

**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



3rd September, 2019

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

Subject: Submission of Annual Report in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2018-2019

Scrip Code: 530815

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Annual Report for the Financial Year 2018-2019 (comprising of Notice calling 38th Annual General Meeting along with route map, Audited Financial Statements, Directors' Report, Auditor's Report etc.).

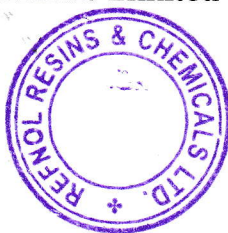
Kindly take the same on your records.

Thanking you,

Yours faithfully

For Refnol Resins & Chemicals Limited


Bilal Topia
Company Secretary



Encl: as above



38th Annual Report 2018-2019

REFNOL RESINS AND CHEMICALS LIMITED

ANNUAL REPORT**2018-2019**

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 Non-executive Director Independent Director Independent Director Independent 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 Practicing 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 38th (Thirty Eighth) Annual General Meeting of the Members of REFNOL RESINS AND CHEMICALS LIMITED will be held on Friday, 27th September, 2019 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, 2019, 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, 2019.
2. To declare Final Dividend on equity shares for the financial year 2018-19.
3. To appoint a Director in place of Mrs. Asha Mahendra Khatau (DIN: 00063944), who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS:

4. Re-appointment of Mr. Rajagopalan Shesha (DIN: 00289643) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Rajagopalan Shesha (DIN: 00289643), whose present term of office as an Independent Director expires on 29th September, 2019 and has given his consent for the re-appointment, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from 30th September 2019 up to 29th September 2024, not liable to retire by rotation, who has submitted declaration that he meets criteria provided under section 149(6) of the Companies Act, 2013, as recommended by the Nomination and Remuneration Committee of the Board of Directors."

"FURTHER RESOLVED THAT pursuant to provisions of Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prospectively effective from April 1, 2019 and other applicable provisions, if any, as amended from time to time, consent of the Members be and is hereby accorded for continuation of the Directorship of Mr. Rajagopalan Shesha (DIN: 00289643), aged about 80 years,

as a Non-Executive Independent Director of the Company as long as he continues in the office of Director of the Company on the existing terms and conditions; subject to the provisions, rules and regulations of Companies Act 2013 and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or of any other appropriate authorities, as may be applicable, and as amended from time to time."

5. Re-appointment of Mr. Bhalchandra G. Sontakke (DIN: 01225753) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Bhalchandra G. Sontakke (DIN: 01225753), whose present term of office as an Independent Director expires on 29th September, 2019 and has given his consent for the re-appointment, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from 30th September 2019 up to 29th September 2024, not liable to retire by rotation, who has submitted declaration that he meets criteria provided under section 149(6) of the Companies Act, 2013, as recommended by the Nomination and Remuneration Committee of the Board of Directors."

"FURTHER RESOLVED THAT pursuant to provisions of Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prospectively effective from April 1, 2019 and other applicable provisions, if any, as amended from time to time, consent of the Members be and is hereby accorded for continuation of the Directorship of Mr. Bhalchandra G. Sontakke (DIN: 01225753), aged about 75 years, as a Non-Executive Independent Director of the Company as long as he continues in the office of Director of the Company on the existing terms and conditions; subject to the provisions, rules and regulations of Companies Act 2013 and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or of any other appropriate authorities, as may be applicable, and as amended from time to time."

For and on behalf of the Board of Directors

PLACE: MUMBAI
DATE: August 12, 2019

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, 2019 to 27th September, 2019 (both days inclusive) for the purpose of Annual General Meeting and determining the entitlement of the shareholders to the payment of dividend.
5. Final dividend on equity shares, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, payment of such dividend will be credited / dispatched to the members:
 - a. to all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Friday, 20th September, 2019; and
 - b. SEBI, vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, amended Regulation 40 of SEBI Listing Regulations pursuant to which after March 31, 2019 transfer of securities could not be processed unless the securities are held in the dematerialised form with a depository. Members holding shares in physical form are requested to dematerialise their holdings at the earliest as it will not be possible to transfer shares held in physical mode as per extension of the deadline announced by SEBI.
6. 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.
7. 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.
8. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance before Meeting so that the reply can be made available at the Meeting.
9. Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013 forms part of the Notice.
10. 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, Mrs. Asha Mahendra Khatau retires by rotation and being eligible, offer herself for re-appointment. The Board of Directors of the Company recommends her re-appointment. The information or brief profile to be provided for the aforesaid Director is set out in the Annexure to the Explanatory Statement.
11. 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).
12. 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.
13. As per Securities and Exchange Board of India (SEBI) Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialised form with the depositories. With the said changes which came into effect from 1st April, 2019, Equity Shares of the Company shall be eligible for transfer only in dematerialised form. Therefore, the Members are requested to take necessary actions to dematerialise their physical Equity Shares of the Company promptly.
14. 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.

15. Members, who still hold share certificates in physical form, are advised to dematerialise their shareholding to avail the numerous benefits of dematerialisation, 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.
16. Alteration, if any, made in the Form of Proxy should be initiated.
17. 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.
18. 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.
19. 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.
20. Electronic copy of the Annual Report for 2018-19 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 2018-19 are being sent in the permitted mode.
21. Members may also note that the Notice of the 38th Annual General Meeting and the Annual Report for 2018-19 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.
22. 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.
23. 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.
24. 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 38th 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 20th September, 2019 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 38th Annual General Meeting (AGM) and the business at the 38th AGM may be transacted through such voting.
25. 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.
26. 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.
27. 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 Exchange.

28. Route map for directions to the venue of the meeting is provided in the Annual Report.
29. The instructions for shareholders voting electronically are as under:
- The voting period begins on 23rd September, 2019, (5.00 p.m.) and will end on 26th September, 2019 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of Friday, 20th September, 2019 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
 - The shareholders should log on to the remote e-voting website www.evotingindia.com.
 - Click on Shareholders.
 - Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - Next enter the Image Verification as displayed and Click on Login.
 - 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.
 - If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>• 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.</p>

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).
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- After entering these details appropriately, click on "SUBMIT" tab.
- 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.
- For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 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.
- 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, 20th September, 2019, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL 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. 4: Special Resolution

Members of the Company at the 33rd Annual General Meeting held on September 30, 2014 approved the appointment of Mr. Rajagopalan Shesha (DIN: 00289643) as an Independent Director for a period of 5 years up to September 29, 2019.

As per the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders.

Based on the report of the Committee on Corporate Governance chaired by Mr. Uday Kotak, the Securities and Exchange Board of India ("SEBI") amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and notified SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Amended Listing Regulations) vide its notification dated: May 9, 2018. According to Amended Listing Regulations, a listed entity is required to obtain the approval of Members of the Company by way of Special Resolution to appoint or continue the directorship of any non-executive director, who has attained the age of seventy five years.

Since Mr. Rajagopalan Shesha (DIN: 00289643), Non-Executive Director of the Company is covered under the aforesaid provision being aged more than 75 years, the Company is required to obtain approval of Members by way of special resolution for continuing his Directorship in the Company, post April 1, 2019.

The Company has received intimation in Form DIR-8 from Mr. Rajagopalan Shesha (DIN: 00289643) that, he is not disqualified from being reappointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and his consent to continue as an Independent Director.

The resolutions set-forth in Item No. 4 seek the approval of members for continuance of Directorship of Mr. Rajagopalan Shesha, aged about 80 years, as a Non- Executive Independent Director of the Company and for re-appointment as an Independent Director of the Company commencing from September 30, 2019 up to September 29, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board, Mr. Rajagopalan Shesha fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management.

Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Mr. Rajagopalan Shesha, the Board of Directors at its meeting held on 12th August, 2019 approved the continuance of office of Mr. Rajagopalan Shesha as mentioned in the resolutions.

Mr. Rajagopalan Shesha (aged 80 years) is commerce Graduate and CWA and is a member of the Institute of Cost Accountants of India, and has a varied experience of over 47 years in financial and general management. Taking into account the experience and contribution made by him, the Board recommends the resolution set forth in item no. 4 of the Notice of Annual General Meeting for the approval of the Members of the Company.

Mr. Rajagopalan Shesha helps in bringing independent judgment during Board deliberations on accounting and financial controls, risk management, corporate governance, vigil mechanism and related party transactions. His vast experience has been and would be very helpful to the Company from time to time.

Mr. Rajagopalan Shesha does not hold any shares of Refinol Resins and Chemicals Limited. He is not related to any other Directors/KMPs of the Company.

The Nomination & Remuneration Committee and the Board evaluated the performance of Mr. Rajagopalan Shesha, rated him satisfactory on all parameters and recommended his re-appointment.

Copy of the draft letter for re-appointment of Mr. Rajagopalan Shesha as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Mr. Rajagopalan Shesha, to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution.

Board recommends the resolutions set-forth in Item No. 4 for approval of the members by way of Special Resolution.

Item No. 5: Special Resolution

Members of the Company at the 33rd Annual General Meeting held on September 30, 2014 approved the appointment of Mr. Bhalchandra Gopinath Sontakke (DIN: 01225753) as an Independent Director for a period of 5 years up to September 29, 2019.

As per the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders.

Based on the report of the Committee on Corporate Governance chaired by Mr. Uday Kotak, the Securities and Exchange Board of India ("SEBI") amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and notified SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Amended Listing Regulations) vide its notification dated: May 9, 2018. According to Amended Listing Regulations, a listed entity is required to obtain the approval of Members of the Company by way of Special Resolution to appoint or continue the directorship of any non-executive director, who has attained the age of seventy five years.

Since Mr. Bhalchandra Gopinath Sontakke (DIN: 01225753), Non-Executive Director of the Company is covered under the aforesaid provision being aged more than 75 years, the Company is required to obtain approval of Members by way of special resolution for continuing his Directorship in the Company, post April 1, 2019.

The Company has received intimation in Form DIR-8 from Mr. Bhalchandra Gopinath Sontakke (DIN: 01225753) that, he is not disqualified from being reappointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and his consent to continue as an Independent Director.

The resolutions set-forth in Item No. 5 seek the approval of members for continuance of Directorship of Mr. Bhalchandra Gopinath Sontakke, aged about 75 years, as a Non- Executive Independent Director of the Company and for re-appointment as an Independent Director of the Company commencing from September 30, 2019 up to September 29, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board, Mr. Bhalchandra Gopinath Sontakke fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management.

Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of Mr. Bhalchandra Gopinath Sontakke, the Board of Directors at its meeting held on 12th August, 2019 approved the continuance of office of Mr. Bhalchandra Gopinath Sontakke as mentioned in the resolutions.

Mr. Bhalchandra Gopinath Sontakke (aged 75 years) is commerce Graduate, LL.B, Master in Labour Studies, and has a varied experience of over 42 years in different industries such as the fields of Labour Law, Industrial law and by profession he is lawyer and legal advisors to many leading companies. Taking into account the experience and contribution made by him, the Board recommends the resolution set forth in item no. 5 of the Notice of Annual General Meeting for the approval of the Members of the Company.

Mr. Bhalchandra Gopinath Sontakke helps in bringing independent judgment during Board deliberations on accounting and financial controls, risk management, corporate governance, vigil mechanism and related party transactions. His vast experience has been and would be very helpful to the Company from time to time.

Mr. Bhalchandra Gopinath Sontakke does not hold any shares of Refinol Resins & Chemicals Limited. He is not related to any other Directors/KMPs of the Company.

The Nomination & Remuneration Committee and the Board evaluated the performance of Mr. Bhalchandra Gopinath Sontakke, rated him satisfactory on all parameters and recommended his re-appointment.

Copy of the draft letter for re-appointment of Mr. Bhalchandra Gopinath Sontakke as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Mr. Bhalchandra Gopinath Sontakke, to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution.

Board recommends the resolutions set-forth in Item No. 5 for approval of the members by way of Special Resolution.

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:	Mrs. Asha Mahendra Khatau	Mr. Rajagopalan Sesha	Mr. Bhalchandra Sontakke
DIN:	00063944	00289643	01225753
Age:	61 Year	80 Years	75 Years
Date of Appointment:	30/12/1993	30/09/2014	30/09/2014
Relationship with Directors:	Relative (Wife) of Mr. Mahendra Khatau	NIL	NIL
Experience and expertise:	Excellent administrative skills and knowledge, having over 26 years of experience	Varied experience of over 47 years in financial and general management	Varied experience of over 42 years in different industries such as the fields of Labour Law, Industrial law and by profession he is lawyer and legal advisors to many leading companies
Qualification:	Graduate	Commerce Graduate and CWA and is a member of the Institute of Cost Accountants of India	Graduate, LL.B, Master in Labour Studies
List of Directorship held in other companies as on March 31, 2019:	<ol style="list-style-type: none"> 1. Priyamvada Holdings Ltd 2. Asha Marine Products Private Limited 3. Emerald Capital Services Private Limited 4. Prism Plantations Private Limited 5. Indokem Limited 6. Chemron Texchem Private Limited 	1. Indokem Limited	1. Indokem Limited
Membership / Chairmanship in Committees of other companies as on March 31, 2019:	Indokem Limited <ul style="list-style-type: none"> • Committee Of Directors 	Indokem Limited <ul style="list-style-type: none"> • Audit Committee • Nomination And Remuneration Committee • Stakeholders' Relationship Committee 	Indokem Limited <ul style="list-style-type: none"> • Audit Committee • Nomination And Remuneration Committee • Stakeholders' Relationship Committee
Number of Shares held in the Company as on March 31, 2019:	6,768	NIL	NIL

For and on behalf of the Board of Directors

PLACE: MUMBAI
DATE: August 12, 2019

MAHENDRA K. KHATAU
CHAIRMAN
(DIN: 00062794)

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

DIRECTORS' REPORT**Dear Members,**

Refinol Resins and Chemicals Limited

The Board of Directors present their 38th Annual Report together with the Audited Financial Statements of Company for the year ended 31st March, 2019. The Management Discussion and Analysis has also been incorporated into this report.

