

**REFNOL
RESINS & CHEMICALS
LIMITED**



Plot 23, Phase III, G.I.D.C., NARODA,
Ahmedabad-382330. INDIA
Tel : +91-79-22820013, 40209209
Fax : +91-79-22820476
e-mail: contact@refnol.com
Web : www.refnol.com
CIN No: L24200MH1980PLC023507



28th September, 2018

To,
The Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

Dear Sir/Madam,

Subject: Submission of Annual Report in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2017-2018

Scrip Code: 530815

Please find enclosed herewith Copy of Annual Report of the 37th Annual General meeting held on today, i.e. 28th September, 2018. Kindly consider this as compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2017-2018.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully
For Refnol Resins & Chemicals Limited


Bilal Topia
Company Secretary
M. No. A40203
Encl: as above





37th Annual Report 2017-2018

REFNOL RESINS AND CHEMICALS LIMITED

ANNUAL REPORT
2017-2018

BOARD OF DIRECTORS	:	Shri Mahendra K. Khatau Shri Arup Basu Smt Asha M. Khatau Shri Bhalchandra Sontakke Shri S. Rajagopalan Shri Mukund R. Nagpurkar	Chairman Managing Director Director Director Director Director
CHIEF FINANCIAL OFFICER	:	Shri Vikas Agarwal	
COMPANY SECRETARY	:	Mr. Bilal Topia	
BANKERS	:	Indusind Bank Limited	
AUDITORS	:	M/s. B.R. Shah & Associates Chartered Accountants	
SECRETARIAL AUDITOR	:	M/s. Sandip Sheth and Associates Praticing Company Secretaries	
REGISTERED OFFICE	:	Plot no. 410/411, Khatau House, Mogul Lane, Mahim, Mumbai – 400016.	
FACTORY & ADMINISTRATIVE OFFICE	:	Plot No. 23, Phase – III G.I.D.C Naroda, Ahmedabad- 382 330	
CIN	:	L24200MH1980PLC023507	
WEBSITE	:	www.refnol.com	
E-MAIL-ID	:	secretarial@refnol.com	
REGISTRAR AND SHARE TRANSFER AGENTS	:	M/s Link Intime India Pvt Ltd. C 101, 247 Park, L B S Marg, Vikhroli West Mumbai 400 083 Tel No: +91 22 49186270 Fax: +91 22 49186060	

NOTICE

NOTICE IS HEREBY GIVEN THAT the 37th (Thirty Seventh) Annual General Meeting of the Members of REFNOL RESINS AND CHEMICALS LIMITED will be held on Friday, 28th September, 2018 at 12:00 NOON at its registered office at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. The Audited Standalone Financial Statements for the year ended on March 31, 2018, together with the Reports of the Board of Directors (the Board) and Auditors thereon.
 - b. The Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2018.
2. To appoint a Director in place of Mr. Mahendra Kishore Khatau (DIN: 00062794), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **To appoint Mr. Mukund Nagpurkar (DIN: 08120760) as an Independent Director of the Company:**

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

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions of the Companies Act, 2013 (the Act), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mukund Nagpurkar (DIN: 08120760), a non-executive independent director who was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 1st May, 2018 and whose term expires at this Annual General Meeting, in terms of the provisions of section 161 of the Companies Act, 2013, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act, who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature of the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years starting from 1st May, 2018 up to 30th April, 2023; not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: MUMBAI
DATE: August 14, 2018

MAHENDRA K. KHATAU
CHAIRMAN
(DIN: 00062794)

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

ANNEXURE TO NOTICE**NOTES:**

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

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three (3) days written notice is given to the Company.
3. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send in advance, duly certified copy of the Board Resolution/ Power of Attorney authorizing their representative(s) to attend and vote on their behalf at the Annual General Meeting.

4. Pursuant to the provisions of Section 91 of the Companies Act, 2013, read with Rule 10 of Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 42 of Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2018 to 28th September, 2018 (both days inclusive) for the purpose of Annual General Meeting.
5. Members who hold shares in dematerialised form are requested to bring their DP ID and Client ID numbers for easy identification of attendance at the Meeting.
6. Only registered members of the Company or any proxy appointed by such registered member may attend the Annual General Meeting (AGM) as provided under the provisions of the Companies Act, 2013.
7. Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013 forms part of the Notice.
8. Re-appointment of Directors {Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement}.

At the Meeting, Shri Mahendra Khatau retires by rotation and being eligible, offer himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. The information or brief profile to be provided for the aforesaid Director is set out in the Annexure to the Explanatory Statement.
9. All documents referred to in the Notice and the Explanatory Statement annexed hereto, are available for inspection upto two days prior to the said meeting, at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days of the Company (except Saturdays, Sundays and Government Holidays).
10. Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.
11. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names are requested to send share certificates to Share Transfer Agent of the Company, for consolidation into a single folio.
12. Members, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the numerous benefits of dematerialization, which includes easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
13. Alteration, if any, made in the Form of Proxy should be initialed.
14. Members to take note that Company's RTA changed their address from earlier one to below mentioned address. Members are requested to immediately address their communications regarding transfer of shares, change of address, etc. quoting their folio number(s) to the Company's Registrar & Transfer Agent:

LINKINTIME INDIA PVT LTD
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083
Tel No: +91 22 49186270 Fax: +91 22 49186060
15. The Company has been maintaining, inter alia, the following statutory registers at its registered office which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by members and others specified below:
 - i) Registers of contracts or arrangements in which directors are interested under Section 189 of the Companies Act, 2013, on all working days during business hours. The said Registers shall also be produced at the commencement of Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
 - ii) Registers of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013, on all working days during business hours. The said Registers shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to a person attending the meeting.
16. Members/ Proxies are requested to bring their attendance slip duly filled and signed for attending the meeting along with their copy of Annual Report to the meeting. Proxies are requested to bring their identity proof at the meeting for the purpose of identification.
17. The Securities and Exchange Board of India (SEBI) has made it mandatory for every participant in the securities/ capital market to furnish Income Tax Permanent Account Number (PAN) for transactions involve transfer of shares. Therefore members holding shares in physical form are requested to furnish their PAN along with self- attested photocopy of PAN Card to the Share Transfer Agent. Members holding shares in demat form are requested to register the details of their PAN with their DPs.

18. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
19. Electronic copy of the Annual Report for 2017-18 is being sent to all the Members whose Email Ids are registered with the Company/Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their Email Ids, physical copies of the Annual Report for 2017-18 are being sent in the permitted mode.
20. Members may also note that the Notice of the 37th Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.refnol.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office situated at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400 016 for inspection between 11.00 a.m. and 1.00 p.m. on all working days except Saturday, Sunday and holidays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: secretarial@refnol.com.
21. In line with the measures of Green Initiative, Companies Act, 2013, provides for sending notice of the meeting along with annual report to the Members through electronic mode. Members holding shares in physical mode are requested to register their e-mail Id's with the Company/RTA. Members holding shares in dematerialised mode are requested to register their e-mail id's with their respective DPs. If there is any change in the e-Mail id already registered with the Company/RTA, Members are requested to immediately notify such change to the Company/RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
22. Members seeking any information or clarification on the Accounts and operation of the Company are requested to send in written queries to the Company, at least ten days before the date of the annual general meeting. Replies will be provided in respect of such written queries received only at the meeting.
23. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, as amended from time to time, the Company is pleased to provide the members with the facility to exercise their rights to vote on resolutions proposed to be considered at the 37th Annual General Meeting of the Company by electronic means through remote e-voting facility provided by Central Depository Services (India) Limited (CDSL). The Company has fixed 21st September, 2018 as the "cut-off date" to determine the eligibility to vote by electronic means or in the general meeting. A person whose name is recorded in the register of "remote e-voting" (e-voting from a place other than venue of the AGM), to enable them to cast their votes at the 37th Annual General Meeting (AGM) and the business at the 37th AGM may be transacted through such voting.
24. The facility for voting through Ballot Paper shall be made available at the Annual General Meeting (AGM) and the members attending the meeting who have not cast their vote by Remote e-voting shall be able to exercise their right at the meeting through ballot paper.
25. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
26. The Company has appointed M/s. Sandip Sheth & Associates, Practicing Company Secretaries, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. The Scrutinizer shall make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, during the remote e-voting and voting at the AGM, not later than forty eight (48) hours of conclusion of the meeting, to the Chairman or a person, authorised by him in writing. The Chairman or a person, authorised by him in writing, shall declare the results of the AGM forthwith. The results declared along with the Scrutinizer's report shall be placed on the Company's website and on the website of CDSL and shall be communicated to the Stock Exchanges.
27. Route map for directions to the venue of the meeting is provided in the Annual Report.
28. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on 24th September, 2018, (5.00 p.m.) and will end on 27th September, 2018 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date

- (record date) of Friday, 21st September, 2018 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the remote e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:
- | For Members holding shares in Demat Form and Physical Form | |
|--|--|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on the address sticker at the back of the Annual Report copy through physical mode and mentioned in the covering E-mail in case of dispatch of soft copy. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
 - (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (x) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
 - (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 - (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
 - (xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- (xxi) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (xxii) A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- (xxiii) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

- (xxiv) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of notice and holding shares as on the cut-off date i.e. Friday, 21st September, 2018, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User details/ password" option available on CDSL www.evotingindia.co.in or contact CDSL at the toll free number: 18002005533 or you can write to the Company Secretary / compliance officer of the Company you can write an e-mail to "secretarial@refnol.com".

EXPLANATORY STATEMENT

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

Item No. 3: Ordinary Resolution

The Board of Directors (the Board), as per recommendation of the Nomination and Remuneration Committee, appointed Mr. Mukund Nagpurkar (DIN: 08120760) as an Additional Director, in the category of non-executive independent with effect from 1st May, 2018 pursuant to section 161 of the Companies Act, 2013 (the Act) read with the Company's Articles of Association.

Mr. Mukund Nagpurkar aged about 62 years, possesses a degree of Masters in Commerce and is an Associate Member of the Institute of Cost and Management Accounts (ICMA). He has over three decades of experience in the field of accounts and finance. Mr. Mukund Nagpurkar is not disqualified from being appointed as Director in terms of section 164 of the Act. In terms of section 149 and other applicable provisions of the Act, Mr. Mukund Nagpurkar, being eligible, is proposed to be appointed as an Independent Director for a term of five consecutive years up to 30th April 2023.

Mr. Mukund Nagpurkar is entitled to sitting fees for attending the meetings of the Board and Committees thereof. In the opinion of the Board, Mr. Mukund Nagpurkar fulfils the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the management. Copy of the letter of appointment of Mr. Mukund Nagpurkar is available for inspection at the registered office of the Company during normal business hours on all working days and at the ensuing Annual General Meeting.

A notice has been received from member proposing Mr. Mukund Nagpurkar as the candidate for the office of Director of the Company.

Keeping in view his vast experience and knowledge, it will be in the interest of the Company that Mr. Mukund Nagpurkar is appointed as an Independent Director and therefore the Board of the Company recommends the resolution at Item No. 3 for approval of the members of the Company.

Except for Mr. Mukund Nagpurkar, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

The statutory details of Mr. Mukund Nagpurkar are enclosed.

ANNEXURE A

Information of Directors to be appointed and the Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in accordance with provisions of the Companies Act, 2013 and Secretarial Standards - 2, as on the date of Notice:

Name of the Director:	Mr. Mahendra Khatau	Mr. Mukund Nagpurkar
DIN:	00062794	08120760
Date of Birth:	23/07/1955	16/07/1956
Date of Appointment:	01/07/1994	01/05/2018
Relationship with Directors:	Relative (Husband) of Mrs. Asha Mahendra Khatau	–
Expertise in Specific Functional Area:	Excellent administrative skills and knowledge, having over 35 years of experience	Rich and wide experience of over 30 years in the field of accounts and finance.
Qualification:	Graduate	Masters in Commerce and is an Associate Member of the Institute of Cost and Management Accounts (ICMA)
Board Membership of Companies as on March 31, 2018:	<ol style="list-style-type: none"> 1. Mulraj Khatau and Sons Private Limited 2. Khatau Leasing and Finance Company Private Limited 3. Khatau Makanji And Company Private Limited 4. Indokem limited 5. Priyanilgiri Holdings Pvt Ltd 6. Vindhyapriya Holdings Pvt Ltd 7. MKK Holdings Pvt Ltd 8. Khatau Holdings And Trading Company Private Limited 9. Priyamvada Holdings Ltd 10. Prism Plantations Pvt Ltd 11. Prerana Leasing & Finvest Private Limited 12. Chemron Texchem Private Limited 	–
Chairman/Member of the Committee of the Board of directors as on March 31, 2018:	<ol style="list-style-type: none"> 1. Chairman of Committee of Board of Directors 2. Chairman of Vigil Mechanism Committee 3. Member of Stakeholders' Relationship Committee 	<ol style="list-style-type: none"> 1. Member of Audit Committee 2. Member of Nomination and Remuneration Committee 3. Member of Stakeholders' Relationship Committee 4. Member of Risk Management Committee 5. Member of Committee of Board of Directors
Number of Shares held in the Company as on March 31, 2018:	12,81,789	–

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: MUMBAI
DATE: August 14, 2018

MAHENDRA K. KHATAU
CHAIRMAN
(DIN: 00062794)

REGISTERED OFFICE:

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

DIRECTORS' REPORT

Dear Members,

Refnol Resins and Chemicals Limited
Mumbai

The Board of Directors present their 37th Annual Report together with the Audited Financial Statements of Company for the year ended 31st March, 2018. The Management Discussion and Analysis has also been incorporated into this report.

1. FINANCIAL RESULTS:

The Standalone and Consolidated financial results of the company for the year ended 31st March, 2018, are as under:

(Rs. In Lakhs)

FINANCIAL RESULTS	STANDALONE		CONSOLIDATED	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations	2842.53	2610.88	4412.10	3961.62
Profit before Financial costs & Depreciation	178.76	220.00	89.28	253.95
Less:- Interest & Financial Charges	98.87	90.86	130.48	122.83
Less:- Depreciation	46.47	44.13	66.43	66.25
Net Profit Before Tax for the Year	33.42	85.01	(107.63)	64.87
Tax Expenses	7.70	9.74	7.70	9.74
Profit After Tax	25.72	75.27	(115.33)	55.13
Profit available for Appropriation	25.72	75.27	(115.33)	55.13

2. INDIAN ACCOUNTING STANDARDS (Ind AS)

As mandated by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") from the financial year started from 1st April, 2017 with a transition date of 1st April, 2016. The Financial Results for the year 2017-18 have been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other recognized accounting practices and policies to the extent applicable. The Financial Results for all the periods of 2017-18 presented have been prepared in accordance with Ind AS.

3. DIVIDEND

In view to conserve resources, your Directors have not recommended any dividend for the year under review.

4. TRANSFER TO RESERVES:

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

5. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTUS

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

a. Consolidated Financial Performance:

1. Consolidated income for the year increased by 11.60% to Rs. 4427.60 Lakhs as compared to Rs. 3967.42 Lakhs in 2017.
2. Consolidated net sales for the year were Rs. 4412.10 Lakhs as compared to Rs. 3961.62 Lakhs in 2017, growth of 11.37%.

3. Consolidated profit after tax for the year was Rs. (115.33) Lakhs as compared to Rs. 55.13 Lakhs in 2017.

b. Standalone Financial Performance:

1. Standalone income for the year increased by 8.63% to Rs. 2904.10 Lakhs as compared to Rs. 2673.40 Lakhs in 2017.
2. Standalone net sales for the year were Rs. 2842.53 Lakhs as compared to Rs. 2610.88 Lakhs in 2017, growth of 8.87%.
3. Standalone profit after tax for the year was Rs. 25.72 Lakhs as compared to Rs. 75.27 Lakhs in 2017.

6. INFORMATION ON STATE OF THE COMPANY'S AFFAIRS

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

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

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

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

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

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

9. SAFETY, HEALTH AND ENVIRONMENT:

a) Safety:

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

b) Health:

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

c) Environment:

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

10. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES AND POLICY

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

11. FINANCE

Cash and Cash equivalent as at 31st March, 2018 was Rs. 30.54 Lakhs. Interest and Fixed charges has increased from Rs. 90.86 Lakhs to Rs. 98.87 Lakhs. The company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

11.1 PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

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

11.2 DEPOSITS

The Company has neither accepted nor renewed any deposits falling within the purview of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time, during the year under review and therefore details mentioned in

Rule 8(5) (v) & (vi) of Companies (Accounts) Rules, 2014 relating to deposits, covered under Chapter V of the Act is not required to be given.

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

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

13. INTERNAL FINANCIAL CONTROLS:

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

14. RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

16. EXTRACT OF ANNUAL RETURN

In compliance with Section 92(3), Section 134 (3) (a) and rule 12 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Extract of the Annual Return has been annexed with this board's report in form MGT-9 as **"Annexure - C"**.

17. MEETINGS

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

Intimation of the Board meetings and Committee meetings are given well in advance and communicated to all the Directors. Normally, Board meetings and Committee meetings are held at the Registered Office of the Company. The agenda along with the explanatory notes are sent in advance to all the Directors in accordance with the Secretarial Standard-1 issued by the Institute of Company Secretaries of India. Additional meetings of the Board are held when deemed necessary by the Board. Senior Executives are invited to attend the Board meetings as and when required.

18. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134 (3) of the Companies Act, 2013, in relation to the financial statements for FY 2017-18, the Board of Directors states that:

- a) In preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures, if any;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2018 and of the profits for the year ended 31st March, 2018;
- c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. SUBSIDIARY COMPANIES

As on 31st March, 2018 following companies are the subsidiaries/step down Subsidiaries of the Company:

19.1 REFNOL OVERSEAS LIMITED (ROL)

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

19.2 TEXCARE MIDDLE EAST LLC (TCME)

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

The Consolidated Financial Statements for the financial year 2017-18 of the Company are prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and listing agreement(s) executed with the stock exchanges where the shares of the Company are currently listed. In compliance with Regulation 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Audited Consolidated Financial statements form part of this annual report. The accounts of the Subsidiary Companies and the related detailed information will be made available to any shareholder of the holding as well as Subsidiary Companies seeking such information at any point of time and are also available for inspection by the members of the Company as well as Subsidiary Companies at the registered office of the Company and subsidiaries concerned.

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

20. DECLARATION OF INDEPENDENT DIRECTORS

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

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Due to the sad demise of Late Mrs. Hutoxy Miller, Independent Director of the Company, on February 6, 2018, the Company had appointed Mr. Mukund Nagpurkar (DIN: 08120760) as an Additional Director in the category of Independent-Non Executive Director of the Company after the closure of financial year i.e. on May 1, 2018 during the period under review.

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

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

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

22. PERFORMANCE EVALUATION

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013, Rules made thereof, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has Carried out an evaluation of its own

performance, the directors individually as well as the evaluation of its Committees as per the criteria laid down in the Nomination, Remuneration and Evaluation policy. Further the Independent directors have also reviewed the performance of Non-Independent directors and Board as a whole including reviewing the performance of the Chairperson of the company taken into account the views of Executive Directors and Non-Executive Directors vide their separate meeting which was held on February 14, 2018 at registered office of the Company. The said policy including above said criteria for the evaluation of the Board, individual directors including independent directors and the committee of the board has been laid down in the Corporate Governance Report, which forms part of this Annual Report.

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

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

The Nomination and Remuneration policy as provided herewith pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The policy is also available on our website at following link <http://www.refnol.com/pdf/policy/policy-on-nomination-remuneration-and-evaluation.pdf>

24. PARTICULARS REGARDING EMPLOYEES REMUNERATION:

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

a. The ratio of remuneration of each director to the median employees' remuneration of the Company for the FY 2017-2018

Sr. No.	Name	Designation	CTC	Median Employee Salary	Ratio
1	Mr. Arup Basu	Managing Director	28.33	2.93	9.67 :1

- b. The percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary or manager, in the FY 2017-2018

Sr. No.	Name	Designation	Remuneration in F Y 2017-18 (Rs. In Lakhs)	Remuneration in F Y 2016-17 (Rs. In Lakhs)	Change (Rs. In Lakhs)	% of changes
1	Mr. Arup Basu	Managing Director	28.33	27.94	0.39	1.39
2	Mr. Vikas Agarwal	Chief Financial Officer	11.48	10.91	0.57	5.22
3	Ms. Sumruti Anand*	Company Secretary	1.04	3.09	N.A.	N.A.
4	Mr. Bilal Topia*	Company Secretary	2.37	N.A.	N.A.	N.A.

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

*Mr. Bilal Topia appointed as a CS from August 11, 2017.

- c. The percentage increase in the median remuneration of employees in the FY 2017-18

Remuneration of 2016-17 (Rs. In Lakhs)	Remuneration of 2017-18 (Rs. In lakhs)	Increase	Percentage
2.46	2.93	0.47	19.11%

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

Name of the company	No. of Employees as on March 31, 2017	No. of Employees as on March 31, 2018	% of change during the year
REFNOL RESINS AND CHEMICALS LIMITED	85	81	(4.94)%

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

Remuneration paid to employee excluding managerial personnel for the F Y 2016-17	Remuneration paid to employee excluding managerial personnel for the F Y 2017-18	% of Change in remuneration paid to employees excluding managerial personnel	Remuneration paid to managerial personnel for the F Y 2017-18	Remuneration paid to managerial personnel for the F Y 2016-17	% of Change in remuneration paid to managerial personnel
272.32	298.28	9.53%	43.17	42.02	2.74%

f. Statement containing the particulars of employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 read with the Companies (Appointment and Remuneration of Managerial Personnel) Amendments Rules, 2016:

Information showing names and other particulars of the top ten employees in terms of remuneration drawn and the name of every employee who were employed throughout the year/part of the year and were in receipt of remuneration in aggregate of not less than Rs. 1,02,00,000/- p.a. or Rs. 8,50,000/- p.m. for financial year:

Sr. No.	Name of the Employee	Designation	Gross Remuneration p.a. (Rs. In lakhs)	Nature of Employment	Qualification	Experience (Years)	Joining Date	Age (Years)	Last Employment	% of Equity Shares Held	Whether relative of any Director / Manager
1	Shri Arup Basu	Managing Director	28.33	Service	B. Tech & MBA	38	01/05/1980	63	Erstwhile Refnol Resins & Chemicals Limited	0.071	-
2	Shri Paresb Dave	Sr. General Manager (Marketing)	13.61	Service	B. Com	42	06/10/1986	58	Corn Products (India) Ltd.	0.003	-
3	Shri Vikas Agarwal	Chief Financial Officer	11.48	Service	B. Com (Hons.), C.A., C.S.	15	15/11/2007	40	Soma Textiles & Industries Ltd	0.000	-
4	Smt. Leelabai Khatau*	Manager	11.46	Service	Graduate	22	01/07/1996	86	Erstwhile Refnol Resins & Chemicals Limited	-	Relative of Shri Mahendra Khatau
5	Shri Vinay Srivastava	General Manager (Northern Region)	9.62	Service	B. Sc.	32	11/04/1994	59	Kaso Chemie India Ltd.	-	-
6	Smt. Vijaya Manavalan	Sr. Manager (Development)	7.08	Service	B. Sc.	26	07/09/1994	47	Intermediate Industries	-	-
7	Shri Prakash Kant	General Manager (Marketing)	6.83	Service	Diploma in marketing management	30	20/09/1991	49	DHL Courier Services	-	-
8	Shri Arvind Khristi	Sr. Factory Manager	6.80	Service	B. Sc.	29	15/04/1991	52	N.C. Lecqur Paint	-	-
9	Shri Oommachan Philip	Sr. Manager	6.58	Service	B. Com	35	01/04/1995	57	Prabha Trade Impex Pvt. Ltd.	0.003	-
10	Ms. Padma Chawnani	P.A. to M.D.	6.10	Service	B. Com	27	04/07/1991	45	LIC of India	-	-

* Retired w.e.f. 28/02/2018

25. AUDITORS

25.1 Statutory Auditors

The statutory auditors, M/s. B. R. Shah & Associates, Chartered Accountants, (Firm Registration No. 129053W), were appointed at the 36th Annual General Meeting of the Company for a period of 5 years commencing from the conclusion of 36th AGM till the conclusion of the 41st AGM of the Company to be held in 2022, subject to ratification of their appointment at every AGM, if so required under the Act. M/s. B. R. Shah & Associates, Chartered Accountants have issued a Certificate of eligibility pursuant to Section 141 of the Companies Act, 2013.

