No. (ITC Code)

Product Description

As per our Audit Report of even date

For **BHANDARI & KESWANI**	**A.Tarachand Jain**	**T. Anil Jain**	**T. Jagadish Jain**
Chartered Accountants	Chairman	Managing Director	Whole Time Director
P. Bhandari			
Partner			
Place : Chennai	**Abhinandana Papisetty**		**S.Gopalakrishnan**
Date : 28.08.2010	Director		Company Secretary

Statement Pursuant to section 212 of the Companies Act, 1956 Relating to subsidiaries

Sl. No.	Details	
1.	Name of the Subsidiary	Sherisha Technologies (S) PTE Ltd. Singapore
2.	Financial Year Ending	31.12.2009
3.	Shares of the subsidiary held by the company as on above date	73,61,905 Equity shares of Singapore $ 1 each fully paid up
4.	Net Aggregate amount of Profits / (losses) of the subsidiary for the above financial year of the subsidiary not dealt with in the company's accounts	
	(a) for the financial year of the subsidiary Profits / (loss)	(Rs.16,19,40,883)
	(b) for the previous financial year since it became subsidiary - Profits/(loss)	(Rs.2,26,20,222)
5.	Net Aggregate amount of Profits/(losses) of the subsidiary for the above financial year of the subsidiary dealt with in the company's accounts	
	(a) for the financial year of the subsidiary Profits / (loss)	NIL
	(b) for the previous financial year since it became subsidiary Profits / (loss)	NIL
6.	Material changes between the end of financial year of the subsidiary and 31st March 2009	NIL

Notes:

During the financial period the wholly Owned subsidiary M/s. Sherista Teleologies (S) pte, Ltd Singapore disposed of its investments completely In the two step down subsidiaries viz kaltech Engineering and Refrigeration Pte. Ltd., Singapore and Global Refrigerants (S) Pte. Ltd., Singapore. Accordingly these two companies cease to be the subsidiary companies of your Company as at the end of financial period under review. Hence no statements on the lines has given above are prepared.

As per our Audit Report of even date

For **BHANDARI & KESWANI**	**A.Tarachand Jain**	**T. Anil Jain**	**T. Jagadish Jain**
Chartered Accountants	Chairman	Managing Director	Whole Time Director
P. Bhandari			
Partner			
Place : Chennai	**Abhinandana Papisetty**		**S.Gopalakrishnan**
Date : 14.10.2010	Director		Company Secretary

Annual Report of

SHERISHA TECHNOLOGIES (S) PTE. LTD, SINGAPORE

Registration No. 200801026N

Financial Statements for the year Ended December 31,2009

Directors
Anil jain Tara Chand
Pooja Bagri
Sudhakar Thirumalaiswamy (Appointed on 12.10.2009)
Yong Soon Kiat (Resigned on 12.10.2009)
Secretary
Vangal Rangarajan Ranganathan
Registered Office
1 North Bridge Road
#19-04/05 High Street Centre
Singapore 179094
Auditors
Natarajan & Swaminathan
Certified Public Accountants
1 North Bridge Road
#19-04/05 High Street Centre
Singapore 179094

Directors' Report

The directors have pleasure in presenting their report to the members together with the audited financial statements for the company for the financial year ended 31 December 2009.

1. Directors

The directors in office at the date of this report are

Anil Jain Tara Chand

Pooja Bagri

Sudhakar Thirumalaiswamy

2. Arrangements to enable directors to acquire share and debentures

Neither during not at the end of the financial year was the Company a party to any arrangement whose abject was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the company or any other body corporate.

3.Director's interests in shares and debentures

The directors holding office at the end of the financial year had no interests in shares, debentures, warrants or share options of the Company as recorded in the Register of Directors Shareholding kept by the Company under Section 164 of the Singapore Companies Act, expect as follows

Name of the directors	At beginning of year	At end of year
Holding Company		
Refex refrigerants Limited		
Ordinary shares @ INR 10each		
Anil Jain Tara Chand		
Direct	**2,840,902**	**2,840,902**
Deemed Interest	**72,000**	**72,000**
Pooja Bagri	**89,813**	**89,813**

4. Director's receipt and entitlement to contractual benefits

Since the beginning of the financial year, no firector has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

5. Share Options

(i) no options were granted during financial year to take up unissued shares in the Company

(ii) no shares were issued by virtue of the exercise of options.