1. FINANCIAL HIGHLIGHTS

The Standalone and Consolidated financial highlights of the company for the year ended 31st March, 2019, are as under:

(Rs. In Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	3155.67	2842.53	4796.01	4412.10
Profit before Financial costs & Depreciation	255.30	178.76	278.29	89.28
Less:- Interest & Financial Charges	116.87	98.87	137.83	130.48
Less:- Depreciation	51.00	46.47	77.19	66.43
NET PROFIT BEFORE TAX FOR THE YEAR	87.43	33.42	63.27	(107.63)
Tax Expenses	-	7.70	-	7.70
Profit After Tax	87.43	25.72	63.27	(115.33)
Profit available for Appropriation	87.43	25.72	63.27	(115.33)

2. DIVIDEND

Based on Company's performance, the Board of Directors, at its meeting held on 10th May, 2019 recommended final dividend of Rs. 1/- per equity share of Rs. 10/- each for the financial year 2018-19 amounting to Rs. 30.90 Lakhs, subject to the approval of Members at the ensuing Annual General Meeting of the Company.

3. 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 2018-19 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 2018-19 presented have been prepared in accordance with Ind AS.

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

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 9.18% to Rs. 4834.27 Lakhs as compared to Rs. 4427.60 Lakhs in 2018.

2. Consolidated net sales for the year were Rs. 4796.01 Lakhs as compared to Rs. 4412.10 Lakhs in 2018, growth of 8.70%.

3. Consolidated profit after tax for the year was Rs. 63.27 Lakhs as compared to Rs. (115.33) Lakhs in 2018.

b. Standalone Financial Performance:

1. Standalone income for the year increased by 9.93% to Rs. 3192.60 Lakhs as compared to Rs. 2904.10 Lakhs in 2018.
2. Standalone net sales for the year were Rs. 3155.67 Lakhs as compared to Rs. 2842.53 Lakhs in 2018, growth of 11.02%.
3. Standalone profit after tax for the year was Rs. 87.43 Lakhs as compared to Rs. 25.72 Lakhs in 2018, growth of Rs. 61.71 Lakhs.

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, 2019 was Rs. 46.05 Lakhs. Interest and Fixed charges has increased from Rs. 98.87 Lakhs to Rs. 116.87 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 Form AOC - 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as Annexure-F to this report.

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 Four Board Meetings and Four Audit Committee Meetings were convened and held. 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 2018-19, 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, 2019 and of the profits for the year ended 31st March, 2019;
- 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 annual accounts/financial statements have been prepared on a 'going concern' basis;
- e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. SUBSIDIARY COMPANIES

As on 31st March, 2019 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 Refinol Resins and Chemicals Limited (RRCL).

19.2 TEX CARE 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 cleaning 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 2018-19 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.

In accordance with the provisions of the Companies Act 2013 and in terms of the Memorandum and Articles of Association of the Company, Mrs. Asha Mahendra Khatau, (DIN: 00063944) Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. Mrs. Asha Mahendra Khatau holds Directorship in the following companies:

1. Priyamvada Holdings Ltd
2. Asha Marine Products Private Limited
3. Emerald Capital Services Private Limited
4. Prism Plantations Private Limited
5. Indokem Limited
6. Chemron Texchem Private Limited

As per the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders. The Company has received intimation in Form DIR-8 from Mr. Rajagopalan Shesha & Mr. Bhalchandra G. Sontakke that, they are not disqualified from being reappointed as Independent Directors in terms of Section 164 of the Act, declaration that they meet with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and their consent to continue as an Independent Directors.

The resolutions set-forth in Item No. 4 & 5 of Notice seek the approval of members for continuance of Directorship of Mr. Rajagopalan Shesha & Mr. Bhalchandra Sontakke, as a Non- Executive Independent Directors of the Company and for re-appointment as Independent Directors of the Company commencing from September 30, 2019 up to September 29, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. They are not liable to retire by rotation.

a. The ratio of remuneration of each director to the median employees' remuneration of the Company for the FY 2018-2019

Sr. No.	Designation	Name	CTC (Rs. in Lakhs)	Median Employee Salary (Rs. in Lakhs)	Ratio
1	Managing Director	Mr. Arup Basu	27.73	2.69	10.31 :1

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.

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 January 31, 2019 at registered office of the Company.

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 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:

- b. The percentage increase in remuneration of each director, chief financial officer, chief executive officer, company secretary or manager, in the FY 2018-2019

Sr. No.	Name	Designation	Remuneration in F Y 2018-19 (Rs. In Lakhs)	Remuneration in F Y 2017-18 (Rs. In Lakhs)	Change (Rs. In Lakhs)	% of changes
1	Mr. Arup Basu	Managing Director	27.73	28.33	(0.60)	(2.12)
2	Mr. Vikas Agarwal	Chief Financial Officer	11.73	11.48	0.25	2.18
3	Mr. Bilal Topia	Company Secretary	3.55	2.37	N.A.*	N.A.*

*Appointed w.e.f. 11.08.2017

- c. The percentage increase in the median remuneration of employees in the FY 2018-19

Remuneration of 2018-19 (Rs. In Lakhs)	Remuneration of 2017-18 (Rs. In Lakhs)	Increase	Percentage
2.69	2.93	(0.24)	(8.19)

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

Name of the company	No. of Employees as on March 31, 2018	No. of Employees as on March 31, 2019	% of change during the year
REFNOL RESINS AND CHEMICALS LIMITED	81	74	(8.64)

- 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 2018-19 (Rs. in Lakhs)	Remuneration paid to employee excluding managerial personnel for the F Y 2017-18 (Rs. in Lakhs)	% of Change in remuneration paid to employees excluding managerial personnel	Remuneration paid to managerial personnel for the F Y 2018-19 (Rs. in Lakhs)	Remuneration paid to managerial personnel for the F Y 2017-18 (Rs. in Lakhs)	% of Change in remuneration paid to managerial personnel
237.21	272.32	(12.89)	43.01	43.17	(0.37)

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	Mr. Arup Basu	Managing Director	27.73	Contractual and renewable	B. Tech & MBA	39	15/06/2009 (As M.D.)	64	Erstwhile Refnol Resins & Chemicals Limited	0.071	-
2	Mr. Paresh Dave	Sr. General Manager (Marketing)	13.61	Service	B. Com	43	06/10/1986	59	Corn Products (India) Ltd.	0.003	-
3	Mr. Vikas Agarwal	Chief Financial Officer	11.73	Service	B. Com (Hons.), C.A., C.S.	16	15/11/2007	41	Soma Textiles & Industries Ltd	0.000	-
4	Mrs. Vijaya Manavalan	Sr. Manager (Development)	6.71	Service	B. Sc.	27	07/09/1994	48	Intermediate Industries	-	-
5	Mr. Prakash Kant	General Manager (Marketing)	6.58	Service	Diploma in marketing management	31	20/09/1991	50	DHL Courier Services	-	-
6	Mr. Arvind Khristi	Sr. Factory Manager	6.40	Service	B. Sc.	30	15/04/1991	53	N.C. Lecqur Paint	-	-
7	Mr. Satish Patro	Sr. Manager, GWC	5.81	Service	B.Sc. (Chem. Hons.)	28	19/02/1996	50	Allied Resins & Chemicals Limited	-	-
8	Ms. Padma Chawnani	P.A. to M.D.	5.76	Service	B. Com	28	04/07/1991	46	LIC of India	-	-
9	J.J. Patel	Sr. Manager (Maintenance & Admin)	5.57	Service	B.Sc.	38	06/02/2004	59	Tex Care Kenya	-	-
10	Mr. Prakash B.P.	Manager, GWC	5.47	Service	B.sc. (P.S.M.)	35	28/06/1997	57	Spectrochem Pvt. Ltd.	-	-

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 2018-2019. The Report of the Secretarial Audit Report is annexed herewith as "Annexure - E".

25.3 Cost Auditors

Pursuant to provisions of Section 148 of the Companies Act, 2013, cost audit is not applicable to your Company and hence Company is not required to appoint Cost Auditor for the reporting period.

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 Sesha | 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 posted on the website of the Company www.refnol.com

28. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2019 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, 2019, Directors who holds Shares of the Company are:

Name of Director	Number of Shares	% of Total Shares hold
Mr. Mahendra Khatau	12,81,789	41.48
Mrs. Asha Khatau	6,768	0.22
Mr. 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 2018-2019.

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

Pursuant to provisions of Regulation 15(2) of the SEBI (LOADR) Regulations, 2015 as amended from time to time, Company's paid up equity share capital is Rs. 3,08,99,000 (Rupees Three Crore Eight Lakh Ninety Nine Thousand only) and net worth is Rs. 13,09,62,204.50 (Rupees Thirteen

Crore Nine Lakh Sixty Two Thousand Two Hundred Four and Fifty Paise only) as on the last date of previous financial year viz., 31st March 2019 and therefore the provisions regarding Corporate Governance are not applicable to our Company as stated under Regulation 15(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and consequently the requirement of reporting and submission of report on Corporate Governance does not arise.

Whenever this regulation becomes applicable to the Company at a later date, Company shall comply with the requirements of those regulations within six months from the date on which the provisions became applicable to the Company.

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 2018-19. 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 2018-19.

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 Sesha 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, 2019:

Name of Director	Number of Shares	% of Total Shares hold
Mr. Mahendra Khatau	12,81,789	41.48
Mrs. 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 2018-19 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. MAINTENANCE OF COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

42. COMPLIANCE OF PROVISIONS RELATING TO THE CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention,

Prohibition and Redressal) Act, 2013 (as amended from time to time).

43. RISK MANAGEMENT

The Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans. The Company through its risk management process, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors. The Board of Directors has developed and implemented Risk Management Policy for the Company. There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis Report, which forms part of this report.

44. 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.

45. 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 2019-20 to BSE where the Company's Shares are listed.

46. 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 12, 2019

MAHENDRA K. KHATAU
CHAIRMAN
(DIN: 00062794)

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. However recent quarters point to a slow-down. More effort will be required to maintain and grow the business in this environment in the current year.

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 should show reasonable 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	2017-2018	2018-2019	% of changes
<u>Sales-Domestics</u>			
Textile Sizing Chemicals & Textile Auxiliaries	615.34	631.63	2.65
Laundry Chemicals	517.08	527.52	2.02
Resins	145.24	223.19	53.67
Garment wash Chemicals	345.22	270.60	(21.62)
Miscellaneous	55.14	41.97	(23.88)
	1,677.24	1694.20	1.01
<u>Sales -Export</u>			
Textile Sizing Chemicals & Textile Auxiliaries	1060.92	1213.03	14.34
Garment wash Chemicals	87.19	125.83	44.32
Resins	17.18	55.03	220.31
Administrative Charges collected (Export of service)	-	67.58	-
	1157.79	1461.47	26.23
Total Sales	2842.53	3155.67	11.02

D. Outlook

Demand both in the domestic and export markets for all products continue to be reasonable and your Company is making efforts to sustain the business.

Challenges continue in terms of pressure on margins due to 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. 3155.67 Lakhs in FY 2018-2019 which was higher as compared to Rs. 2842.53 Lakhs generated last year. The Profit after tax and exceptional items stood at as Rs. 87.43 Lakhs against a profit of Rs. 25.72 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 Seventy Four.

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

I. Details of significant changes (i.e. Change of 25% or more as compared to the immediately previous financial year) in key financial ratios

• Debtors Turnover	
2017-18	3.59
2018-19	4.85
Improvement	35.12%

A high receivables turnover ratio indicates that a company's collection of accounts receivable is efficient and that the company has a high proportion of quality customers that pay their debts quickly.

• Net Profit Margin (%)	
2017-18	1.18%
2018-19	2.77%
Improvement	1.59%
• Return on Assets	
2017-18	1.14%
2018-19	2.97%
Improvement	1.83%
• Return on Investment	
2017-18	2.73%
2018-19	6.68%
Improvement	3.94%

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**

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, 2019

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 : 2018-2019**

				Units	Current Year	Previous Year
I	Power and Fuel Consumption					
	1	Electricity				
	(a)	Purchase from Electricity Board		Kwh	534436	544868
		Total amount		Rs. in lakhs	38.66	31.92
		Average Cost/Unit		Rs / Kwh	7.23	7.14
	(b)	Own Generation		Kwh	7898	9750
		Total Amount		Rs. in lakhs	1.28	1.37
		Average Cost/Unit		Rs / Kwh	16.18	14.04
	2	Others (LSHS / LDO)				
		Quantity		Ltrs	306537	201906
		Total Cost		Rs. in lakhs	129.26	69.20
		Average Rate		Rs / Ltrs	42.17	34.27
	II	Consumption per unit of Production				
	Products	Quantity	Item	Unit Qty	Current Year	Previous Year
	Chemicals	3882474.79 kgs	Electricity	0.14 Kwh/Kg.	1.00 Rs./Kg.	0.96 Rs./Kg..
			Furnace Oil / LDO	0.08 Ltrs/Kg.	3.33 Rs./Kg.	1.72 Rs./Kg.