Further the Ministry of Corporate Affairs (MCA) vide notification dated 7th May, 2018 has done away with the requirement of ratification of appointment of Statutory Auditors at every Annual General Meeting, as per the first proviso of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Amendment Rules, 2018. Accordingly, the Company is not required to pass any resolution pertaining to ratification of the appointment of Statutory Auditors in the Annual General Meeting.

The Statutory Auditors' report does not contain any qualification, reservation or adverse remark and is self-explanatory and unmodified and thus does not require any further clarifications/ comments. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

25.2 Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Sandip Sheth & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2017-2018. The Report of the Secretarial Audit Report is annexed herewith as **"Annexure – E"**.

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

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

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

The Audit Committee consists of the following members:

- | | | |
|----|--------------------------|----------|
| a. | Mr. Bhalchandra Sontakke | Chairman |
| b. | Mr. Rajagopalan Sessa | Director |
| c. | Mr. Mukund Nagpurkar | Director |
| d. | Mr. Arup Basu | Director |

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

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

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

28. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2018 was Rs. 3.08 Crore. During the Year under review, the company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on 31st March, 2018, Directors who holds Shares of the Company are:

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

There is no change in share capital structure of the Company during the financial year 2017-2018.

The Company has not bought back any of its securities, not issued any Sweat Equity Shares, no bonus shares were issued and not provided any Stock Option Scheme to the employees during the year under review.

29. CODE OF CONDUCT:

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

30. INSIDER TRADING POLICY:

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

31. CORPORATE GOVERNANCE:

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

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

In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has set up Internal Complaints Committees at its workplaces to redress complaints received regarding sexual harassment. No complaints have been reported during the financial year 2017-18. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

33. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the financial year 2017-18.

34. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

36. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

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

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

Equity share held by the Non-Executive Director of the Company as on March 31, 2018:

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

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

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

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

39. ENHANCING SHAREHOLDERS VALUE:

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness,

consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

40. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements for the financial year 2017-18 of the Company are prepared in accordance with relevant Ind-AS issued by the Institute of Chartered Accountants of India and listing agreement(s) executed with the stock exchanges where the shares of the Company are currently listed form part of this Annual Report.

41. CAUTIONARY STATEMENT

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

42. LISTING:

Your company's shares are listed with The Bombay Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai. (Stock Code: - 530815). The Company confirms that it has paid the Annual Listing Fees for the year 2018-19 to BSE where the Company's Shares are listed.

43. ACKNOWLEDGEMENT:

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: MUMBAI
DATE: August 14, 2018

MAHENDRA K. KHATAU
CHAIRMAN
(DIN: 00062794)

REGISTERED OFFICE:

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

ANNEXURE-A**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:****A. Industry Structure and Developments**

India continues to be one of the faster growing economies of the world. This leads to growth of the chemical and polymer industries. Your Company had benefitted from this expansion of economic activity with strong demand in all the product groups manufactured.

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

Resins and Polymer business has shown steady growth in the export markets while the other businesses have grown domestically.

B. Opportunity and Threats

Your Company manufactures resins and polymers for the textile, plastic and coatings industry-all of which will continue to show healthy growth and expansion in all economies and regions.

At the same time, your Company has to take note of and adapt to operate with increasing regulatory mechanisms for the chemical industry and also continued and sustained pressure on input costs due to firming up of petroleum prices resulting in squeeze in margins and profitability.

C. Product wise Performance

Rs. In lakhs

Product wise Performance	2016-2017	2017-2018	% of changes
<u>Sales-Domestics</u>			
Textile Sizing Chemicals & Textile Auxiliaries	463.42	597.06	28.84%
Garment wash Chemicals	307.35	335.41	9.13%
Laundry Chemicals	473.26	502.88	6.26%
Resins	142.46	140.83	-1.14%
Miscellaneous	65.48	52.68	-19.55%
TOTAL (A)	1451.97	1,628.86	12.18%
<u>Sales -Export</u>			
Textile Sizing Chemicals & Textile Auxiliaries	837.28	1112.75	32.90%
Garment wash Chemicals	128.31	45.04	-64.90%
TOTAL (B)	965.59	1157.79	19.90%
Total Net Sales (Net of Excise)	TOTAL (A + B) 2417.56	2786.65	15.27%
Add: Excise Duty	185.76	48.37	
Total Sales	2603.32	2835.02	8.90%

D. Outlook

Demand both in the domestic and export markets for all products continue to be good and your Company is making efforts to harness this to the fullest extent.

Challenges continue in terms of pressure on margins due to sustained rise in input costs and relieving this will be one of the major objectives in the medium to long-term.

E. Risks and Concerns

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

F. Internal Control System and Their Adequacy

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

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

Your Company generated income from the operations of Rs. 2842.53 Lakhs in FY 2017-2018 which was higher as compared to Rs. 2610.88 Lakhs generated last year. The Profit after tax and exceptional items stood at as Rs. 25.72 Lakhs against a profit of Rs. 75.27 Lakhs last year.

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

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

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

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

Safe Harbour Clause

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

Conclusion

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

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

Information in accordance with the Companies (Disclosures of Particulars in the Report of Directors) Rules, 1988 and forming part of Directors' Report for the year ended on 31st March, 2018

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

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

FORM A**Disclosure of particulars with respect to Conservation of Energy : 2017-2018**

I Power and Fuel Consumption					Units	Current Year	Previous Year
1	Electricity						
(a)	Purchase from Electricity Board				Kwh	544868	458100
	Total amount				Rs. in lakhs	38.88	31.92
	Average Cost/Unit				Rs / Kwh	7.14	6.97
(b)	Own Generation				Kwh	9750	7800
	Total Amount				Rs. in lakhs	1.37	0.42
	Average Cost/Unit				Rs / Kwh	14.04	5.36
2	Others (LSHS / LDO)						
	Quantity				Ltrs	201906	189916
	Total Cost				Rs. in lakhs	69.20	53.87
	Average Rate				Rs / Ltrs	34.27	28.37
II Consumption per unit of Production							
Products		Quantity	Item	Unit Qty	Current Year	Previous Year	
Chemicals		4030654.03 kgs	Electricity	0.14 Kwh/Kg.	0.96 Rs./Kg.	0.86 Rs./Kg.	
			Furnace	0.05 Ltrs/Kg.	1.72 Rs./Kg.	1.42 Rs./Kg.	
			Oil / LDO				

B. TECHNOLOGY ABSORPTION**FORM B****Disclosure of Particulars with respect to Technology Absorption : 2017-18****(I) Research and Development :****1. Specific area in which R & D is carried out by the company :**

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

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

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

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

3. Future Plan of action :

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

4. Expenditure on R & D

- (i) Capital : Nil
- (ii) Recurring : 5.44 Lakhs

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

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

2. Benefit derived as a result of the above efforts

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

C FOREIGN EXCHANGE USED & EARNED

- | | |
|--|---|
| (a) Activities relating to exports, initiatives to increase exports, development of new Export market for products and service and export plans. | } As Mentioned in
} the Directors'
} Report |
| (b) Total foreign exchange used & earned. | (Rupees in lakhs) |
| (i) Foreign exchange earned
Exports at FOB Value | Rs. 521.89 |
| (ii) CIF value of imports | Rs. 35.43 |
| (iii) Expenditure in foreign exchange | |
| - Travelling | Rs. 11.46 |
| - Commission | Rs. 11.21 |

ANNEXURE-C**EXTRACT OF ANNUAL RETURN****as on the financial year ended 31.03.2018****[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]****FORM NO. MGT - 9****I. REGISTRATION AND OTHER DETAILS:**

CIN	L24200MH1980PLC023507
Registration Date	01.12.1980
Name of the Company	Refnol Resins and Chemicals Limited
Category / Sub-Category of the Company	Company having Share Capital/Indian Non-Government Company
Address of the Registered office and contact details	Plot No.410/411, Khatau House, Mogul Lane, Mahim, Mumbai - 400016
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s LINK INTIME INDIA PVT LTD, C-13, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186270 Fax: +91 22 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:		
Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Manufacture of Chemicals	20297	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
REFNOL OVERSEAS LIMITED, Mauritius	NA	Subsidiary	100	2(87)
TEX CARE MIDDLE EAST L.L.C., Sharjah	NA	Subsidiary	49*	2(87)

* Controlling interest 100%

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

i) Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	1304431	0	1304431	42.22	1304431	0	1304431	42.22	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	351000	0	351000	11.36	351000	0	351000	11.36	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1):	1655431	0	1655431	53.58	1655431	0	1655431	53.58	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2):	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	1655431	0	1655431	53.58	1655431	0	1655431	53.58	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a) Bodies Corporate	58723	0	58723	1.90	32734	0	32734	1.06	-0.84
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	656882	142365	799247	25.87	644957	139965	784922	25.40	-0.46
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	331779	34000	365779	11.84	314268	34000	348268	11.27	-0.57
c) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d) Any Other (specify)									
i) Non- Resident Repatriates	8250	80400	88650	2.87	16770	80400	97170	3.14	0.27
ii) Non-Resident non Repatriate	12483	0	12483	0.40	11095	0	11095	0.36	-0.04
iii) HUF	38226	0	38226	1.24	82490	0	82490	2.67	1.43
iv) Clearing Member	71361	0	71361	2.31	77790	0	77790	2.52	0.21
Sub-Total (B)(2):	1177704	256765	1434469	46.42	1180104	254365	1434469	46.42	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	1177704	256765	1434469	46.42	1180104	254365	1434469	46.42	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2833135	256765	3089900	100.00	2835535	254365	3089900	100.00	0

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Mr. Mahendra Khatau	1281789	41.483	-	1281789	41.483	-	-
Mrs. Asha Khatau	6768	0.219	-	6768	0.219	-	-
Mr. Manish Khatau	8553	0.276	-	8553	0.276	-	-
Ms. Priya Khatau	7021	0.227	-	7021	0.227	-	-
Mr. Anil Khatau	300	0.009	-	300	0.009	-	-
Prism Plantation Private Limited	1,000	0.032	-	1,000	0.032	-	-
Khatau Leasing and Financing Company Private Limited	225000	7.282	-	225000	7.282	-	-
Vindhyapriya Holdings Pvt Ltd	125000	4.045	-	125000	4.045	-	-
Total	1655431	53.575	-	1655431	53.575	-	-

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

There are no changes in the Promoter's shareholding during the financial year 2017-2018.

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date of change of share-holding	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding at the end of the year	
	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1. VIJAY KUMAR JAIN	100000	3.24	23 Mar 2018	6667	Transfer	106677	3.45
2. NAVJEEVAN EQUITY BROKING PVT. LTD.	21000	0.68	07 Apr 2017	(3000)	Transfer	18000	0.58
			21 Apr 2017	(3700)	Transfer	14300	0.46
			28 Apr 2017	3950	Transfer	18250	0.59
			05 May 2017	1750	Transfer	20000	0.65
			12 May 2017	2050	Transfer	22050	0.71
			19 May 2017	8328	Transfer	30378	0.98
			26 May 2017	9756	Transfer	40134	1.30
			02 Jun 2017	866	Transfer	41000	1.33
			09 Jun 2017	(3000)	Transfer	38000	1.23
			16 Jun 2017	300	Transfer	38300	1.24
			23 Jun 2017	(3300)	Transfer	35000	1.13
			30 Jun 2017	1000	Transfer	36000	1.17
			07 Jul 2017	1542	Transfer	37542	1.22
			14 Jul 2017	(10542)	Transfer	27000	0.87
			21 Jul 2017	4000	Transfer	31000	1.00
			28 Jul 2017	2000	Transfer	33000	1.07
			04 Aug 2017	4000	Transfer	37000	1.20
			11 Aug 2017	(1773)	Transfer	35227	1.14
			18 Aug 2017	773	Transfer	36000	1.17
			01 Sep 2017	1535	Transfer	37535	1.21
			08 Sep 2017	(1535)	Transfer	36000	1.17
			15 Sep 2017	1275	Transfer	37275	1.21
			22 Sep 2017	21725	Transfer	59000	1.91
			29 Sep 2017	1000	Transfer	60000	1.94

			06 Oct 2017	1000	Transfer	61000	1.97
			13 Oct 2017	(1000)	Transfer	60000	1.94
			27 Oct 2017	227	Transfer	60227	1.95
			03 Nov 2017	5000	Transfer	65227	2.11
			10 Nov 2017	5000	Transfer	70227	2.27
			01 Dec 2017	277	Transfer	70504	2.28
			08 Dec 2017	700	Transfer	71204	2.30
			15 Dec 2017	(977)	Transfer	70227	2.27
			29 Dec 2017	2000	Transfer	72227	2.34
			05 Jan 2018	5000	Transfer	77227	2.50
			12 Jan 2018	1501	Transfer	78728	2.55
			19 Jan 2018	599	Transfer	79327	2.57
			26 Jan 2018	1900	Transfer	81227	2.63
			02 Feb 2018	349	Transfer	81576	2.64
			09 Feb 2018	(13137)	Transfer	68439	2.21
			16 Feb 2018	(331)	Transfer	68108	2.20
			23 Mar 2018	(881)	Transfer	67227	2.18
			31 Mar 2018	2000	Transfer	69227	2.24
3. MAHENDRA GIRDHARILAL	56779	1.84	-	-	-	56779	1.84
4. RAJU AJIT BHANDARI	45047	1.46	22 Sep 2017	(47)	Transfer	45000	1.46
5. OM PRAKASH CHUGH .	28476	0.92	-	-	-	28476	0.92
6. RADHEY SHYAM	0	0.00	19 May 2017	21929	Transfer	21929	0.71
7. MOHIB NOMANBHAI KHERICHA	24813	0.80	07 Apr 2017	(3370)	Transfer	21443	0.69
			14 Apr 2017	(15250)	Transfer	6193	0.20
			26 Jan 2018	4797	Transfer	10990	0.36
			02 Feb 2018	3	Transfer	10993	0.36
8. SANJAY RAMESH DOSHI	43399	1.40	21 Apr 2017	6702	Transfer	50101	1.62
			15 Sep 2017	(20037)	Transfer	30064	0.97
			22 Sep 2017	(3082)	Transfer	26982	0.87
			13 Oct 2017	(982)	Transfer	26000	0.84
			20 Oct 2017	(1000)	Transfer	25000	0.81
			27 Oct 2017	(500)	Transfer	24500	0.79
			03 Nov 2017	(6444)	Transfer	18056	0.58
			10 Nov 2017	944	Transfer	19000	0.61
			17 Nov 2017	(951)	Transfer	18049	0.58
			24 Nov 2017	(25)	Transfer	18024	0.58
			01 Dec 2017	(300)	Transfer	17724	0.57
			08 Dec 2017	(5066)	Transfer	12658	0.41
			15 Dec 2017	(2040)	Transfer	10618	0.34
			22 Dec 2017	(618)	Transfer	10000	0.32
			09 Feb 2018	1000	Transfer	11000	0.36
			16 Feb 2018	(1500)	Transfer	9500	0.31
			23 Mar 2018	679	Transfer	10179	0.33
9. CHARTERED CAPITAL & INVESTMENT LTD.	21767	0.70	14 Apr 2017	(5000)	Transfer	16767	0.54
			21 Apr 2017	(2500)	Transfer	14267	0.46
			19 Jan 2018	(5500)	Transfer	8767	0.28
10. DSE FINANCIAL SERVICES LTD.	23429	0.76	21 Apr 2017	(1500)	Transfer	21929	0.71
			19 May 2017	(21929)	Transfer	0	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Arup Kumar Basu ,Managing Director				
At the beginning of the year	2200	0.07	2200	0.07
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus/sweat equity etc):	-	-	2200	0.07
At the End of the year	2200	0.07	2200	0.07

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Mahendra Khatau , Director				
At the beginning of the year	1281789	41.483	1281789	41.483
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus/sweat equity etc):	-	-	1281789	41.483
At the End of the year	1281789	41.483	1281789	41.483

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mrs. Asha Khatau , Director				
At the beginning of the year	6768	0.219	6768	0.219
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus/sweat equity etc):	-	-	6768	0.219
At the End of the year	6768	0.219	6768	0.219

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Vikas Agarwal , Chief Financial Officer				
At the beginning of the year	10	0.0003	10	0.0003
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus/sweat equity etc):	-	-	10	0.0003
At the End of the year	10	0.0003	10	0.0003

V. INDEBTEDNESS:**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (Rs. In Lacs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	459.73	30.50	-	490.23
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	0.44	-	0.44
Total (i+ii+iii)	459.73	30.94	-	490.67
Change in Indebtedness during the financial year				
Addition	7.30	536.29	-	543.59
Reduction	-	451.30	-	451.30
Net Change	7.30	84.99	-	92.29
Indebtedness at the end of the financial year				
i) Principal Amount	467.03	115.91	-	582.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	0.02	-	0.02
Total (i+ii+iii)	467.03	115.93	-	582.96

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration MD/WTD/Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		ARUP KUMAR BASU	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.81	24.81
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.55	0.55
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as 1% of profit - others, specify...	0.31	0.31
5.	Others, please specify PF and Gratuity	2.66	2.66
	Total (A)	28.33	28.33
	Ceiling as per the Companies Act 2013	60.00	60.00

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors			Total Amount
1. Independent Directors	Mr. Bhalchandra Sontakke	Mr. S. Rajagopalan	Mrs. H D Miller	
Fee for attending board committee meetings	60,000	35,000	55,000	1,50,000
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total B(1)	60,000	35,000	55,000	1,50,000
2. Other Non Executive Directors	Mr. Mahendra Khatau	Mrs. Asha Khatau		
Fee for attending board committee meetings	30,000		30,000	60,000
Commission	-		-	-
Others, please specify	-		-	-
Total B(2)	30,000		30,000	60,000
Total (B)=B(1) + B(2)				2,10,000
Overall Ceiling	As per Companies Act, 2013			

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel (Rs. In Lakhs)			
		Chief Financial Officer (Mr. Vikas Agarwal)	Company Secretary (Ms. Sumruti Anand)*	Company Secretary (Mr. Bilal Topia)#	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10.26	0.95	2.15	12.16
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission-	-	-	-	-
	- as % of profit	-	-	-	-
	Others specify...	-	-	-	-
5.	Others, please specify PF and Gratuity	1.22	0.09	0.22	1.53
	Total	11.48	1.04	2.37	13.69

*CS (resigned) w.e.f. 14.07.2017

#CS (appointed) w.e.f. 11.08.2017

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences under any sections of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

ANNEXURE – D**FORM AOC-1****(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)****Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "A": Subsidiaries**

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

1	Sl. No.	1	2
2	Name of Subsidiary	Refnol Overseas Limited (ROL)	Tex Care Middle East LLC (TCME)
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2017-18	2017-18
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD & 65.07 INR	AED & 17.72 INR
5	Share Capital	2,40,000	3,00,000
6	Reserves & Surplus	1,23,224	29,55,667
7	Total assets	3,97,899	64,67,857
8	Total Liabilities	34,675	32,12,190
9	Investments	41,013	-
10	Turnover	86,066	95,24,680
11	Profit before taxation	78,471	(5,74,081)
12	Provision for taxation	-	-
13	Profit after taxation	78,471	(5,74,081)
14	Proposed Dividend	72,030	2,57,874
15	% of shareholding	100%	49%

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

Part "B": Associates and Joint Ventures: None**For and on behalf of the Board of Directors****For B. R. Shah & Associates**

Chartered Accountants
(Registration No. 129053W)

Deval Desai

Partner
Membership No.132426

Place : Ahmedabad
Date : May 10th, 2018

Mahendra K. Khatau

Chairman
DIN: 00062794

Vikas Agarwal

Chief Financial Officer

Place : Mumbai
Date : May 10th, 2018

Arup Basu

Managing Director
DIN: 00906760

Bilal Topia

Company Secretary

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

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2018

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 (hereinafter referred to as "Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i.) The Companies Act, 2013 and/or The Companies Act, 1956 (severally referred to as the Act) and the rules made thereunder;
- (ii.) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii.) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv.) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(Not applicable to the Company during Audit Period)*

- (v.) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of audit, and also on the review of quarterly compliance reports by respective department heads/Company Secretary/Chief Financial Officer/Executive Director taken on record by the Board of Directors of the Company, having regard to the compliance system prevailing in the Company and on

examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company;

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

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

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

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

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

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

We further report that

The Board of Directors of the Company is duly constituted

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

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Place: Ahmedabad
Date: 14th August, 2018

**Sandip Sheth &
Associates**
*Practicing Company
Secretaries*

Prashant Prajapati
Partner
ACS: 32597
CP No.: 12531

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

"Annexure – A"

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

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

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

For, Sandip Sheth & Associates
Practicing Company Secretaries

Prashant Prajapati
Partner
ACS No.: 32597
COP No.:12531

Date: 14th August, 2018
Place: Ahmedabad

ANNEXURE-F**REPORT ON CORPORATE GOVERNANCE****(Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

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

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

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

2. BOARD OF DIRECTORS:

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

Composition of the Board as on March 31, 2018:

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

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

INDEPENDENT DIRECTOR AND LIMIT OF NUMBER OF DIRECTORSHIPS

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

MAXIMUM TENURE OF INDEPENDENT DIRECTORS

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

FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS

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

NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

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

DIRECTORS' PROFILE

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

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

Mr. Mahendra Khatau (Chairman and Non executive Director)

Mr. Mahendra Khatau (DIN: 00062794) aged 63 years, is possessing graduate degree having experience of 35 years of experience. He has vast experience in the field of production and effective policy formulations for efficient and smooth running of the Company.

