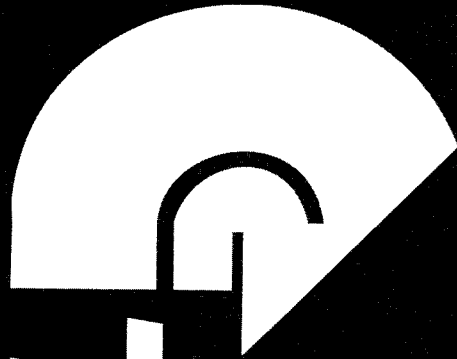


REFNOL



29th Annual Report
2009 - 2010

REFNOL RESINS AND CHEMICALS LIMITED

ANNUAL REPORT 2009-2010

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

NOTICE

NOTICE IS HEREBY GIVEN THAT the Twenty Ninth Annual General Meeting of the Members of REFNOL RESINS AND CHEMICALS LIMITED will be held on Thursday, **23rd September, 2010** at 11:00 a.m. at 45/47, Mint Chambers, 103/104, 1st Floor, Mint Road, Opp. G.P.O. Fort, Mumbai-400 001 to transact the following business:

ORDINARY BUSINESS:

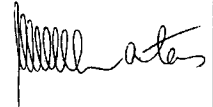
1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010, Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bhalchandra Gopinath Sontakke who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint a Director in place of Mrs. Asha M. Khatau who retires by rotation and being eligible offer herself for re-appointment.
4. To appoint M/s. G P Kapadia & Co., Auditors' to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. **To Consider and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary Resolutions;**

"RESOLVED THAT the consent of the company under the provisions of Section 293 (1) (a) of the Companies Act, 1956, and other applicable provisions, if any, be and is hereby accorded to the Board of Directors of the company to mortgage and/or create charge and to hypothecate all the movable and/or immovable properties of the company wheresoever situate, in present and/or future, whole of the undertaking of the company on such terms and conditions as may determined by the Board of Directors of the company."

For and on behalf of the Board



Mahendra. K. Khatau
Chairman

Registered Office:

Plot No. 410/411,
Khatau House, Mogul Lane,
Mahim, Mumbai-400 016.
Date : May 31, 2010
Place : Mumbai

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) Members/proxies are requested to bring the attendance slip sent herewith, duly filled for attending the meeting.
- (c) As a measure of economy, copies of Annual return will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copy of the Annual Report for reference at the Meeting. Members/Proxies for members holding shares in dematerialized form may also bring their latest statement of account held with the concerned depository participant for attending meeting.
- (d) Members desirous of obtaining any information concerning the Accounts and operations of the Company are requested to address their questions to the Company's Administrative Office at Ahmedabad at least seven days prior to the date of the meeting, so that the information required may be made at the meeting to the best possible extent.
- (e) The Register of Members and the Share Transfer Books of Company will remain closed on 18/09/2010 to 23/09/2010 (both days inclusive) for the purpose of crystallization of stale share transfer deeds.
- (f) Members are requested to intimate the change, if any in their addresses.
- (g) Explanatory Statement pursuant to Section 173(2) of the Act is enclosed.

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

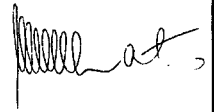
ITEM NO. 5 PASSED AS ORDINARY RESOLUTION TO ASSIGN AUTHORITY TO BOARD OF DIRECTORS U/S 293(1)(A) OF THE COMPANIES ACT, 1956.

Section 293(1) (a) of the companies Act, 1956 provides, inter alia, that the Board of Directors of the Company shall with the prior consent of the such Company in General Meeting to mortgage and/or create charge and to hypothecate all movable or immovable assets or undertaking of the company. The loans from banks or financial institutions requires to creates charges on movable and/or immovable assets of the company in the context of Section 293 (1) (a) of the Companies Act, 1956 and hence Board of Directors of your company has put before you this resolution for your consent.

In view of this context Board recommends the resolution for the acceptance by the members.

None of the directors of the company are interested in the resolution except as a member.

For and on behalf of the Board



Mahendra. K. Khatau
Chairman

Registered Office:

Plot No. 410/411,
Khatau House, Mogul Lane,
Mahim, Mumbai-400 016.
Date : May 31, 2010
Place : Mumbai

DIRECTORS' REPORT

The Members,
Refinol Resins And Chemicals Limited
Mumbai.

The Directors present their Twenty-Nineth Annual Report together with the Audited Statement of Accounts of Company for the year ended 31st March 2010.

1) FINANCIAL RESULTS:

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

Particulars	(Rs. in lacs)	
	2009-10	2008-09
Profit before Interest and Depreciation	162.45	236.54
Interest & Financial Charges	74.34	78.30
Depreciation	14.77	18.39
Profit before tax	73.34	139.85
Provision for Fringe Benefit Tax	—	4.50
Profit after tax	73.34	135.35
Profit available for Appropriation	73.34	135.35
Balance brought forward from previous year	(354.97)	(490.32)
Balance carried to Balance Sheet	(281.63)	(354.97)

2) OPERATIONS:

Turnover increased by 6% to 2539.80 lacs. This was mainly due to increase in the polyester resin business, riding on the back of strong growth in the infrastructure and construction industries. This compensated for the drop in sales of the relatively higher margin textile and garment processing chemicals, due to the effects of continuing global recession in this sector and consequently the decline in overall profitability due to the changed sales mix.

3) MARKETING AND EXPORTS:

The company continues to vigorously market its products in India and abroad and enjoy the loyalty of a large group of customers for its various products. Exports in 2009-10 were slightly lower at Rs. 598.96 lacs compared to Rs. 716 lacs for the previous year while sales overall increased due to higher demand for the resins. While maintaining the growth of the polyester resin business, extra efforts are being put in to increase the sales of textile chemicals with a view to restore and increase profitability.

4) DIVIDEND:

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

5) REVIVAL SCHEME:

Company ceases to be a sick company within the meaning of section 3 (1) (o) of the Sick Industrial Companies (special provisions) Act, 1985 as per decision of BIFR in its meeting held on 20.04.10 effective from 31st March 2010.