B. TECHNOLOGY ABSORPTION**FORM B****Disclosure of Particulars with respect to Technology Absorption : 2018-19****(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 focused 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 commercialized 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 focused 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 : 7.01 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. 646.03 |
| (ii) CIF value of imports | Rs. 27.77 |
| (iii) Expenditure in foreign exchange | |
| - Travelling | Rs. 3.26 |
| - Commission | Rs. 5.42 |

ANNEXURE-C**EXTRACT OF ANNUAL RETURN****as on the financial year ended 31.03.2019****[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	Refinol 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 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., UAE	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	-	1304431	42.22	1304431	-	1304431	42.22	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	351000	-	351000	11.36	351000	-	351000	11.36	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	1655431	-	1655431	53.58	1655431	-	1655431	53.58	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	1655431	-	1655431	53.58	1655431	-	1655431	53.58	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corporate	32734	-	32734	1.06	28587	-	28587	0.93	-0.13
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	644957	139965	784922	25.40	631179	135465	766644	24.81	-0.59
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	314268	34000	348268	11.27	351633	34000	385633	12.48	1.21
c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d) Any Other (specify)									
i) Non- Resident Repatriates	16770	80400	97170	3.14	7634	77000	84643	2.74	-0.41
ii) Non-Resident non Repatriate	11095	-	11095	0.36	12883	-	12883	0.42	0.06
iii) HUF	82490	-	82490	2.67	76662	-	76662	2.48	-0.19
iv) Clearing Member	77790	-	77790	2.52	79417	-	79417	2.57	0.05
Sub-Total (B)(2):	1180104	254365	1434469	46.42	1188004	246465	1434469	46.42	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	1180104	254365	1434469	46.42	1188004	246465	1434469	46.42	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2835535	254365	3089900	100.00	2843435	246465	3089900	100.00	-

ii) Shareholding of Promoters

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 2018-2019.

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 shareholding	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	106677	3.45	13 Apr 2018	323	Purchase	107000	3.46
			29 Sep 2018	1000	Purchase	108000	3.50
			02 Nov 2018	4800	Purchase	112800	3.65
			16 Nov 2018	(2800)	Sale	110000	3.56
			25 Jan 2019	10000	Purchase	120000	3.88
			22 Feb 2019	(10000)	Sale	110000	3.56
			08 Mar 2019	(200)	Sale	109800	3.55
			15 Mar 2019	(800)	Sale	109000	3.53
2. MAHENDRA GIRDHARILAL	56779	1.84	16 Nov 2018	4452	Purchase	61231	1.98
			30 Nov 2018	1189	Purchase	62420	2.02
			07 Dec 2018	5000	Purchase	67420	2.18
			14 Dec 2018	1963	Purchase	69383	2.25
			25 Jan 2019	1500	Purchase	70883	2.29
			01 Feb 2019	1000	Purchase	71883	2.33
			22 Feb 2019	500	Purchase	72383	2.34
			01 Mar 2019	300	Purchase	72683	2.35
			08 Mar 2019	165	Purchase	72848	2.36
			15 Mar 2019	722	Purchase	73570	2.38
			22 Mar 2019	500	Purchase	74070	2.40
			29 Mar 2019	1238	Purchase	75308	2.44
3. NAVJEEVAN EQUITY BROKING PVT. LTD.	69227	2.24	01 Jun 2018	1200	Purchase	70427	2.28
			06 Jul 2018	159	Purchase	70586	2.28
			13 Jul 2018	200	Purchase	70786	2.29
			20 Jul 2018	5641	Purchase	76427	2.47
			31 Aug 2018	1000	Purchase	77427	2.51
			07 Sep 2018	1000	Purchase	78427	2.54
			21 Sep 2018	1100	Purchase	79527	2.57
			29 Sep 2018	2094	Purchase	81621	2.64

			05 Oct 2018	(194)	Sale	81427	2.64
			12 Oct 2018	(1000)	Sale	80427	2.60
			19 Oct 2018	(2)	Sale	80425	2.60
			02 Nov 2018	131	Purchase	80556	2.61
			09 Nov 2018	371	Purchase	80927	2.62
			16 Nov 2018	(1500)	Sale	79427	2.57
			23 Nov 2018	(1000)	Sale	78427	2.54
			30 Nov 2018	1700	Purchase	80127	2.59
			07 Dec 2018	2184	Purchase	82311	2.66
			14 Dec 2018	484	Purchase	82795	2.68
			21 Dec 2018	1372	Purchase	84167	2.72
			28 Dec 2018	1460	Purchase	85627	2.77
			31 Dec 2018	100	Purchase	85727	2.77
			11 Jan 2019	(7233)	Sale	78494	2.54
			18 Jan 2019	442	Purchase	78936	2.55
			25 Jan 2019	(11034)	Sale	67902	2.20
			01 Feb 2019	(3475)	Sale	64427	2.09
			08 Feb 2019	2050	Purchase	66477	2.15
			15 Feb 2019	(10)	Sale	66467	2.15
			22 Feb 2019	6055	Purchase	72522	2.35
			01 Mar 2019	(1095)	Sale	71427	2.31
			29 Mar 2019	2400	Purchase	73827	2.39
			30 Mar 2019	(827)	Sale	73000	2.36
4. RAJU AJIT BHANDARI	45047	1.46	06 Apr 2018	(47)	Sale	45000	1.46
5. OM PRAKASH CHUGH .	28476	0.92	-	-	-	28476	0.92
6. BHARGAV PATEL	28000	0.91	-	-	-	28000	0.91
7. RADHEY SHYAM	21929	0.71	-	-	-	21929	0.71
8. MINAXI SHAH	20000	0.65	-	-	-	20000	0.65
9. NIMISH SHAH	20000	0.65	-	-	-	20000	0.65
10. RAJENDRA KUMAR SANCHETI	17002	0.55	27 Apr 2018	(1000)	Sale	16002	0.52
			04 May 2018	(113)	Sale	15889	0.51
			23 Nov 2018	(589)	Sale	15300	0.50
			30 Nov 2018	(1300)	Sale	14000	0.45

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Arup Kumar Basu, Managing Director				
At the beginning of the year	2200	0.07	2200	0.07
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus/sweat equity etc):	-	-	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 Lakhs)
Indebtedness at the beginning 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
Change in Indebtedness during the financial year				
Addition	8.01	236.18	-	244.19
Reduction	73.95	177.60	-	251.55
Net Change	(65.94)	58.58	-	(7.36)
Indebtedness at the end of the financial year				
i) Principal Amount	401.09	17.74	-	574.83
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	0.77	-	0.77
Total (i+ii+iii)	401.09	174.51	-	575.60

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration MD/WTD/Manager****(Rs. in Lakhs)**

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	24.01	24.01
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.20	0.20
	(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...	0.86	0.86
5.	Others, please specify PF and Gratuity	2.66	2.66
	Total (A)	27.73	27.73
	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	Mr. Mukund Nagpurkar	
Fee for attending board committee meetings	35,000	35,000	40,000	1,10,000
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total B(1)	35,000	35,000	40,000	1,10,000
2. Other Non Executive Directors	Mr. Mahendra Khatau	Mrs. Asha Khatau		
Fee for attending board committee meetings	25,000		20,000	45,000
Commission	-		-	-
Others, please specify	-		-	-
Total B(2)	25,000		20,000	45,000
Total (B)=B(1) + B(2)	-		-	1,55,000
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)		Total
		Chief Financial Officer (Mr. Vikas Agarwal)	Company Secretary (Mr. Bilal Topia)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10.51	3.21	13.72
	(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	0.34	1.56
	Total	11.73	3.55	15.28

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	2018-19	2018-19
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD & 69.38 INR	AED & 18.89 INR
5	Share Capital	2,40,000	3,00,000
6	Reserves & Surplus	1,31,692	28,12,023
7	Total assets	3,74,518	62,72,997
8	Total Liabilities	2,826	31,60,974
9	Investments	41,013	-
10	Turnover	16,047	97,70,464
11	Profit before taxation	8,468	(1,50,644)
12	Provision for taxation	-	-
13	Profit after taxation	8,468	(1,50,644)
14	Proposed Dividend	-	-
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 10, 2019

Mahendra K. Khatau

Chairman
 DIN: 00062794

Vikas Agarwal

Chief Financial Officer

Place : Mumbai
 Date : May 10, 2019

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, 2019

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Refinol 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, 2019 (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, 2019 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, 2018;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (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, 2018; 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

Place: Ahmedabad
Date: 12th August, 2019

**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: 12th August, 2019
Place: Ahmedabad

ANNEXURE-F**FORM AOC-2**

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

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

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

Not Applicable, as there were no contracts or arrangements or transactions entered into with related parties which were not at arm's length basis.

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

Name of Related Party : Indokem Limited

Nature of Relationship : Related Party having Common Promoters

Nature of Transaction : Sale of Goods

Duration of Transaction : 2018-19

Silent Terms of Transaction including the value : 384.30 Lakhs (on Arm's Length and in Ordinary Course of Business)

Date(s) of approval by the Board : In the Board meetings held in financial year 2018-19

Amount paid as Advances, if any : NIL

Note:

All transactions with related parties were in the Ordinary Course of Business and at arm's length basis and were specifically approved by the Audit Committee and the Board of Directors of the Company.

For and on behalf of the Board of Directors

PLACE : MUMBAI
DATE : August 12, 2019

MAHENDRA. K. KHATAU
Chairman
(DIN: 00062794)

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF REFNOL RESINS AND CHEMICALS LIMITED****Report on the Ind AS Standalone Financial Statements****Opinion**

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, 2019 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 notes to the financial statements, including a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Revenue from the sale of goods has been recognized when the control of the goods is transferred which is generally in accordance with the terms of sales contracts.

We have identified the recognition of revenue as key audit matter because revenue is a key performance indicator of Company and therefore there is an inherent risk that revenue is manipulated to meet financial expectations or targets. The company has various customers with different terms of trade which increase the risk of error in the timing of revenue recognition.

How the matter was addressed in our audit;**Our procedures included the following**

- Obtain understanding of and assessing the design, implementation and operating effectiveness of management's key internal financial controls in relation to revenue recognition
- Inspecting customer Order / contracts, on sample basis, to identify the terms and condition relating to the transfer of control of the products sold and assessing the Company's timing of revenue recognition
- Selecting a sample of revenue transactions before and after the financial year end and assessing the timing of revenue recognition by comparing details of the revenue with underlying documents which includes goods delivery note, gate outward register, lorry receipts, shipping documents, etc.
- Circulation of balance confirmation to customer and reconciling the differences if any on amounts confirmed by customer and amounts recorded by management.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Management discussion and Analysis included in Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone 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 Ind AS and accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016' ("the order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (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 financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 Standalone IndAS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

Place : Ahmedabad
Date : May 10, 2019

For, **B. R. Shah & Associates**
Chartered Accountants
FRN: 129053W
Deval Desai
Partner
M. No.: 132426

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

Referred in paragraph 1 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 financial statements as of and for the year ended March 31, 2019

- | | |
|--|--|
| <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, there has been many incidence of delay 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, the Company is regular in depositing undisputed statutory dues of income tax, goods and service tax, duty of custom, professional tax and other 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, Goods and service tax, duty of custom, cess and other statutory dues</p> | <p>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 2019 Rs. 4.12 Lakhs.</p> <p>(c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax and value added tax which have not been deposited on account of any dispute.</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**
Chartered Accountants
FRN: 129053W

Deval Desai
Partner

Place: Ahmedabad
Date: May 10, 2019

Membership Number: 132426

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in Annexure referred to in paragraph 2 (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, 2019

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, 2019 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, 2019, 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**
Chartered Accountants
FRN: 129053W

Deval Desai

Partner

Place: Ahmedabad

Date: May 10, 2019

Membership Number: 132426

BALANCE SHEET AS AT MARCH 31, 2019

(₹ lakhs)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
A ASSETS			
1 Non-current assets			
a) Property, plant and equipment	2	1,495.65	1,512.81
b) Capital work-in-progress		48.28	-
c) Intangible assets	3	0.31	0.50
		<u>1,544.24</u>	<u>1,513.31</u>
d) Financial assets			
i) Investments	4	89.13	89.13
ii) Other financial assets	5	9.23	9.53
e) Deferred tax assets (net)	-	-	-
f) Other non-current assets	6	61.22	69.97
Total non-current assets		1,703.82	1,681.94
2 Current assets			
a) Inventories	7	339.26	296.42
b) Financial assets			
i) Trade receivables	8	651.27	792.65
ii) Cash and cash equivalents	9	46.05	30.54
iii) Bank balances other than cash and cash equivalents above	10	40.20	37.74
iv) Other financial assets	5	0.50	21.07
c) Other current assets	6	158.22	62.05
Total current assets		1,235.50	1,240.47
Total assets		2,939.32	2,922.41
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	11	330.67	330.67
b) Other equity	12	978.95	892.53
Total equity		1,309.62	1,223.20
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	13	58.61	76.81
ii) Other financial liabilities	14	175.03	212.45
b) Provisions	15	103.24	118.34
Total non-current liabilities		336.88	407.60
2 Current liabilities			
a) Financial liabilities			
i) Borrowings	13	431.55	466.74
ii) Trade payables	16	596.17	632.24
iii) Other financial liabilities	14	114.54	88.54
b) Other current liabilities	17	87.34	57.35
c) Provisions	15	63.22	46.74
Total current liabilities		1,292.82	1,291.61
Total liabilities		1,629.70	1,699.21
Total equity and liabilities		2,939.32	2,922.41