Mr. Arup Kumar Basu (Managing Director)

Mr. Arup Kumar Basu (DIN: 00906760) aged 63 years, is a B. Tech, Chemical Engineering from IIT, Bombay and has obtained a postgraduate management degree from IIM, Ahmedabad. He is with company since last 37 years more particularly as Managing Director of the Company since last eighteen years.

He has vast experience in management, administration and effective policy formulations for efficient and smooth

running of the company. He has wide knowledge of the industry and markets that the company operates in, and has been instrumental in the turnaround of the company over the last few years.

Mrs. Asha Khatau (Non-Executive Director)

Mrs. Asha Khatau (DIN: 00063944) aged 60 years, is a graduate, having over 25 years of experience. She possesses excellent administrative skills and knowledge. Her skill and knowledge is of immense help to the company in keeping abreast cordial relations of the employees with management cadre.

Mr. Bhalchandra Sontakke (Independent Director)

Mr. Bhalchandra Sontakke (DIN: 01225753) aged 74 years, is a B.Com, LL.B, Master in Labour Studies, having over 34 years' experience. He possesses excellent skills in the fields of Labour Law, Industrial law and by profession he is lawyer and is legal advisors to many companies. His skills and knowledge is of immense help to the Company in compliances with various requirements related to law and keep abreast cordial relations of the employees with management cadre.

Mr. S. Rajagopalan (Independent Director)

Mr. S. Rajagopalan (DIN: 00289643) aged about 79 years is commerce graduate and ICWA. He has more than 39 years of experience in the field of accounts, finance and internal audit. He possesses deep knowledge of cost control aspects commensurate with cost audit. His skills will be of immense help to the company in evaluation of effective cost control aspects with the size and nature of business.

Mr. Mukund Nagpurkar (Independent Director)

Mr. Mukund Ramchandra Nagpurkar (DIN: 08120760) aged 62 years possesses a degree of Masters in Commerce and is an Associate Member of The Institute of Cost Accountants of India (ICAI). He has rich and wide experience of over 30 years in the field of accounts and finance.

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

Five Board Meetings were held during the year 2017-18 the dates on which the said meetings were held are as follows:

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
May 10, 2017	6	6
August 11, 2017	6	5
September 14, 2017	6	6
December 6, 2017	6	5
February 14, 2018	5	5

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

Attendance of Directors at Board Meetings and Annual General Meeting

Name of the Director	Attendance at the Board Meetings held on					Attendance at the AGM held on September 29, 2017
	May 10, 2017	August 11, 2017	September 14, 2017	December 6, 2017	February 14, 2018	
Mr. Mahendra Khatau	✓	✓	✓	✓	✓	✓
Mrs. Asha Khatau	✓	✓	✓	✓	✓	Absent
Mr. Arup Basu	✓	✓	✓	✓	✓	✓
Mr. S. Rajagopalan	✓	Absent	✓	Absent	✓	Absent
Mr. Bhalchandra Sontakke	✓	✓	✓	✓	✓	✓
Mrs. H.D. Miller	✓	✓	✓	✓	N.A.*	✓

* Mrs. H.D. Miller deceased on 06.02.2018.

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

Name of the Director	Date of Appointment	Category	*Number of Directorship(s) held in Indian Public Limited Companies (including RRCL)	**Committee(s) Position (including RRCL)	
				Member	Chairman
Mr. Mahendra Khatau	01/07/1994	Promoter Director	3	2	0
Mrs. Asha Khatau	30/12/1993	Promoter Director	3	0	1
Mr. Arup Basu	15/06/1999	Executive Director	1	2	0
Mr. S. Rajagopalan	20/05/2005	Independent Director	2	3	0
Mr. Bhalchandra Sontakke	01/10/2004	Independent Director	2	1	2
Mr. Mukund Nagpurkar	01/05/2018	Independent Director	1	2	0

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

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

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

COMMITTEES OF THE BOARD

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

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

I. Audit Committee (Mandatory Committee):

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

Its purpose is:

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

The Composition of the Audit committee as on March 31, 2018 and details of member's participation at the meetings of the committees during the year 2017-18 are as under:

Name of the Member	Category	Attendance at the Audit Committee Meetings held on				
		May 10, 2017	August 11, 2017	September 14, 2017	December 6, 2017	February 14, 2018
Mr. Bhalchandra Sontakke	Chairman (Non-Executive/Independent)	✓	✓	✓	✓	✓
Mr. S. Rajagopalan	Member (Non-Executive/Independent)	✓	Absent	✓	Absent	✓
Mr. Arup Kumar Basu	Member (Executive)	✓	✓	✓	✓	✓
Mrs. Hutoxy Dara Miller	Member (Non-Executive/Independent)	✓	✓	✓	✓	N.A.*

* Mrs. H.D. Miller deceased on 06.02.2018.

II. Nomination and Remuneration Committee (Mandatory Committee):

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

The Composition of the Nomination and Remuneration committee as on March 31, 2018 and details of member's participation at the meetings of the committees are as under:

Name of the Member	Category	Attendance at the Nomination & Remuneration Committee Meetings held on	
		May 10, 2017	August 11, 2017
Mr. Bhalchandra Sontakke	Chairman (Non-Executive/ Independent)	✓	✓
Mr. S. Rajagopalan	Member (Non-Executive/ Independent)	✓	Absent
Mrs. Hutoxy Dara Miller*	Member (Non-Executive/ Independent)	✓	✓

* Mrs. H.D. Miller deceased on 06.02.2018.

a) The Company does not have any ESOP scheme.

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

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

The details of the remuneration paid to the directors for the year 2017-2018 are as follows:

(Rs. in Lakhs)

Name of Directors	Salary	Perquisites	Fixed Commission	Sitting Fees	Total
Mr. Mahendra Khatau	-	-	-	0.300	0.300
Mrs. Asha Khatau	-	-	-	0.300	0.300
Mr. Bhalchandra Sontakke	-	-	-	0.600	0.600
Mr. S. Rajagopalan	-	-	-	0.350	0.350
Mrs. Hutoxy Dara Miller*	-	-	-	0.550	0.550
Mr. Arup Basu	27.47	0.86	-	-	28.33

* Mrs. H.D. Miller deceased on 06.02.2018.

Company has not issued any convertible instrument. However, the details of the shares held by Non Executive Directors as at March 31, 2018 are as follows:

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

* Mrs. H.D. Miller deceased on 06.02.2018.

III. Stakeholders' Relationship Committee (Mandatory Committee):

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

The terms of reference of the Committee are:

- To ensure timely services to the members/investors.
- To supervise the performance of the Registrar and Share Transfer Agent.

- To approve transfer, transmission and transposition of shares/debentures as may be issued by the Company from time to time.
 - To issue duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the down procedure.
 - To authorize the Company Secretary and Head Compliance/other officers of the share department to attend to matters related to non receipt of annual reports, notices, non receipt of declared dividend/ interest, change of address for correspondence etc. and to monitor action taken.
 - Monitoring expeditious redressal of investors/ stakeholders grievances.
 - All other matters incidental or related to shares, debentures and other securities of the Company.
- The composition of the Stakeholders' Relationship Committee as at March 31, 2018 and details of member's participation at the meetings of the committees are as under:

Name of the Member	Category	Stakeholders' Relationship Committee Meetings held in FY 2017-2018
Mrs. Asha Khatau (Chairperson)	Chairperson (Non Executive Director)	NIL
Mr. Mahendra Khatau	Member (Non Executive Director)	
Mrs. Hutoxy Dara Miller*	Member (Non Executive Director/Independent)	

* Mrs. H.D. Miller deceased on 06.02.2018.

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

The number of shareholder's complaints received through Stock Exchange or SEBI during the year 2017-2018 and status of the same are as follows:

Complaints Received from	No. of Complaints Received	No. of Complaints Disposed off Satisfactorily	No. of Complaints Outstanding As on 31.03.2018
SEBI	None	None	None
Shareholders	None	None	None

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

IV. Risk Management Committee (Mandatory Committee):

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

The composition of risk management committee as at March 31, 2018:

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

* Mrs. H.D. Miller deceased on 06.02.2018.

The objectives and scopes of risk management committee broadly comprise:

- Defining framework for identification, assessment, monitoring, and mitigation and reporting of risk.

- Overseeing implementation of risk management plan and policy.
- Periodically reviewing and evaluating the Risk Management Policy.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on February 14, 2018 inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

INTERNAL AUDIT OF THE COMPANY

In compliance with Section 138 of the Companies Act, 2013 read with the rules made there under and other applicable provisions (including any modification or reenactment thereof), if any, in any other law for, the time being in force, your company appointed Mr. Satyajit Pandit as its internal auditor for the financial year 2018-19, by the board at its meeting held on May 10, 2018. The Company's system of internal controls covering finances, operational, compliance etc; are reviewed by the internal auditor from time to time and presentations are made by him before the Audit Committee on quarterly basis.

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

POLICY ON NOMINATION, REMUNERATION AND EVALUATION

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Company has adopted a policy which deals with the manner of Nomination, Remuneration and Evaluation of the Board of Directors, Key Managerial Personnel and employees in Senior Management. The policy has been posted on the Company's website www.refnol.com and also made available on the following link: <http://www.refnol.com/pdf/policy/policy-on-nomination-remuneration-and-evaluation.pdf>

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the

Audit committee and Nomination and Remuneration Committee. A structured questionnaire was prepared, after taking into consideration inputs received from the Directors, covering various aspects of the board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligation and governance.

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

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

In compliance with Schedule IV of Companies Act, 2013 and

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

Details of the familiarization programme for the Independent Directors are available on the website of the Company: (URL: <http://www.refnol.com/images/9.%20Familiarization%20Programmes/Familiarization%20Programmes%20for%20Independent%20Directors%20held%20by%20the%20Company.pdf>)

SUBSIDIARY COMPANIES

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

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

GENERAL BODY MEETINGS:

DETAILS OF LAST THREE ANNUAL GENERAL MEETING

AGM	Financial Year	Venue	Date	Time	Special Resolutions passed
36 th	2016-2017	410/411, Khatau house, Mogul Lane, Mahim (west), Mumbai-400016	September 29, 2017	12.00 Noon	1. Re-appoint Mr. Arup Basu as Managing Director of the Company. 2. To consider and determine the fees for delivery of any document through a particular mode of delivery to a member.
35 th	2015-2016	410/411, Khatau house, Mogul Lane, Mahim (west), Mumbai-400016	September 30, 2016	12.00 Noon	1. Authority to keep Register of Members and copies of annual return at a place other than the registered office of the company
34 th	2014-2015	410/411, Khatau house, Mogul Lane, Mahim (west), Mumbai-400016	September 30, 2015	12.00 Noon	1. Adoption of new set of Articles of Association of the company in conformity with the provisions of the Companies Act, 2013

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

E-VOTING FACILITY

In compliance with provisions of Companies Act, 2013, our Company offered E-Voting facility as an alternate / option, for voting by the Shareholders, in addition to the option of physical voting, to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. Each Shareholder / Member had to opt for exercising only one mode for voting i.e. either by Physical Ballot or by E-Voting. In case of Shareholders(s) / Member(s) who casted their vote via both modes i.e. Physical Ballot as well as E-Voting, voting done through a valid Physical Postal Ballot Form was treated as

prevailing over the E-Voting of that Shareholders, M/s Sandip Sheth & Associates (C.P. 4354) Practising Company Secretary was appointed as the Scrutinizer to conduct the Postal Ballot process for the 36th Annual General Meeting of the company held on September 29, 2017.

POSTAL BALLOT

There has been no resolution passed through Postal Ballot during the year 01st April, 2017 and 31st March, 2018.

COMPANY POLICIES:

Following policies are available on the website of the Company at www.refnol.com

- Policy On Nomination, Remuneration And Evaluation
- Board Performance Evaluation Policy
- Whistle Blower Policy and Vigil Mechanism

- Policy for Determining Material Subsidiary
- Policy on dealing with Related Party Transactions
- Archival Policy
- Policy for Determination of Materiality

COMPLIANCE WITH NON – MANDATORY REQUIREMENTS :

i. SEPARATE POST OF CHAIRMAN AND CEO:

The Company has separate person as Chairman and Managing Director.

ii. THE BOARD:

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

iii. MODIFIED OPINION(S) IN AUDIT REPORT:

There is no audit modification in the financial statements of the Company for the financial year ended 31st March, 2018.

DISCLOSURE

RELATED PARTY TRANSACTIONS

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

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

CODE OF CONDUCT

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

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

All the members of the Board and the Senior Management Personnel have affirmed compliance to the said Code of Conduct during the Financial Year ended March 31, 2018. A declaration is signed by the Managing Director of the Company, affirming compliance with the Code of Conduct by the members of the Board and Senior Management Personnel.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

REMUNERATION OF DIRECTORS

The Details of Remuneration package, sitting fees paid, etc., to the Directors of the Company during the financial year 2017-18 have been explained under the heading Policy on Nomination, Remuneration and Evaluation of Corporate Governance Report.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

CEO/CFO CERTIFICATION

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

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and Designated Employees of the Company. The Code

requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of shares of Company by the Directors and the designated employees while in possession of the unpublished price sensitive information in relation to the Company and during the period when the Trading window is closed. The Company Secretary is responsible for implementation of the Code.

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

COMPLIANCE BY THE COMPANY

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

MEANS OF COMMUNICATION:

Quarterly results

In compliance with provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange the unaudited quarterly /half yearly results are announced within forty-five days of the close of the quarter and the audited annual results are announced within sixty days from the end of the financial year. The aforesaid financial results are sent to BSE Limited where the company's securities are listed, immediately after these are approved by the Board. The results are thereafter given by way of press release to

various news agencies and are published within forty- eight hours mostly in leading English newspaper "The Financial Express" and Marathi newspapers "Mumbai Lakshadweep". The audited financial statements form a part of the Annual Report which is sent to the members well in advance of the Annual General Meeting.

WEBSITE:

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

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

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

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

GENERAL INFORMATION TO SHAREHOLDERS

Annual General Meeting Date, time and Venue	September 28, 2018 12.00 Noon at Registered Office
Financial Year	April 1, 2017 to March 31, 2018
Date of Book Closure	21 st September, 2018 to 28 th September 2018
Dividend payment Date	The Company has not declared any dividend during last three years.
Listing on Stock Exchange	Your Company's share is listed with The Bombay Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-1.
Stock Code	BSE-530815
ISIN for Equity Shares	INE428C01011
Listing Fees	The Company is regular in payment of Annual Listing fees of The Stock Exchange, Mumbai for the respective financial year.
Registered office	410/411, Khatau House, Mogul Lane, Mahim (west) Mumbai-400016 Tel: 079-22820013/22822266 Fax : 079-22820476 E-mail : secretarial@refnol.com Website: www.refnol.com
Plant Location	Plot no. 23, Phase III, G.I.D.C. Naroda, Ahmedabad- 382330
Registrar and Transfer Agents	M/s LINK INTIME INDIA PVT LTD. having their registered office at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186270 Fax: +91 22 49186060
Share Transfer System	The Company has hired the services of SEBI registered Registrar and Transfer Agent, LINK INTIME INDIA PVT LTD for Physical transfer as well as electronic connectivity.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion Date and likely impact on equity	The Company has not issued any of these instruments.
Address for Correspondence	<p>1.Share Transfer in Physical Form and other communication in that regard including share certificates, dividend and change of address etc., may be addressed to our Registrar and Share Transfer Agents at the address mentioned above.</p> <p>2. Shareholders may also contact Compliance Officer, Refnol Resins and Chemicals Limited, Plot No. 23, Phase III, G.I.D.C. Naroda, Ahmedabad-382330 for any assistance.</p> <p>3. Shareholders holding shares in electronic mode should address all their corresponding to their respective depository participants.</p>

Stock Market Price Data:

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

Month	BSE High (Rs.)	BSE Low (Rs.)	No. of Shares Traded	Total Turnover (Rs.)
Apr-17	56.85	38.55	157473	7681047
May-17	51.45	37.15	122642	5606805
Jun-17	48.00	36.00	97746	3968706
Jul-18	48.55	37.75	68589	3070139
Aug-17	49.75	38.20	68467	3043717
Sep-17	48.90	34.65	95478	4033615
Oct-17	48.85	37.70	45735	1928801
Nov-17	45.95	33.60	63124	2366566
Dec-17	59.00	35.20	111168	5061179
Jan-18	53.85	35.70	63928	2858684
Feb-18	44.80	31.00	60031	2225533
Mar-18	39.90	30.20	27394	918624

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

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



Distribution of Shareholding as on March 31, 2018:

Shares Range	No. of Shareholders	% of Total Shareholders	No. of shares held	% of shareholding
1 to 500	1020	70.1996	214331	6.9365
501 to 1000	221	15.2099	184402	5.9679
1001 to 2000	94	6.4694	145856	4.7204
2001 to 3000	38	2.6153	99797	3.2298
3001 to 4000	17	1.1700	60902	1.9710
4001 to 5000	15	1.0323	68969	2.2321
5001 to 10000	29	1.9959	196730	6.3669
10001 and above	19	1.3076	2118913	68.5755
Total	1453	100.0000	3089900	100.0000

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

Shareholding pattern as on March 31, 2018

Sr. No.	Category	No. of Shares Held	% of total Shares
1	Promoters	16,55,131	53.57
2	Clearing Members	77,790	2.52
3	Other Bodies Corporate	32,734	1.06
4	Directors	300	0.01
5	Hindu Undivided Family	82,490	2.67
6	Non Resident Indians	97,170	3.14
7	Non Resident (Non Repatriable)	11,095	0.36
8	Public	11,33,190	36.67
TOTAL		30,89,900	100.00

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

Dematerialization of Shares and Liquidity:

Number of shares held in dematerialized and physical mode as on March 31, 2018:

Particulars	No. of Equity Shares	% to Share Capital
NSDL	5,14,800	16.66
CDSL	23,20,735	75.11
Physical	2,54,365	8.23
TOTAL	30,89,900	100.00

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

For and on behalf of the board

Place: Mumbai
Date: 14th August, 2018

Mahendra K. Khatau
Chairman
(DIN: 00062794)

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors/Senior Personnel for the Financial Year 2017-18.

FOR, REFNOL RESINS AND CHEMICALS LIMITED

Place: Mumbai
Date: August 14, 2018

ARUPKUMAR BASU
Managing Director
(DIN: 00906760)

CERTIFICATE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD

In pursuance to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, Arup Kumar Basu- Managing Director and Vikas Agarwal-Chief Financial Officer, of Refnol Resins and Chemicals Limited to the best of our knowledge and belief hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Arup Kumar Basu
Managing Director
DIN: 00906760

Vikas Agarwal
Chief Financial Officer

Place: Mumbai
Date: 10th May, 2018

INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Refnol Resins and Chemicals Limited

We, B. R. Shah & Associates, Chartered Accountants, the Statutory Auditors of Refnol Resins and Chemicals Limited ("the Company") have examined the compliance of conditions of Corporate Governance, for the year ended on 31st March, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), 2015. ("SEBI Listing Regulations").

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

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

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

For B. R. Shah & Associates
Chartered Accountants
(Registration No. 129053W)

Place: Ahmedabad
Date: August 14, 2018

Deval R Desai
Partner
Membership No. : 132426

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF REFNOL RESINS AND CHEMICALS LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of **Refnol Resins and Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the statement of profit and loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these

standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended), which were audited by predecessor auditor, on which they expressed an unmodified opinion dated May 10, 2017 and May 12, 2016 respectively.