(iii) There were no unissued shares under option at the end of the financial year.

6. Auditors

The auditors, natarajan & Swaminathan, have expressed their willingness to accept re-appointment.

Statement by Directors

We, Anil Jain Tara chand and Pooja Bagri, being the directors of Sherisha Technologies (S) Pte. Ltd., do hereby state that, in the opinion of the directors,

(a)the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows to together with the notes there to are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2009 and of the results, changes in equity and cash flows of the Company for the period ended on that date, and

(b)at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of directors

Anil Jain Tara Chand
Director

Date : 11th October 2010

Independent Auditors' Report

To the Members of Sherisha Technologies (S) Pte. Ltd.
(Incorporated in the Republic of Singapore)

We have audited accompanying financial statement of Sherisha Technologies (S) Pte. Ltd., which comprise the statement of financial position as at 31 December 2009, and the statement comprehensive income, the statement of changes in equity and the statement of cash flows fo the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statement for the period ended December 31,2008 were audited by another auditor whose report dated August 6, 2009, expressed an unqualified opinion on those statements.

Management's Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes: devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 entity's preparation and fair presentation of the financial statements 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' internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

As disclosed in Note 2(a) to the financial statements, one set of consolidated financial statements of the Company and its subsidiary have not been prepared in accordance with the Singapore Companies Act, Section 201 (3A) and Singapore Financial Accounting 27, Consolidated and Separate Financial statements.

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

Opinion

Except for the matter mentioned in the fifth paragraph, In our opinion :

(a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 31 December 2009 and the results, changes in equity and cash flows of the Company for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Natarajan & Swaminathan,
Public Accountants and
Certified Public Accountants

Singapore
11th October 2010

Balance Sheet as at 31st December, 2009

	Note	31st December, 2009 $	31st December, 2008 $
Non-Current Asset			
Investment in a subsidiary	4	6,625,000	11,220,000
Total non-current assets		6,625,000	11,220,000
Current Asset			
Cash at Bank	5	42,867	1,536
Total Current Asset		42,867	1,536
Total Assets		**6,667,867**	11,221,536
Equity and liabilities			
Equity			
Share capital	6	7,361,905	4,794,937
Accumulated loss		(5,559,378)	(681,332)
Total equity		**1,802,527**	**4,113,605**
Non-current liabilities			
Long term Loan	7	2,462,692	3,744,244
Total Non-current liabilities		**2,462,692**	**3,744,244**
Current Liabilities			
Accrued Expense		32,108	129,227
Other payables	8	729,185	1,193,587
Current Portion of long term loan		1,641,355	2,040,873
Total Current Liabilities		2,402,648	3,363,687
Total Liabilities		**4,865,340**	**7,107,931**
Total Equity and liabilities		**6,667,867**	11,221,536

Income Statement
For the Financial year ended December 31, 2009

	Note	31st December, 2009 $	31st December, 2008 $
Revenue		-	-
Other income	10	136,214	43
Salaries and employe benefits		(8,025)	-
Impairment loss in investment in subsidiary		(4,595,000)	-
Other operating expenses		(121,204)	(368,171)
Finance cost	11	(290,031)	(313,204)
Loss before income tax	12	(4,878,046)	(681,332)
Income tax expense	13	-	-
Loss after income tax		(4,878,046)	(681,332)
Other Comprehensive income		-	-
Total Comprehensive loss for the year		(4,878,046)	(681,332)

Statement of Changes in Equity
For the Financial year ended December 31, 2009

	Note	Share Capital $	Accumulated Loss $	Total $
Balance as at 14.01.2008 (Date of Incorporation)		1	-	1
Issue of shares		4,794,936	-	4,794,936
Total comprehensive loss for the period		-	(681,332)	(681,332)
Balance as at 31.01.2008		4,794,936	(681,332)	4,113,605
Issue of shares	6	2,566,968	-	2,566,698
Total comprehensive loss for the year		-	(4,878,046)	(4,878,046)
Balance as at 31.12.2009		7,361,905	(5,559,378)	1,802,527