The accompanying Notes form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For B. R. Shah & Associates

Chartered Accountants
Firm Registration No: 129053W

Mahendra K. Khatau

Chairman
DIN: 00062794

Arup Basu

Managing Director
DIN: 00906760

Deval Desai

Partner
Membership No.132426

Vikas Agarwal

Chief Financial Officer

Bilal Topia

Company Secretary

Place : Ahmedabad
Date : May 10, 2019Place : Mumbai
Date : May 10, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ lakhs)

Particulars	Note	2018-19	2017-18
Income			
Revenue from operations	18	3,155.67	2,842.53
Other income	19	36.93	61.57
Total Income		3,192.60	2,904.10
Expenses			
Cost of materials consumed	20	2,151.30	1,908.25
Changes in inventories of finished goods and work-in-progress	21	(20.78)	15.95
Excise duty	-	-	48.37
Employee benefit expenses	22	287.14	345.63
Finance costs	23	116.87	98.87
Depreciation and amortisation expenses	2	51.00	46.47
Other expenses	24	519.64	407.14
Total expenses		3,105.17	2,870.68
Profit before tax		87.43	33.42
Tax expense			
Current tax	25.3	-	7.70
Deferred tax	25.3	-	-
Total tax expense		-	7.70
Profit for the year		87.43	25.72
Other comprehensive income	25		
A) Items that will not be reclassified to profit and loss		1.01	(5.02)
Remeasurement (gains)/loss on defined benefit plans		1.01	(5.02)
Income tax relating to this item		-	-
Other comprehensive income, net of tax		1.01	(5.02)
Total comprehensive income for the year		86.42	30.74
Basic and diluted earning ₹ per Equity share of ₹ 10 each	25.8	2.83	0.83

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
Firm Registration No: 129053W

Deval Desai
Partner
Membership No.132426

Place : Ahmedabad
Date : May 10, 2019

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, 2019

Arup Basu
Managing Director
DIN: 00906760

Bilal Topia
Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(₹ lakhs)

Particulars	2018-19	2017-18
A. Cash flow from operating activities		
Profit before tax	87.43	33.42
Adjustments for:		
Add:		
Depreciation and amortisation expenses	51.00	46.47
Finance costs	116.87	98.87
Bad debts and irrecoverable balances written off	13.73	-
Loss on disposal of property, plant and equipment	0.15	-
Provision for doubtful debts	13.73	0.43
	<u>195.48</u>	<u>145.77</u>
	282.91	179.19
Less:		
Interest Income	3.06	4.34
Dividend Income	-	46.07
Sundry Credit Balances Appropriated	2.09	4.26
Unrealised exchange rate difference (net)	11.19	2.57
	<u>16.34</u>	<u>57.24</u>
Operating profit before working capital changes	<u>266.57</u>	<u>121.95</u>
Adjustments for:		
Inventories	(42.84)	(14.31)
Trade receivables	125.11	(139.31)
Bank balances other than cash and cash equivalents	(2.46)	(2.37)
Other current financial assets	20.63	-
Other current assets	(96.17)	(46.87)
Other non-current financial assets	0.30	-
Other non-current assets	15.74	20.92
Trade payables	(33.98)	155.81
Other current financial liabilities	(40.78)	11.05
Other current liabilities	29.99	4.96
Other non-current financial liabilities	(37.42)	(96.64)
Current Provisions	16.48	8.24
Non-Current Provisions	(16.11)	4.28
	<u>(61.51)</u>	<u>(94.24)</u>
Cash generated from operations	205.06	27.71
Less:		
Direct taxes net of refund	3.23	0.87
Net cash flow from operating activities	(A) <u>201.83</u>	<u>26.84</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(₹ lakhs)

Particulars	2018-19	2017-18
B. Cash flow from investing activities		
Payments towards property, plant and equipment	(82.15)	(32.89)
Payments towards purchase of intangible assets	-	(0.54)
Receipts towards property, plant and equipment	0.07	-
Interest received	3.00	4.35
Dividend tax paid	(3.76)	(3.94)
Dividend received	20.63	25.44
Net cash from/(used in) investing activities (B)	(62.21)	(7.58)
C. Cash flow from financing activities		
Net Proceeds from Borrowings	(7.58)	92.30
Interest and Finance charges paid	(116.53)	(97.72)
Net cash used in financing activities (C)	(124.11)	(5.42)
Net change in cash and cash equivalents (A+B+C)	15.51	13.84
Opening balance - cash and cash equivalents	30.54	16.70
Closing balance - cash and cash equivalents	46.05	30.54

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
Firm Registration No: 129053W

Deval Desai

Partner
Membership No.132426

Place : Ahmedabad
Date : May 10, 2019

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, 2019

Arup Basu

Managing Director
DIN: 00906760

Bilal Topia

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH, 31 2019**A. Equity share capital**

(₹ lakhs)

Particulars	Notes	Amount
As at April 01, 2017		330.67
Changes in Equity share capital		-
As at March 31, 2018		330.67
Changes in Equity share capital		-
As at March 31, 2019	11	330.67

B. Other equity

(₹ lakhs)

Particulars	Notes	Reserves and surplus		Total Other Equity
		Security premium	Retained earnings	
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
Profit for the year		-	87.43	87.43
Other comprehensive income		-	(1.01)	(1.01)
Total comprehensive income for the year		-	86.42	86.42
As at March 31, 2019	12	201.18	777.77	978.95

The accompanying Notes form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For B. R. Shah & Associates
Chartered Accountants
Firm Registration No: 129053W

Mahendra K. Khatau
Chairman
DIN: 00062794

Arup Basu
Managing Director
DIN: 00906760

Deval Desai
Partner
Membership No.132426

Vikas Agarwal
Chief Financial Officer

Bilal Topia
Company Secretary

Place : Ahmedabad
Date : May 10, 2019

Place : Mumbai
Date : May 10, 2019

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 resins and chemicals. The registered office of the Company is located at Plot no. 410/411, Khatau House, Mogul Lane, Mahim, Mumbai-4600016.

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.

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 Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules has notified the following new and amendments to existing standards. These amendments are effective for annual periods beginning from April 1, 2019. The Company will adopt these new standards and amendments to existing standards once it become effective & are applicable to it.

Ind AS 116 – Leases

Ind AS 116 'Leases' replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessee to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease

accounting model. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The accounting from Lessor perspective largely remain unchanged from the existing standard – i.e. lessor will continue to classify the leases as finance or operating leases.

Based on the preliminary assessment and current conditions, the Company does not expect any significant impacts on transition to Ind AS 116. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

Amendments to existing Ind AS:

The MCA has carried amendments to the following existing standards which will be effective from 1st April, 2019. The Company is not expecting any significant impact in the financial statements from these amendments. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

1. Ind AS 12 - Income Taxes
2. Ind AS 19 - Employee Benefits
3. Ind AS 23 - Borrowing Costs
4. Ind AS 28 - Investments in Associate and Joint Ventures
5. Ind AS 103 - Business Combinations
6. Ind AS 109 - Financial Instruments
7. Ind AS 111 - Joint Arrangements

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 reassess 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.

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, 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
Additions	-	-	33.27	-	0.60	-	33.87
Other adjustments	-	-	-	-	-	-	-
Deductions and adjustments	-	-	-	-	0.26	-	0.26
As at March 31, 2019	1,293.59	136.46	157.77	1.34	9.22	38.60	1,636.98
Depreciation Amortisation 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
For the year	20.21	7.17	11.55	0.74	1.51	9.63	50.81
Deductions and adjustments	-	-	-	-	0.04	-	0.04
Upto March 31, 2019	60.63	21.51	33.40	1.06	3.81	20.92	141.33
Net carrying amount							
As at March 31, 2018	1,253.17	122.12	102.66	1.02	6.53	27.31	1,512.81
As at March 31, 2019	1,232.96	114.95	124.37	0.28	5.41	17.68	1,495.65

(₹ lakhs)

Note 3 Intangible assets

Computer software

a) Gross carrying amount	
As at April 01, 2017	-
Additions	0.54
As at March 31, 2018	0.54
Additions	-
As at March 31, 2019	0.54
b) Depreciation Amortisation	
Upto March 31, 2017	-
For the year	0.04
Upto March 31, 2018	0.04
For the year	0.19
Upto March 31, 2018	0.23
c) Net carrying amount	
As at March 31, 2018	0.50
As at March 31, 2019	0.31

Note 4 Non-current Investments

(₹ lakhs)

Particulars	Asat	Asat
	March 31, 2019	March 31, 2018
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

Note 5 Other financial assetss

(₹ lakhs)

	Asat		Asat	
	March 31, 2019		March 31, 2018	
	Current	Non current	Current	Non current
a) Security deposits for utilities and premises	-	9.23	-	9.53
b) Advances recoverable in cash	-	-	-	-
b) Interest Accrued but not due on fixed deposit	0.50	-	0.44	-
c) Dividend receivable	-	-	20.63	-
	0.50	9.23	21.07	9.53

Note 6 Other assets

(₹ lakhs)

	Asat		Asat	
	March 31, 2019		March 31, 2018	
	Current	Non current	Current	Non current
a) Balances with the Government authorities				
i) Tax paid in advance, net of provisions	-	13.60	-	8.12
ii) Balances with the statutory authorities	136.35	46.15	45.29	59.09
b) Advances - Others	8.68	-	13.11	-
c) Prepayment - Others	5.31	-	0.93	-
d) Export incentive receivable	1.04	-	-	-
e) Other Receivables				
i) Advances to Employees	2.57	-	2.72	-
ii) Others	4.27	1.47	-	2.76
	158.22	61.22	62.05	69.97

Note 7 Inventories

(₹ lakhs)

Particulars	Asat	Asat
	March 31, 2019	March 31, 2018
a) Raw materials, packing materials and consumables	215.28	193.22
b) Work-in-progress	17.04	6.96
c) Finished goods	106.94	96.24
	339.26	296.42

Note 8 Trade receivables

(₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Unsecured, considered good		
i) Trade receivables	483.49	485.82
ii) Related parties (refer note 25.2)	167.78	306.83
b) Unsecured, considered doubtful	71.89	58.16
Less: Provision for doubtful debts	71.89	58.16
Total receivables	651.27	792.65

Note 9 Cash and cash equivalents

(₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Balances with banks in current accounts	45.44	29.91
b) Cash on Hand	0.61	0.63
	46.05	30.54

Note 10 Bank balances other than cash and cash equivalent

(₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Margin Money deposit (Fixed Deposits)	40.20	37.74
	40.20	37.74

Note 11 Equity share capital

(₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
40,00,000 (40,00,000) Equity shares of ₹ 10 each	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
Subscribed		
30,89,900 (30,89,900) Equity shares of ₹ 10 each, fully paid	308.99	308.99
Add: 4,33,600 (4,33,600) Equity shares Forfeited Shares	21.68	21.68
	330.67	330.67

a) Movement in Equity share capital

(₹ lakhs)

Particulars	Number of shares	Equity share capital
As at March 31, 2017	30,89,900	308.99
As at March 31, 2018	30,89,900	308.99
As at March 31, 2019	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 Rs. 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 Board of Directors has recommended to declare dividend of ₹ 1 per equity share (previous year NIL) i.e., 10% per equity share of ₹ 10 each fully paid up, subject to the approval of members at the ensuing Annual General Meeting.