The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 25 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2018 for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

For B. R. Shah & Associates
Firm Registration Number: 129053W
Chartered Accountants

Place: Ahmedabad
Date: May 10, 2018

Deval Desai
Partner
Membership Number: 132426

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

Referred in paragraph 10 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Refnol Resins and Chemicals Limited on the financial statements as of and for the year ended March 31, 2018

- | | |
|--|---|
| <p>i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the company and the nature of its assets.</p> <p>(c) According to the information and explanations given to us and the records examined by us and based on the examination of the records of the company provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. And with respect to immovable properties of land that has been taken on lease, the lease agreements are in the name of the Company.</p> <p>ii. Physical verification of inventory has been conducted by Management at reasonable intervals. In our opinion, the frequency of verification is reasonable. On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.</p> <p>iii. The Company has not granted any loans secured or unsecured to any parties covered in the register mentioned under Section 189 of the Act. Therefore, the provisions of Clause 3(iii) (a), (b) & (c) of the said Order are not applicable to the Company.</p> <p>iv. The company has complied with provisions of section 185 and 186 of the companies Act, 2013 in respect of loans, investments, guarantees and security, as applicable.</p> <p>v. The Company has not accepted any deposits and thus reporting under clause 3(v) of the Order is not applicable to the Company.</p> <p>vi. The company is not required to maintain the cost records under clause 148(1) of the Companies Act, 2013 and thus reporting under clause 3(vi) is not applicable to the company.</p> <p>vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect of tax deducted at source, provident fund, ESIC and professional taxes though there have been delay in a few cases, and is regular in depositing undisputed statutory dues, including statutory dues, as applicable, with the appropriate authorities.</p> | <p>(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except Penalty of late E-filing of TDS which remain unpaid exceeding six months as on 31 March 2018 ₹ 4.18 Lakhs.</p> <p>viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans and borrowings to financial institutions or banks.</p> <p>ix. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.</p> <p>x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year nor have we been informed of any such case by the Management.</p> <p>xi. Managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the companies Act.</p> <p>xii. The company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.</p> <p>xiii. All transaction with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financials Statements as required by the applicable accounting standards;</p> <p>xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.</p> <p>xv. According to the information and explanations given to us and the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or any person connected to him.</p> <p>xvi. The company is not required to be registered under sections 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.</p> |
|--|---|

For B. R. Shah & Associates
Firm Registration Number: 129053W
Chartered Accountants

Deval Desai
Partner

Place: Ahmedabad
Date: May 10, 2018

Membership Number: 132426

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in Annexure referred to in paragraph 11 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Refinol Resins and Chemicals Limited on the Ind AS financial statements as of and for the year ended March 31, 2018

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

We have audited the internal financial controls over financial reporting of **Refnol Resins and Chemicals Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. R. Shah & Associates

Firm Registration Number: 129053W
Chartered Accountants

Deval Desai

Partner

Place: Ahmedabad
Date: May 10, 2018

Membership Number: 132426

BALANCE SHEET AS AT MARCH 31, 2018

(₹ lakhs)

Particulars		Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A	ASSETS				
1	Non-current assets				
a)	Property, plant and equipment	2	1,512.81	1,526.35	1,555.70
b)	Intangible assets	3	0.50	-	-
			<u>1,513.31</u>	<u>1,526.35</u>	<u>1,555.70</u>
c)	Financial assets				
i)	Investments	4	89.13	89.13	89.13
ii)	Other financial assets	5	9.53	9.53	45.01
d)	Deferred tax assets (net)		-	-	-
e)	Other non-current assets	6	69.97	90.02	71.36
	Total non-current assets		<u>1,681.94</u>	<u>1,715.03</u>	<u>1,761.20</u>
2	Current assets				
a)	Inventories	7	296.42	282.11	254.41
b)	Financial assets				
i)	Trade receivables	8	792.65	650.17	551.56
ii)	Cash and cash equivalents	9	30.54	16.70	27.18
iii)	Bank balances other than cash and cash equivalents above	10	37.74	35.37	34.19
iv)	Other financial assets	5	21.07	0.45	0.48
c)	Other current assets	6	62.05	15.18	14.42
	Total current assets		<u>1,240.47</u>	<u>999.98</u>	<u>882.24</u>
	Total assets		<u>2,922.41</u>	<u>2,715.01</u>	<u>2,643.44</u>
B	EQUITY AND LIABILITIES				
	Equity				
a)	Equity share capital	11	330.67	330.67	330.67
b)	Other equity	12	892.53	861.79	790.26
	Total equity		<u>1,223.20</u>	<u>1,192.46</u>	<u>1,120.93</u>
	Liabilities				
1	Non-current liabilities				
a)	Financial liabilities				
i)	Borrowings	13	76.81	-	2.61
ii)	Other financial liabilities	14	212.45	309.09	403.00
b)	Provisions	15	118.34	119.08	104.79
	Total non-current liabilities		<u>407.60</u>	<u>428.17</u>	<u>510.40</u>
2	Current liabilities				
a)	Financial liabilities				
i)	Borrowings	13	466.74	488.05	460.77
ii)	Trade payables	16	623.69	479.66	450.34
iii)	Other financial liabilities	14	97.09	39.54	34.69
b)	Other current liabilities	17	57.35	48.63	27.54
c)	Provisions	15	46.74	38.50	38.77
	Total current liabilities		<u>1,291.61</u>	<u>1,094.38</u>	<u>1,012.11</u>
	Total liabilities		<u>1,699.21</u>	<u>1,522.55</u>	<u>1,522.51</u>
	Total equity and liabilities		<u>2,922.41</u>	<u>2,715.01</u>	<u>2,643.44</u>

The accompanying Notes form an integral part of the Financial Statements

As per our attached report of even date

For B. R. Shah & AssociatesChartered Accountants
(Registration No. 129053W)**Deval Desai**Partner
Membership No.132426Place : Ahmedabad
Date : May 10, 2018

For and on behalf of the Board of Directors

Mahendra K. KhatauChairman
DIN: 00062794**Vikas Agarwal**

Chief Financial Officer

Place : Mumbai
Date : May 10, 2018**Arup Basu**Managing Director
DIN: 00906760**Bilal Topia**

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ lakhs)

Particulars	Note	2017-18	2016-17
Income			
Revenue from operations	18	2,842.53	2,610.88
Other income	19	61.57	62.52
Total Income		2,904.10	2,673.40
Expenses			
Cost of materials consumed	20	1,908.25	1,643.85
Changes in inventories of finished goods and work-in-progress	21	15.95	(58.16)
Excise duty		48.37	185.77
Employee benefit expenses	22	345.63	311.91
Finance costs	23	98.87	90.86
Depreciation and amortisation expenses	2	46.47	44.13
Other expenses	24	407.14	370.03
Total expenses		2,870.68	2,588.39
Profit before tax		33.42	85.01
Tax expense			
Current tax	25.3	7.70	9.74
Deferred tax	25.3	-	-
Total tax expense		7.70	9.74
Profit for the year		25.72	75.27
Other comprehensive income	25		
A) Items that will not be reclassified to profit and loss		(5.02)	3.74
Remeasurement (gains)/loss on defined benefit plans		(5.02)	3.74
Income tax relating to this item		-	-
Other comprehensive income, net of tax		(5.02)	3.74
Total comprehensive income for the year		30.74	71.53
Basic and diluted earning per Equity share of ₹ 10 each	25.8	0.83	2.44

The accompanying Notes form an integral part of the Financial Statements

As per our attached report of even date

For B. R. Shah & Associates

Chartered Accountants
(Registration No. 129053W)

Deval Desai

Partner
Membership No.132426Place : Ahmedabad
Date : May 10, 2018

For and on behalf of the Board of Directors

Mahendra K. Khatau

Chairman
DIN: 00062794

Vikas Agarwal

Chief Financial Officer

Place : Mumbai

Date : May 10, 2018

Arup Basu

Managing Director
DIN: 00906760

Bilal Topia

Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(₹ lakhs)

Particulars	2017-18	2016-17
A. Cash flow from operating activities		
Profit before tax	33.42	85.01
Adjustments for:		
Add:		
Depreciation and amortisation expenses	46.47	44.13
Finance costs	98.87	90.86
Bad debts and irrecoverable balances written off	-	1.05
Provision for doubtful debts	0.43	9.89
	<u>145.77</u>	<u>145.93</u>
	179.19	230.94
Less:		
Interest Income	4.34	3.11
Dividend Income	46.07	57.28
Sundry Credit Balances Appropriated	4.26	0.28
Unrealised exchange rate difference (net)	2.57	-
	<u>57.24</u>	<u>60.67</u>
Operating profit before working capital changes	<u>121.95</u>	<u>170.27</u>
Adjustments for:		
Inventories	(14.31)	(27.70)
Trade receivables	(139.31)	(109.55)
Bank balances other than cash and cash equivalents	(2.37)	(1.18)
Other current financial assets	-	-
Other current assets	(46.87)	(0.76)
Other non-current financial assets	-	35.48
Other non-current assets	20.05	(18.66)
Trade payables	147.26	29.60
Other current financial liabilities	19.60	6.46
Other current liabilities	4.96	21.09
Other non-current financial liabilities	(96.64)	(93.91)
Short-term Employee benefit obligations	8.24	(0.27)
Long-term Employee benefit obligations	4.28	10.55
	<u>(95.11)</u>	<u>(148.85)</u>
Cash generated from operations	26.84	21.42
Less:		
Direct taxes net of refund	-	-
Net cash flow from operating activities	(A) 26.84	21.42

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(₹ lakhs)

Particulars	2017-18	2016-17
B. Cash flow from investing activities		
Payments towards property, plant and equipment	(32.89)	(14.78)
Payments towards purchase of intangible assets	(0.54)	-
Interest received	4.35	3.14
Dividend tax paid	(3.94)	(9.74)
Dividend received	25.44	57.28
Net cash from/(used in) investing activities	(B)	(7.58)
C. Cash flow from financing activities		
Proceeds from Borrowings	92.30	23.06
Interest and Finance charges paid	(97.72)	(90.86)
Net cash used in financing activities	(C)	(5.42)
Net change in cash and cash equivalents	(A+B+C)	(10.48)
Opening balance - cash and cash equivalents	16.70	27.18
Closing balance - cash and cash equivalents	30.54	16.70

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the IND AS 7 on statement of Cash flow as notified under Companies (Accounts) Rules, 2015.

The accompanying Notes form an integral part of the Financial Statements

As per our attached report of even date

For B. R. Shah & Associates
Chartered Accountants
(Registration No. 129053W)

Deval Desai
Partner
Membership No.132426

Place : Ahmedabad
Date : May 10, 2018

For and on behalf of the Board of Directors

Mahendra K. Khatau
Chairman
DIN: 00062794

Vikas Agarwal
Chief Financial Officer

Place : Mumbai
Date : May 10, 2018

Arup Basu
Managing Director
DIN: 00906760

Bilal Topia
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH, 31 2018

A. Equity share capital

(₹ lakhs)

Particulars	Notes	Amount
As at April 01, 2016		330.67
Changes in Equity share capital		-
As at March 31, 2017		330.67
Changes in Equity share capital		-
As at March 31, 2018	11	330.67

B. Other equity

(₹ lakhs)

Particulars	Notes	Reserves and surplus		Total Other Equity
		Security premium	Retained earnings	
As at April 01, 2016		201.18	589.08	790.26
Profit for the year		-	75.27	75.27
Other comprehensive income		-	(3.74)	(3.74)
Total comprehensive income for the year		-	71.53	71.53
As at March 31, 2017		201.18	660.61	861.79
Profit for the year		-	25.72	25.72
Other comprehensive income		-	5.02	5.02
Total comprehensive income for the year		-	30.74	30.74
As at March 31, 2018	12	201.18	691.35	892.53

The accompanying Notes form an integral part of the Financial Statements

As per our attached report of even date

For B. R. Shah & AssociatesChartered Accountants
(Registration No. 129053W)**Deval Desai**Partner
Membership No.132426Place : Ahmedabad
Date : May 10, 2018

For and on behalf of the Board of Directors

Mahendra K. KhatauChairman
DIN: 00062794**Vikas Agarwal**

Chief Financial Officer

Place : Mumbai

Date : May 10, 2018

Arup BasuManaging Director
DIN: 00906760**Bilal Topia**

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

Background

Refinol Resins and Chemicals Limited (the 'Company') is a limited company incorporated and domiciled in India. It is engaged in manufacturing and marketing of Polyester Resins, Laundry & Cleaning Chemicals, Textile Sizing Chemicals, Auxiliaries and Garment Wash Chemicals. The registered office of the Company is located at Plot no. 410/411, Khatau House, Mogul Lane, Mahim, Mumbai-400016.

Note 1 Significant Accounting Policies

The note provide a list of significant Accounting Policies adopted by the Company in preparation of these Financials Statements. This policies have been consistently applied to all the years presented, unless otherwise specified.

a) Basis of preparation:

i) Compliance with Ind AS:

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Financial Statements up to year ended March 31, 2017 were prepared in accordance with Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These Financial Statements are the first Financial Statements of the Company under Ind AS. Refer Note 25.11 for an explanation of how the transition from previously applicable Indian GAAP (hereinafter referred to as 'IGAAP') to IND AS has affected the Company's financial position, financial performance and cash flows of the company.

ii) Historical cost convention:

The Financial Statements have been prepared on a historical cost basis, except certain land and building classified as Property, plant and equipment.

iii) Current versus Non current Classification:

All the assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

iv) Recent accounting pronouncements:

Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies

(Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

1. Ind AS 115-Revenue from Contract with Customers
2. Ind AS 21-The effect of changes in foreign exchanges rates
3. Ind AS 40-Investment Property
4. Ind AS 12-Income Taxes
5. Ind AS 28-Investment in Associates and Joint Ventures
6. Ind AS 112-Disclosure of Interest in Other Entities

These amendments are effective for annual periods beginning on or after April 01, 2018. Application of these amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements. The Company is assessing the potential effect of the amendments on its financial statements. The Company will adopt these amendments, if applicable, from their applicability date.

b) Foreign Currency Transactions:

i) Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Financial Statements of the Company are presented in Indian currency (₹), which is also the functional and presentation currency of the Company.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain / (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. All foreign exchange gain / (loss) are presented in the Statement of Profit and Loss on a net basis within other income / (expense). Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c) Revenue Recognition:

i) Sale of Goods and Services:

Revenue from sales is recognised when all significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

ii) Other Income:

- i) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- ii) Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

d) Taxation:

- i) Income tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.
- ii) Deferred tax asset and deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. Deferred tax assets are reviewed at each Balance Sheet date to reassure realisation.

e) Property, Plant and Equipment:

- i) Tangible Assets:
Property, plant and equipment are measured at cost of acquisition/construction including incidental expenses directly attributable to the acquisition/construction activity and capitalised borrowing cost as the case may be, less accumulated depreciation, amortisation and impairment as necessary.
- ii) Intangible Assets:
Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

Transition to Ind AS

On transition to Ind AS, the company has opted to fair value land, building and plant and machinery and consider the same as deemed cost under Ind AS. Carrying value of other assets of property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

f) Depreciation and Amortisation:

Depreciation:

- i) Depreciation is being provided on a pro-rata basis on the 'Straight Line Method' over the estimated useful lives of the assets.
- ii) Depreciation is being calculated on a pro-rata basis from the date of acquisition/installation till the date the assets are sold or disposed of.

- iii) Useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013 are applied. The cost of lease hold land (revalued) is amortised over the unexpired period of lease from the date of lease.
- iv) The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Amortisation:

Computer software cost is amortised over a period of 3 years using straight-line method.

g) Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal / external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

h) Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

i) Inventories:

- i) Raw materials, packing materials, work-in-progress, finished goods, fuel, stores and spares are valued at cost or net realisable value whichever is lower. Cost is arrived at on First in First Out (FIFO) basis.
- ii) Goods-in-transit are stated at the cost to the date of Balance Sheet.
- iii) Scrap materials are valued at net realisable value.
- iv) 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition.
- v) Due allowances are made for obsolete inventory based on technical estimates made by the Company.

j) Investments and other financial assets:

Classification:

The Company classifies its financial assets in the following measurement categories:

- i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss)

ii) Those measured at amortised cost

The classification depends the business model of the entity for managing financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Subsequent measurement:

After initial recognition, financial assets are measured at:

- i) Fair value (either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)) or,
- ii) Amortised cost

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through Other Comprehensive Income (OCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain/(loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or

FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Investments in subsidiary companies:

Investments in subsidiary companies, associate company and joint venture company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate company and joint venture company, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Note — details how the Company determines whether there has been a significant increase in credit risk.

De-recognition:

A financial asset is de-recognised only when the Company

- i) has transferred the rights to receive cash flows from the financial asset or
- ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised. Where the entity has neither transferred

a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities:

i) Classification as debt or equity Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iv) De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

k) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income/ (expense).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

m) Borrowing Costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

n) Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

o) Employee benefits:**Short-term employee benefits:**

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred. Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees.

Other long-term employee benefits:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined contribution plan:

Contributions to defined contribution schemes such as contribution to Provident Fund, Employees' State Insurance Corporation, National Pension Scheme and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plan:**Gratuity:**

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. Any

shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Statement of Profit and Loss. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

p) Earnings per share

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

q) Critical estimates and judgments:

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

- i) Estimation of useful life of tangible assets
- ii) Estimation of defined benefit obligation

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note 2 Property, plant and equipment

Particulars	Lease Hold Land	Buildings	Plant and equipment	Furniture & Fixtures	Office equipment	Vehicle	Total
Gross carrying amount							
Cost / Deemed cost as at April 01, 2016	1,293.59	136.46	103.67	1.34	2.68	17.96	1,555.70
Additions	-	-	13.93	-	0.85	-	14.78
Deductions and adjustments	-	-	-	-	-	-	-
As at March 31, 2017	1,293.59	136.46	117.60	1.34	3.53	17.96	1,570.48
Additions	-	-	6.91	-	5.34	20.64	32.89
Deductions and adjustments	-	-	-	-	-	-	-
As at March 31, 2018	1,293.59	136.46	124.51	1.34	8.87	38.60	1,603.37
Depreciation / Amortisation							
Depreciation / Amortisation Upto March 31, 2016	-	-	-	-	-	-	-
For the year	20.22	7.18	10.51	0.15	0.99	5.08	44.13
Deductions and adjustments	-	-	-	-	-	-	-
Upto March 31, 2017	20.22	7.18	10.51	0.15	0.99	5.08	44.13
For the year	20.20	7.16	11.34	0.17	1.35	6.21	46.43
Deductions and adjustments	-	-	-	-	-	-	-
Upto March 31, 2018	40.42	14.34	21.85	0.32	2.34	11.29	90.56
Net carrying amount							
As at March 31, 2017	1,273.37	129.28	107.09	1.19	2.54	12.88	1,526.35
As at March 31, 2018	1,253.17	122.12	102.66	1.02	6.53	27.31	1,512.81

- (i) The Company has opted to fair value Land and Building on the date of transition to Ind AS and consider the same as deemed cost under Ind AS. Carrying values of other items of property, plant and equipment are in accordance with the requirements of Ind AS 16 - Property, Plant and Equipment. Refer Note 25.11
- (ii) As at the date of revaluation April 1, 2016, the properties' fair values are based on valuations performed by an accredited independent valuer who has relevant valuation experience for similar properties in India. The market value of the interest in the property in its current physical condition is the basis of valuation. Valuation has been made on the assumption that the asset or liability is sold in the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to alter the cash flow from the property.
- (iii) The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition i.e. April 1, 2016 and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer below note (iv) for the gross block value and the accumulated depreciation on April 1, 2016 under Indian GAAP (IGAAP).

Particulars	Gross Block (at Cost) As at April 01, 2016	Accumulated Depreciation As at April 01, 2016	Net Block As at April 01, 2016
Plant and equipment	530.78	(427.11)	103.67
Furniture & Fixtures	13.23	(11.89)	1.34
Office equipment	38.23	(35.55)	2.68
Vehicle	28.72	(10.76)	17.96
Total	610.96	(485.31)	125.65

(₹ lakhs)

Note 3 Intangible assets		Computersoftware
a) Gross carrying amount / Deemed cost		
Deemed cost as at April 01, 2016		-
Additions		-
As at March 31, 2017		-
Additions		0.54
As at March 31, 2018		0.54
b) Depreciation / Amortisation		
Upto March 31, 2016		-
For the year		-
Upto March 31, 2017		-
For the year		0.04
Upto March 31, 2018		0.04
c) Net carrying amount		
As at March 31, 2017		-
As at March 31, 2018		0.50

Note 4 Non-current Investments

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investment in equity instruments (fully paid-up)			
i) Subsidiary companies measured at cost			
Unquoted			
In foreign subsidiary companies measured at cost			
240000 Equity shares of Refnol Overseas of US \$ 1/each	89.13	89.13	89.13
	89.13	89.13	89.13

Note 5 Other financial assets

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Current	Non current	Current	Non current	Current	Non current
a) Security deposits for utilities and premises	-	9.53	-	9.53	-	45.01
b) Interest Accrued but not due on fixed deposit	0.44	-	0.45	-	0.48	-
c) Dividend receivable	20.63	-	-	-	-	-
	21.07	9.53	0.45	9.53	0.48	45.01

Note 6 Other assets

(₹ lakhs)

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Current	Non current	Current	Non current	Current	Non current
a) Balances with the Government authorities						
i) Tax paid in advance, net of provisions	-	8.12	-	16.98	-	6.98
ii) Balances with the statutory authorities	45.29	59.09	-	70.23	-	61.57
b) Advances - Others	13.11	-	12.79	-	10.21	-
c) Prepayment - Others	0.93	-	-	-	-	-
d) Other Receivables						
i) Advances to Employees	2.72	-	2.39	-	4.21	-
ii) Others	-	2.76	-	2.81	-	2.81
	62.05	69.97	15.18	90.02	14.42	71.36

Note 7 Inventories

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Raw materials, packing materials and consumables	193.22	162.96	193.42
b) Work-in-progress	6.96	7.93	12.02
c) Finished goods	96.24	111.22	48.97
	296.42	282.11	254.41

Note 8 Trade receivables

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Unsecured, considered good			
i) Trade receivables	485.82	373.81	307.60
ii) Related parties (refer note 25.2)	306.83	276.36	243.96
b) Unsecured, considered doubtful	58.16	57.73	47.84
Less: Provision for doubtful debts	58.16	57.73	47.84
Total receivables	792.65	650.17	551.56

Note 9 Cash and cash equivalents

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Balances with banks in current accounts	29.91	16.39	27.11
b) Cash on Hand	0.63	0.31	0.07
	30.54	16.70	27.18

Note 10 Bank balances other than cash and cash equivalent

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Margin Money deposit (Fixed Deposits)	37.74	35.37	34.19
	37.74	35.37	34.19

Note 11 Equity share capital

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised			
40,00,000 (40,00,000) Equity shares of ₹ 10 each	400.00	400.00	400.00
	400.00	400.00	400.00
Issued			
35,23,500 (35,23,500) Equity shares of ₹ 10 each	352.35	352.35	352.35
	352.35	352.35	352.35
Subscribed			
30,89,900 (30,89,900) Equity shares of ₹ 10 each, fully paid	308.99	308.99	308.99
Add: 4,33,600 (4,33,600) Equity shares Forfeited Shares	21.68	21.68	21.68
	330.67	330.67	330.67

a) Movement in Equity share capital

(₹ lakhs)

	Number of shares	Equity share capital
As at April 01, 2016	30,89,900	308.99
As at March 31, 2017	30,89,900	308.99
As at March 31, 2018	30,89,900	308.99

b) Terms and rights attached to equity shares

The Company has one class of shares referred to as Equity shares having a par value of ₹ 10.

i) Equity shares:

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

ii) Dividend:

The Company has not declare any dividend.

c) Details of Shareholders holding more than 5% of Equity shares:

No	Name of the Shareholder	As at		As at		As at	
		March 31, 2018		March 31, 2017		April 01, 2016	
		Holding %	Number of shares	Holding %	Number of shares	Holding %	Number of shares
1	Mr. Mahendra Kishore Khatau	41.48%	12,81,789	41.48%	12,81,789	41.37%	12,78,180
2	M/s Khatau Leasing & Finance Company Pvt. Ltd	7.28%	2,25,000	7.28%	2,25,000	11.33%	3,50,000

Note 12 Other equity

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017
a) Securities Premium	201.18	201.18
b) Retained Earnings		
Balance as at the beginning of the year	660.61	589.08
Add: Profit for the year	25.72	75.27
Add: Other Comprehensive Income	5.02	(3.74)
Balance as at the end of the year	691.35	660.61
	892.53	861.79

Note 13 Borrowings

(₹ lakhs)

		Maturity	Terms of Repayment	Effective Interest Rate	As at		As at		As at		
					March 31, 2018		March 31, 2017		April 01, 2016		
					Current	Non current	Current	Non current	Current	Non current	
a)	Secured										
	i)	Rupee term loan from Other (Refer Note a)	October, 2022	59 monthly equal installments	8.49%	-	16.31	-	2.61	-	6.83
	ii)	Working capital loans from banks (Refer Note b)	Repayable on demand	Repayable on demand	6.1 % to 13.05%	450.72	-	457.11	-	428.60	-
b)	Unsecured										
	i)	Rupee term loan from Other	Mar 2020 and Mar 2021	24 and 36 monthly equal installments	15.25% to 18%	-	99.91	-	-	-	
	ii)	Inter Corporate Deposit	3 to 4 months	3 to 4 months	15%	16.02	-	30.94	-	32.17	-
						466.74	116.22	488.05	2.61	460.77	6.83
		Amount of current maturities of long-term debt disclosed under the head 'Other financial liabilities' (refer Note 14)					39.41	-	2.61	-	4.22
						466.74	76.81	488.05	-	460.77	2.61

- a) From Financial Institution against hypothecation of car.
- b) Secured by a first charge over the entire fixed and current assets and personally guaranteed by two Promoter Directors of the Company.