6) DEPOSITS:

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

7) DIRECTORS:

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

Mr. Bhalchandra Gopinath Sontakke and Mrs. Asha M. Khatau, Directors of the company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

8) INSURANCE:

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

9) SUBSIDIARY COMPANY:

Pursuant to the requirements of Section 212 of the Companies Act, 1956 the Annual Accounts of the Company's subsidiary viz., Refinol Overseas Limited for the period ended 31st March 2010 is annexed together with the statement showing the extent of the Company's interest therein.

10) Change in Registrar and Transfer Agent:

Company has appointed M/s. Sharepro Services (India) Pvt. Ltd. as company's New RTA w.e.f from 25th February 2010 consequent upon the directions of SEBI to discontinue the license of company's existing RTA (Registrar and Share Transfer Agent).

11) MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

Your company manufactures textile sizing chemicals and auxiliaries, garment wash and laundry chemicals and polyester resins at Plot No. 23, G.I.D.C., Naroda, Ahmedabad, Gujarat. The company caters to both the domestic and international markets. The product range finds application in textile industry, garment processing industry and composites industry. The company has a marketing and distribution network for these chemicals with full technical service break-up. Rapid growth is expected in the textile chemical, garment chemical and polyester resin businesses steps are being taken to strengthen and deepen the distribution and sales network of the Company.

12) CORPORATE GOVERNANCE:

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

13) DIRECTORS' RESPONSIBILITY STATEMENT:

It is hereby confirmed:

1. That in the preparation of the Accounts for the financial year ended 31st March 2010; the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or loss of the Company for the year under review.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the annual accounts on a going concern basis.

14) EMPLOYEES:

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

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are given as under:

Employed throughout the period under review and were in receipt of remuneration for the year, in aggregate not less than Rs. 24,00,000/- and employed for part of the year and were in receipt of remuneration at the rate of not less than Rs. 2,00,000/- p.m. in terms of Section 217(2A)(ii).

A	Name of the Employee	Mr. Arup Basu
B	Designation of the employee	Managing Director
C	Remuneration Received	Rs. 26,02,000/-
D	Nature of Employment, Whether contractual or otherwise	Permanent
E	Other Terms and Condition	None
F	Nature of Duties of the Employee	General Corporate Management
G	Qualification	B. Tech in Chemical Engineering and MBA
H	Experience in years	30 years
I	Date of commencement of employment	—
J	Age of the employee	55 years
K	Last employment	—

Notes:

- Remuneration hereby includes salary, allowances, value of perquisites and Company's contribution towards provident and superannuation funds. In addition, employee is entitled to gratuity in accordance with the Company's rule.
- Mr. Arup Basu has adequate experience to discharge the responsibilities assigned to him.

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

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

16) LISTING:

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

17) AUDITORS AND AUDITORS' REPORT:

The present Auditors of the Company M/s. G. P. Kapadia & Co., Chartered Accountants, retires at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

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

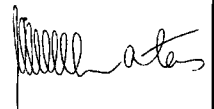
18) COMPLIANCE REPORT:

In accordance with Section 383A of the Companies Act, 1956, the Company has obtained a Certificate from M/s. Sandip Sheth & Associates, Company Secretary in the whole time practice confirming that the Company has complied with the provisions of the Companies Act, 1956 as mentioned in the Certificate, and a copy of such certificate is annexed to this report.

19) 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,



Mahendra K. Khatau
Chairman

Date : May 31st, 2010
Place : Mumbai

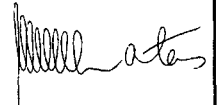
**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS
AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

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

I confirm that the Company has in respect of the financial year ended on 31st March 2010, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Managing Director, Senior General Manager and employees in the Executive cadre as on March 31, 2010.

For and on behalf of the Board,



Mahendra K. Khatau
Chairman

Date : May 31st, 2010
Place : Mumbai

CIN No.:- L24200MH1980PLC023507

Nominal Capital:-Rs. 4,00,00,000/-

COMPLIANCE CERTIFICATE

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

I have examined the registers, records, books and papers of **M/s. Refnol Resins and Chemicals Limited** as required to be maintained under the **Companies Act 1956**, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March 2010**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and representatives,

I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed online e-forms and returns as stated in **Annexure 'B'** to this certificate, with the Ministry of Corporate Affairs Portal (Registrar of Companies, Maharashtra) and Central Government with the proper filling fees as per schedule- X read with section 611 of the Act during the year under review. However, No form or return was required to be filed with Regional Director, Company Law Board, or other authorities during the financial year under review.
3. The Company being a public limited Company having paid-up capital of Rs. 3,08,99,000/- during the year under review.
4. The Board of Directors duly met eight times respectively on 24th April 2009, 12th June 2009, 30th June 2009, 31st July 2009, 28th August 2009, 24th October 2009, 31st October 2009 & 31st January 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Books maintained for the purpose.
5. The Company has closed its register of members from 19th September 2009 to 24th September 2009 and necessary compliance of Section 154 of the Act has been made during the financial year.
6. The annual general meeting for the financial year ended on 31st March 2009 was held on 24th September 2009 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No extra-ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act during the financial year under review.
9. The Company has complied with the provisions of Section 297 of the Act in respect of contract specified in that section during the year under review.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act during the year under review.
11. There was no instance falling within the purview of Section 314 of the Act during the year under review and hence the Company was not required to obtain any approvals from the Board of directors, members or Central Government during the period under review.
12. The Company has not issued any duplicate certificates during the financial year.
13. The Company has:
 - (a) delivered all the certificates on lodgment thereof for transfer and/or transmission or any other purpose in accordance with the provisions of the Act. However the Company has not made any allotment during the year under review.
 - (b) not declared any dividend during the financial year.
 - (c) was not required to post warrants to any members of the Company as no dividend was declared during the financial year.
 - (d) no amount lying in the Books of Account in respect of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon.
 - (e) complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the year under review.
15. The re-appointment of Shri Arup Basu as Managing Director has been made during the year under review in compliance with the provision of section 269 read with scheduled XIII to the Act and approval of the Central Government has been obtained in respect of the appointment. However, the Company has not appointed any whole time director and / or manager during the financial year under review.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has obtained approvals of the Central Government for re-appointing Managing Director during the year under review. However Company was not required to obtain any approval of Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the year under review.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year ended on 31st March 2010.
21. There being no preference shares or debentures hence question of redemption does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from directors, member, public, financial institutions, banks and other during the financial year ending 31st March, 2010 are within the borrowing limits of the company. However, the company has passed resolution under section 293(1)(d) of the Act at duly convened annual general meeting during the year under review.
25. The Company has not made any investment in Bodies Corporate during the year under review. However the investments already made are in accordance with the limits prescribed under Section 372A of the Act and the Company has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year under scrutiny.
30. The Company has not altered its articles of association during the financial year.
31. As confirmed by the management, there were no prosecutions initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. As confirmed by the management, the Company has not received any money as security from its employees during the financial year.
33. As confirmed by the management, the Company has not been regular in depositing both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