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

(₹ lakhs)

		As at March 31, 2019		As at March 31, 2018	
		Holding %	Number of shares	Holding %	Number of shares
1	Mr. Mahendra Kishore Khatau	41.48%	12,81,789	41.48%	12,81,789
2	M/s Khatau Leasing & Finance Company Pvt. Ltd.	7.28%	2,25,000	7.28%	2,25,000

Note 12 Other equity

(₹ lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
Authorised				
a) Securities Premium		201.18		201.18
b) Retained Earnings				
Balance as at the beginning of the year		691.35		660.61
Add: Profit for the year		87.43		25.72
Add: Other Comprehensive Income		(1.01)		5.02
Balance as at the end of the year		777.77		691.35
		978.95		892.53

Note 13 Borrowings

(₹ lakhs)

Note 13Borrowings			Matuarity	Terms of Repayment	Effective Interest Rate	As at March 31, 2019		As at March 31, 2018	
						Current	Non current	Current	Non current
a)	Secured								
	i)	Rupee term loan from Bank (Refer Note a)	July, 2022	47 monthly equal installments	10.25%	-	7.02	-	-
	ii)	Rupee term loan from Other (Refer Note b)	October, 2022	59 monthly equal installments	8.49%	-	13.07	-	16.31
	iii)	Working capital loans from banks (Refer Note c)	Repayable on demand	Repayable on demand	6.1 % to 13.05%	380.78	-	450.72	-
b)	Unsecured								
	i)	Rupee term loan from Other	Mar 2020, Mar 2021 and July 2021	24 and 36 monthly equal installments	15.25% to 18%	-	123.74	-	99.91
	ii)	Inter Corporate Deposit	3 to 4 months	3 to 4 months	15%	50.77	-	16.02	-
						431.55	143.83	466.74	116.22
		Amount of current maturities of long-term debt disclosed under the head 'Other financial liabilities' (refer Note 14)				-	85.22	-	39.41
						431.55	58.61	466.74	76.81

- a) From Bank against hypothecation of fork lift.
- b) From Financial Institution against hypothecation of car.
- c) 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)

	Asat March 31, 2019		Asat March 31, 2018	
	Current	Non current	Current	Non current
a) Current maturities of long-term debt (refer Note 13)	85.22	-	39.41	-
b) Security deposits	3.80	-	1.30	-
c) Interest accrued but not due	1.49	-	1.15	-
d) Accrued compensation to employees	23.57	-	46.68	-
e) Others*	0.46	175.03	-	212.45
	114.54	175.03	88.54	212.45

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

Note 15 Provisions

(₹ lakhs)

	Asat March 31, 2019		Asat March 31, 2018	
	Current	Non current	Current	Non current
a) Provision for leave entitlement*	6.15	15.20	5.98	16.78
b) Provision for Gratuity (refer note 25.4)	52.18	88.04	33.05	101.56
c) Provision for Bonus to employees	4.89	-	7.71	-
	63.22	103.24	46.74	118.34

***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 ₹ 6.15 lakh (PY ₹ 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)

Particulars	Asat March 31, 2019	Asat March 31, 2018
Authorised		
a) Related party (refer note 25.2)	0.36	233.42
b) Dues to micro, medium and small enterprise*	-	-
c) Dues to others	595.81	398.82
	596.17	632.24

***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)

	Asat March 31, 2019		Asat March 31, 2018	
	Current	Non current	Current	Non current
a) Statutory dues	9.97	-	13.49	-
b) Advances received from customers	77.37	-	43.86	-
	87.34	-	57.35	-

Note 18 Revenue from operations

(₹ lakhs)

Particulars	2018-19	2017-18
Revenue		
Sale of products	3,076.42	2,835.02
Sale of service	67.58	-
Other operating revenue		
Duty Drawback	11.67	7.51
	3,155.67	2,842.53

Note 19 Other income

(₹ lakhs)

Particulars	2018-19	2017-18
Interest Income	3.06	4.34
Dividend Income from equity investment measured at cost	-	46.07
Insurance Claim	0.10	1.38
Sundry credit balances appropriated	2.09	4.26
Gain on disposal of property, plant and equipment	0.02	-
Provisions for doubtful debts written back	-	-
Exchange rate difference gain (net)	31.66	5.52
	36.93	61.57

Note 20 Cost of materials consumed

(₹ lakhs)

Particulars	2018-19	2017-18
Raw materials and packing materials consumed		
Stocks at commencement	192.25	160.59
Add: Purchase	2,172.00	1,939.91
	2,364.25	2,100.50
Less: Stocks at close	212.95	192.25
	2,151.30	1,908.25

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

(₹ lakhs)

Particulars	2018-19	2017-18
Stocks at close		
Finished goods	106.94	96.24
Stock in WIP	17.04	6.96
	123.98	103.20
Less: Stocks at commencement		
Finished goods	96.24	111.22
Stock in WIP	6.96	7.93
	103.20	119.15
(Increase) Decrease in Stocks	(20.78)	15.95

Note 22 Employee benefit expenses

(₹ lakhs)

Particulars	2018-19	2017-18
Salaries, wages and bonus*	241.73	274.06
Contribution to Provident and other funds (refer Note 25.4)	41.73	55.41
Staff welfare	3.68	16.16
	287.14	345.63

* This includes commission to Managing Director of 0.86 lakhs (PY: 0.31 lakhs)

Note 23 Finance costs

(₹ lakhs)

Particulars	2018-19	2017-18
Interest on borrowings	100.61	96.97
Interest on others	12.94	-
Other borrowing cost	3.32	1.90
	116.87	98.87

Note 24 Other expenses

(₹ lakhs)

Particulars	2018-19	2017-18
Consumption of stores and spares	4.75	8.62
Power, fuel and water	169.51	103.24
Building repairs	0.17	2.42
Plant and equipment repairs	11.13	15.91
Sundry repairs	0.85	1.06
Labour Charges	31.19	26.86
Laboratory Expenses	7.01	5.44
Rent	2.41	6.09
Postage & Telegram Expenses	9.26	9.16
Insurance	2.49	2.29
Municipal and Other taxes	1.68	7.23
Advertisement Expenses	0.69	0.95
Outward Freight, cartage and octroi	140.08	95.56
Commission expenses	16.21	24.97
Conveyance	28.58	29.78
Travelling Expenses	40.85	29.82
Payments to the Auditors		
a) Audit fees		
Statutory Audit Fees	1.40	1.50
Tax Audit Fees	0.40	0.40
b) Other matters	0.42	0.30
c) Out of pocket expenses	0.06	0.03
Directors' fees	1.55	2.10
Provision for doubtful debts	13.73	0.43
Legal and professional charges	17.37	10.14
Loss on disposal of property, plant and equipment	0.17	-
Miscellaneous expenses	17.68	22.84
	519.64	407.14

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)

Particulars	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debts in respects of:		
i) Income tax	-	-
ii) Other Matters	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**

Name of the Related Party and Nature of Relationship		
No.	Name of the Related Party	Description of relationship
Party where control exists		
1	Refinol 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	Mrs. Manisha Basu, W/o, Mr. Arup Basu, Managing Director	
8	Mrs. Leela K. Khatau, Executive (Mother of Mr. Mahendra K. Khatau, Chairman)	

Note 25.2 (B) Transactions

	2018-19	2017-18
a) Sales and income		
01 Sale of goods	485.98	551.30
Indokem Limited	384.30	379.80
Orchard Acres	-	2.91
Tex Care Middle East LLC	101.68	102.78
02 Sale of Service	67.57	-
Tex Care Middle East LLC	67.57	-
03 Other receipts	64.71	76.56
Tex Care Middle East LLC	64.71	76.56
b) Purchases and expenses		
01 Purchase of goods / fixed assets	97.36	419.27
Indokem Ltd	2.35	0.25
Orchard Acres	93.99	419.02
Tex Care Middle East LLC	1.02	-

02	Payment for other service / interest	29.33	48.51
	Orchard Acres (Interest)	15.08	28.60
	Vikas Agarwal (HUF) (Car Hire Charges)	0.41	2.46
	Mrs. Manisha Basu (Car Hire Charges)	3.64	3.64
	Smt. Leela K. Khatau (CY: Consultancy & Other - PY: Salary & Other)	10.20	13.81
03	Remuneration	43.01	43.22
	Mr. Arup Basu, Managing Director	27.73	28.33
	Salary	24.01	24.81
	Contribution to PF	1.90	1.90
	Gratuity	0.76	0.76
	Perquisites	0.20	0.55
	Commission	0.86	0.31
	Mr. Vikas Agarwal, Chief Financial Officer	11.73	11.48
	Salary	10.51	10.26
	Contribution to PF	0.87	0.87
	Gratuity	0.35	0.35
	Mr. Bilal Topia, Company Secretary	3.55	2.37
	Salary	3.21	2.15
	Contribution to PF	0.24	0.16
	Gratuity	0.10	0.06
	Ms. Sumruti Anand, Company Secretary	-	1.04
	Salary	-	0.95
	Contribution to PF	-	0.06
	Gratuity	-	0.03

Outstanding balances as at year end

(₹ lakhs)

Particulars	Asat	Asat
	March 31, 2019	March 31, 2018
01 Receivables	167.78	306.83
Indokem Limited	167.78	306.83
02 Payables	176.16	454.80
Texcare Middle East LLC	175.03	212.45
Orchard Acres	0.36	231.85
Indokem Limited	-	1.57
Smt. Leela K. Khatau	0.77	8.93

*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, 2019 and March 31, 2018 are:

a) Income tax expense		(₹ lakhs)
Particulars	2018-19	2017-18
i) Current tax		
Current tax on profits for the year (Dividend Tax)	-	7.70
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	7.70

ii) Deferred tax

(Decrease) Increase in deferred tax liabilities	3.93	(11.81)
Decrease (Increase) in deferred tax assets	(3.93)	11.81
Total deferred tax expense (benefit)	-	-
Income tax expense	-	7.70

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, 2019	Asat March 31, 2018
Depreciation (including unabsorbed)	61.97	58.04
Total deferred tax assets	61.97	58.04
Provision for doubtful debts	18.69	15.12
Unavailed leave balance	5.55	5.92
Provision for Gratuity	36.46	35.00
Provision for Bonus	1.27	2.00
Total deferred tax liabilities	61.97	58.04
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 ₹ 20.14 Lakhs (PY ₹ 24.37 Lakh).

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 2018-19	Gratuity 2017-18
Components to Employer Expense		
Current Service Cost	5.56	5.58
Interest Cost	10.61	9.27
Past service cost	-	11.38
Excess provision reversed	-	-
Actuarial (Gain)/Loss	1.01	(5.03)
Total expense /(gain) recognised in the P & L A/c.	17.18	21.20
Net Assets / Liability Recognised in the Balance Sheet		
Present value of obligation as at 01/04/2018	134.61	127.68
Fair Value of Plan Assets as at 01/04/2018	-	-
Assets/Liability recognized in Balance Sheet	140.22	134.61

Change in Defined Benefit Obligation (DBO) during**Year ended 31st March 2019.**

Present value of obligation as at beginning of the year	134.61	127.68
Current Service Cost	5.56	5.58
Interest Cost	10.61	9.27
Past service cost	-	11.38
Actuarial (Gain)/Loss	1.01	(5.03)
Benefit paid	11.57	14.27
Present value of obligation as at 31/3/2019 & 31/03/2018	140.22	134.61

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

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded obligations	140.22	134.61
Fair value of plan assets	-	-
Deficit of Gratuity plan	140.22	134.61

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	7.69%	7.26%
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: (₹ lakhs)

Particulars	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
	March 31, 2019	March 31, 2019	March 31, 2019
Discount rate	1.00%	(6.76)	7.66
Employee Turnover rate	1.00%	0.85	(0.94)
Salary growth rate	1.00%	7.71	(6.92)

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, 2019	Leave entitlement March 31, 2018
i) Present value of unfunded obligations	21.35	22.76
ii) Expense recognised in the Statement of Profit and Loss	4.33	9.65
iii) Discount rate (per annum)	7.69%	7.26%
iv) Salary escalation rate (per annum)	6.00%	6.00%

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

(₹ lakhs)

Particulars	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
i) Investments	-	-	89.13	-	-	89.13
ii) Trade receivables	-	-	651.27	-	-	792.65
iii) Cash and cash equivalents	-	-	46.05	-	-	30.54
iv) Bank balances other than cash and cash equivalents above	-	-	40.20	-	-	37.74
v) Other financial assets	-	-	9.73	-	-	30.60
Total financial assets	-	-	836.38	-	-	980.66
Financial liabilities						
i) Borrowings	-	-	490.16	-	-	543.55
ii) Other financial liabilities	-	-	289.57	-	-	300.99
iii) Trade payables	-	-	596.17	-	-	632.24
Total financial liabilities	-	-	1,375.90	-	-	1,476.78

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:

- 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.
- 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.
- 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.
- 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.
- 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)

Particulars	As at 31 March 2019	As at 31 March 2018
Fixed rate borrowings	575.38	582.96
Floating rate borrowings	-	-
Total borrowings	575.38	582.96

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 Ltd. 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		2018-19	2017-18
Profit for the year attributable to the Equity Shareholders	₹ Lakhs	87.43	25.72
Basic Weighted average number of Equity shares outstanding during the year	Number	30,89,900	30,89,900
Nominal value of Equity share	₹	10.00	10.00
Basic and diluted Earning per Equity share	₹	2.83	0.83

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, 2019	March 31, 2018
Cash and cash equivalents	46.05	30.54
Current borrowings	(431.55)	(466.74)
Non-current borrowings	(58.61)	(76.81)
Current maturities of long-term debt	(85.22)	(39.41)
Interest accrued on borrowing	(1.49)	(1.15)
Net Debt	(530.82)	(553.57)

(₹ lakhs)

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)
Cash flows	15.51	35.19	18.20	(45.81)	23.09
Interest Paid	-	87.38	29.15	-	116.53
Interest Expense	-	(87.38)	(29.49)	-	(116.87)
Net debt as at 1 April, 2019	46.05	(431.55)	(60.10)	(85.22)	(530.82)

Note 25.11 Authorisation for issue of the Financial Statements

The Financial Statements were authorised for issue by the Board of Directors on 10/05/2019.

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
Firm Registration No: 129053W

Deval Desai
Partner
Membership No.132426

Place : Ahmedabad
Date : May 10, 2019

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, 2019

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 Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **REFNOL RESINS AND CHEMICALS LIMITED** ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019 the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the period then ended, and a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report (hereinafter referred to as "the consolidated financial statements").

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 financial statements of the subsidiary companies referred to in Other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the group as at March 31, 2019, and their consolidated profit (including other comprehensive income), their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

Information other than the Financial Statements and Auditor's Report thereon

- a) The Board of Directors of the Parent is responsible for the other information. The other information comprises the information included in the Letter to shareholders, Operational highlights, Financial charts, Directors' report Analysis, Business Responsibility Report, Dividend Distribution Policy and Performance trend but does not include the Standalone Financial Statements, Consolidated Financial Statements and our Auditor's Reports thereon.
- b) Our opinion on the Consolidated Financial Statements does not cover the other information conclusion thereon.
- c) In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the Financial Statements of the company audited and, in doing so, place reliance on the work of the other Auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary companies, is traced from their Financial Statements audited by other Auditors.
- d) If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Management's Responsibility for the consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements to give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes 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; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities or business activities included in the Consolidated Financial Statements of which we are the Independent Auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

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. 924.11 lakhs as at

31st March 2019 and total revenues of Rs. 1651.20 lakhs and net cash outflows amounting of Rs. 10.29 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.