Note 14 Other financial liabilities

(₹ lakhs)

	As at		As at		As at	
	March 31, 2018		March 31, 2017		April 01, 2016	
	Current	Non current	Current	Non current	Current	Non current
a) Current maturities of long-term debt (refer Note 13)	39.41	-	2.61	-	4.22	-
b) Security deposits	1.30	-	-	-	-	-
c) Interest accrued but not due	1.15	-	-	-	-	-
d) Accrued compensation to employees	30.32	-	18.48	-	16.31	-
e) Others*	24.91	212.45	18.45	309.09	14.16	403.00
	97.09	212.45	39.54	309.09	34.69	403.00

* Non Current other financial liabilities are dues to related party. Refer Note 25.2

Note 15 Provisions

(₹ lakhs)

	As at		As at		As at	
	March 31, 2018		March 31, 2017		April 01, 2016	
	Current	Non current	Current	Non current	Current	Non current
a) Provision for leave entitlement*	5.98	16.78	6.85	17.57	4.84	17.14
b) Provision for Gratuity (refer note 25.4)	33.05	101.56	26.17	101.51	26.26	87.65
c) Provision for Bonus to employees	7.71	-	5.48	-	7.67	-
	46.74	118.34	38.50	119.08	38.77	104.79

*Information about individual provisions and significant estimates - Leave entitlement

The leave entitlement covers the liability for earned leave. Out of the total amount disclosed above, the amount of ₹ 5.98 lakh is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 16 Trade payables

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Related party (refer note 25.2)	233.42	224.86	175.89
b) Dues to micro, medium and small enterprise*	-	-	-
c) Dues to others	390.27	254.80	274.45
	623.69	479.66	450.34

***Disclosure under Micro, Small and Medium Enterprises Development Act:**

The company has not received any intimation from the suppliers regarding the status under the Micro, Small and Medium Enterprises Development Act, 2006 ('the act') and hence disclosures regarding (a) Amount due and outstanding to suppliers as at end of the accounting year, (b) interest paid during the year, (c) interest payable at the end of the accounting year, (d) interest accrued and unpaid at the end of the accounting year, has not been disclosed or provided. The company is making efforts to get the confirmations from the suppliers as regard their status under the act.

Note 17 Other current liabilities

(₹ lakhs)

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Current	Non current	Current	Non current	Current	Non current
a) Statutory dues	13.49	-	22.82	-	7.77	-
b) Advances received from customers	43.86	-	25.81	-	19.77	-
	57.35	-	48.63	-	27.54	-

Note 18 Revenue from operations

(₹ lakhs)

	2017-18	2016-17
Revenue		
Sale of products	2,835.02	2,603.32
Other operating revenue		
Duty Drawback	7.51	7.56
	2,842.53	2,610.88

Note 19 Other income

(₹ lakhs)

	2017-18	2016-17
Interest Income	4.34	3.11
Dividend Income from equity investment measured at cost	46.07	57.28
Insurance Claim	1.38	0.82
Sundry credit balances appropriated	4.26	0.28
Exchange rate difference gain (net)	5.52	1.03
	61.57	62.52

Note 20 Cost of materials consumed

(₹ lakhs)

	2017-18	2016-17
Raw materials and packing materials consumed		
Stocks at commencement	160.59	192.86
Add: Purchase	1,939.91	1,611.58
	2,100.50	1,804.44
Less: Stocks at close	192.25	160.59
	1,908.25	1,643.85

Note 21 Changes in inventories of finished goods and work-in-progress

(₹ lakhs)

	2017-18	2016-17
Stocks at close		
Finished goods	96.24	111.22
Stock in WIP	6.96	7.93
	<u>103.20</u>	<u>119.15</u>
Less: Stocks at commencement		
Finished goods	111.22	48.97
Stock in WIP	7.93	12.02
	<u>119.15</u>	<u>60.99</u>
(Increase) / Decrease in Stocks	15.95	(58.16)

Note 22 Employee benefit expenses

	2017-18	2016-17
Salaries, wages and bonus*	274.06	260.68
Contribution to Provident and other funds (refer Note 25.4)	55.41	39.47
Staff welfare	16.16	11.76
	<u>345.63</u>	<u>311.91</u>

* This includes commission to Managing Director of ₹ 0.31 lakhs (PY: ₹ 1.36 lakhs)

Note 23 Finance costs

(₹ lakhs)

	2017-18	2016-17
Interest on borrowings	96.97	90.86
Other borrowing cost	1.90	-
	<u>98.87</u>	<u>90.86</u>

Note 24 Other expenses

(₹ lakhs)

	2017-18	2016-17
Consumption of stores and spares	8.62	7.87
Power, fuel and water	103.24	80.98
Building repairs	2.42	3.95
Plant and equipment repairs	15.91	15.34
Sundry repairs	1.06	1.78
Labour Charges	26.86	26.65
Laboratory Expenses	5.44	6.53
Rent	6.09	5.41
Postage & Telegram Expenses	9.16	11.50
Insurance	2.29	2.62
Municipal and Other taxes	7.46	5.20
Advertisement Expenses	0.95	0.89
Outward Freight, cartage and octroi	95.56	85.00
Commission expenses	24.97	15.40
Conveyance	29.78	32.57
Travelling Expenses	29.82	24.24

Note 24 Other expenses (Contd...)

(₹ lakhs)

	2017-18	2016-17
Payments to the Auditors		
a) Audit fees		
Statutory Audit Fees	1.50	0.75
Tax Audit Fees	0.40	0.30
b) Other matters	0.30	0.60
c) Out of pocket expenses	0.03	-
Directors' fees	2.10	1.48
Bad debts and irrecoverable balances written off (net of Provision)	-	1.05
Provision for doubtful debts	0.43	9.89
Legal and professional charges	10.14	6.29
Miscellaneous expenses	22.61	21.64
	407.14	370.03

Note 25.1 Contingent liabilities**a) Claims against the Company not acknowledged as debts:**

The disputed demands for taxes and other matters amounts as of the reporting period ends are respectively as follows:

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Claims against the Company not acknowledged as debts in respects of:			
i) Income tax	-	14.42	14.42
ii) Other Matters	3.75	3.75	3.75

Note: Future cash outflows above are determinable on receipt of judgement.

Note 25.2 (A) Related Party information**Name of the Related Party and nature of relationship**

No.	Name of the Related Party	Description of relationship
Party where control exists		
1	Refnol Overseas Limited	Subsidiary
2	Tex Care Middle East LLC	Step-down Subsidiary
Other related parties with whom transactions have taken place during the year		
1	Indokem Limited	Entity over which control exercised by Key Management Personnel
2	Formost Chemicals Pvt. Ltd.	
3	Orchard Acres	

Key Management Personnel and Relatives

1	Mr. Mahendra K. Khatau, Chairman
2	Mr. Arup Basu, Managing Director
3	Mr. Vikas Agarwal, Chief Financial Officer
4	Mr. Bilal Topia, Company Secretary (w.e.f. August 2017)
5	Ms. Sumruti Anand, Company Secretary (till July 2017)
6	Vikas Agarwal (HUF), HUF firm of Mr. Vikas Agarwal, Chief Financial Officer
7	Mr. Abhik Basu, S/o, Mr. Arup Basu, Managing Director
8	Mrs. Manisha Basu, W/o, Mr. Arup Basu, Managing Director
9	Mrs. Leela K. Khatau, Executive (Mother of Mr. Mahendra K. Khatau, Chairman)

Note 25.2 (B) Transactions

(₹ lakhs)

		2017-18	2016-17
a)	Sales and income		
01	Sale of goods	551.30	491.21
	Indokem Limited	445.61	356.13
	Formost Chemicals Pvt Ltd	-	0.12
	Orchard Acres	2.91	15.05
	Tex Care Middle East LLC	102.78	119.91
b)	Purchases and expenses		
01	Purchase of goods	419.27	397.05
	Indokem Ltd	0.25	1.33
	Orchard Acres	419.02	395.72
02	Payment for other service / interest	125.07	98.24
	Tex Care Middle East LLC	76.56	52.27
	Orchard Acres (Interest)	28.60	24.61
	Mr. Mahendra K. Khatau (Interest)	-	0.06
	Vikas Agarwal (HUF) (Car Hire Charges)	2.46	2.46
	Mrs. Manisha Basu (Car Hire Charges)	3.64	-
	Mr. Abhik Basu (Car Hire Charges)	-	3.59
	Smt. Leela K. Khatau (Salary & Other)	13.81	15.25
03	Remuneration	43.22	41.94
	Mr. Arup Basu, Managing Director	28.33	27.94
	Salary	24.81	23.60
	Contribution to PF	1.90	1.83
	Gratuity	0.76	0.73
	Perquisites	0.55	0.42
	Commission	0.31	1.36
	Mr. Vikas Agarwal, Chief Financial Officer	11.48	10.91
	Salary	10.26	9.73
	Contribution to PF	0.87	0.84
	Gratuity	0.35	0.34
	Mr. Bilal Topia, Company Secretary	2.37	-
	Salary	2.15	-
	Contribution to PF	0.16	-
	Gratuity	0.06	-
	Ms. Sumruti Anand, Company Secretary	1.04	3.09
	Salary	0.95	2.80
	Contribution to PF	0.06	0.21
	Gratuity	0.03	0.08
c)	Other transactions		
01	Amount Received from Tex Care Middle East LLC	75.58	52.90
	Against reimbursements	75.58	52.90

(₹ lakhs)			
Outstanding balances as at year end	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
01 Receivables	306.83	276.36	252.44
Indokem Limited	306.83	276.36	243.96
Shubhlabh Chemicals Pvt. Ltd.	-	-	3.47
Formost Chemicals Pvt. Ltd.	-	-	5.01
02 Payables	454.81	534.66	579.07
Tex Care Middle East LLC	212.45	308.95	403.00
Orchard Acres	231.85	223.53	175.89
Indokem Limited	1.57	1.33	-
Smt. Leela K. Khatau	8.93	0.86	0.18
03 Advances to Related Parties	-	-	35.48
Indokem Limited	-	-	35.48

*Related party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors.

Note 25.3 Current and Deferred tax

The major components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are:

(₹ lakhs)		
a) Income tax expense	2017-18	2016-17
Particulars		
i) Current tax		
Current tax on profits for the year (Dividend Tax)	7.70	9.74
Adjustments for current tax of prior periods	-	-
Total current tax expense	7.70	9.74
ii) Deferred tax		
(Decrease) / Increase in deferred tax liabilities	(11.81)	7.76
Decrease / (Increase) in deferred tax assets	11.81	(7.76)
Total deferred tax expense / (benefit)	-	-
Income tax expense	7.70	9.74

b) No deferred tax has been recorded for recognised in other comprehensive income during the reporting year.

c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have not been recognised in net profit or loss or other comprehensive income but directly debited| (credited) to Equity

d) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

(₹ lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Depreciation (including unabsorbed)	58.04	69.86	62.10
Total deferred tax assets	58.04	69.86	62.10
Provision for doubtful debts	15.12	18.73	15.52
Unavailed leave balance	5.92	7.92	7.13
Provision for Gratuity	35.00	41.43	36.96
Provision for Bonus	2.00	1.78	2.49
Total deferred tax liabilities	58.04	69.86	62.10
Net deferred tax (asset) / liability	-	-	-

Note 25.4 Employee benefit obligations**Funded Scheme****a) Defined contribution plans:**

The Company pays provident fund contributions to registered provident fund administered by the government at the rate of 12% of basic salary as per regulations. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is of ₹ 24.37 Lakhs.

Unfunded schemes**Defined benefit plans:****a) Gratuity**

Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Balance sheet amount (Gratuity) (₹ lakhs)

Particulars	Gratuity 2017-18	Gratuity 2016-17
Components to Employer Expense		
Current Service Cost	5.58	5.06
Interest Cost	9.27	8.95
Past service cost	11.38	-
Excess provision reversed	-	-
Actuarial (Gain)/Loss	(5.03)	3.74
Total expense /(gain) recognised in the P & L A/c.	21.2	17.75
Net Assets / Liability Recognised in the Balance Sheet		
Present value of obligation as at 01/04/2017	127.68	113.91
Fair Value of Plan Assets as at 01/04/2017	-	-
Assets/Liability recognized in Balance Sheet	134.61	127.68
Change in Defined Benefit Obligation (DBO) during Year ended 31st March 2018.		
Present value of obligation as at beginning of the year	127.68	113.91
Current Service Cost	5.58	5.06
Interest Cost	9.27	8.95
Past service cost	11.38	-
Actuarial (Gain)/Loss	(5.03)	3.74
Benefit paid	14.27	3.98
Present value of obligation as at 31/03/2018	134.61	127.68

The net liability disclosed above relates to funded and unfunded plans are as follows: (₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded obligations	134.61	127.68
Fair value of plan assets	-	-
Deficit of Gratuity plan	134.61	127.68

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	0.07	0.08
Employee Turnover rate	2.00%	2.00%
Salary growth rate	0.06	0.06

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
	March 31, 2018	March 31, 2018	March 31, 2018
Discount rate (%)	1.00	(7.20)	8.14
Employee Turnover rate (%)	1.00	1.01	(1.12)
Salary growth rate (%)	1.00	8.21	(7.38)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i) Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

ii) Inflation risks

In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

iii) Life expectancy

The pension and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

iv) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Mortality rates are obtained from the relevant data.

b) Leave Encashment

(₹ lakhs)

Particulars	Leave entitlement March 31, 2018	Leave entitlement March 31, 2017
i) Present value of unfunded obligations	22.76	24.42
ii) Expense recognised in the Statement of Profit and Loss	9.65	11.66
iii) Discount rate (per annum)	0.07	0.08
iv) Salary escalation rate (per annum)	0.06	0.06

Note 25.5 Fair value measurements**Financial instruments by category**

(₹ lakhs)

Particulars	March 31, 2018			March 31, 2017			April 01, 2016		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
i) Investments	-	-	89.13	-	-	89.13	-	-	89.13
ii) Trade receivables	-	-	792.65	-	-	650.17	-	-	551.56
iii) Cash and cash equivalents	-	-	30.54	-	-	16.70	-	-	27.18
iv) Bank balances other than cash and cash equivalents above	-	-	37.74	-	-	35.37	-	-	34.19
v) Other financial assets	-	-	30.60	-	-	9.98	-	-	45.49
Total financial assets	-	-	980.66	-	-	801.35	-	-	747.55
Financial liabilities									
i) Borrowings	-	-	543.55	-	-	488.05	-	-	463.38
ii) Other financial liabilities	-	-	309.54	-	-	348.63	-	-	437.69
iii) Trade payables	-	-	623.69	-	-	479.66	-	-	450.34
Total financial liabilities	-	-	1,476.78	-	-	1,316.34	-	-	1,351.41

Note 25.6 Financial risk management

Risk Management is an integral part of the business practices of the Company. The framework of Risk Management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. The Company has developed and implemented a comprehensive Risk Management System to ensure that risks to the continued existence of the Company as a going concern and to its growth are identified and remedied on a timely basis. While defining and developing the formalised Risk Management System, leading standards and practices have been considered. The Risk Management System is relevant to business reality, pragmatic and simple and involves the following:

- i) Risk identification and definition – Focused on identifying relevant risks, creating / updating clear definitions to ensure undisputed understanding along with details of the underlying root causes / contributing factors.
- ii) Risk classification – Focused on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and clear understanding of risk interrelationships.
- iii) Risk assessment and prioritisation – Focused on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and existing mitigation controls.
- iv) Risk mitigation – Focused on addressing critical risks to restrict their impact(s) to an acceptable level (within the defined risk appetite). This involves a clear definition of actions, responsibilities and milestones.
- v) Risk reporting and monitoring – Focused on providing to the Board and the Audit Committee periodic information on risk profile evolution and mitigation plans.

a) Market risk

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realizable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes can not be normally predicted with reasonable accuracy.

b) Interest rate risk management:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As company has borrowed loans with fixed rate of interest, primarily it doesn't have any exposure to changes in market interest rates

The following table provides a break-up of the Company's fixed and floating rate borrowings: (₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed rate borrowings	582.96	490.66	467.60
Floating rate borrowings	-	-	-
Total borrowings	582.96	490.66	467.60

c) Credit risk

The company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to trade/non-trade customers including outstanding receivables.

d) Liquidity risk

Liquidity risk refers to the risk that the Company can not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. As a prudent liquidity risk management measure, the Company closely monitors its liquidity position for the Company's short term and long term funding and liquidity requirement.

The Company manages liquidity risk by maintaining adequate balances on hand, banking facilities from both domestic and international banks/ financial institutions, reserve borrowing facilities and continuously monitoring actual cash flow and by matching the maturity profiles of financial assets and liabilities. Based on past performance and current expectations, the Company believes that the cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure and other liquidity requirements associated with its existing operations, through at least the next twelve months.

Note 25.7 Segment information

In accordance with Ind AS 108 'Operating Segments', segment information has been given in the Consolidated Financial Statements of Refnol Resins and Chemicals Limited and therefore no separate disclosure on segment information is given in the Standalone Financial Statements.

Note 25.8 Earning per share

Earning per share (EPS) - The numerators and denominators used to calculate basic and diluted EPS:

Particulars		2017-18	2016-17
Profit for the year attributable to the Equity Shareholders	₹ Lakhs	25.72	75.27
Basic Weighted average number of Equity shares outstanding during the year	Number	3089900	3089900
Nominal value of Equity share	₹	10	10
Basic and diluted Earning per Equity share	₹	0.83	2.44

Note 25.9 Regrouped | Recast | Reclassified

Figures of the earlier year have been regrouped | recast | reclassified wherever necessary.

Note 25.10 Net debt reconciliation

(₹ lakhs)

Particulars	March 31, 2018	March 31, 2017
Cash and cash equivalents	30.54	16.70
Current borrowings	(466.74)	(488.05)
Non-current borrowings	(76.81)	-
Current maturities of long-term debt	(39.41)	(2.61)
Interest accrued on borrowing	(1.15)	-
Net Debt	(553.57)	(473.96)

Particular	Other Assets	Liabilities from financing activities			Total
	Cash and cash equivalents	Current borrowings	Non-current borrowings	Other financial liability	
Net debt as at 1 April 2017	16.70	(488.05)	-	(2.61)	(473.96)
Cash flows	13.84	21.31	(76.81)	(36.80)	(78.46)
Interest Paid	-	94.85	2.87	-	97.72
Interest Expense	-	(94.85)	(4.02)	-	(98.87)
Net debt as at 1 April 2018	30.54	(466.74)	(77.96)	(39.41)	(553.57)

Note 25.11 First time adoption of Ind AS**Transition to Ind AS**

These are the Company's first Standalone Financial Statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the Financial Statements for the year ended March 31, 2018. The comparative information presented in these Financial Statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 01, 2016 (date of transition of the Company). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act, (hereinafter referred to as 'IGAAP'). An explanation of how the transition from IGAAP to Ind AS has affected the financial position, financial performance and cash flows of the Company is set out in the following tables and notes.

A) Exemptions and exceptions availed

In preparing these Ind AS Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Financial Statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its IGAAP Financial Statements, including the Balance Sheet as at April 01, 2016 and the Financial Statements as at and for the year ended March 31, 2017.

a) Ind AS optional exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous IGAAP to Ind AS.

i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets except land and building at their IGAAP carrying value.

b) Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101.

i) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B) Reconciliations between IGAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS.

a) Reconciliation of equity

(₹ lakhs)

		As at March 31, 2017			As at April 01, 2016		
	Notes to first time adoption	Regrouped IGAAP*	Adjustments	Ind AS	Regrouped IGAAP*	Adjustments	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	1	488.31	1038.04	1,526.35	498.91	1056.79	1,555.70
Financial assets							
i) Investments		89.13	-	89.13	89.13	-	89.13
ii) Other financial assets		9.53	-	9.53	45.01	-	45.01
Deferred tax assets (net)		-	-	-	-	-	-
Other non-current assets		90.02	-	90.02	71.36	-	71.36
Total non-current assets		676.99	1038.04	1,715.03	704.41	1056.79	1,761.20
Current assets							
Inventories	7	344.82	(62.71)	282.11	317.12	(62.71)	254.41
Financial assets							
i) Trade receivables	2	705.72	(55.55)	650.17	597.22	(45.66)	551.56
ii) Cash and cash equivalents		16.7	-	16.70	27.18	-	27.18
iii) Bank balances other than cash and cash equivalents above		35.37	-	35.37	34.19	-	34.19
iv) Other financial assets		0.45	-	0.45	0.48	-	0.48
Other current assets	7	35.47	(20.29)	15.18	14.42	-	14.42
Total current assets		1138.53	(138.55)	999.98	990.61	(108.37)	882.24
Total assets		1815.52	899.49	2,715.01	1695.02	948.42	2,643.44
EQUITY AND LIABILITIES							
Equity							
Equity share capital		330.67	-	330.67	330.67	-	330.67
Other equity	1,2,7	(37.70)	899.49	861.79	(158.16)	948.42	790.26
Total equity		292.97	899.49	1,192.46	172.51	948.42	1,120.93

a) Reconciliation of equity (Contd...)