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

(SANDIP SHETH)
Proprietor
C.P. No. 4354

Place : Ahmedabad
Date : 31st May, 2010

ANNEXURE-'A'**Statutory & Other Registers maintained by the Company:**

- | | |
|---------------------------------------------------|-------------|
| 1. Register of Members | u/s. 150(1) |
| 2. Minutes of the General Meetings | u/s. 193(1) |
| 3. Minutes of the Board Meetings | u/s. 193(1) |
| 4. Register of Contracts | u/s. 301(1) |
| 5. Register of Directors, Managing Directors etc. | u/s. 303(1) |
| 6. Register of Director's Shareholdings | u/s. 307(1) |
| 7. Register of Charges | u/s. 146 |
| 8. Register of Investments | u/s. 372A |

ANNEXURE-'B'**E-forms and returns filed by the Company with Ministry of Corporate Affairs Portal and Central Government on-line during the financial year ended 31st March 2010.**

Sr. No.	Form No.	Filed U/S	Details of Forms	Period of Filing As per Law	Date of Actual filing	Remarks
1	Schedule-V (e-form 20B)	159	Annual Return made upto	Within 60 days from 24.09.2009	19.12.09 AGM Date	Late Filed vide SRN No. P43866482
2	Schedule-VI (e-form 23AC & 23ACA)	220	Balance Sheet as at 31-03-2009	Within 30 days from AGM Date	27.10.09	Late Filed vide SRN No. P37783917
3	Compliance Certificate E-form-66	383A(1)	To be attached with Board report	Within 30 Days from AGM date	13.10.09	Filed vide SRN No. P35915701
4	Form No.23	192	Resolution passed for reappointment of Shri Arup Basu as a Managing Director and its remuneration w.e.f 15/06/2009 at Board Meeting	Within 30 days from the date of passing resolution	14.07.09	Filed vide SRN No.A65230971
5	Form No.23	192	Agreement for reappointment of Shri Arup Basu as a Managing Director and its remuneration w.e.f 15/06/2009 at Board Meeting	Within 30 days from the date of passing resolution	14.07.09	Filed vide SRN No.A65231300
6	Form No.23	192	Resolution for reappointment of Shri Arup Basu as a Managing Director and its remuneration. at AGM and to increase borrowing limit u/s 293(1)(d).	Within 30 days from the date of passing resolution	16.10.09	Filed vide SRN No.A70989165
7	Form 25A	198, 269, 309, 310, 311 read with Schedule XIII	Application to obtain approval of Central Govt. for re-appointment of Managing director and its remuneration.	Within 90 days from the date of appointment.	09.09.09	Filed vide SRN No. A68829944
8	Form 25C	269(2) read with Schedule XIII	Return of appointment of Managing Director	Within 90 days from the date of appointment	12.08.09	Filed vide SRN No. A67097915
9	Form 8	125	Agreement of Hypo. Dated 15-06-2009	Within 30 days from the date of creating of charge	27.06.09	Filed vide SRN No. A64277148

Signature for Annexure 'A' and Annexure 'B'

For, Sandip Sheth & Associates
Company Secretaries

(SANDIP SHETH)

Proprietor

C.P. No. 4354

Place : Ahmedabad
Date : 31st May, 2010

APPENDIX - I
REPORT ON CORPORATE GOVERNANCE
(Pursuant to Clause 49 of the Listing Agreement)

1. Company's Philosophy on Corporate Governance:

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

The Company gives equal importance for maintaining as well as improving the quality of its products and to achieve this, the Company carries out continuous product developments and quality controls.

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

2. Board of Directors:Composition & size of the Board

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

Classification of Directors	No. of Directors
Executive Directors	One-Non-promoter Director
Non-executive Directors	
- Independent Directors	Three- Non promoter Director
- Others*	Two- Promoter Director

*The Chairman of the Board is a Non-Executive Director.

In the judgment of the Board of Directors of the Company, following Directors are independent Non-executive Directors:

- Mr. Balchandra Sontakke
- Mr. S. Rajgopalan
- Ms. Devaki Jariwala

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

Eight Board Meetings were held during the year 2009-2010. The dates on which the said meetings were held are as follows:

- | | | | |
|---------------------|----------------------|----------------------|----------------------|
| 1) 24th April 2009 | 2) 12th June 2009 | 3) 30th June 2009 | 4) 31st July 2009 |
| 5) 28th August 2009 | 6) 24th October 2009 | 7) 31st October 2009 | 8) 31st January 2010 |

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

Name of Director	PD/ NPD*	ED/ NED/ ID*	No. of Board Meeting Attended	No. of Directorship in other Companies (Excluding Pvt. Ltd. Companies)	Attendance at the last AGM	No. of specified Committees (Other than RRCL) in which Chairman / Member	
						Chairman	Member
Mr. Mahendra K. Khatau	PD	NED	8	9	Yes	—	1
Mrs. Asha M. Khatau	PD	NED	8	4	Yes	—	—
Mr. Arup Basu	NPD	ED	8	1	Yes	—	—
Ms. Devaki J. Jariwala	NPD	NED/ID	8	9	Yes	—	—
Mr. Bhalchandra Sontakke	NPD	NED/ID	8	1	Yes	—	—
Mr. S. Rajgopalan	NPD	NED/ID	8	—	Yes	—	—

- * PD - Promoter Director, NPD - Non Promoter Director, ID - Independent Director, N.E.D - Non-Executive Director, E.D. - Executive Director.
- ❖ The committees mentioned above include only Audit Committee and Share holders Investors' Grievance Committee.
- ❖ None of the Directors of the Company was a member of more than ten Committees of Boards as stipulated under Clause 49 of the Listing Agreement nor was a Chairman of more than five such committees across all companies in which he was a director.