Report on Other Legal and Regulatory Requirements

1. 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on

March 31, 2019 taken on record by the Board of Directors, none of the directors of the Group Companies is disqualified as on March 31, 2019 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 Group 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 Company has disclosed the impact of pending litigations on its financial position in its Consolidated IndAS 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 Holding Company during the year ended March 31, 2019.

For, **B. R. Shah & Associates**
Chartered Accountants
FRN: 129053W

Deval Desai
Partner
M. No.: 132426

Place: Ahmedabad
Date: May 10, 2019

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Annexure referred to in paragraph (f) under the heading "Report on other legal and regulatory requirements" of our report to the members of Refinol Resins and Chemicals Limited on the Consolidated Ind AS financial statements as of and for the year ended March 31, 2019

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

In conjunction with our audit of the consolidated financial statements of the Refinol Resins and Chemicals Limited ("the holding company") as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of **Refinol Resins and Chemicals Limited** ("the Holding Company") as of that date. The subsidiary companies being companies incorporated outside India, report on the Internal Financial Controls under Clause (i) of Sub-section 3 of the Section 143 of the Companies Act, 2013 is not applicable.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For, **B. R. Shah & Associates**
Chartered Accountants
FRN: 129053W

Deval Desai
Partner
M. No.: 132426

Place: Ahmedabad
Date: May 10, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(₹ lakhs)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
A ASSETS			
1 Non-current assets			
a) Property, plant and equipment	2	1,544.03	1,548.13
b) Capital work-in-progress		48.28	-
c) Intangible assets	3	0.31	0.50
		<u>1,592.62</u>	<u>1,548.63</u>
d) Financial assets			
i) Other financial assets	4	9.23	9.53
e) Deferred tax assets (net)	-	-	-
f) Other non-current assets	5	61.22	69.97
Total non-current assets		<u>1,663.07</u>	<u>1,628.13</u>
2 Current assets			
a) Inventories	6	463.19	431.05
b) Financial assets			
i) Trade receivables	7	1,290.88	1,389.42
ii) Cash and cash equivalents	8	154.46	149.24
iii) Bank balances other than cash and cash equivalents above	9	40.20	37.74
iv) Other financial assets	4	26.95	19.08
c) Other current assets	5	224.68	116.06
Total current assets		<u>2,200.36</u>	<u>2,142.59</u>
Total assets		<u>3,863.43</u>	<u>3,770.72</u>
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	10	330.67	330.67
b) Other equity	11	1,705.39	1,589.01
Total equity		<u>2,036.06</u>	<u>1,919.68</u>
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	12	67.80	140.23
ii) Other financial liabilities	13	-	-
b) Provisions	14	166.48	167.90
Total non-current liabilities		<u>234.28</u>	<u>308.13</u>
2 Current liabilities			
a) Financial liabilities			
i) Borrowings	12	431.55	466.74
ii) Trade payables	15	823.55	818.27
iii) Other financial liabilities	13	187.43	153.81
b) Other current liabilities	16	87.34	57.35
c) Provisions	14	63.22	46.74
Total current liabilities		<u>1,593.09</u>	<u>1,542.91</u>
Total liabilities		<u>1,827.37</u>	<u>1,851.04</u>
Total equity and liabilities		<u>3,863.43</u>	<u>3,770.72</u>

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
Firm Registration No: 129053W

Deval Desai
Partner
Membership No.132426

Place : Ahmedabad
Date : May 10, 2019

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, 2019

Arup Basu
Managing Director
DIN: 00906760

Bilal Topia
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ lakhs)

Particulars	Note	2018-19	2017-18
Income			
Revenue from operations	17	4,796.01	4,412.10
Other income	18	38.26	15.50
Total Income		4,834.27	4,427.60
Expenses			
Cost of materials consumed	19	2,996.81	2,662.92
Changes in inventories of finished goods and work-in-progress	20	(18.40)	19.07
Excise duty	-	-	48.37
Employee benefit expenses	21	547.50	559.02
Finance costs	22	137.83	126.68
Depreciation and amortisation expenses	2	77.19	66.43
Other expenses	23	1,030.07	1,052.74
Total expenses		4,771.00	4,535.23
Profit before tax		63.27	(107.63)
Tax expense			
Current tax	24.3	-	7.70
Deferred tax	24.3	-	-
Total tax expense		-	7.70
Profit for the year		63.27	(115.33)
Other comprehensive income	25		
A) Items that will not be reclassified to profit and loss		1.01	(5.02)
Remeasurement (gains)/loss on defined benefit plans		1.01	(5.02)
Income tax relating to this item		-	-
B) Items that will be reclassified to profit and loss			
Exchange differences on translation of foreign operations		(2.40)	(6.00)
Other comprehensive income, net of tax		(1.39)	(11.02)
Total comprehensive income for the year		64.66	(104.31)
Basic and diluted earning ₹ per Equity share of ₹ 10 each	24.8	2.05	(3.73)

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
Firm Registration No: 129053W

Deval Desai
Partner
Membership No.132426

Place : Ahmedabad
Date : May 10, 2019

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, 2019

Arup Basu
Managing Director
DIN: 00906760

Bilal Topia
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(₹ lakhs)

Particulars	2018-19	2017-18
A. Cash flow from operating activities		
Profit before tax	63.27	(107.63)
Adjustments for:		
Add:		
Depreciation and amortisation expenses	77.19	66.43
Finance costs	137.83	126.68
Bad debts and irrecoverable balances written off	36.56	143.58
Provision for doubtful debts	13.73	0.43
	<u>265.31</u>	<u>337.12</u>
	328.58	229.49
Less:		
Interest Income	3.06	4.34
Gain on disposal of property, plant and equipment	1.18	-
Sundry Credit Balances Appropriated	2.09	4.26
Unrealised exchange rate difference (net)	(51.72)	(106.18)
	<u>(45.39)</u>	<u>(97.58)</u>
Operating profit before working capital changes	<u>373.97</u>	<u>327.07</u>
Adjustments for:		
Inventories	(32.14)	(34.47)
Trade receivables	48.25	(355.27)
Bank balances other than cash and cash equivalents	(2.46)	(2.37)
Other current financial assets	(7.81)	(0.06)
Other current assets	(108.62)	(78.33)
Other non-current financial assets	7.29	0.87
Other non-current assets	8.75	20.05
Trade payables	7.37	239.66
Other current financial liabilities	(20.15)	7.06
Other current liabilities	29.99	4.96
Short-term Employee benefit obligations	16.48	8.24
Long-term Employee benefit obligations	(2.43)	10.99
	<u>(55.48)</u>	<u>(178.67)</u>
Cash generated from operations	318.49	148.40
Less:		
Direct taxes net of refund	6.99	4.81
Net cash flow from operating activities	(A) <u>311.50</u>	<u>143.59</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(₹ lakhs)

Particulars	2018-19	2017-18
B. Cash flow from investing activities		
Payments towards property, plant and equipment	(119.90)	(51.50)
Payments towards purchase of intangible assets	-	(0.54)
Receipts towards property, plant and equipment	2.30	-
Interest received	3.00	4.35
Net cash from/(used in) investing activities (B)	(114.60)	(47.69)
C. Cash flow from financing activities		
Proceeds from Borrowings	(54.19)	40.68
Interest and Finance charges paid	(137.49)	(125.53)
Net cash used in financing activities (C)	(191.68)	(84.85)
Net change in cash and cash equivalents (A+B+C)	5.22	11.05
Opening balance - cash and cash equivalents	149.24	138.19
Closing balance - cash and cash equivalents	154.46	149.24

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
Firm Registration No: 129053W

Deval Desai
Partner
Membership No.132426

Place : Ahmedabad
Date : May 10, 2019

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, 2019

Arup Basu
Managing Director
DIN: 00906760

Bilal Topia
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH, 31 2019**A. Equity share capital**

(₹ lakhs)

Particulars	Notes	Amount
As at April 01, 2017		330.67
Changes in Equity share capital		-
As at March 31, 2018		330.67
Changes in Equity share capital		-
As at March 31, 2019	11	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 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	12	201.18	20.57	91.18	18.02	1,258.06	1,589.01
Profit for the year		-	-	-	-	63.27	63.27
Change in exchange rate fluctuation reserve		-	-	51.72	-	-	51.72
Other comprehensive income		-	-	2.40	-	(1.01)	1.39
Total comprehensive income for the year		-	-	54.12	-	62.26	116.38
As at March 31, 2019	12	201.18	20.57	145.30	18.02	1,320.32	1,705.39

The accompanying Notes form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For B. R. Shah & AssociatesChartered Accountants
Firm Registration No: 129053W**Deval Desai**Partner
Membership No.132426Place : Ahmedabad
Date : May 10, 2019**Mahendra K. Khatau**Chairman
DIN: 00062794**Vikas Agarwal**

Chief Financial Officer

Place : Mumbai
Date : May 10, 2019**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 resins and chemicals. The registered office of the Company is located at Plot no. 410/411, Khatau House, Mogul Lane, Mahim, Mumbai-4600016.

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.

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:

- 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.
- Goods-in-transit are stated at the cost to the date of Balance Sheet.
- Scrap materials are valued at net realisable value.
- 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition.
- 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:

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

- 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:

- Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,
- 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.

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

For Tex 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	Plant and equipment	Furniture & Fixtures	Office equipment	Vehicle	Total
Gross carrying amount							
Cost / Deemed cost as at April 01, 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 ⁽¹⁾	-	-	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
Additions	-	-	42.31	-	1.12	28.19	71.62
Other adjustments ⁽¹⁾	-	-	10.00	0.84	2.30	8.88	22.02
Deductions and adjustments	-	-	-	-	0.26	0.86	1.12
As at March 31, 2019	1,293.59	136.46	241.00	8.48	21.80	122.65	1,823.98
Depreciation Amortisation 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 ⁽¹⁾	-	-	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
For the year	20.21	7.17	23.32	1.93	1.81	22.56	77.00
Other adjustments ⁽¹⁾	-	-	8.42	0.77	2.03	8.36	19.62
Deductions and adjustments	-	-	-	-	0.04	-	0.04
Upto March 31, 2019	60.63	21.51	94.14	8.18	13.02	82.47	279.95
Net carrying amount							
As at March 31, 2018	1,253.17	122.12	126.30	2.16	9.49	34.89	1,548.13
As at March 31, 2019	1,232.96	114.95	146.86	0.30	8.78	40.18	1,544.03

⁽¹⁾ Other adjustment is on account of foreign exchange fluctuation.

(₹ lakhs)

Note 3 Intangible assets

Computer software

a) Gross carrying amount	
As at April 01, 2017	-
Additions	0.54
As at March 31, 2018	0.54
Additions	-
As at March 31, 2019	0.54
b) Depreciation Amortisation	
Upto March 31, 2017	-
For the year	0.04
Upto March 31, 2018	0.04
For the year	0.19
Upto March 31, 2018	0.23
c) Net carrying amount	
As at March 31, 2018	0.50
As at March 31, 2019	0.31

Note 4 Other financial assetss

(₹ lakhs)

	Asat March 31, 2019		Asat March 31, 2018	
	Current	Non current	Current	Non current
a) Security deposits for utilities and premises	26.45	9.23	18.64	9.53
b) Interest Accrued but not due on fixed deposit	0.50	-	0.44	-
	26.95	9.23	19.08	9.53

Note 5 Other assets

(₹ lakhs)

	Asat March 31, 2019		Asat March 31, 2018	
	Current	Non current	Current	Non current
a) Balances with the Government authorities				
i) Tax paid in advance, net of provisions	-	13.60	-	8.12
ii) Balances with the statutory authorities	136.35	46.15	45.29	59.09
b) Advances - Others	33.98	-	13.11	-
c) Prepayment - Others	5.31	-	2.14	-
d) Export incentive receivable	1.04			
e) Other Receivables				
i) Advances to Employees	43.73	-	36.00	-
ii) Others	4.27	1.47	19.52	2.76
	224.68	61.22	116.06	69.97

Note 6 Inventories

(₹ lakhs)

Particulars	Asat March 31, 2019	Asat March 31, 2018
a) Raw materials, packing materials and consumables	301.20	287.46
b) Work-in-progress	17.04	6.96
c) Finished goods	144.95	136.63
	463.19	431.05

Note 7 Trade receivables

(₹ lakhs)

Particulars	Asat March 31, 2019	Asat March 31, 2018
a) Unsecured, considered good		
i) Trade receivables	1,123.10	1,082.59
ii) Related parties (refer note 24.2)	167.78	306.83
b) Unsecured, considered doubtful	71.89	58.16
Less: Provision for doubtful debts	71.89	58.16
Total receivables	1,290.88	1,389.42

Note 8 Cash and cash equivalents

(₹ lakhs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
a) Balances with banks in current accounts	138.90	140.91
b) Cash on Hand	15.56	8.33
	154.46	149.24

* 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)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
a) Margin Money deposit (Fixed Deposits)	40.20	37.74
	40.20	37.74

Note 10 Equity share capital

(₹ lakhs)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Authorised		
40,00,000 (40,00,000) Equity shares of ₹ 10 each	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
Subscribed		
30,89,900 (30,89,900) Equity shares of ₹ 10 each, fully paid	308.99	308.99
Add: 4,33,600 (4,33,600) Equity shares Forfeited Shares	21.68	21.68
	330.67	330.67

a) Movement in Equity share capital (₹ lakhs)

Particulars	Number of shares	Equity share capital
As at March 31, 2017	30,89,900	308.99
As at March 31, 2018	30,89,900	308.99
As at March 31, 2019	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 Rs. 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 Board of Directors has recommended to declare dividend of ₹ 1 per equity share (previous year NIL) i.e., 10% per equity share of ₹ 10 each fully paid up, subject to the approval of members at the ensuing Annual General Meeting.