(₹ lakhs)

		As at March 31, 2017			As at April 01, 2016			
		Notes to first time adoption	Regrouped IGAAP*	Adjust- ments	Ind AS	Regrouped IGAAP*	Adjust- ments	Ind AS
Liabilities								
Non-current liabilities								
Financial liabilities								
i)	Borrowings		-	-	-	2.61	-	2.61
ii)	Other financial liabilities		309.09	-	309.09	403.00	-	403.00
Provisions			119.08	-	119.08	104.79	-	104.79
Total non-current liabilities			428.17	-	428.17	510.40	-	510.40
Current liabilities								
Financial liabilities								
i)	Borrowings		488.05	-	488.05	460.77	-	460.77
ii)	Trade payables		479.66	-	479.66	450.34	-	450.34
iii)	Other financial liabilities		39.54	-	39.54	34.69	-	34.69
Other current liabilities			48.63	-	48.63	27.54	-	27.54
Provisions			38.50	-	38.50	38.77	-	38.77
Total current liabilities			1094.38	-	1,094.38	1012.11	-	1,012.11
Total liabilities			1522.55	-	1,522.55	1522.51	-	1,522.51
Total equity and liabilities			1815.52	899.49	2,715.01	1695.02	948.42	2,643.44

* The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

b) Reconciliation of total comprehensive income for the year ended March 31, 2017

(₹ lakhs)

	Notes to first-time adoption	Regrouped IGAAP*	Adjustments	Ind AS
Income				
Revenue from operations	3	2425.11	(185.77)	2,610.88
Other income		62.52	-	62.52
Total income		2487.63	(185.77)	2,673.40
Expenses				
Cost of materials consumed		1643.85	-	1,643.85
Changes in inventories of finished goods and work-in-progress		(58.16)	-	(58.16)
Excise duty	3	-	(185.77)	185.77
Employee benefit expenses	4	315.65	3.74	311.91
Finance costs		90.86	-	90.86
Depreciation and amortisation expenses	1	10.37	(33.76)	44.13
Other expenses	2,7	339.85	(30.18)	370.03
Total expenses		2342.42	(245.97)	2,588.39
Profit before tax		145.21	60.20	85.01
Tax expense				
Current tax		9.74	-	9.74
Deferred tax		-	-	-
Total tax expense		9.74	-	9.74
Profit for the Year		135.47	60.20	75.27
Other comprehensive income		-	3.74	(3.74)
Total comprehensive income		135.47	63.94	71.53

c) Reconciliation of total equity as at March 31, 2016 and April 01, 2015

Particulars	Notes to first-time adoption	As at March 31, 2017	As At April 01, 2016
Total equity (shareholder's funds) as per IGAAP		292.97	172.55
Adjustments			
On account of fair valuation / IND AS cost adjustment as per IND AS consequent depreciation and other adjustments	1	1038.04	1,056.75
Other Adjustment - Adjustment under Previous GAAP	7	(83.00)	(62.71)
Provision for impairment of trade receivables based on expected credit loss model	2	(55.55)	(45.66)
Total adjustments		899.49	948.38
Total equity as per Ind AS		1192.46	1,120.93

C) Notes to the reconciliations**Note -1 Property, Plant and Equipment**

As mentioned under the optional exemptions, the Company has elected to fair value land and building on the date of transition to Ind AS and to use the fair value as deemed cost on the date of transition. The consequential impact of ₹ 1056.79 lakhs has been accounted through retained earnings on the date of transition. This has led to a reduction in the comprehensive income for 2016-17 on account of increase in the depreciation charge by ₹ 18.74 lakhs. Also the company has considered revalued plant and machinery and other assets as deemed cost as on the Ind AS transition date. Consequently depreciation expenses in the year 2016-17 has increased by ₹ 15.02 lakhs.

Note-2 Provision of impairment on receivables based on expected credit loss model

Under the Previous GAAP, the Company provided for impairment on receivables as and when losses were incurred on the specific receivables. Under Ind AS, based on the requirements of Ind AS 109, expected credit loss model has been applied to the receivables. The Company has applied the simplified model based on provision matrix derived using historical trends and adjusted the same to reflect estimated credit losses as on the transition date. This has resulted in a reduction of receivables by ₹ 45.66 lakhs and ₹ 55.55 lakhs on April 1, 2016 and March 31, 2017 respectively and reduced the comprehensive income for the year 2017-18 by ₹ 9.89 lakhs.

Note-3 Excise duty

Under IGAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2016 by ₹ 185.77 lakhs. There is no impact on the total equity and profit.

Note 4 - Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements that is actuarial gains and losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income instead of profit or loss. Under the IGAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by ₹ 3.74 lakhs. There is no impact on the total equity as at March 31, 2017.

Note-5 Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note-6 Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period are to be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss, but are shown in the Statement of Profit and Loss as Other Comprehensive Income which includes remeasurement of defined benefit plans and fair value gain/(loss) on FVOCI equity instruments. The concept of Other Comprehensive Income did not exist under IGAAP.

Note-7 Other Adjustment - Adjustment under Previous GAAP

In years before 2016-17, the company has not made provision of non moving inventory amounting to ₹ 62.71 lakhs in its books of accounts. These financial statements have been restated to correct this error. The effect of the restatement has resulted in reduction of other equity by ₹ 62.71 lakhs and inventory as on March 31, 2017 as well as March 31, 2018

During the year 2016-17, the company has not made provision for advance to creditors of ₹ 20.29 lakhs in its books of accounts. The financial statements for the year 2016-17 have been restated to correct this error. The effect of the restatement has resulted in reduction of other current assets and profit for the year ended March 31, 2017 by ₹ 20.29 lakhs.

D) Impact of Ind AS adoption on the Standalone Statements of Cash Flows for the year ended March 31, 2017

The transition from IGAAP to Ind AS has not had a material impact on the Statement of Cash Flows.

Note 25.12 Authorisation for issue of the Financial Statements

The Financial Statements were authorised for issue by the Board of Directors on 10/05/2018.

As per our attached report of even date

For B. R. Shah & Associates
Chartered Accountants
(Registration No. 129053W)

Deval Desai
Partner
Membership No.132426

Place : Ahmedabad
Date : May 10, 2018

For and on behalf of the Board of Directors

Mahendra K. Khatau
Chairman
DIN: 00062794

Vikas Agarwal
Chief Financial Officer

Place : Mumbai
Date : May 10, 2018

Arup Basu
Managing Director
DIN: 00906760

Bilal Topia
Company Secretary

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF REFNOL RESINS AND CHEMICALS LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of **Refnol Resins and Chemicals Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements") which we have signed under reference to this report.

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Board of Directors Holding Company is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance including Other Comprehensive Income, Consolidated Cash Flows and Changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

4. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other Auditors in terms of their reports referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other Auditors on separate Financials Statements of the subsidiary companies referred to below in the Other matter paragraph, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated loss (including other comprehensive income), its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Other Matter

8. We did not audit the financial statements of one subsidiary and one step-down subsidiary, incorporated outside India, whose financial statements reflect total assets of Rs. 848.31 lakhs as at 31st March 2018 and total revenues of Rs. 1523.50 lakhs and net cash outflows amounting of Rs. 2.79 lakh for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These Financial Statements have been audited by other auditors whose reports have been furnished to us by management and our opinion, in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of other auditors.
9. The comparative financial information of the company for the year ended March 31, 2017 and transition date opening Balance sheet as at April 01, 2016 included in these consolidated Ind AS financial Statements, are based on previously issued Statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the companies (Accounting Standards) Rules, 2006 (as amended) which were not audited by us, on which the previous auditor expressed an unmodified opinion dated 10th May 2017 and 12th May 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the company on transition to the Ind AS have been audited by us.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, referred in the Other Matters paragraph above we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash

Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

- (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Ind Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group-Refer Note 24 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2018.

For B. R. Shah & Associates
Firm Registration Number: 129053W
Chartered Accountants

Place: Ahmedabad
Date: May 10, 2018

Deval Desai
Partner
Membership Number: 132426

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(₹ lakhs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A ASSETS				
1 Non-current assets				
a) Property, plant and equipment	2	1,548.13	1,557.02	1,588.85
b) Intangible assets	3	0.50	-	-
		1,548.63	1,557.02	1,588.85
c) Financial assets				
i) Other financial assets	4	9.53	9.53	45.01
d) Deferred tax assets (net)		-	-	-
e) Other non-current assets	5	69.97	90.02	71.36
Total non-current assets		1,628.13	1,656.57	1,705.22
2 Current assets				
a) Inventories	6	431.05	396.58	363.95
b) Financial assets				
i) Trade receivables	7	1,389.42	1,174.56	999.33
ii) Cash and cash equivalents	8	149.24	138.19	173.74
iii) Bank balances other than cash and cash equivalents above	9	37.74	35.37	34.19
iv) Other financial assets	4	19.08	19.03	18.75
c) Other current assets	5	116.06	37.73	38.74
Total current assets		2,142.59	1,801.46	1,628.70
Total assets		3,770.72	3,458.03	3,333.92
B EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	10	330.67	330.67	330.67
b) Other equity	11	1,589.01	1,584.57	1,566.80
Total equity		1,919.68	1,915.24	1,897.47
Liabilities				
1 Non-current liabilities				
a) Financial liabilities				
i) Borrowings	12	140.23	123.12	95.73
ii) Other financial liabilities	13	-	-	5.54
b) Provisions	14	167.90	161.93	140.45
Total non-current liabilities		308.13	285.05	241.72
2 Current liabilities				
a) Financial liabilities				
i) Borrowings	12	466.74	488.05	460.77
ii) Trade payables	15	770.92	534.49	537.34
iii) Other financial liabilities	13	201.16	148.07	130.31
b) Other current liabilities	16	57.35	48.63	27.54
c) Provisions	14	46.74	38.50	38.77
Total current liabilities		1,542.91	1,257.74	1,194.73
Total liabilities		1,851.04	1,542.79	1,436.45
Total equity and liabilities		3,770.72	3,458.03	3,333.92

The accompanying Notes form an integral part of the Financial Statements

As per our attached report of even date

For B. R. Shah & Associates
Chartered Accountants
(Registration No. 129053W)

Deval Desai
Partner
Membership No.132426

Place : Ahmedabad
Date : May 10, 2018

For and on behalf of the Board of Directors

Mahendra K. Khatau
Chairman
DIN: 00062794

Vikas Agarwal
Chief Financial Officer

Place : Mumbai
Date : May 10, 2018

Arup Basu
Managing Director
DIN: 00906760

Bilal Topia
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ lakhs)

Particulars	Note	2017-18	2016-17
Income			
Revenue from operations	17	4,412.10	3,961.62
Other income	18	15.50	5.80
Total Income		4,427.60	3,967.42
Expenses			
Cost of materials consumed	19	2,662.92	2,261.58
Changes in inventories of finished goods and work-in-progress	20	19.07	(60.04)
Excise duty		48.37	185.77
Employee benefit expenses	21	559.02	505.20
Finance costs	22	130.48	122.83
Depreciation and amortisation expenses	2	66.43	66.25
Other expenses	23	1,048.94	820.96
Total expenses		4,535.23	3,902.55
Profit before tax		(107.63)	64.87
Tax expense			
Current tax	24.3	7.70	9.74
Deferred tax	24.3	-	-
Total tax expense		7.70	9.74
Profit for the year		(115.33)	55.13
Other comprehensive income	25		
a) Items that will not be reclassified to profit and loss		(5.02)	3.74
Remeasurement (gains) / loss on defined benefit plans		(5.02)	3.74
Income tax relating to these items		-	-
B) Items that will be reclassified to profit and loss	23	-	-
Exchange differences on translation of foreign operations		(6.00)	-
Other comprehensive income, net of tax		(11.02)	3.74
Total comprehensive income for the year		(104.31)	58.87
Basic and diluted earning ' per Equity share of ₹ 10 each	24.8	(3.73)	1.78

The accompanying Notes form an integral part of the Financial Statements**As per our attached report of even date**

For B. R. Shah & Associates
Chartered Accountants
(Registration No. 129053W)

Deval Desai
Partner
Membership No.132426

Place : Ahmedabad
Date : May 10, 2018

For and on behalf of the Board of Directors

Mahendra K. Khatau
Chairman
DIN: 00062794

Vikas Agarwal
Chief Financial Officer

Place : Mumbai
Date : May 10, 2018

Arup Basu
Managing Director
DIN: 00906760

Bilal Topia
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(₹ lakhs)

Particulars	2017-18	2016-17
A. Cash flow from operating activities		
Profit before tax	(107.63)	64.87
Adjustments for:		
Add:		
Depreciation and amortisation expenses	66.43	66.25
Finance costs	130.48	122.83
Bad debts and irrecoverable balances written off	143.58	16.05
Provision for doubtful debts	0.43	9.89
	<u>340.92</u>	<u>215.02</u>
	<u>233.29</u>	<u>279.89</u>
Less:		
Interest Income	4.34	3.11
Sundry Credit Balances Appropriated	4.26	0.28
Unrealised exchange rate difference (net)	2.57	-
Effect of exchange rates on translation of operating cash flows	(108.75)	33.62
	<u>(97.58)</u>	<u>37.01</u>
Operating profit before changes in operating assets and liabilities	<u>330.87</u>	<u>242.88</u>
Adjustments for:		
Inventories	(34.47)	(32.63)
Trade receivables	(355.27)	(201.17)
Bank balances other than cash and cash equivalents	(2.37)	(1.18)
Other current financial assets	(0.06)	(0.31)
Other current assets	(78.33)	1.01
Other non-current financial assets	-	35.48
Other non-current assets	20.05	(18.66)
Trade payables	239.66	(2.57)
Other current financial liabilities	7.06	11.71
Other current liabilities	4.96	21.09
Other non-current financial liabilities	-	(5.54)
Short-term Employee benefit obligations	8.24	(0.27)
Long-term Employee benefit obligations	10.99	17.74
	<u>(179.54)</u>	<u>(175.30)</u>
Cash generated from operations	151.33	67.58
Less:		
Direct taxes net of refund	3.94	9.74
Net cash flow from operating activities	(A) <u>147.39</u>	<u>57.84</u>

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(₹ lakhs)

Particulars	2017-18	2016-17
B. Cash flow from investing activities		
Payments towards property, plant and equipment	(51.50)	(35.91)
Proceeds from disposal of property, plant and equipment	-	1.49
Payments towards purchase of intangible assets	(0.54)	-
Interest received on financial assets measured at amortised cost	4.35	3.14
Net cash from/(used in) investing activities (B)	(47.69)	(31.28)
C. Cash flow from financing activities		
Proceeds from Borrowings	40.68	60.72
Interest and Finance charges paid	(129.33)	(122.83)
Net cash used in financing activities (C)	(88.65)	(62.11)
Net change in cash and cash equivalents (A+B+C)	11.05	(35.55)
Opening balance - cash and cash equivalents	138.19	173.74
Closing balance - cash and cash equivalents	149.24	138.19

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the IND AS 7 on statement of Cash flow as notified under Companies (Accounts) Rules, 2015.

The accompanying Notes form an integral part of the Financial Statements**As per our attached report of even date**

For B. R. Shah & Associates
Chartered Accountants
(Registration No. 129053W)

Deval Desai
Partner
Membership No.132426

Place : Ahmedabad
Date : May 10, 2018

For and on behalf of the Board of Directors

Mahendra K. Khatau
Chairman
DIN: 00062794

Vikas Agarwal
Chief Financial Officer

Place : Mumbai
Date : May 10, 2018

Arup Basu
Managing Director
DIN: 00906760

Bilal Topia
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH, 31 2018**A. Equity share capital**

(₹ lakhs)

Particulars	Notes	Amount
As at April 01, 2016		330.67
Changes in Equity share capital		-
As at March 31, 2017		330.67
Changes in Equity share capital		-
As at March 31, 2018	10	330.67

B. Other equity

(₹ lakhs)

Particulars	Notes	Reserves and surplus					Total Other Equity
		Security premium	Statutory Reserve	Foreign Currency Fluctuation Reserve	Capital Reserve	Retained earnings	
As at April 01, 2016		201.18	20.57	10.05	18.02	1,316.98	1,566.80
Profit for the year		-	-	-	-	55.13	55.13
Change in exchange rate fluctuation reserve		-	-	(33.62)	-	-	(33.62)
Other comprehensive income		-	-	-	-	(3.74)	(3.74)
Total comprehensive income for the year		-	-	(33.62)	-	51.39	17.77
As at March 31, 2017		201.18	20.57	(23.57)	18.02	1,368.37	1,584.57
Profit for the year		-	-	-	-	(115.33)	(115.33)
Change in exchange rate fluctuation reserve		-	-	108.75	-	-	108.75
Other comprehensive income		-	-	6.00	-	5.02	11.02
Total comprehensive income for the year		-	-	114.75	-	(110.31)	4.44
As at March 31, 2018	11	201.18	20.57	91.18	18.02	1,258.06	1,589.01

The accompanying Notes form an integral part of the Financial Statements

As per our attached report of even date

For B. R. Shah & Associates
Chartered Accountants
(Registration No. 129053W)

Deval Desai
Partner
Membership No.132426

Place : Ahmedabad
Date : May 10, 2018

For and on behalf of the Board of Directors

Mahendra K. Khatau
Chairman
DIN: 00062794

Vikas Agarwal
Chief Financial Officer

Place : Mumbai
Date : May 10, 2018

Arup Basu
Managing Director
DIN: 00906760

Bilal Topia
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Background

Refinol Resins and Chemicals Limited (the 'Company') is a limited company incorporated and domiciled in India. It is engaged in manufacturing and marketing of Polyester Resins, Laundry & Cleaning Chemicals, Textile Sizing Chemicals, Auxiliaries and Garment Wash Chemicals. The registered office of the Company is located at Plot no. 410/411, Khatau House, Mogul Lane, Mahim, Mumbai-400016.

The company and its subsidiary companies are referred to as the Group here under.

Note 1 Significant Accounting Policies

The note provide a list of significant Accounting Policies adopted by the Group in preparation of these Consolidated Financials Statements. This polies have been consistently applied to all the years presented, unless otherwise specified. The Financial Statements are for the Group consisting of the Company and its subsidiary companies.

a) Basis of preparation:

i) Compliance with Ind AS:

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Consolidated Financial Statements up to year ended March 31, 2017 were prepared in accordance with Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These Consolidated Financial Statements are the first Consolidated Financial Statements of the Company under Ind AS. Refer Note 24.11 for an explanation of how the transition from previously applicable Indian GAAP (hereinafter referred to as 'IGAAP') to IND AS has affected the Company's financial position, financial performance and cash flows of the company.

ii) Historical cost convention:

The Consolidated Financial Statements have been prepared on a historical cost basis, except certain land and building classified as Property, plant and equipment.

iii) Current versus Non current Classification:

All the assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Principles of consolidation and equity accounting:

i) Subsidiary companies

Subsidiary companies are all entities over which the company has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiary companies are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in equity and Balance Sheet respectively.

ii) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize share of the Group in post-acquisition profit and loss of the investee in profit and loss, and share of the Group in Other Comprehensive Income of the investee in Other Comprehensive Income. When the Group share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealized gains on transactions between the Group and its subsidiaries companies are eliminated to the extent of the Group interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting Policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

iii) Changes in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is premeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company, joint venture company or financial asset. In addition, any amount previously recognized in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in Other Comprehensive Income are reclassified to the Statement of Profit and Loss. If the ownership interest in a joint venture company or an associate company is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate.

c) Foreign Currency Transactions:**i) Functional and presentation currency**

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Consolidated Financial Statements of the Company are presented in Indian currency (₹), which is also the functional and presentation currency of the Company.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain | (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. All foreign exchange gain | (loss) are presented in the Statement of Profit and Loss on a net basis within other income | (expense). Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a) assets and liabilities are translated at the closing rate at the date of that Balance Sheet
- b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction)
- c) all resulting exchange differences are recognized in Other Comprehensive Income

When a foreign operation is sold, the associated exchange differences are reclassified to the Statement of Profit and Loss, as part of the gain | (loss) on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

d) Revenue Recognition:**i) Sale of Goods and Services:**

Revenue from sales is recognised when all significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

ii) Other Income:

- i) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- ii) Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

e) Taxation:

- i) Income tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.
- ii) Deferred tax asset and deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. Deferred tax assets are reviewed at each Balance Sheet date to reassure realisation.

f) Property, Plant and Equipment:**i) Tangible Assets:**

Property, plant and equipment are measured at cost of acquisition/construction including incidental expenses directly attributable to the acquisition|construction activity and capitalised borrowing cost as the case may be, less accumulated depreciation, amortisation and impairment as necessary.

ii) Intangible Assets:

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

Transition to Ind AS

On transition to Ind AS, the Group has opted to fair value land, building and plant and machinery and consider the same as deemed cost under Ind AS. Carrying value of other assets of property, plant and equipment recognised as at 1 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

g) Depreciation and Amortisation:**Depreciation:**

- (i) Depreciation is being provided on a pro-rata basis on the 'Straight Line Method' over the estimated useful lives of the assets.
- (ii) Depreciation is being calculated on a pro-rata basis from the date of acquisition|installation till the date the assets are sold or disposed of.
- (iii) Useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013 are applied. The cost of lease hold land (revalued) is amortised over the unexpired period of lease from the date of lease.
- (iv) The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Amortisation:

Computer software cost is amortised over a period of 3 years using straight-line method.

Estimated useful life of the assets are as follow:

Type of Asset	Useful Life
Lease Hold Land	99 years
Buildings	30 years
Leasehold Improvement	5 years
Plant and equipment	3 to 20 years
Furniture & Fixtures	5 to 10 years
Office equipment	5 years
Vehicle	3 to 6 years

h) Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

i) Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

j) Inventories:

- i) Raw materials, packing materials, work-in-progress, finished goods, fuel, stores and spares are valued at cost or net realisable value whichever is lower. Cost is arrived at on First in First Out (FIFO) basis.
- ii) Goods-in-transit are stated at the cost to the date of Balance Sheet.
- iii) Scrap materials are valued at net realisable value.
- iv) 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition.
- v) Due allowances are made for obsolete inventory based on technical estimates made by the Company.

k) Investments and other financial assets:**Classification:**

The Group classifies its financial assets in the following measurement categories:

- i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss)
- ii) Those measured at amortised cost

The classification depends the business model of the Group for managing financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Initial recognition and measurement:

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Subsequent measurement:

After initial recognition, financial assets are measured at:

- i) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,
- ii) Amortised cost

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through Other Comprehensive Income (OCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain/(loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity instruments:

The Group subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture company at fair value. The Management of the Group has elected to present fair value gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such

investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Impairment of financial assets:

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note — details how the Company determines whether there has been a significant increase in credit risk.