Information about Directors seeking appointment and re-appointment:

Shri Bhalchandra Sontakke, director of the company is seeking re-appointment at the ensuing Annual General Meeting.

Mr. Bhalchandra Sontakke aged 66 years, is a B. Com, LLB, Master in Labour Studies commerce graduate, having over 33 years' experience. He possesses excellent skills in the fields of Labour Law, Industrial law and by profession he is lawyer and legal advisors to many leading companies. His skills and knowledge is of immense help to the Company in compliances with various requirements related to law and keep abreast cordial relations of the employees with management cadre.

Shri Bhalchandra Sontakke holds directorship in the following companies;

- 1) Indokem Limited

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

Mrs. Asha Khatau aged 52 years, is a graduate, having over 20 years experience. She possesses excellent administrative skills and knowledge. Her skills and knowledge is of immense help to the Company in keeping abreast cordial relations of the employees with management cadre.

Mrs. Asha Khatau holds directorship in the following companies;

- 1) Priyamvada Holding Ltd.
- 2) Radio Components Transistors Co. Ltd.
- 3) Emerald Capital Services Ltd.
- 4) Indokem Overseas Ltd.
- 5) Asha Marine Products Pvt. Ltd.
- 6) Prism Plantations Pvt. Ltd.

Information placed before the Board of Directors:

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

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

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

3. Audit Committee:

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

- | | |
|-----------------------------|------------------------------|
| 1. Mr. S. Rajgopalan | Chairman/NED and Independent |
| 2. Ms. Devaki Jariwala | Member/NED and Independent |
| 3. Mr. Bhalchandra Sontakke | Member/NED and Independent |

Meeting and the attendance during the year.

Five meetings of the Audit Committee were held during the year, which were attended by all Members present on the Board.

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

The Terms of the reference of the Audit Committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines. The Audit Committee met prior to the finalization of Accounts for the year ended 31st March 2010.

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

Name	Attendance at Audit Committee Meeting held on;				
	24.04.09	30.06.09	31.07.09	31.10.09	31.01.10
Mr. S. Rajgopalan	Yes	Yes	Yes	Yes	Yes
Ms. Devaki Jariwala	Yes	Yes	Yes	Yes	Yes
Mr. Bhalchandra Sontakke	Yes	Yes	Yes	Yes	Yes

The Chairman of the Audit Committee was present at 28th Annual General Meeting of the Company held on 24th September 2009.

4. Remuneration Committee:

- i) The Company constituted remuneration Committee of Directors on 27th June 2005. The Remuneration committee meeting was held on 12th June 2009 to consider and recommend and approve the remuneration of Shri Arup Basu, Managing Director of the Company as per the draft agreement and term of reference approved by committee.
- ii) The broad terms of reference of the remuneration Committee are as under;
 - a) To approve annual remuneration plan of the Company.
 - b) Such other matters as the Board may time to time request the Remuneration committee to examine and recommend/ approve.
- iii) The Chairman of the Remuneration Committee was present at the Last Annual General Meeting of the Company held on 24th September 2009.
- iv) The Company does not have any ESOP Scheme.
- v) Remuneration Policy:

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

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

The details of the remuneration paid to the directors for the year 2009-2010 are as follows:

Directors	Salary	Perquisites	Fixed Commission	Sitting Fees	Total
Mr. Mahendra K. Khatau	—	—	—	0.053	0.053
Mrs. Asha M. Khatau	—	—	—	0.053	0.053
Ms. Devaki L. Jariwala	—	—	—	0.053	0.053
Mr. Bhalchandra Sontakke	—	—	—	0.053	0.053
Mr. S. Rajgopalan	—	—	—	0.053	0.053
Mr. Arup Basu	23.17	2.85	—	—	26.02

(Rs. in lacs)

Company has not issued any convertible instrument. However, the details of the Shares held by Non-Executive Directors as at 31st March 2010 are as follows:

Sr. No.	Name of Non-Executive Director	No. of Shares Held
1	Mr. Mahendra K. Khatau	300
2	Mrs. Asha M. Khatau	Nil
3	Ms. Devaki Jariwala	Nil
4	Mr. Bhalchandra Sontakke	Nil
5	Mr. S. Rajgopalan	Nil

5. Shareholders/Investors' Grievance Committee:

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

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

1. Mrs. Asha M. Khatau Chairperson/NED
2. Mr. Mahendra K. Khatau Member/NED
3. Ms. Devaki L. Jariwala Member/NED and Independent

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

The number of shareholder's complaints received through Stock Exchange or SEBI during the year 2009-2010 and status of the same are as follows:

Complaints received from	No. of Complaints received	No. of Complaints disposed off satisfactorily	No. of Complaints outstanding as on 31.03.2010
SEBI	None	None	None
Shareholders	None	None	None

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

6. General Body Meetings:

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

AGM for the F.Y. ended on	Date and Time of AGM	Location	Particulars of Special resolution passed, if any
2008-09	24th Sept 09 at 12.00 p.m.	Khatau House, 410/411, Mogul Lane, Mahim (W), MUMBAI-400 016.	Special Resolution for re-appointment of Managing Director
2007-08	08th Sept' 08 at 2.00 p.m.	Khatau House, 410/411, Mogul Lane, Mahim (W), MUMBAI-400 016.	NONE
2006-07	5th Sep' 07 at 3.30 p.m.	Khatau House, 410/411, Mogul Lane, Mahim (W), MUMBAI-400 016.	NONE

No Extra Ordinary General Meeting was held during any of the last three financial years.