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

	As at March 31, 2019		As at March 31, 2018	
	Holding %	Number of shares	Holding %	Number of shares
1 Mr. Mahendra Kishore Khatau	41.48%	12,81,789	41.48%	12,81,789
2 M/s Khatau Leasing & Finance Company Pvt. Ltd	7.28%	2,25,000	7.28%	2,25,000

Note 11 Other equity (₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Securities Premium	201.18	201.18
b) Retained Earnings		
Balance as at the beginning of the year	1,258.06	1,368.37
Add: Profit for the year	63.27	(115.33)
Add: Other Comprehensive Income	(1.01)	5.02
Balance as at the end of the year	1,320.32	1,258.06
c) Capital Reserve	18.02	18.02
d) Statutory Reserve	20.57	20.57
e) Foreign Currency Fluctuation Reserve	145.30	91.18
	1,705.39	1,589.01

Note 12 Borrowings (₹ lakhs)

Particulars		Maturity	Terms of Repayment	Effective Interest Rate	As at March 31, 2019		As at March 31, 2018		
					Current	Non current	Current	Non current	
a)	Secured								
	i)	Rupee term loan from Bank (Refer Note a)	July, 2022	47 monthly equal installments	10.25%	-	7.02	-	-
	ii)	Rupee term loan from Other (Refer Note b)	October, 2022	59 monthly equal installments	8.49%	-	13.07	-	16.31
	iii)	Working capital loans from banks (Refer Note c)	Repayable on demand	Repayable on demand	6.1 % to 13.05%	380.78	-	450.72	-
	iv)	Foreign Currency term loan from Other (Refer Note b)	Apr 2019	13 monthly equal installment	7.85%	-	4.71	-	5.25
b)	Unsecured								
	i)	Rupee term loan from Other	Mar 2020, Mar 2021 and July 2021	24 and 36 monthly equal installments	15.25% to 18%	-	123.74	-	99.91
	ii)	Inter Corporate Deposit	3 to 4 months	3 to 4 months	15%	50.77	-	16.02	-
	iii)	Foreign Currecnry Term Loan from Foreign Bank (Refer Note d)	Feb 2020	23 monthly equal installment	18.75%	-	77.37	-	123.44
						431.55	225.91	466.74	244.91
		Amount of current maturities of long-term debt disclosed under the head 'Other financial liabilities' (refer Note 13)				-	158.11	-	104.68
						431.55	67.80	466.74	140.23

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

Note 13 Other financial liabilities

(₹ lakhs)

	Asat March 31, 2019		Asat March 31, 2018	
	Current	Non current	Current	Non current
a) Current maturities of long-term debt (refer Note 12)	158.11	-	104.68	-
b) Security deposits	3.80	-	1.30	-
c) Interest accrued but not due	1.49	-	1.15	-
d) Accrued compensation to employees	23.57	-	46.68	-
e) Others	0.46	-	-	-
	187.43	-	153.81	-

Note 14 Provisions

(₹ lakhs)

	Asat March 31, 2019		Asat March 31, 2018	
	Current	Non current	Current	Non current
a) Provision for leave entitlement*	6.15	15.20	5.98	16.78
b) Provision for Gratuity (refer note 24.4)	52.18	151.28	33.05	151.12
c) Provision for Bonus to employees	4.89	-	7.71	-
	63.22	166.48	46.74	167.90

***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 ₹ 6.15 lakh (PY ₹ 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)

Particulars	Asat March 31, 2019	Asat March 31, 2018
a) Related party (refer note 24.2)	0.36	233.42
b) Dues to micro, medium and small enterprise*	-	-
c) Dues to others	823.19	584.85
	823.55	818.27

***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)

	Asat March 31, 2019		Asat March 31, 2018	
	Current	Non current	Current	Non current
a) Statutory dues	9.97	-	13.49	-
b) Advances received from customers	77.37	-	43.86	-
	87.34	-	57.35	-

Note 17 Revenue from operations (₹ lakhs)		
Particulars	2018-19	2017-18
Revenue		
Sale of products	4,784.34	4,404.59
Sale of service	-	-
Other operating revenue		
Duty Drawback	11.67	7.51
	4,796.01	4,412.10

Note 18 Other income (₹ lakhs)		
Particulars	2018-19	2017-18
Interest Income	3.06	4.34
Insurance Claim	0.10	1.38
Sundry credit balances appropriated	2.09	4.26
Gain on disposal of property, plant and equipment	1.35	-
Exchange rate difference gain (net)	31.66	5.52
	38.26	15.50

Note 19 Cost of materials consumed (₹ lakhs)		
Particulars	2018-19	2017-18
Raw materials and packing materials consumed		
Stocks at commencement	286.49	231.55
Add: Purchase	3,009.19	2,717.86
	3,295.68	2,949.41
Less: Stocks at close	298.87	286.49
	2,996.81	2,662.92

Note 20 Changes in inventories of finished goods and work-in-progress (₹ lakhs)		
Particulars	2018-19	2017-18
Stocks at close		
Finished goods	144.95	136.63
Stock in WIP	17.04	6.96
	161.99	143.59
Less: Stocks at commencement		
Finished goods	136.63	154.73
Stock in WIP	6.96	7.93
	143.59	162.66
(Increase) Decrease in Stocks	(18.40)	19.07

Note 21 Employee benefit expenses (₹ lakhs)		
Particulars	2018-19	2017-18
Salaries, wages and bonus*	502.09	487.45
Contribution to Provident and other funds (refer Note 24.4)	41.73	55.41
Staff welfare	3.68	16.16
	547.50	559.02

* This includes commission to Managing Director of ₹ 0.86 lakhs (PY: ₹ 0.31 lakhs)

Note 22 Finance costs (₹ lakhs)		
Particulars	2018-19	2017-18
Interest on borrowings	121.57	124.78
Interest on others	12.94	-
Other borrowing cost	3.32	1.90
	137.83	126.68

Note 23 Other expenses (₹ lakhs)		
Particulars	2018-19	2017-18
Consumption of stores and spares	4.75	8.62
Power, fuel and water	180.07	113.21
Building repairs	3.95	2.42
Plant and equipment repairs	15.70	19.81
Sundry repairs	2.18	1.06
Labour Charges	31.19	26.86
Laboratory Expenses	7.01	5.44
Rent	41.43	42.96
Postage & Telegram Expenses	21.83	18.42
Insurance	2.49	2.29
Municipal and Other taxes	1.89	20.81
Advertisement Expenses	101.41	95.90
Outward Freight, cartage and octroi	140.08	95.56
Commission expenses	209.63	194.94
Conveyance	28.58	29.78
Travelling Expenses	82.71	76.52
Payments to the Auditors		
a) Audit fees		
Statutory Audit Fees	5.23	4.56
Tax Audit Fees	0.40	0.40
b) Other matters	0.42	0.30
c) Out of pocket expenses	0.06	0.03
Directors' fees	2.42	2.91
Bad debts and irrecoverable balances written off (net of Provision)	36.56	143.58
Provision for doubtful debts	13.73	0.43
Legal and professional charges	49.82	96.51
Loss on disposal of property, plant and equipment	0.17	-
Miscellaneous expenses	46.36	49.42
	1,030.07	1,052.74

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)

Particulars	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debts in respects of:		
i) Other Matters	6.96	6.96

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**

No.	Name of the Related Party	Description 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	Mrs. Manisha Basu, W/o, Mr. Arup Basu, Managing Director
8	Mrs. Leela K. Khatau, Executive (Mother of Mr. Mahendra K. Khatau, Chairman)

Note 24.2 (B) Transactions

(₹ lakhs)

	2018-19	2017-18
a) Sales and income		
01 Sale of goods	384.30	382.71
Indokem Limited	384.30	379.80
Orchard Acres	-	2.91
b) Purchases and expenses		
01 Purchase of goods / fixed assets	96.34	419.27
Indokem Ltd	2.35	0.25
Orchard Acres	93.99	419.02
02 Payment for other service / interest	29.33	48.51
Orchard Acres (Interest)	15.08	28.60
Vikas Agarwal (HUF) (Car Hire Charges)	0.41	2.46
Mrs. Manisha Basu (Car Hire Charges)	3.64	3.64
Smt. Leela K. Khatau (CY: Consultancy & Other - PY: Salary & Other)	10.20	13.81
03 Remuneration	43.01	43.22
Mr. Arup Basu, Managing Director	27.73	28.33
Salary	24.01	24.81
Contribution to PF	1.90	1.90
Gratuity	0.76	0.76
Perquisites	0.20	0.55
Commission	0.86	0.31

Mr. Vikas Agarwal, Chief Financial Officer	11.73	11.48
Salary	10.51	10.26
Contribution to PF	0.87	0.87
Gratuity	0.35	0.35
Mr. Bilal Topia, Company Secretary	3.55	2.37
Salary	3.21	2.15
Contribution to PF	0.24	0.16
Gratuity	0.10	0.06
Ms. Sumruti Anand, Company Secretary	-	1.04
Salary	-	0.95
Contribution to PF	-	0.06
Gratuity	-	0.03

Outstanding balances as at year end

(₹ lakhs)

Particulars	Asat	Asat
	March 31, 2019	March 31, 2018
01 Receivables	167.78	306.83
Indokem Limited	167.78	306.83
Shubhlabh Chemicals Pvt. Ltd.	-	-
Formost Chemicals Pvt. Ltd.	-	-
02 Payables	1.13	242.35
Orchard Acres	0.36	231.85
Indokem Limited	-	1.57
Smt. Leela K. Khatau	0.77	8.93

*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, 2019 and March 31, 2018 are:

a) Income tax expense	(₹ lakhs)	
Particulars	2018-19	2017-18
i) Current tax		
Current tax on profits for the year (Dividend Tax)	-	7.70
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	7.70
ii) Deferred tax		
(Decrease) Increase in deferred tax liabilities	3.93	(11.81)
Decrease (Increase) in deferred tax assets	(3.93)	11.81
Total deferred tax expense (benefit)	-	-
Income tax expense	-	7.70
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, 2019	As at March 31, 2018
Depreciation (including unabsorbed)	61.97	58.04
Total deferred tax assets	61.97	58.04
Provision for doubtful debts	18.69	15.12
Unavailed leave balance	5.55	5.92
Provision for Gratuity	36.46	35.00
Provision for Bonus	1.27	2.00
Total deferred tax liabilities	61.97	58.04
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 ₹ 20.14 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 2018-19	Gratuity 2017-18
Components to Employer Expense		
Current Service Cost	5.56	5.58
Interest Cost	10.61	9.27
Past service cost	-	11.38
Excess provision reversed	-	-
Actuarial (Gain)/Loss	1.01	(5.03)
Total expense /(gain) recognised in the P & L A/c.	17.18	21.20
Net Assets / Liability Recognised in the Balance Sheet		
Present value of obligation as at 01/04/2018	134.61	127.68
Fair Value of Plan Assets as at 01/04/2018	-	-
Assets/Liability recognized in Balance Sheet	140.22	134.61
Change in Defined Benefit Obligation (DBO) during Year ended 31st March 2019.		
Present value of obligation as at beginning of the year	134.61	127.68
Current Service Cost	5.56	5.58
Interest Cost	10.61	9.27
Past service cost	-	11.38
Actuarial (Gain)/Loss	1.01	(5.03)
Benefit paid	11.57	14.27
Present value of obligation as at 31/3/2019 & 31/03/2018	140.22	134.61

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

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Present value of funded obligations	140.22	134.61
Fair value of plan assets	-	-
Deficit of Gratuity plan	140.22	134.61

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Discount rate	7.69%	7.26%
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: (₹ lakhs)

Particulars	Impact on defined benefit obligation		
	Change in	Increase	Decrease
	assumptions	in assumptions	in assumptions
	March 31, 2019	March 31, 2019	March 31, 2019
Discount rate	1.00%	(6.76)	7.66
Employee Turnover rate	1.00%	0.85	(0.94)
Salary growth rate	1.00%	7.71	(6.92)

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	Leave entitlement
	March 31, 2019	March 31, 2018
i) Present value of unfunded obligations	21.35	22.76
ii) Expense recognised in the Statement of Profit and Loss	4.33	9.65
iii) Discount rate (per annum)	7.69%	7.26%
iv) Salary escalation rate (per annum)	6.00%	6.00%

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

(₹ lakhs)

Particulars	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
i) Investments	-	-	-	-	-	-
ii) Trade receivables	-	-	1,290.88	-	-	1,389.42
iii) Cash and cash equivalents	-	-	154.46	-	-	149.24
iv) Bank balances other than cash and cash equivalents above	-	-	40.20	-	-	37.74
v) Other financial assets	-	-	36.18	-	-	28.61
Total financial assets	-	-	1,521.72	-	-	1,605.01
Financial liabilities						
i) Borrowings	-	-	499.35	-	-	606.97
ii) Other financial liabilities	-	-	187.43	-	-	153.81
iii) Trade payables	-	-	823.55	-	-	818.27
Total financial liabilities	-	-	1,510.33	-	-	1,579.05