Cash Flow Statement
For the Financial year ended December 31, 2009

	31st December, 2009 $	31st December, 2008 $
Cash flows from operating activities		
Loss before income tax	(4,878,046)	(681,332)
Adjustments for:		
Impairment loss in investment in subsidiary	4,595,000	-
Interest income	-	(43)
Interest expense	290,031	313,204
Operating profit / (loss) before working capital changes	6,985	(368,171)
Accrued expenses	(97,119)	-
Other payable	(464,402)	1,193,587
Cash Generated (used in) / from operations	(554,536)	825,416
Interest received	-	43
Interest paid	(290,031)	(183,977
Net cash used in / from operating operations	(844,567)	(641,482)
Cash flows from Investing activities		
Investment in a subsidiary	-	(11,220,000)
Cash flows from Financing activities		
Repayment of loan	(2,078,087)	(953,927)
Proceeds from loan	397,017	6,739,044
Proceeds from issuance of shares	2,566,968	4,794,937
Net cash used in financing activities	885,898	10,580,054
Net increase in cash and cash equivalents	**41,331**	**1,536**
Cash and cash equivalents brought forward	1,536	*
Cash and cash equivalents carried forward	**42,867**	**1,536**
Cash and cash equivalents comprise		
cash at bank	42,867	1536
	42,867	1,536

Notes to the financial statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate Information

The Company (Registration No. 200801026N) is a private limited Company incorporated and domiciled in Singapore.

The registered office of the Company is located at 1 North Bridge Road #19-04/05 High Street Centre, Singapore 179094.

The principal activity of the Company are those relating to international trading, marketing and distribution and also acting as commission agents for industrial materials, energy commodities and agricultural products.

The Company was not engaged in any trading activities during the financial year.

Holding company

The Company is a wholly owned subsidiary of '**Refex Refrigerants Limited**', a company incorporated and listed in India.

2. Going concern

The Company incurred a loss after tax of S$283,046 during the financial year ended December 31, 2009 and as of that date, the current liabilities exceeded its current assets by S$2,359,781. The financial statements have been prepared on a going concern basis on the assumption that financial support from the holding company will continue to be available. In the event that there is no continued financial support, the going concern basis would be invalid and provision would have to be made for any loss on realisation of the Company's assets and further costs, which might arise.

3. Significant accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act, Chapter 50, except that one set of consolidated financial statements of the Company and its subsidiary has not been prepared by the Company nor by the holding company. The directors of the Company are of the opinion that one set of consolidated financial statements does not provide any additional value or information to the shareholders as the subsidiary was disposed subsequent to the financial year with the partial recovery of the cost of investment. The financial statements are expressed in Singapore Dollars (S$), and are prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year.

These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances (refer to **Note 3(b)** to the financial statements).

The Company adopted the new or revised FRS that is mandatory for application on that date. This includes the following FRS, which are relevant to the Company as a single entity:

FRS1	Presentation of Financial Statements (Revised 2008)
FRS7	Cash Flow Statements
FRS8	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 19	Employee Benefits
FRS 36	Impairment of Assets
FRS 39	Amendment to FRS 39 Financial Instruments: Recognition and Measurement and FRS 107 Financial Instruments Disclosures - Reclassification of Financial Assets
FRS	107Amendments to FRS 107 Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments

Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of these does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements, except as discussed below:

FRS 1 -Presentation of Financial Statements (Revised 2008)

FRS 1 (revised 2008) requires an entity to present, in a statement of changes in equity, all owners' changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a retrospective application of an accounting policy, a retrospective restatement of items in its financial statements or a reclassification of items in the financial statements. FRS 1 (revised 2008) does not have any impact on the Company's financial positions or results.

b) Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, management is of the opinion that there are no critical judgments that have significant effect on the amounts recognized in the financial statements.