De-recognition:

A financial asset is de-recognised only when the Group

- i) has transferred the rights to receive cash flows from the financial asset or
- ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities:

- i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

- ii) Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

- iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iv) De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

l) **Offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

m) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income/ (expense).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

n) **Borrowing Costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

o) **Provisions and Contingent Liabilities:**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

p) **Employee benefits:****Short-term employee benefits:**

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred. Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees.

Other long-term employee benefits:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating

to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined contribution plan:

Contributions to defined contribution schemes such as contribution to Provident Fund, Employees' State Insurance Corporation, National Pension Scheme and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plan:

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Statement of Profit and Loss. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

q) Earnings per share

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

r) Segment Reporting

The group's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

s) Statutory Reserve

ForTex Care Middle East L.L.C., UAE, in accordance to Federal Company Law of 1984, 10% of profit is transferred to a statutory reserve until reserve equals 50% of share capital. The statutory reserve is not available for distribution.

t) Critical estimates and judgments:

Preparation of the Consolidated Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

- i) Estimation of useful life of tangible assets
- ii) Estimation of defined benefit obligation

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note 2 Property, plant and equipment

Particulars	Lease Hold Land	Buildings	Leasehold Improvement	Plant and equipment	Furniture & Fixtures	Office equipment	Vehicle	Total
Gross carrying amount								
Cost /Deemed cost as at April 01, 2016	1,293.59	136.46	-	129.55	1.34	5.04	22.87	1,588.85
Additions	-	-	-	18.67	0.49	1.34	15.41	35.91
Deductions and adjustments	-	-	-	1.99	-	-	-	1.99
As at March 31, 2017	1,293.59	136.46	-	146.23	1.83	6.38	38.28	1,622.77
Additions	-	-	-	18.13	0.92	8.06	24.39	51.50
Other adjustments ⁽ⁱ⁾	-	-	-	24.34	4.89	4.19	23.77	57.19
Deductions and adjustments	-	-	-	-	-	-	-	-
As at March 31, 2018	1,293.59	136.46	-	188.70	7.64	18.63	86.44	1,731.46
Depreciation / Amortisation								
Depreciation / Amortisation Upto March 31, 2016	-	-	-	-	-	-	-	-
For the year	20.22	7.18	-	22.54	0.15	1.78	14.38	66.25
Deductions and adjustments	-	-	-	0.50	-	-	-	0.50
Upto March 31, 2017	20.22	7.18	-	22.04	0.15	1.78	14.38	65.75
For the year	20.20	7.16	-	22.97	0.43	2.46	13.17	66.39
Other adjustments ⁽ⁱ⁾	-	-	-	17.39	4.90	4.90	24.00	51.19
Deductions and adjustments	-	-	-	-	-	-	-	-
Upto March 31, 2018	40.42	14.34	-	62.40	5.48	9.14	51.55	183.33
Net carrying amount								
As at March 31, 2017	1,273.37	129.28	-	124.19	1.68	4.60	23.90	1,557.02
As at March 31, 2018	1,253.17	122.12	-	126.30	2.16	9.49	34.89	1,548.13

- (i) Other adjustment is on account of foreign exchange fluctuation
- (ii) The Company has opted to fair value Land and Building on the date of transition to Ind AS and consider the same as deemed cost under Ind AS. Carrying values of other items of property, plant and equipment are in accordance with the requirements of Ind AS 16 - Property, Plant and Equipment. Refer Note 24.11
- (iii) As at the date of revaluation April 1, 2016, the properties' fair values are based on valuations performed by an accredited independent valuer who has relevant valuation experience for similar properties in India. The market value of the interest in the property in its current physical condition is the basis of valuation. Valuation has been made on the assumption that the asset or liability is sold in the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to alter the cash flow from the property.
- (iv) The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition i.e. April 1, 2016 and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer below note (iv) for the gross block value and the accumulated depreciation on April 1, 2016 under Indian GAAP (IGAAP).

Particulars	Gross Block (at Cost) As at April 01, 2016	Accumulated Depreciation As at April 01, 2016	Net Block As at April 01, 2016
Plant and equipment	644.79	(515.24)	129.55
Furniture & Fixtures	19.77	(18.43)	1.34
Office equipment	65.69	(60.65)	5.04
Vehicle	121.10	(98.23)	22.87
Total	851.35	(692.55)	158.80

(₹ lakhs)

Note 3 Intangible assets**Computersoftware****a) Gross carrying amount | Deemed cost**

Deemed cost as at April 01, 2016	-
Additions	-
As at March 31, 2017	-
Additions	0.54
As at March 31, 2018	0.54

b) Depreciation | Amortisation

Upto March 31, 2016	-
For the year	-
Upto March 31, 2017	-
For the year	0.04
Upto March 31, 2018	0.04

c) Net carrying amount

As at March 31, 2017	-
As at March 31, 2018	0.50

Note 4 Other financial assets

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Current	Non current	Current	Non current	Current	Non current
a) Security deposits for utilities and premises	18.64	9.53	18.58	9.53	18.27	45.01
b) Interest Accrued but not due on fixed deposit	0.44	-	0.45	-	0.48	-
	19.08	9.53	19.03	9.53	18.75	45.01

Note 5 Other assets

(₹ lakhs)

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Current	Non current	Current	Non current	Current	Non current
a) Balances with the Government department						
i) Tax paid in advance, net of provisions	-	8.12	-	16.98	-	6.98
ii) Balances with the statutory authorities	45.29	59.09	-	70.23	-	61.57
b) Advances - Others	13.11	-	12.79	-	10.21	-
c) Prepayment - Others	2.14	-	1.20	-	1.23	-
d) Other Receivables						
i) Advances to Employees	36.00	-	23.74	-	27.30	-
ii) Others	19.52	2.76	-	2.81	-	2.81
	116.06	69.97	37.73	90.02	38.74	71.36

Note 6 Inventories

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Raw materials, packing materials and consumables	287.46	233.92	261.33
b) Work-in-progress	6.96	7.93	12.02
c) Finished goods	136.63	154.73	90.60
	431.05	396.58	363.95

Note 7 Trade receivables

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Unsecured, considered good			
i) Trade receivables	1,082.59	898.20	755.37
ii) Related parties (refer note 24.2)	306.83	276.36	243.96
b) Unsecured, considered doubtful	58.16	57.73	47.84
Less: Provision for doubtful debts	58.16	57.73	47.84
Total receivables	1,389.42	1,174.56	999.33

Note 8 Cash and cash equivalents

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Balances with banks in current accounts	140.91	132.98	170.34
b) Cash on Hand*	8.33	5.21	3.40
	149.24	138.19	173.74

*There are no repatriations restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

Note 9 Bank balances other than cash and cash equivalent

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Margin Money deposit (Fixed Deposits)	37.74	35.37	34.19
	37.74	35.37	34.19

Note 10 Equity share capital

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised			
40,00,000 (40,00,000) Equity shares of ₹ 10 each	400.00	400.00	400.00
	400.00	400.00	400.00
Issued			
35,23,500 (35,23,500) Equity shares of ₹ 10 each	352.35	352.35	352.35
	352.35	352.35	352.35
Subscribed			
30,89,900 (30,89,900) Equity shares of ₹ 10 each, fully paid	308.99	308.99	308.99
Add: 4,33,600 (4,33,600) Equity shares Forfeited Shares	21.68	21.68	21.68
	330.67	330.67	330.67

a) Movement in Equity share capital

(₹ lakhs)

	Number of shares	Equity share capital
As at April 01, 2016	30,89,900	308.99
As at March 31, 2017	30,89,900	308.99
As at March 31, 2018	30,89,900	308.99

b) Terms and rights attached to equity shares

The Company has one class of shares referred to as Equity shares having a par value of ₹ 10.

i) Equity shares:

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

ii) Dividend:

The Company has not declare any dividend.

c) Details of Shareholders holding more than 5% of Equity shares:

No	Name of the Shareholder	As at		As at		As at	
		March 31, 2018		March 31, 2017		April 01, 2016	
		Holding %	Number of shares	Holding %	Number of shares	Holding %	Number of shares
1	Mr. Mahendra Kishore Khatau	41.48%	12,81,789	41.48%	12,81,789	41.37%	12,78,180
2	M/s Khatau Leasing & Finance Company Pvt. Ltd	7.28%	2,25,000	7.28%	2,25,000	11.33%	3,50,000

Note 11 Other equity

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017
a) Securities Premium	201.18	201.18
b) Retained Earnings		
Balance as at the beginning of the year	1,368.37	1,316.98
Add: Profit for the year	(115.33)	55.13
Add: Other Comprehensive Income	5.02	(3.74)
Balance as at the end of the year	1,258.06	1,368.37
c) Capital Reserve	18.02	18.02
d) Statutory Reserve	20.57	20.57
e) Foreign Currency Fluctuation Reserve	91.18	(23.57)
	1,589.01	1,584.57

Note 12 Borrowings

(₹ lakhs)

		Maturity	Terms of Repayment	Effective Interest Rate	As at		As at		As at	
					March 31, 2018		March 31, 2017		April 01, 2016	
					Current	Non current	Current	Non current	Current	Non current
a)	Secured									
i)	Rupee term loan from Other (Refer Note a)	Oct 2022	59 monthly equal installment	8.49%	-	16.31	-	2.61	-	6.83
ii)	Working capital loans from banks (Refer Note b)	Repayable on demand	Repayable on demand	6.1 % to 13.05%	450.72	-	457.11	-	428.60	-
iii)	Foreign Currency term loan from Other (Refer Note a)	Apr 2019	13 monthly equal installment	7.85%	-	5.25	-	11.17	-	5.25
b)	Unsecured									
i)	Rupee term loan from Other	Mar 2020 and Mar 2021	24 and 36 monthly equal installment	15.25% to 18%	-	99.91	-	-	-	-
ii)	Inter Corporate Deposit	3 to 4 months	3 to 4 months	15%	16.02	-	30.94	-	32.17	-
iii)	Foreign Currecnry Term Loan from Foreign Bank (Refer Note c)	Feb 2020	23 monthly equal installment	18.75%	-	123.44	-	169.14	-	137.40
					466.74	244.91	488.05	182.92	460.77	149.48
Amount of current maturities of long-term debt disclosed under the head 'Other financial liabilities' (refer Note 13)					-	104.68	-	59.80	-	53.75
					466.74	140.23	488.05	123.12	460.77	95.73

- a) From Financial Institution against hypothecation of vehicle.
- b) Secured by a first charge over the entire fixed and current assets and personally guaranteed by two Promoter Directors of the Company.
- c) Term Loan personally guaranteed by one of the directors along with post dated cheques.

Note 13 Other financial liabilities

(₹ lakhs)

	As at		As at		As at	
	March 31, 2018		March 31, 2017		April 01, 2016	
	Current	Non current	Current	Non current	Current	Non current
a) Current maturities of long-term debt (refer Note 12)	104.68	-	59.80	-	53.75	-
b) Security deposits	1.30	-	-	-	-	-
c) Interest accrued but not due	1.15	-	-	-	-	-
d) Accrued compensation to employees	30.32	-	18.48	-	16.31	-
e) Others*	63.71	-	69.79	-	60.25	5.54
	201.16	-	148.07	-	130.31	5.54

* Non Current other financial liabilities are dues to related party. Refer Note 24.2

Note 14 Provisions

(₹ lakhs)

	As at		As at		As at	
	March 31, 2018		March 31, 2017		April 01, 2016	
	Current	Non current	Current	Non current	Current	Non current
a) Provision for leave entitlement*	5.98	16.78	6.85	17.57	4.84	17.14
b) Provision for Gratuity (refer note 24.4)	33.05	101.56	26.17	101.51	26.26	87.65
c) Provision for Bonus to employees	7.71	-	5.48	-	7.67	-
d) Provision for Other Employee Benefits	-	49.56	-	42.85	-	35.66
	46.74	167.90	38.50	161.93	38.77	140.45

*Information about individual provisions and significant estimates - Leave entitlement

The leave entitlement covers the liability for earned leave. Out of the total amount disclosed above, the amount of ₹ 5.98 lakh is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 15 Trade payables

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Related party (refer note 24.2)	233.42	224.86	175.89
b) Dues to micro, medium and small enterprise*	-	-	-
c) Dues to others	537.50	309.63	361.45
	770.92	534.49	537.34

***Disclosure under Micro, Small and Medium Enterprises Development Act:**

The company has not received any intimation from the suppliers regarding the status under the Micro, Small and Medium Enterprises Development Act, 2006 ('the act') and hence disclosures regarding a) Amount due and outstanding to suppliers as at end of the accounting year b) interest paid during the year, c) interest payable at the end of the accounting year, d) interest accrued and unpaid at the end of the accounting year, has not been disclosed or provided. The company is making efforts to get the confirmations from the suppliers as regard their status under the act.

Note 16 Other current liabilities

(₹ lakhs)

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Current	Non current	Current	Non current	Current	Non current
a) Statutory dues	13.49	-	22.82	-	7.77	-
b) Advances received from customers	43.86	-	25.81	-	19.77	-
	57.35	-	48.63	-	27.54	-

Note 17 Revenue from operations

(₹ lakhs)

	2017-18	2016-17
Revenue		
Sale of products	4,404.59	3,954.06
Other operating revenue		
Duty Drawback	7.51	7.56
	4,412.10	3,961.62

Note 18 Other income

(₹ lakhs)

	2017-18	2016-17
Interest Income	4.34	3.11
Insurance Claim	1.38	0.82
Sundry credit balances appropriated	4.26	0.28
Exchange rate difference gain (net)	5.52	1.03
Miscellaneous Income	-	0.56
	15.50	5.80

Note 19 Cost of materials consumed

(₹ lakhs)

	2017-18	2016-17
Raw materials and packing materials consumed		
Stocks at commencement	231.55	260.77
Add: Purchase	2,717.86	2,232.36
	2,949.41	2,493.13
Less: Stocks at close	286.49	231.55
	2,662.92	2,261.58

Note 20 Changes in inventories of finished goods and work-in-progress

(₹ lakhs)

	2017-18	2016-17
Stocks at close		
Finished goods	136.63	154.73
Stock in WIP	6.96	7.93
	<u>143.59</u>	<u>162.66</u>
Less: Stocks at commencement		
Finished goods	154.73	90.60
Stock in WIP	7.93	12.02
	<u>162.66</u>	<u>102.62</u>
(Increase) Decrease in Stocks	19.07	(60.04)

Note 21 Employee benefit expenses

(₹ lakhs)

	2017-18	2016-17
Salaries, wages and bonus*	487.45	453.97
Contribution to Provident and other funds (refer Note 24.2)	55.41	39.47
Staff welfare	16.16	11.76
	<u>559.02</u>	<u>505.20</u>

* This includes commission to Managing Director of ₹ 0.31 lakhs (PY: ₹ 1.36 lakhs)

Note 22 Finance costs

(₹ lakhs)

	2017-18	2016-17
Interest on borrowings	128.58	122.83
Other borrowing cost	1.90	-
	<u>130.48</u>	<u>122.83</u>

Note 23 Other expenses

(₹ lakhs)

	2017-18	2016-17
Consumption of stores and spares	8.62	7.87
Power, fuel and water	113.21	91.06
Building repairs	2.42	3.95
Plant and equipment repairs	19.81	17.39
Sundry repairs	1.06	1.78
Labour Charges	26.86	26.65
Laboratory Expenses	5.44	6.53
Rent	42.96	42.91
Postage & Telegram Expenses	18.42	20.02
Insurance	2.29	2.62
Municipal and Other taxes	21.04	5.40
Advertisement Expenses	95.90	97.59
Outward Freight, cartage and octroi	95.56	85.00
Commission expenses	194.94	185.86
Conveyance	29.78	32.57
Travelling Expenses	76.52	51.50

Note 23 Other expenses (Contd...)

(₹ lakhs)

	2017-18	2016-17
Payments to the Auditors		
a) Audit fees		
Statutory Audit Fees	1.50	0.75
Tax Audit Fees	0.40	0.30
b) Other matters	0.30	0.60
c) Out of pocket expenses	0.03	-
Directors' fees	2.91	2.30
Bad debts and irrecoverable balances written off (net of Provision)	143.58	16.05
Provision for doubtful debts	0.43	9.89
Legal and professional charges	99.57	62.46
Miscellaneous expenses	45.39	47.81
	1048.94	820.96

Note 24.1 Contingent liabilities**a) Claims against the Company not acknowledged as debts :**

The disputed demands for taxes and other matters amounts as of the reporting period ends are respectively as follows:

(₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Claims against the Company not acknowledged as debts in respects of:			
i) Income tax	-	14.42	14.42
ii) Other Matters	6.96	6.84	6.84

Note: Future cash outflows above are determinable on receipt of judgement.

Note 24.2 (A) Related Party information**Name of the Related Party and nature of relationship**

Other related parties with whom transactions have taken place during the year		
1	Indokem Limited	Entity over which control exercised by Key Management Personnel
2	Formost Chemicals Pvt. Ltd.	
3	Orchard Acres	

Key Management Personnel and Relatives

1	Mr. Mahendra K. Khatau, Chairman
2	Mr. Arup Basu, Managing Director
3	Mr. Vikas Agarwal, Chief Financial Officer
4	Mr. Bilal Topia, Company Secretary (w.e.f. August 2017)
5	Ms. Sumruti Anand, Company Secretary (till July 2017)
6	Vikas Agarwal (HUF), HUF firm of Mr. Vikas Agarwal, Chief Financial Officer
7	Mr. Abhik Basu, S/o, Mr. Arup Basu, Managing Director
8	Mrs. Manisha Basu, W/o, Mr. Arup Basu, Managing Director
9	Mrs. Leela K. Khatau, Executive (Mother of Mr. Mahendra K. Khatau, Chairman)

Note 24.2 (B) Transactions

(₹ lakhs)

		2017-18	2016-17
a)	Sales and income		
01	Sale of goods	448.52	371.30
	Indokem Limited	445.61	356.13
	Formost Chemicals Pvt Ltd	-	0.12
	Orchard Acres	2.91	15.05
b)	Purchases and expenses		
01	Purchase of goods	419.27	397.05
	Indokem Ltd	0.25	1.33
	Orchard Acres	419.02	395.72
02	Payment for other service / interest	48.51	45.97
	Orchard Acres (Interest)	28.60	24.61
	Mr. Mahendra K. Khatau (Interest)	-	0.06
	Vikas Agarwal (HUF) (Car Hire Charges)	2.46	2.46
	Mrs. Manisha Basu (Car Hire Charges)	3.64	-
	Mr. Abhik Basu (Car Hire Charges)	-	3.59
	Smt. Leela K. Khatau (Salary & Other)	13.81	15.25
03	Remuneration	43.22	41.94
	Mr. Arup Basu, Managing Director	28.33	27.94
	Salary	24.81	23.60
	Contribution to PF	1.90	1.83
	Gratuity	0.76	0.73
	Perquisites	0.55	0.42
	Commission	0.31	1.36
	Mr. Vikas Agarwal, Chief Financial Officer	11.48	10.91
	Salary	10.26	9.73
	Contribution to PF	0.87	0.84
	Gratuity	0.35	0.34
	Mr. Bilal Topia, Company Secretary	2.37	-
	Salary	2.15	-
	Contribution to PF	0.16	-
	Gratuity	0.06	-
	Ms. Sumruti Anand, Company Secretary	1.04	3.09
	Salary	0.95	2.80
	Contribution to PF	0.06	0.21
	Gratuity	0.03	0.08

(₹ lakhs)			
Outstanding balances as at year end			
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
01 Receivables	306.83	276.36	252.44
Indokem Limited	306.83	276.36	243.96
Shubhlabh Chemicals Pvt. Ltd.	-	-	3.47
Formost Chemicals Pvt. Ltd.	-	-	5.01
02 Payables	242.36	225.71	176.07
Orchard Acres	231.85	223.53	175.89
Indokem Limited	1.57	1.33	-
Smt. Leela K. Khatau	8.93	0.86	0.18
03 Advances to Related Parties	-	-	35.48
Indokem Limited	-	-	35.48

*Related party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors.

Note 24.3 Current and Deferred tax

The major components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are:

(₹ lakhs)		
a) Income tax expense		
Particulars	2017-18	2016-17
i) Current tax		
Current tax on profits for the year (Dividend Tax)	7.70	9.74
Adjustments for current tax of prior periods	-	-
Total current tax expense	7.70	9.74
ii) Deferred tax		
(Decrease) Increase in deferred tax liabilities	(11.81)	7.76
Decrease (Increase) in deferred tax assets	11.81	(7.76)
Total deferred tax expense (benefit)	-	-
Income tax expense	7.70	9.74

b) No deferred tax has been recorded for recognised in other comprehensive income during the reporting year.

c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have not been recognised in net profit or loss or other comprehensive income but directly debited| (credited) to Equity

d) **Deferred tax liabilities (net)**

The balance comprises temporary differences attributable to:

(₹ lakhs)			
Particulars	Asat March 31, 2018	Asat March 31, 2017	Asat April 01, 2016
Depreciation (including unabsorbed)	58.04	69.86	62.10
Total deferred tax assets	58.04	69.86	62.10
Provision for doubtful debts	15.12	18.73	15.52
Unavailed leave balance	5.92	7.92	7.13
Provision for Gratuity	35.00	41.43	36.96
Provision for Bonus	2.00	1.78	2.49
Total deferred tax liabilities	58.04	69.86	62.10
Net deferred tax (asset) liability	-	-	-

Note 24.4 Employee benefit obligations**Funded Scheme****a) Defined contribution plans:**

The Company pays provident fund contributions to registered provident fund administered by the government at the rate of 12% of basic salary as per regulations. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is of ₹ 24.37 Lakhs.