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:

- 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.
- 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.
- 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.
- 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.
- 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)

Particulars	Asat 31 March 2019	Asat 31 March 2018
Fixed rate borrowings	657.46	711.65
Floating rate borrowings	-	-
Total borrowings	657.46	711.65

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	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Segment Revenue	1,841.04	1,677.24	2,954.97	2,734.86	4,796.01	4,412.10
Carrying cost of assets by location of assets	2,850.19	2,833.28	1,013.24	937.44	3,863.43	3,770.72
Addition to assets and intangible assets	82.15	32.89	37.75	18.61	119.90	51.50

Note 24.8 Earning per share

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

Particulars		2018-19	2017-18
Profit for the year attributable to the Equity Shareholders	₹ Lakhs	63.27	(115.33)
Basic Weighted average number of Equity shares outstanding during the year	Number	30,89,900	30,89,900
Nominal value of Equity share	₹	10.00	10.00
Basic and diluted Earning per Equity share	₹	2.05	(3.73)

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

(₹ lakhs)

Name of the company	% of holding	Country incorporation	Financial year ends on
Refinol Overseas Limited	100%	Mauritius	March 31, 2019
Tex Care Middle East LLC (TCME)	100%*	Dubai	March 31, 2019

*including beneficiary interest

Note 24.11 Disclosure of additional information pertaining to the parent, subsidiary companies and joint arrangement as per Schedule III of the Companies Act, 2013

(₹ lakhs)

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	73.77%	2,850.19	29.79%	18.85	100%	(1.01)	28.65%	17.84
	Foreign Subsidiary Companies								
1	Refnol Overseas Limited	0.10%	3.82	-8.39%	(5.31)	0%	-	-8.53%	(5.31)
2	Tex Care Middle East LLC (TCME)	26.13%	1,009.42	78.60%	49.73	0%	-	79.87%	49.73
	Total	100.00%	3,863.43	100.00%	63.27	100%	(1.01)	100%	62.26
	Adjustment arising out of consolidation		-		-		2.40		2.40
	Grand Total		3,863.43		63.27		1.39		64.66

Note 24.12 Authorisation for issue of the Financial Statements

The Consolidated Financial Statements were authorised for issue by the Board of Directors on 10/05/2019.

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
Firm Registration No: 129053W

Deval Desai
Partner
Membership No.132426

Place : Ahmedabad
Date : May 10, 2019

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, 2019

Arup Basu
Managing Director
DIN: 00906760

Bilal Topia
Company Secretary

SHAREHOLDERS' REFERENCER**(I) Members holding shares in physical form:**

- Equity Shares of the Company are under compulsory dematerialisation and to get benefits of dematerialisation, please send equity shares of RRCL of Rs. 10/- each for dematerialisation through your Depository Participant (DP). ISIN No. of the Company is INE428C01011.
- Kindly get your shares transmitted in the name of second holder / legal heirs, in case of death of first holder / single holder, as the case may be, at the earliest.
- Kindly register your change of address with the RTA and get acknowledgement for registration.
- As per Regulation 40(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all transferee(s) as well as transferor(s) are compulsorily required to submit copy of PAN card alongwith transfer form, in absence of which, request for transfer will be rejected. In cases where PAN card is not available i.e. in case of residents of Sikkim, the requirement of PAN card may be substituted with Identity proof.
- Members holding shares in physical form and desirous of making nomination may request for Form No. SH-13 from the Share Transfer Agent, Link Intime India Pvt Ltd.
- Please quote your Folio No. and other details in all communication / correspondence with the Company and / or Share Transfer Agent of the Company.

(II) Members holding shares in dematerialised form:

- Kindly update your change of address and bank details / particulars alongwith MICR Code, Core Banking Account Number with your Depository Participant (DP) to get corporate benefits and serve you better.
- Kindly quote your Client ID along with DP ID in all your correspondence / communication with the Company and / or Share Transfer Agent of the Company.

(III) Dividend (Physical and Demat Shares):

In view of provisions of Section 124 and 125 of the Companies Act, 2013, the amount of dividend remaining unclaimed for a period of 7 (seven) years shall be transferred to the Investor Education and Protection Fund (IEPF). In view of the above, all shareholders are requested to ensure that any dividend payable to them, are claimed without any delay.

(IV) Dematerialisation of Equity Shares:

Trading in the shares of the Company can be done in dematerialised form only. Dematerialisation would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to Members and avoid inherent problems of bad deliveries,

loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. Hence, we request all those Members who have still not dematerialised their shares to get their shares dematerialised at the earliest.

(V) Bank Mandate:

- The Securities and Exchange Board of India (SEBI) vide its press release dated 3rd September, 2015 had issued the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") applicable from 1st December, 2015 to all listed entities pursuant to which the listed entities are required to use any of the electronic mode of payment facility approved by the Reserve Bank of India, in the manner specified in Schedule I of the Regulations, for the payment of (a) dividends; (b) interest; (c) redemption or repayment amounts. Accordingly, the Members, holding shares in physical form, are requested to update their address or provide / update their bank mandate (including details of MICR, IFSC etc.) with the Company or Share Transfer Agent, Link Intime India Pvt. Ltd. and Members holding shares in dematerialised form are requested to intimate any change in their address or to change / update bank mandate with their Depository Participant (DP) to enable the Company or RTA for making arrangements for electronic credit of dividend / other benefits to Members.
- Kindly note that as per RBI notification, with effect from 1st October, 2009 the remittance of money through Electronic Clearing Service (ECS) is replaced by National Electronic Clearing Service (NECS) and banks have been instructed to move to the NECS platform with immediate effect. The advantages of NECS over ECS include faster credit of remittances to beneficiary's account, coverage of more bank branches and ease of operations for remitting agencies.
- NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions.
- In this regard, if you hold shares in electronic form, please furnish the new Bank Account Number allotted to you by your bank after implementation of CBS, along with a photocopy of a cheque pertaining to the concerned account, to your DP, at your convenience and for shares held in physical form to Share Transfer Agent.
- This will further facilitate to comply with Regulation 12 of the Regulations in terms of printing the bank account details of the Members on physical payment instruments.

- If you do not provide your new account number allotted after implementation of CBS by your bank to your DP, please note that ECS to your old account may either be rejected or returned.
- NRI Members of the Company are requested to update their bank account details with the Share Transfer Agent / Company, for getting the electronic credit of dividend / other benefits.
- Please ignore the instruction above, in case you have already submitted the necessary details to your DP / Share Transfer Agent of the Company, as the case may be.

(VI) Updation of Email IDs - A Green Initiative:

With a view to conserve natural resources, we request Members to update and register their email addresses with their Depository Participants (DP) or with the Company, as the case may be, to enable the Company to send communications including Annual Report, Notices, Circulars etc. electronically.

(VII) Mandatory update of PAN and Bank Account Details:

With reference to SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, security holders whose ledger folios have incomplete details with respect to PAN and Bank Account details; they need to provide such particulars as are mandatorily required to be furnished to the Issuer Company / RTA for registration in the folio.

Those security holders whose folio(s) do not have complete details relating to their PAN and Bank Account, or where there is any change in the bank account details provided

earlier, have to compulsorily furnish the details to the RTA / Company for registration / updation.

The members need to submit the following documents to the RTA / Company to update the records:

- Self-attested copy of PAN Card of all the security holders. For resident of Sikkim, the requirement of PAN card may be substituted with a valid Identity proof issued by Government.
- Cancelled Cheque leaf with name of account holder / joint account holders, Bank A/c No., Bank Name, type of account, IFSC and MICR Code. In case Cheque does not bear the name of security holder, bank attested copy of the first page of passbook showing name of account holder of the first security holder or statement of the first security holder attested by the Bank.
- Address proof (self-attested copy of Aadhaar card / Electricity bill / Telephone bill / Passport) of the first holder.
- Any change in the name of holders.

Kindly note that all the above documents are mandatorily to be submitted (in case not submitted so far) with the Company / RTA for processing the payment of dividend / transfer / transmission / issue of duplicate share certificate correction of errors etc.

In case of non-submission or in case no response is received from the concerned shareholder, any future transactions for above matters shall be subject to enhanced due diligence by the Company.

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.com,

Email: secretarial@refnol.com

38th Annual General Meeting – 27th September, 2019

ATTENDANCE SLIP

Venue of the meeting : **Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai-400016**

Date & Time : **27th September, 2019 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 38th Annual General Meeting of the Company held on 27th September, 2019 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 38th Annual general meeting of the company, to be held on the 27th day of September, 2019 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 2019 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 2019 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, 2019, together with the Report of the Board of Directors (the Board) and Auditors thereon. b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2019.		
2.	To declare Final Dividend on equity shares for the financial year 2018-19		
3.	To appoint a Director in place of Mrs. Asha Mahendra Khatau (DIN: 00063944), who retires by rotation and being eligible offers herself for re-appointment.		
	Special Business:		
4.	Re-appointment of Mr. Rajagopalan Shesha (DIN: 00289643) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.		
5.	Re-appointment of Mr. Bhalchandra G. Sontakke (DIN: 01225753) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.		

Signed this _____ day of _____ 2019

Signature of shareholder _____

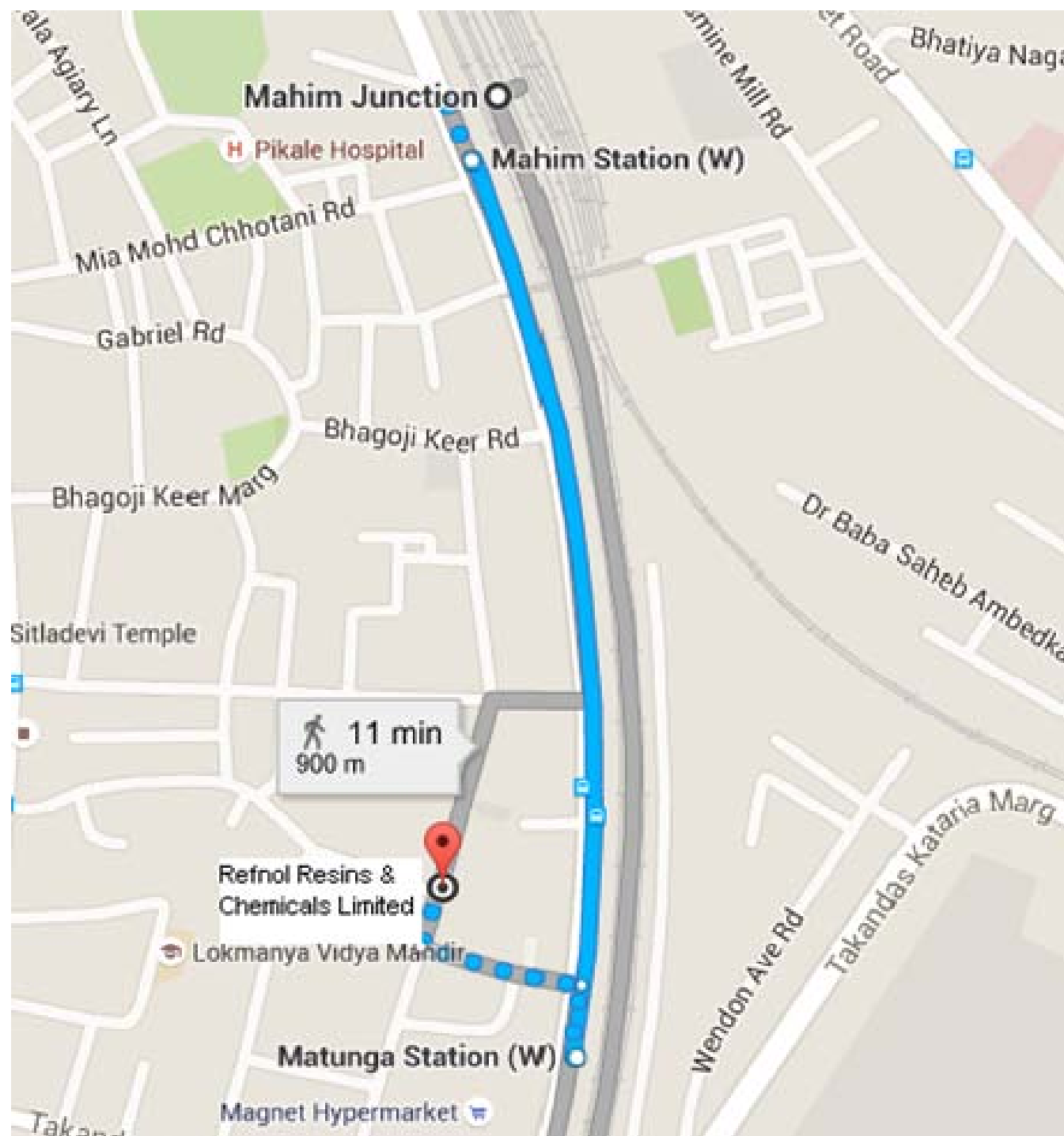
Signature of Proxy holder(s) _____

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.

Invitation to attend the 38th Annual General Meeting on September 27, 2019

You are cordially invited to attend the 38th Annual General Meeting of the Company on Friday, September, 27, 2019 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.