The shareholders passed all the resolutions set out in the respective notices. No item requiring for postal ballot under the statute was applicable at the aforesaid meetings. At the forthcoming AGM, there is no item on the agenda that needs approval by postal ballot.

7. Disclosure:

- i) There were no transactions of material nature between the Company and its Directors or Management and their relatives or Promoters that may have potential conflict with the interest of the Company. Transactions with the related parties are disclosed in Note No. II (6) of Schedule 21 of the Accounts in the Annual Report.
- ii) The Company continuously endeavors to ensure its employees about their right of access are communicated through means of internal circulars. Your Company has always followed fair business and corporate practices. The Company affirms that no personnel have been denied access to the audit committee.
- iii) As a non-mandatory requirements your Company has adopted the following clauses;
 - a) The Company has set up Remuneration Committee to determine remuneration package of executive director.

8. Means of Communication with shareholders:

- (i) Quarterly Results : Quarterly results were taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirements of clause 41 of the Listing Agreement. Quarterly results are normally published in English and Marathi newspapers.
- (ii) Website : www.refnol.com
- (iii) Whether it also displays official News releases; : Press release, if any made by the Company are also displayed from time to time.
- (iv) The presentations made to institutional investors or to the analysts : No such presentation has been made during the year.
- (iii) Whether MD&A is part of Annual Report : Yes

9. General Shareholders Information:

- (i) Annual General Meeting : Date : 23rd September, 2010
 Time : 11:00 a.m.
 Venue : 45/47, Mint Chambers, 103/104, 1st Floor, Mint Road, Opp. G.P.O Fort, Mumbai-400 001
- (ii) Financial Calendar : 1st April to 31st March
 First Quarter Results - Last week of July '10
 Second Quarter/Half year Results - Last week of Oct' 10
 Third Quarter Results - Last week of January '11
 Audited Annual Report - Last week of May '11
- (iii) Book Closure dates : 18/09/2010 to 23/09/2010
- (iv) Dividend Payment Date : The Company has not declared any dividend during last three years.
- (v) Listing on Stock Exchanges : Your Company's share is listed with The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai -1. The Company is regular in payment of Annual Listing fees of The Stock Exchange, Mumbai for the respective financial year.
- (vi) Stock Code : BSE - 530815
- (vii) Market Price Data : As Below

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

Period	BSE		No. of Shares Traded
	High (Rs.)	Low (Rs.)	
Apr' 09	7.50	5.79	11658
May' 09	9.50	6.66	9781
Jun' 09	11.49	8.54	34841
July' 09	8.67	6.11	8368
Aug' 09	12.34	8.00	150780
Sept' 09	13.50	10.51	102381
Oct' 09	11.67	9.48	53266
Nov' 09	10.10	8.46	57492
Dec' 09	12.45	8.50	109667
Jan' 10	12.74	9.50	50654
Feb' 10	11.88	8.85	34100
Mar' 10	14.35	9.00	274058

- (viii) Registrar & Transfer Agents Address : Sharepro Services Private Limited
 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri East, Mumbai-400072.
 (+91) (022) 67720300/67720400/28511872
- (ix) Share Transfer System : The Company has hired the services of SEBI registered Registrar and Transfer Agent for physical transfer as well as electronic connectivity.

(x) Distribution of Shareholding

a. Distribution of Shareholding as on 31st March 2010

Share Holding of Nominal value		Share Holders		Share Amount	
Rs. (1)		Number (2)	% of Total (3)	In Rs. (4)	% of Total (5)
Upto	5000	871	64.85%	2264030	7.33%
5001	to 10000	260	19.36%	2269780	7.35%
10001	to 20000	98	7.30%	1577590	5.10%
20001	to 30000	33	2.46%	833900	2.70%
30001	to 40000	16	1.19%	589520	1.91%
40001	to 50000	20	1.49%	940760	3.04%
50001	to 100000	27	2.01%	1974190	6.39%
100001	and above	18	1.34%	20449230	66.18%
TOTAL		1343	100.00%	30899000	100.00%

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

b. Shareholding pattern as on 31st March 2010

Sr. No.	Category	No. of Shares Held	% of Total Shares
1	Promoters	16,25,000	52.591%
2	Mutual Funds/UTI	100	0.003%
3	Private Corporate Bodies	3,02,083	9.776%
4	Public	10,46,920	33.882%
5	NRIs/OCBs	1,15,797	3.748%
6	Any Other	0	0.000%
TOTAL:		30,89,900	100.00%

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

(xi) Dematerialization of Shares and Liquidity :

Number of shares held in dematerialized and physical mode as on 31st March 2010

Particulars	No. of Equity Shares	% to Share Capital
NSDL	23,96,590	77.56%
CDSL	4,13,590	13.39%
Physical	2,79,720	9.05%
TOTAL	30,89,900	100.00%

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

As per SEBI's Directive, effective from 27th November 2000 trading in equity shares of the Company has been made compulsory in dematerialized form for all the categories of investors. The Company has already established connectivity with National Securities Depository Ltd. and Central Securities Depository Ltd. through Pinnacle Shares Registry Private Limited, Registrar & Share Transfer Agent, so as to facilitate the dematerialization of its shares.

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

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

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

Auditors' Certificate on Corporate Governance

To
The Members,
Refinol Resins & Chemicals Ltd.

We have examined the compliance of conditions of Corporate Governance by Refinol Resins & Chemicals Limited for the year ended March 31, 2010, as stipulated in clause 49 (revised) of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

Place : Ahmedabad
Date : May 31st, 2010

Uday. R. Parikh
Partner
Membership No. : 10217

APPENDIX - II

Information in accordance with the Companies (Disclosures of Particulars in the Report of Directors) Rules, 1988 and forming part of Directors' Report for the year ended on 31st March, 2010.