Forgein Currency Transactions

(i) Functional currency
The functional currency of the Company is Singapore dollars, being the currency of the primary economic environment in which the Company operates.

(ii) Transactions and balances
Transactions in currencies, other than in Singapore dollars (S$) are recorded at the rates of exchange prevailing on the date of transaction. At each statement of financial position date, recorded monetary balances that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date.

All exchange differences are included in the income statement for the year.

d) Investment in subsidiary

In the Company's financial statement, investment in subsidiaries is stated at cost less impairment loss, if any. Any such impairment are recognized as an expense in the income statement.

d) Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in income statement unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of impairment loss is recognized immediately in income statement unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

f) Financial instruments

Financial instruments comprise financial assets and liabilities and they are recognized on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

Financial assets are classified as one of the financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate.

Recognition

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not measured at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets at the time of initial recognition, and where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

As of year end the Company has the following classes of financial assets:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as "trade and other receivables" and "cash and bank balances" on the statements of financial position. They are presented as current assets, except for those maturing 12 months after the financial position date, which are presented as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment losses. Gains and losses are recognised in income statements when the loans and receivables are derecognised or impaired, as well as through the amortisation process. For short term receivables the nominal cost would approximate the fair value.

Impairment

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in income statement.

With the exception of available-for-sale equity instruments, if any, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through income statement to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1n respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateral ized borrowing for the proceeds received.

Financial liabilities

Financial liabilities include trade payables on normal trade terms, other payables and interestbearing loans and borrowings.

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis. For short term payables the cost approximates the fair value.

Interest-bearing bank loans and overdraft are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for finance costs. Financial liabilities are derecognised when the obligation under the liabilities are discharged, cancelled or expire.

g) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents consist of cash at bank.

h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of value added tax, rebates, discounts and sales returns.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met as follows:

Commission Income

Commission income is recognized upon the completion of the service rendered.

Interest income

Interest income is recognised on an accrual basis

i) Finance costs

Interest expense and similar charges are expensed in the income statement in the year in which they are incurred.

j) Income tax

Income tax expense represents the sum of tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using statutory tax rate at the statement of financial position date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset, realised. Deferred tax is charged or credited to income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt, within equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on net basis.

4. Investment in a subsidiary

	2009	2008
	$	$
Unquoted equity share, at cost	11,220,000	11,220,000
Impairment loss for the year and carried forward	(4,595,000)	-
	6,625,000	**11,220,000**

The subsidiary is disposed off subsequent to the financial year with the recovery of S$6,625,000 of the cost of investment.

Details of the subsidiary

Name of subsidiary	**Country** of **Incorporation**	Effective equity held by Company		Cost	
		2009	2008	2009	2008
		%	%	$	$
Kaltech Engineering and Refrigerants Pte Ltd (#)	Singapore	51	51	11,220,000	11,220,000
Held by subsidiary					
Global Refrigerants Pte Ltd (#)	Singapore	51	51		

(#) Audited by other firm of auditors

5. Cash at bank

The cash at bank that is not denominated in Singapore dollars are as follows:

	2009	2008
	$	$
Singapore Dollars	339	1,041

6. Share capital

	2009 No. of shares issued	2009 $	2008 No. of shares issued	2008 $
Ordinary shares issued and fully paid				
Balance at beginning of year	4,794,937	4,794,937	1	1
Issue of shares	2,566,968	2,566,968	4,794,936	4,794,936
Balance at end of year	**7,361,905**	**7,361,905**	**4,794,937**	**4,794,937**

During the financial year, the Company issued 2,566,968 ordinary shares for cash of S$1 per share for a total consideration of S$2,566,968.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and have no par value.

7. Long - term loan

	2009	2008
	$	$
Loan	4,104,047	5,785,117
Less: Current portion	(1,641,355)	(2,040,873)
Non current portion	**2,462,692**	**3,744,244**
The amount due after 1 year is repayable within the period as follows:		
Between 2-5 years	**2,462,692**	**3,744,244**

The loan bears an interest of about 6% (2008:4.5%) per annum. The loan is secured on equity investment in its subsidiary; Kaltech Engineering and Refrigerants Pte Ltd (refer Note 4 to the financial statements). The loan matures in 2011. However, subsequent to the financial year the loan is fully repaid.