Unfunded schemes**Defined benefit plans:****a) Gratuity**

Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Balance sheet amount (Gratuity) (₹ lakhs)

Particulars	2017-18	2016-17
Components to Employer Expense		
Current Service Cost	5.58	5.06
Interest Cost	9.27	8.95
Past service cost	11.38	-
Excess provision reversed	-	-
Actuarial (Gain)/Loss	(5.03)	3.74
Total expense /(gain) recognised in the P & L A/c.	21.20	17.75

Net Assets / Liability Recognised in the Balance Sheet

Present value of obligation as at 01/04/2017	127.68	113.91
Fair Value of Plan Assets as at 01/04/2017	-	-
Assets/Liability recognized in Balance Sheet	134.61	127.68

Change in Defined Benefit Obligation (DBO) during**Year ended 31st March 2018.**

Present value of obligation as at beginning of the year	127.68	113.91
Current Service Cost	5.58	5.06
Interest Cost	9.27	8.95
Past service cost	11.38	-
Actuarial (Gain)/Loss	(5.03)	3.74
Benefit paid	14.27	3.98
Present value of obligation as at 31/03/2018	134.61	127.68

The net liability disclosed above relates to funded and unfunded plans are as follows: (₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded obligations	134.61	127.68
Fair value of plan assets	-	-
Deficit of Gratuity plan	134.61	127.68

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	7.26%	7.86%
Employee Turnover rate	2.00%	2.00%
Salary growth rate	6.00%	6.00%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
	March 31, 2018	March 31, 2018	March 31, 2018
Discount rate (%)	1.00	(7.20)	8.14
Employee Turnover rate (%)	1.00	1.01	(1.12)
Salary growth rate (%)	1.00	8.21	(7.38)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i) Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

ii) Inflation risks

In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

iii) Life expectancy

The pension and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

iv) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Mortality rates are obtained from the relevant data.

b) Leave Encashment

(₹ lakhs)

Particulars	March 31, 2018	March 31, 2017
i) Present value of unfunded obligations	22.76	24.42
ii) Expense recognised in the Statement of Profit and Loss	9.65	11.66
iii) Discount rate (per annum)	7.26%	7.86%
iv) Salary escalation rate (per annum)	6.00%	6.00%

Note 24.5 Fair value measurements**Financial instruments by category**

(₹ lakhs)

Particulars	March 31, 2018			March 31, 2017			April 01, 2016		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
i) Trade receivables	-	-	1,389.42	-	-	1,174.56	-	-	999.33
ii) Cash and cash equivalents	-	-	149.24	-	-	138.19	-	-	173.74
iii) Bank balances other than cash and cash equivalents above	-	-	37.74	-	-	35.37	-	-	34.19
iv) Other financial assets	-	-	28.61	-	-	28.56	-	-	63.76
Total financial assets	-	-	1,605.01	-	-	1,376.68	-	-	1,271.02
Financial liabilities									
i) Borrowings	-	-	606.97	-	-	611.17	-	-	556.50
ii) Other financial liabilities	-	-	201.16	-	-	148.07	-	-	135.85
iii) Trade payables	-	-	770.92	-	-	534.49	-	-	537.34
Total financial liabilities	-	-	1,579.05	-	-	1,293.73	-	-	1,229.69

Note 24.6 Financial risk management

Risk Management is an integral part of the business practices of the Company. The framework of Risk Management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. The Company has developed and implemented a comprehensive Risk Management System to ensure that risks to the continued existence of the Company as a going concern and to its growth are identified and remedied on a timely basis. While defining and developing the formalised Risk Management System, leading standards and practices have been considered. The Risk Management System is relevant to business reality, pragmatic and simple and involves the following:

- i) Risk identification and definition – Focused on identifying relevant risks, creating | updating clear definitions to ensure undisputed understanding along with details of the underlying root causes | contributing factors.
- ii) Risk classification – Focused on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and clear understanding of risk interrelationships.
- iii) Risk assessment and prioritisation – Focused on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and existing mitigation controls.
- iv) Risk mitigation – Focused on addressing critical risks to restrict their impact(s) to an acceptable level (within the defined risk appetite). This involves a clear definition of actions, responsibilities and milestones.
- v) Risk reporting and monitoring – Focused on providing to the Board and the Audit Committee periodic information on risk profile evolution and mitigation plans.

a) Market risk

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realizable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes can not be normally predicted with reasonable accuracy.

b) Interest rate risk management:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As company has borrowed loans with fixed rate of interest, primarily it doesn't have any exposure to changes in market interest rates

The following table provides a break-up of the Company's fixed and floating rate borrowings: (₹ lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed rate borrowings	711.65	670.97	610.25
Floating rate borrowings	-	-	-
Total borrowings	711.65	670.97	610.25

c) Credit risk

The company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to trade/non-trade customers including outstanding receivables.

d) Liquidity risk

Liquidity risk refers to the risk that the Company can not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. As a prudent liquidity risk management measure, the Company closely monitors its liquidity position for the Company's short term and long term funding and liquidity requirement.

The Company manages liquidity risk by maintaining adequate balances on hand, banking facilities from both domestic and international banks/ financial institutions, reserve borrowing facilities and continuously monitoring actual cash flow and by matching the maturity profiles of financial assets and liabilities. Based on past performance and current expectations, the Company believes that the cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure and other liquidity requirements associated with its existing operations, through at least the next twelve months.

Note 24.7 Segment information

As the Company's business activity falls within a single primary segment viz. Chemical Products, the disclosure requirement of IND AS - 108 'Operating Segments' notified under the Companies (Indian accounting Standards) Rules, 2015, is not applicable with regards to primary segment.

Secondary Segment - Geographical

(₹ lakhs)

Particulars	In India		Outside India		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Segment Revenue	1,677.24	1,637.73	2,734.87	2,323.89	4,412.10	3,961.62
Carrying cost of assets by location of assets	2,833.28	2,625.88	937.44	832.15	3,770.72	3,458.03
Addition to assets and intangible assets	32.89	14.78	18.61	21.13	51.50	35.91

Note 24.8 Earning per share

Earning per share (EPS) - The numerators and denominators used to calculate basic and diluted EPS:

Particulars		2017-18	2016-17
Profit for the year attributable to the Equity Shareholders	₹ Lakhs	(115.33)	55.13
Basic Weighted average number of Equity shares outstanding during the year	Number	30,89,900	30,89,900
Nominal value of Equity share	₹	10	10
Basic and diluted Earning per Equity share	₹	(3.73)	1.78

Note 24.9 Regrouped | Recast | Reclassified

Figures of the earlier year have been regrouped | recast | reclassified wherever necessary.

Note 24.10 Subsidiary companies considered in the consolidated financial statement

Name of the company	% of holding	Country incorporation	Financial year ends on
Refnol Overseas Limited	100%	Mauritius	March 31, 2018
Tex Care Middle East LLC (TCME)	100%*	Dubai	March 31, 2018

*including beneficiary interest

Note 24.11 First time adoption of Ind AS**Transition to Ind AS**

These are the Company's first Standalone Financial Statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the Financial Statements for the year ended March 31, 2018. The comparative information presented in these Financial Statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 01, 2016 (date of transition of the Company). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act, (hereinafter referred to as 'IGAAP'). An explanation of how the transition from IGAAP to Ind AS has affected the financial position, financial performance and cash flows of the Company is set out in the following tables and notes.

A) Exemptions and exceptions availed

In preparing these Ind AS Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Financial Statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its IGAAP Financial Statements, including the Balance Sheet as at April 01, 2016 and the Financial Statements as at and for the year ended March 31, 2017.

a) Ind AS optional exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous IGAAP to Ind AS.

i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets except land and building at their IGAAP carrying value.

b) Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101.

i) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B) Reconciliations between IGAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS.

a) Reconciliation of equity

(₹ lakhs)

		As at March 31, 2017			As at April 01, 2016		
	Notes to first time adoption	Regrouped IGAAP*	Adjustments	Ind AS	Regrouped IGAAP*	Adjustments	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	1	518.98	1,038.04	1,557.02	532.06	1,056.79	1,588.85
Intangible assets		-	-	-	-	-	-
Financial assets							
i) Other financial assets		9.53	-	9.53	45.01	-	45.01
Deferred tax assets (net)		-	-	-	-	-	-
Other non-current assets		90.02	-	90.02	71.36	-	71.36
Total non-current assets		618.53	1,038.04	1,656.57	648.43	1,056.79	1,705.22
Current assets							
Inventories	7	459.29	(62.71)	396.58	426.66	(62.71)	363.95
Financial assets							
i) Trade receivables	2	1,230.11	(55.55)	1,174.56	1,044.99	(45.66)	999.33
ii) Cash and cash equivalents		138.19	-	138.19	173.74	-	173.74
iii) Bank balances other than cash and cash equivalents above		35.37	-	35.37	34.19	-	34.19
iv) Other financial assets		19.03	-	19.03	18.75	-	18.75
Other current assets	7	58.02	(20.29)	37.73	38.74	-	38.74
Total current assets		1,940.01	(138.55)	1,801.46	1,737.07	(108.37)	1,628.70
Total assets		2,558.54	899.49	3,458.03	2,385.50	948.42	3,333.92
EQUITY AND LIABILITIES							
Equity							
Equity share capital		330.67	-	330.67	330.67	-	330.67
Other equity	1,2,7	685.08	899.49	1,584.57	618.38	948.42	1,566.80
Total equity		1,015.75	899.49	1,915.24	949.05	948.42	1,897.47

a) Reconciliation of equity

(₹ lakhs)

		As at March 31, 2017			As at April 01, 2016		
	Notes to first time adoption	Regrouped IGAAP*	Adjustments	Ind AS	Regrouped IGAAP*	Adjustments	Ind AS
Liabilities							
Non-current liabilities							
Financial liabilities							
i) Borrowings		123.12	-	123.12	95.73	-	95.73
ii) Other financial liabilities		-	-	-	5.54	-	5.54
Provisions		161.93	-	161.93	140.45	-	140.45
Deferred tax liabilities (net)		-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-
Total non-current liabilities		285.05	-	285.05	241.72	-	241.72
Current liabilities							
Financial liabilities							
i) Borrowings		488.05	-	488.05	460.77	-	460.77
ii) Trade payables		534.49	-	534.49	537.34	-	537.34
iii) Other financial liabilities		148.07	-	148.07	130.31	-	130.31
Other current liabilities		48.63	-	48.63	27.54	-	27.54
Provisions		38.50	-	38.50	38.77	-	38.77
Total current liabilities		1,257.74	-	1,257.74	1,194.73	-	1,194.73
Total liabilities		1,542.79	-	1,542.79	1,436.45	-	1,436.45
Total equity and liabilities		2,558.54	899.49	3,458.03	2,385.50	948.42	3,333.92

* The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

b) Reconciliation of total comprehensive income for the year ended March 31, 2017

(₹ lakhs)

	Notes to first-time adoption	Regrouped IGAAP*	Adjustments	Ind AS
Income				
Revenue from operations	3	3,775.85	(185.77)	3,961.62
Other income		5.80	-	5.80
Total income		3,781.65	(185.77)	3,967.42
Expenses				
Cost of materials consumed		2,261.58	-	2,261.58
Changes in inventories of finished goods and work-in-progress		(60.04)	-	(60.04)
Excise duty	3	-	(185.77)	185.77
Employee benefit expenses	4	508.94	3.74	505.20
Finance costs		122.83	-	122.83
Depreciation and amortisation expenses	1	32.49	(33.76)	66.25
Other expenses	2,7	790.78	(30.18)	820.96
Total expenses		3,656.58	(245.97)	3,902.55
Profit before tax		125.07	60.20	64.87
Tax expense				
Current tax		9.74	-	9.74
Deferred tax		-	-	-
Total tax expense		9.74	-	9.74
Profit for the Year		115.33	60.2	55.13
Other comprehensive income		-	(3.74)	3.74
Total comprehensive income		115.33	56.46	58.87

c) Reconciliation of total equity as at March 31, 2016 and April 01, 2015

Particulars	Notes to first-time adoption	As at March 31, 2017	As At April 01, 2016
Total equity (shareholder's funds) as per IGAAP		1,015.75	949.09
Adjustments			
On account of fair valuation / IND AS cost adjustment as per IND AS consequent depreciation and other adjustments	1	1,038.04	1,056.75
Other Adjustment - Adjustment under Previous GAAP	7	(83.00)	(62.71)
Provision for impairment of trade receivables based on expected credit loss model	2	(55.55)	(45.66)
Total adjustments		899.49	948.38
Total equity as per Ind AS		1,915.24	1,897.47

C) Notes to the reconciliations**Note -1 Property, Plant and Equipment**

As mentioned under the optional exemptions, the Company has elected to fair value land and building on the date of transition to Ind AS and to use the fair value as deemed cost on the date of transition. The consequential impact of ₹ 1056.79 lakhs has been accounted through retained earnings on the date of transition. This has led to a reduction in the comprehensive income for 2016-17 on account of increase in the depreciation charge by ₹ 18.74 lakhs. Also the company has considered revalued plant and machinery and other assets as deemed cost as on the Ind AS transition date. Consequently depreciation expenses in the year 2016-17 has increased by ₹ 15.02 lakhs.

Note-2 Provision of impairment on receivables based on expected credit loss model

Under the Previous GAAP, the Company provided for impairment on receivables as and when losses were incurred on the specific receivables. Under Ind AS, based on the requirements of Ind AS 109, expected credit loss model has been applied to the receivables. The Company has applied the simplified model based on provision matrix derived using historical trends and adjusted the same to reflect estimated credit losses as on the transition date. This has resulted in a reduction of receivables by ₹ 45.66 lakhs and ₹ 55.55 lakhs on April 1, 2016 and March 31, 2017 respectively and reduced the comprehensive income for the year 2017-18 by ₹ 9.89 lakhs.

Note-3 Excise duty

Under IGAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2016 by ₹ 185.77 lakhs. There is no impact on the total equity and profit.

Note 4 - Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements that is actuarial gains and losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income instead of profit or loss. Under the IGAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by ₹ 3.74 lakhs. There is no impact on the total equity as at March 31, 2017.

Note-5 Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note-6 Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period are to be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss, but are shown in the Statement of Profit and Loss as Other Comprehensive Income which includes remeasurement of defined benefit plans and fair value gain/(loss) on FVOCI equity instruments. The concept of Other Comprehensive Income did not exist under IGAAP.

Note-7 Other Adjustment - Adjustment under Previous GAAP

In years before 2016-17, the company has not made provision of non moving inventory amounting to ₹ 62.71 lakhs in its books of accounts. These financial statements have been restated to correct this error. The effect of the restatement has resulted in reduction of other equity by ₹ 62.71 lakhs and inventory as on March 31, 2017 as well as March 31, 2018

During the year 2016-17, the company has not made provision for advance to creditors of ₹ 20.29 lakhs in its books of accounts. The financial statements for the year 2016-17 have been restated to correct this error. The effect of the restatement has resulted in reduction of other current assets and profit for the year ended March 31, 2017 by ₹ 20.29 lakhs.

D) Impact of Ind AS adoption on the Standalone Statements of Cash Flows for the year ended March 31, 2017

The transition from IGAAP to Ind AS has not had a material impact on the Statement of Cash Flows.

Note 24.12 Disclosure of additional information pertaining to the parent, subsidiary companies and joint arrangement as per Schedule III of the Companies Act, 2013

No.	Name of the entity in the group	Net Assets		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
	Parent Company								
	Refnol Resins and Chemicals Ltd.	75.14%	2,833.28	17.65%	(20.35)	100.00%	5.02	13.90%	(15.33)
	Foreign Subsidiary Companies								
	1	Refnol Overseas Limited	0.10%	3.77	(4.75%)	5.48	-	-	(4.97%)
2	Tex Care Middle East LLC (TCME)	24.76%	933.67	87.11%	(100.46)	-	-	91.07%	(100.46)
	Total	100.00%	3,770.72	100.00%	(115.33)	100.00%	5.02	100.00%	(110.31)
	Adjustment arising out of consolidation	-	-	-	-	-	6.00	-	6.00
	Grand Total	-	3,770.72	-	(115.33)	-	11.02	-	(104.31)

Note 24.13 Authorisation for issue of the Financial Statements

The Financial Statements were authorised for issue by the Board of Directors on 10/05/2018.

As per our attached report of even date

For B. R. Shah & Associates
Chartered Accountants
(Registration No. 129053W)

Deval Desai
Partner
Membership No.132426

Place : Ahmedabad
Date : May 10, 2018

For and on behalf of the Board of Directors

Mahendra K. Khatau
Chairman
DIN: 00062794

Vikas Agarwal
Chief Financial Officer

Place : Mumbai
Date : May 10, 2018

Arup Basu
Managing Director
DIN: 00906760

Bilal Topia
Company Secretary

REFNOL RESINS AND CHEMICALS LIMITED

CIN No. L24200MH1980PLC023507

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

Tel: 079-22820013/ 40209200-9 Fax No. 079-22820476 Website: www.refnol.comEmail: secretarial@refnol.com**37th Annual General Meeting – 28th September, 2018****ATTENDANCE SLIP**Venue of the meeting : **Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016**Date & Time : **28th September, 2018 at 12 NOON****Please fill Attendance Slip and hand it over at the entrance of the Meeting venue:**

Name _____

Address _____

DP Id* _____

Client Id* _____

Folio No. _____

No. of shares held _____

*Applicable for investors holding shares in Electronic form.

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

I hereby record my presence at the 37th Annual General Meeting of the Company held on 28th September, 2018 at 12.00 NOON at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016_____
Signature of Member / Proxy**Form No. MGT-11****Proxy Form**

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

CIN: L24200MH1980PLC023507

Name of the company : **REFNOL RESINS AND CHEMICALS LIMITED**

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

Name of the Member (s) :

Registered Address :

Email id :

Folio No./ Client Id* :

DP ID :

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

1. Name: _____ Address: _____
E-mail Id: _____ Signature: _____ or failing him
2. Name: _____ Address: _____
E-mail Id: _____ Signature: _____ or failing him
3. Name: _____ Address: _____
E-mail Id: _____ Signature: _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual general meeting of the company, to be held on the 28th day of September, 2018 At 12.00 NOON at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Note:

1. Electronic copy of the Annual Report for 2018 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.
2. Physical copy of the Annual Report for 2018 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email ids are not registered with the Company or have requested for a hard copy.

S. No.	Resolutions	Optional	
		For	Against
	Ordinary Business:		
1.	To receive, consider and adopt: a) the Audited Financial Statements of the Company for the year ended on March 31, 2018, together with the Report of the Board of Directors (the Board) and Auditors thereon. b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31 st March, 2018.		
2.	To appoint a Director in place of Mr. Mahendra Khatau(DIN: 00062794), who retires by rotation and being eligible offers himself for re-appointment.		
	Special Business:		
3.	Ordinary Resolution for appointment of Mr.Mukund Nagpurkar (DIN:08120760) as an Independent Director.		

Signed this _____ day of _____ 2018

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

NOTES

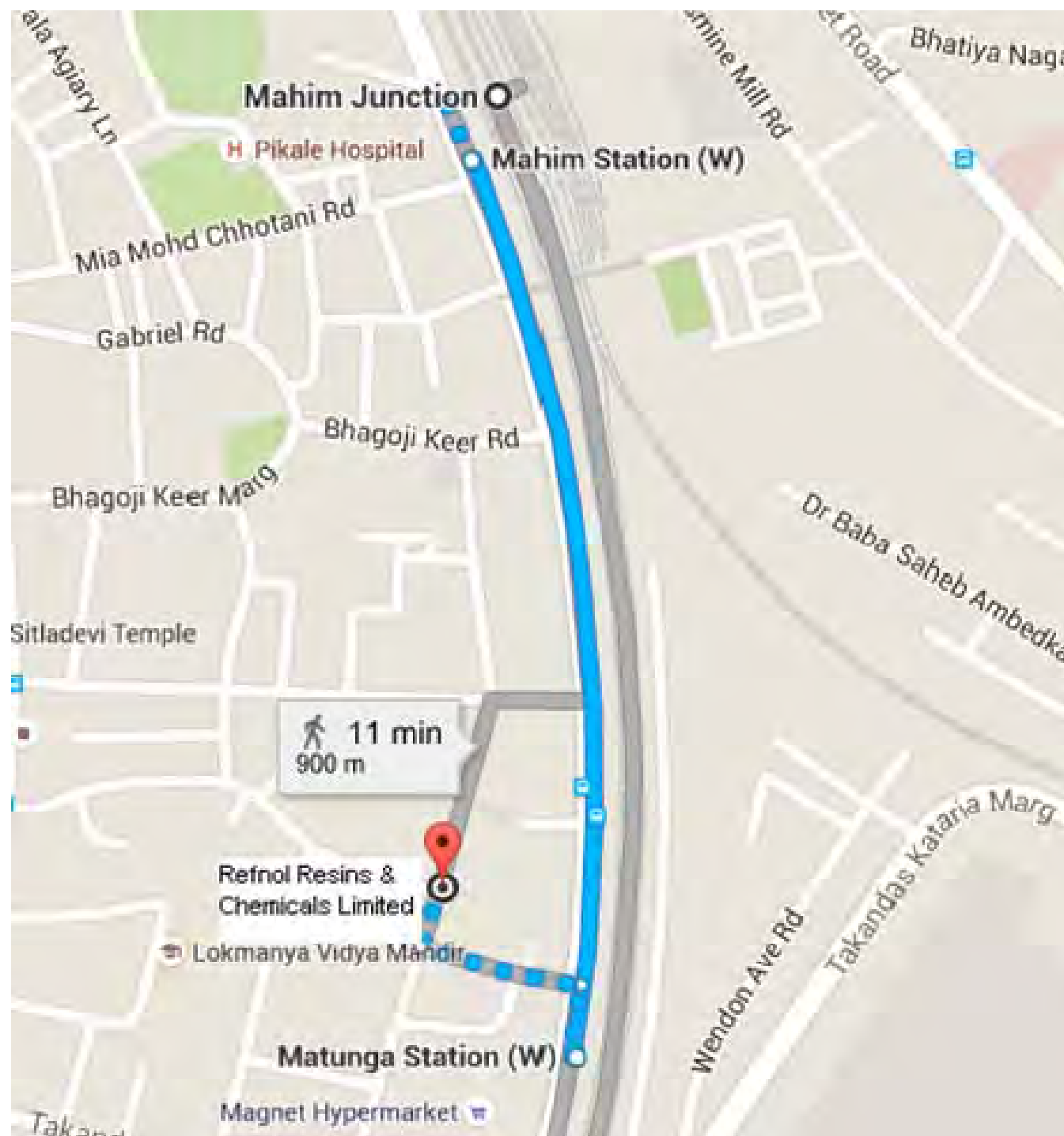
Handwriting practice lines consisting of 20 sets of three horizontal lines (top, middle, and bottom) for note-taking.

NOTES

Handwriting practice lines consisting of 20 sets of three horizontal lines (top, middle, and bottom) for note-taking.

Invitation to attend the 37th Annual General Meeting on September 28, 2018

You are cordially invited to attend the 37th Annual General Meeting of the Company on Friday, September, 28, 2018 at 12 Noon at 410/411, Khatau House, Mogul Lane, Mahim (west) Mumbai-400016.

ROUTE MAP TO THE VENUE

TO,

If undelivered, Please return to:

REFNOL RESINS AND CHEMICALS LIMITED

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

Naroda, Ahmedabad - 382 330, India.