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 : 2009-2010****I. Power and Fuel Consumption**

	Units	Current Year	Previous Year
1 Electricity			
(a) Purchase from Electricity Board	Kwh	485558	462320
Total amount	Rs. in lacs	27.56	25.50
Average Cost/Unit	Rs / Kwh	5.68	5.52
(b) Own Generation	Kwh	9534	9422
Total Amount	Rs. in lacs	0.62	0.58
Average Cost/Unit	Rs / Kwh	6.50	6.15
2 Others (LSHS / LDO)			
Quantity	Ltrs	157810	151674
Total Cost	Rs. in lacs	45.90	39.45
Average Rate	Rs / Ltrs	29.09	26.00

II. Consumption per Unit of Production

Products	Quantity	Item	Unit/Qty	Current Year	Previous Year
Chemicals	4906944 Kgs.	Electricity	0.10 KWH/Kg.	0.56 Rs./Kg.	0.53 Rs./Kg.
		Furnace Oil (LDO)	0.03 Ltrs/Kg.	0.94 Rs./Kg.	0.82 Rs./Kg.

B. TECHNOLOGY ABSORPTION**FORM B****Disclosure of Particulars with respect to Technology Absorption : 2009-2010****(I) Research and Development :****1. Specific area in which R & D is carried out by the company :**

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

- (i) Substitution of imported raw materials and across the spectrum of available raw materials to optimise cost and improve product properties.
- (ii) Improving performance of existing products and modifying to meet customers requirements.
- (iii) Development of new products to meet specific applications.
- (iv) Improvement in process technology.

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

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

3. Future Plan of action :

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

4. Expenditure on R & D :

- (i) Capital : Nil
- (ii) Recurring : Rs. 3.62 lacs

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

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

2. Benefit derived as a result of the above efforts

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

C. FOREIGN EXCHANGE USED & EARNED

(a) Activities relating to exports, initiatives to increase exports, development of new Export market for products and service and export plans.	:	As mentioned in the Directors' Report
(b) Total foreign exchange used & earned		(Rupees in lacs)
(i) Foreign exchange earned		
- FOB Value of Exports	:	Rs. 581.52
(ii) CIF value of imports	:	Rs. 66.53
(iii) Expenditure in foreign exchange		
- Travelling	:	Rs. 2.66

AUDITORS' REPORT

AUDITORS' REPORT TO THE SHAREHOLDERS

1. We have audited the attached Balance Sheet of REFNOL RESINS AND CHEMICALS LIMITED as at March 31, 2010 and also Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material mis-statements. An audit includes examining on test basis evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government in items of Sub-section 4A of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
 - (f) Attention is invited to the note no. 3 of schedule 21:

Company ceases to be a sick company under Sick Industrial Companies (special provisions) Act, 1985.
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes there on give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) in the case of the Profit & Loss Account, of the 'Profit' of the Company for the year ended on that date and
 - (ii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

Uday. R. Parikh
Partner

Place : Ahmedabad
Date : May 31st, 2010

Membership No. : 10217

ANNEXURE TO AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. No substantial part of Fixed Assets has been disposed off during the year, which has bearing on the going concern assumption.
2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The company has neither granted nor taken any secured or unsecured loans to and from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the clauses 4(iii) (b) to (g) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5.
 - a. According to the information and explanations given to us, we are of the opinion that during the year, the particulars of the contracts / arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the Register required to be maintained under that section.
 - b. According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. According to information and explanations given to us, the company has not accepted any deposits from public. Therefore, provision of clause (iv) of paragraph 4 of the order are not applicable to the company.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government has prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
9. In respect of statutory dues:
 - a. According to the information and explanations give to us and the records of the company examined by us, in our opinion, the company is late in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Material statutory dues as applicable with the appropriate authorities. The provident fund dues which remain unpaid exceeding six months as on 31st March 2010 is Rs. 5.74 lacs.

- b. The disputed statutory dues, that have not been deposited on account of matters pending before appropriate authorities is as under :

Sr. No.	Name of the Statute	Nature of the Dues	Period to which amount relates	Forum where Dispute is pending	Amount (Rs. In lacs)
1	Central Excise Act, 1944	Excise Duty	July, 2004	High Court, Gujarat	27.18

10. The company has accumulated losses as at 31st March 2010 and has not incurred any cash losses in the current financial year and in the preceding financial year.
11. According to the books of account and records of the company, there has been no default in repayment of dues to bank.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion, on the basis of information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no material frauds on or by the company has been noticed or reported during the year.

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

Place : Ahmedabad
Date : May 31st, 2010

Uday. R. Parikh
Partner
Membership No. : 10217

BALANCE SHEET AS AT 31ST MARCH 2010

(Rupees in lacs)

	SCHEDULE	As At 31st March, 2010	As At 31st March, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	308.99	308.99
Reserves and Surplus	2	740.50	764.19
		<u>1049.49</u>	<u>1,073.18</u>
Loan Funds			
Secured Loans	3	307.13	253.71
Unsecured Loans	4	20.00	-
		<u>327.13</u>	<u>253.71</u>
TOTAL		<u>1376.62</u>	<u>1326.89</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	1051.14	1,024.48
Less : Depreciation		397.61	359.15
Net Block		653.53	665.33
Capital Work in Progress		0.00	15.71
		<u>653.53</u>	<u>681.04</u>
Investments			
	6	89.13	89.13
Current Assets, Loans and Advances			
Inventories	7	269.40	238.00
Sundry Debtors	8	845.95	690.92
Cash and Bank Balances	9	76.87	81.17
Loans and Advances	10	174.75	177.51
		<u>1366.97</u>	<u>1187.60</u>
Less : Current Liabilities & Provisions			
Current Liabilities	11	980.71	954.32
Provisions	12	33.92	31.53
		<u>1,014.64</u>	<u>985.85</u>
Net Current Assets		352.33	201.75
Profit and Loss Account		281.63	354.97
TOTAL		<u>1376.62</u>	<u>1,326.89</u>
Accounting Policies and Notes on Accounts	21 & 22		