The long term loan that is not denominated in Singapore dollars are as follows:

	2009	2008
	$	$
Singapore Dollars	4,104,047	5,785,117

8. Other payables

	2009	2008
	$	$
Director	100,000	-
Holding company	629,185	1,193,587
	729,185	**1,193,587**

The amount due to holding company and director are unsecured, interest free and repayable on demand.
The other payables that are not denominated in Singapore dollars are as follows:

	2009	2008
	$	$
Singapore Dollars	629,185	129,228

9. Other income

	2009	2008
	$	$
Commission income	61,066	-
Foreign exchange gain	75,147	-
Interest income	1	43
	136,214	**43**

10. Finance cost

	2009	2008
	$	$
Interest on bank loan	290,031	313,204

11. Loss before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the income statement, this item includes the following charges:

	2009	2008
	$	$
Foreign exchange (gain/loss	(75,147)	367,431

12. Income tax expense

No provision for income tax has been set up in 2009 and 2008 in view of the losses incurred.
Subject to agreement with the Tax Authority and compliance with certain conditions of the Income Tax Act, the Company has unutilised tax losses as at the end of the financial year amounting to about S$841,000 (2008:5$681,332) respectively which are available for set off against future taxable income.

Deferred tax assets of about S$143,000 (2008:S$115,000) arising from unutilised tax losses is not provided for in the financial statements, as future taxable profits to utilise the tax losses cannot be reasonably ascertained.

13. Financial instruments, financial and capital risk management
(a) Categories of financial instruments

The following table sets out the financial instruments as at the statement of financial position date

	2009	2008
	$	$
Financial assets		
Investment in subsidiary	6,625,000	11,220,000
Loans and receivables	42,867	1,536

Loans and receivables under financial assets comprise investment in subsidiary and cash at bank.

	2009	2008
	$	$
Financial liabilities		
Amortised cost	4,865,340	7,107,931

Amortised cost under financial liabilities comprise accrued expenses, other payables and bank loan.

(b) Fair value measurements

Effective January 1, 2009 the Company adopted the amendment to FRS 107 which requires disclosure of the fair value measurements by level of the following fair value measurement hierarchy:

I) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
(iii) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The financial assets and liabilities of the Company comprise investment in subsidiary, cash at bank, accrued expenses, other payables and bank loan. The carrying values of the financial assets and liabilities as shown in the statement of financial position approximate their fair value amounts at the statement of financial position date. The carrying values of these assets and liabilities are the nominal or cost values.

(c) Financial risk

The management reviews and agrees policies for managing risk with a view to minimize potential adverse effects of financial performance of the Company. Each of these risks are summarised below:

Interest rate risk

The Company's exposure to market risk for changes in interest rate relates to the Company's long term debt obligations. It is the Company's policy to obtain the most favorable interest rates available whenever the Company obtains additional financing through bank borrowings.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at statement of financial position date and the stipulated change taking place at the beginning of the financial *year* and had been constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 50 basis points higher or lower and all other variables been constant, the Company's loss before tax for the year ended December 31, 2009 would increase or decrease by *S$21,000 (2008:S$29,000)* respectively.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's current liabilities have exceeded the current assets. However, the Company is not exposed to significant liquidity risk, as the Company does not anticipate any problems in obtaining additional funding from the holding company if the need arises. As at the date of this report, the holding company have undertaken to provide adequate financial support to enable the Company to meet its liabilities as and when they fall due.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount	Contractual Cash flow	Cash Flows Less than 1year	Between 2 to 5 years
	$	$	$	$
2009				
Non-derivative financial liabilities				
Trade and other payables	761,293	(761,293)	(761,293)	-
Interest-bearing borrowings	4,104,047	(4,104,047)	(1,641,355)	(2,462,692)
	4,865,340	(4,865,340)	(2,402,648)	(2,462,692)

	Carrying amount	Contractual Cash flow	Cash Flows Less than 1year	Between 2 to 5 years
	$	$	$	$
2008				
Non-derivative financial liabilities				
Trade and other payables	1,322,814	(1,322,814)	(1,322,814)	-
Interest-bearing borrowings	5,785,117	(6,241,601)	(2,095,043)	(4,146,558)
	4,865,340	(4,865,340)	(2,402,648)	(2,462,692)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss of the Company. The Company has adopted a policy of only dealing with creditworthy counterparties.

The Company has no significant exposure to credit risk as of end of the financial year. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Cash at bank are placed with a credit worthy financial institution.

The carrying amounts of the Company's trade and other receivables and cash at bank represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk

Foreign currency risk

The Company is exposed to foreign exchange risk arising from its cash at bank, bank loan and other payables that are denominated in United States dollars.

As at financial year end, the carrying of monetary assets and liabilities denominated in currencies other than in Singapore dollars are disclosed in the respective notes to the financial statements.

Foreign currency sensitivity analysis

Any increase or decrease in the Singapore dollars against the United States dollars will have an impact on the financial statements. An increase or decrease in 10°l° in the United States dollars against Singapore dollars rate will decrease or increase the loss before tax by approximately S$411,000 (2008:S$591,000).

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Price risk

The Company has no significant exposure to price risk.

(d) Capital risk management

The management considers the capital of the Company to mainly consist of shareholders eq u ity.
The management manages the capital to ensure the Company will be able to continue as a going concern while maximizing the return to shareholders through optimization of the capital.
The management's overall strategy remains unchanged from 2008.

14. New accounting standards and FRS interpretations

At the date of authorisation of these financial statements, there were no FRS and INT FRS that are relevant to the Company issued and not effective.

15. Comparative figures

The current financial statements are for a period of 12 months ending on December 31, 2009. The comparative figures stated are for period from January 14, 2008 (being the date of incorporation) to December 31, 2008. Hence the financial statements may not be comparable.

The comparative figures in the financial statements for the year ended December 31, 2008 were audited by another auditor whose report dated August 6, 2009, expressed an unqualified opinion on those statements.

16. Subsequent event

Subsequent to the financial year, the Company had disposed of its subsidiary (refer to Note 4 to the financial statements) and had fully repaid the loan (refer Note 7 to the financial statements).

17. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on October *11, 2010*.

Notes

REFEX REFRIGERANTS LIMITED
Registered Office : No.20, Mooker Nalla Muthu Street, Chennai 600 001.

ATTENDANCE SLIP
Annual General Meeting Held on Friday the 3rd December 2010

Regd. Folio No.. (or)

Client ID No...DD ID No......................

Name and Address of the Share holder(s)

Proxy's Name

I hereby record my attendance at the ANNUAL GENERAL MEETING of the Company at BENZZ PARK, Rover Hall, No. 62, Thirumalai Pillai Road, T.Nagar, Chennai-17. on 3rd December 2010 at 3.30 pm

SIGNATURE OF THE ATTENDING MEMBER/PROXY :

Note : 1. Shareholder / Proxholder wishing to attend the meeting must bring this Attendance Slip, duly signed, to the meeting and hand it over at the entrance.

REFEX REFRIGERANTS LIMITED
Registered Office : No.20, Mooker Nalla Muthu Street, Chennai 600 001.

I/We...

of .... in the district of .... of.................... In the district of .... or

failing him/her... of .... in the district of .... as

my/our Proxy to attend and vote for me/us and on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held on Friday 3rd December 2010 at 3.30 p.m. and at any adjournment thereof.

Signed this .... Day of ....2010.

Registered Folio No./DD ID & Client ID :

No. of Shares held :

Affix Re.1
Rev.Stamp

This form is to be used $\frac{\text{* in favour of}}{\text{* against}}$ the resolution. Unless otherwise instructed, the Proxy will act as he thinks fit.

* Strike out whichever is not desired.

Note : This proxy must be delivered to the Company at its Registered Office No. 20, Mooker Nalla Muthu Street, Chennai-600 001, not less than forty-Eight Hours before the time for holding the aforesaid meeting.