In terms of our Report of even date
For **G. P. KAPADIA & CO.**
Chartered Accountants

For and on behalf of the Board,

Uday R. Parikh
Partner
Membership No. 10217

Mahendra K. Khatau
Chairman

Arup Basu
Managing Director

Place : Ahmedabad
Date : May 31st, 2010

Place : Mumbai
Date : May 31st, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	SCHEDULE	(Rupees in lacs)	
		2009-2010	2008-2009
INCOME			
Sales	13	2539.86	2389.79
Other Income	14	19.69	21.36
Depreciation Written Back		—	24.40
Increase in Stock	15	42.77	19.95
TOTAL		2602.32	2455.50
EXPENDITURE			
Raw Materials Consumed	16	1620.94	1435.01
Manufacturing Expenses	17	313.44	289.94
Payments to and Provision for Employees	18	233.61	216.14
Selling, Distribution, Administrative & Other Expenses	19	271.88	277.88
Interest & Financial Charges	20	74.34	78.30
Depreciation		38.46	
Less : Transferred from Revaluation Reserve A/c (refer note no. 4 of schedule 21)	5	23.69	14.77
TOTAL		2528.97	2315.65
Profit for the year		73.34	139.85
Provision for Fringe Benefit Tax		0.00	4.50
Profit after Tax		73.34	135.35
Balance brought forward from previous year		354.97	490.32
Balance carried to Balance Sheet		281.63	354.97
Basic and diluted earnings per share (in Rs.)		2.37	4.38

Accounting Policies and Notes on Accounts 21 & 22

In terms of our Report of even date
For **G. P. KAPADIA & CO.**
Chartered Accountants

For and on behalf of the Board,

Uday R. Parikh
Partner
Membership No. 10217

Mahendra K. Khatau
Chairman

Arup Basu
Managing Director

Place : Ahmedabad
Date : May 31st, 2010

Place : Mumbai
Date : May 31st, 2010

SCHEDULES FORMING PART OF ACCOUNTS

(Rupees in lacs)

As At
31st March,
2010

As At
31st March,
2009

SCHEDULE - 1 : SHARE CAPITAL

AUTHORISED :

40,00,000 Equity Shares of Rs.10/-each	400.00	400.00
TOTAL	400.00	400.00

ISSUED, SUBSCRIBED :

35,23,500 Equity Shares of Rs. 10/- each	352.35	352.35
	352.35	352.35

PAID UP :

30,89,900 Equity shares of Rs.10/- each fully paid up	308.99	308.99
TOTAL	308.99	308.99

SCHEDULE - 2 : RESERVES & SURPLUS

Share Premium Account (As per last Balance Sheet)	168.66	168.66
Capital Reserve		
- Forfeiture of Shares (As per last Balance Sheet)	54.20	54.20
Revaluation Reserve		
- Revaluation of Fixed Assets (As per last Balance Sheet)	541.33	—
- On revaluation	—	541.33
	541.33	541.33
Less : Transferred to Profit & Loss A/c. (refer note no. 4 of schedule 21)	23.69	—
	517.64	541.33
TOTAL	740.50	764.19

SCHEDULE - 3 : SECURED LOANS

From Bank		
Working Capital	298.27	240.84
[Secured by a first charge over the entire fixed and current assets and personally guaranteed by two Directors of the Company]		
Car Loan [Against hypothecation of cars]	8.86	12.87
TOTAL	307.13	253.71

SCHEDULE - 4 : UNSECURED LOANS

From Others	20.00	—
TOTAL	20.00	—

SCHEDULE - 5 : FIXED ASSETS

Assets	GROSS BLOCK					DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at	Additions	Sale/	Revalu-	As at	As at	For the	Adjust-	Up to	As at	As at
	1.4.2009		Transfer	ation	31.3.2010	1.4.2009	year	ments	31.3.2010	31.3.2010	31.3.2009
Lease Hold Land	306.19	0.00	-	-	306.19	1.58	4.36	-	5.94	300.25	304.61
Building	149.97	16.55	-	-	166.52	35.93	4.94	-	40.87	125.65	114.04
Plant and Machineries	493.15	6.67	-	-	499.82	286.14	22.88	-	309.02	190.80	207.01
Furniture & Fixtures & Equipments	41.55	3.44	-	-	44.99	27.93	3.09	-	31.02	13.97	13.62
Vehicles	33.62	0.00	-	-	33.62	7.57	3.19	-	10.76	22.86	26.05
TOTAL	1024.48	26.66	-	-	1051.14	359.15	38.46	-	397.61	653.53	665.33
Previous Year	477.22	10.19	4.26	541.33	1024.48	365.32	18.38	24.55	359.15	665.33	

	(Rupees in lacs)	
	As At 31st March, 2010	As At 31st March, 2009
SCHEDULE - 6 : INVESTMENTS		
Long term : Unquoted		
In Subsidiary Company		
2,40,000 Equity shares of Refnol Overseas Limited of US \$ 1/- each	89.13	89.13
TOTAL	89.13	89.13
SCHEDULE - 7 : INVENTORIES (As valued and certified by the management)		
Packing Materials - At Cost	10.74	8.80
Raw Material - At Cost	127.23	144.92
Fuel - At Cost	4.38	-
Stock in Process - At Cost	11.05	3.45
Finished Goods - At lower of Cost or Net Realisable Value	116.00	80.83
TOTAL	269.40	238.00
SCHEDULE - 8 : SUNDRY DEBTORS		
UNSECURED		
Over six months		
Considered Good	26.47	45.28
Considered Doubtful	4.55	4.55
	31.02	49.83
Less : Provision	4.55	4.55
	26.47	45.28
Others, Considered Good	819.48	645.64
TOTAL	845.95	690.92
SCHEDULE - 9 : CASH AND BANK BALANCES		
Cash on Hand	0.06	0.04
Balances with Scheduled Banks in :		
Current Accounts	14.35	21.93
Fixed Deposit Accounts	62.46	59.20
TOTAL	76.87	81.17
SCHEDULE - 10 : LOANS AND ADVANCES (Unsecured Considered Good)		
Advances recoverable in cash or kind or for value to be received	103.13	108.54
Deposits	48.67	47.42
Loans & Advances to Staff	1.20	0.88
Advance Tax	21.75	20.67
TOTAL	174.75	177.51
SCHEDULE - 11 : CURRENT LIABILITIES		
Sundry Creditors	629.96	536.87
Other Liabilities	332.59	325.63
Advances from customers	18.17	91.82
TOTAL	980.71	954.32

	(Rupees in lacs)	
	2009-2010	2008-2009
SCHEDULE - 12 : PROVISIONS		
Fringe Benefit Tax	—	4.50
Retirement Benefits	33.92	27.03
TOTAL	<u>33.92</u>	<u>31.53</u>
SCHEDULE - 13 : SALES		
Sales - Domestic	2192.07	1940.27
Less : Excise Duty / Taxes recovered	251.17	296.54
	<u>1940.90</u>	<u>1643.73</u>
Sales - Exports	598.96	746.06
TOTAL	<u>2539.86</u>	<u>2389.79</u>
SCHEDULE - 14 : OTHER INCOME		
Misc. Income	—	4.15
Balances Written off	19.69	17.21
TOTAL	<u>19.69</u>	<u>21.36</u>
SCHEDULE - 15 : INCREASE / (DECREASE) IN STOCKS		
Stock as at 31st March, 2010		
Stock in Process	11.05	3.45
Finished Goods	116.00	80.83
	<u>127.05</u>	<u>84.28</u>
Less : Stock as at 31st March, 2009		
Stock in Process	3.45	4.10
Finished Goods	80.83	60.23
	<u>84.28</u>	<u>64.33</u>
	<u>42.77</u>	<u>19.95</u>
SCHEDULE - 16 : RAW MATERIALS CONSUMED		
Raw Materials		
Opening Stock	144.92	119.77
Purchases	1603.25	1460.16
	<u>1748.17</u>	<u>1579.93</u>
Less : Closing Stock	127.23	144.92
Raw Material Consumed	<u>1620.94</u>	<u>1435.01</u>

	2009-2010	2008-2009
(Rupees in lacs)		
SCHEDULE - 17 : MANUFACTURING EXPENSES		
Consumption of Stores and packing materials	194.23	173.85
Power, Fuel & Water Charges		
Less : Closing Stock (Fuel) (Rs.74.63 - Rs.4.38)	70.25	67.01
Repairs - Machineries	7.57	4.33
- Building	0.19	0.53
Inward Freight, Clearing & Forwarding	21.69	27.88
Laboratory & Testing Expenses	3.99	4.14
Labour Charges	15.52	12.20
TOTAL	<u>313.44</u>	<u>289.94</u>
SCHEDULE - 18 : PAYMENT TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages & Bonus etc.	184.36	170.86
Contribution to Provident Fund & other Funds	19.02	18.47
Staff Welfare	30.23	26.81
TOTAL	<u>233.61</u>	<u>216.14</u>
SCHEDULE - 19 : SELLING, DISTRIBUTION, ADMINISTRATION & OTHER EXPENSES		
Insurance	3.14	7.77
Rent, Rates & Taxes	6.39	5.72
Other Repairs	1.24	0.96
Postage & Telephone	13.20	11.24
Legal & Professional Charges	9.71	12.21
Conveyance & Vehicle Expense	31.54	29.22
Printing & Stationery	3.36	3.01
Misc. Expenses	10.32	6.94
Loss on sales of assets	—	0.42
Directors' Fees	0.26	0.26
Service Charges	0.75	0.86
Licence Registration Fees	0.27	0.14
Commission	78.25	60.96
Outward Freight & Export Expenses	74.41	88.47
Sample Expense	1.93	1.74
Exchange Rate Difference	0.73	6.69
Advertisement & Sales Promotion	0.89	5.55
Travelling Expenses	25.39	28.66
Stock Transfer tax	10.10	7.06
TOTAL	<u>271.88</u>	<u>277.88</u>
SCHEDULE - 20 : INTEREST & FINANCE CHARGES		
Fixed Loans	61.71	67.29
On Other Accounts	16.76	17.99
	<u>78.47</u>	<u>85.28</u>
Less : Interest Income	4.13	6.98
TOTAL	<u>74.34</u>	<u>78.30</u>

SCHEDULE - 21 : ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**I. SIGNIFICANT ACCOUNTING POLICIES****ACCOUNTING CONCEPTS**

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

FIXED ASSETS

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

INVESTMENTS

Investments are shown at cost.

DEPRECIATION

Depreciation on fixed assets including revalued assets i.e. Building and Plant & Machineries is provided on straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. The cost of lease hold land (revalued) is amortized over the unexpired period of lease from the date of lease.

INVENTORIES

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

Finished goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition and are valued at lower of cost or net realisable value.

RETIREMENT BENEFITS

Retirement benefits consisting of gratuity and leave encashment in respect of employees are accounted on the basis of valuation done by Kotak Mahindra Old Mutual Life Insurance Ltd and an independent firm of actuaries respectively.

SALES

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

FOREIGN CURRENCY TRANSACTIONS

- a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.
- b) Current Assets and Current Liabilities in foreign currency outstanding at the end of the year are expressed at the year end rate.
- c) Investment in shares of subsidiary company is expressed at the rates prevailing on the date of transaction.

CONTINGENT LIABILITIES

Contingent Liabilities are not provided for and are disclosed by way of Notes.

II NOTES ON ACCOUNTS

		(Rupees in lacs)	
		Current Year	Previous Year
1	Contingent Liabilities not Provided for :		
	a) Counter Guarantees given to bank	—	7.57
	b) Letter of Credit	394.70	301.19
	c) Claim against company not acknowledged as Debt	0.50	0.50
	d) Bills discounted with bank	125.35	4.43
2	Company is awaiting information from the suppliers to identify enterprises falling under section 22 of the micro, small and medium enterprises development act, 2006.		
3	Company ceases to be a sick company within the meaning of section 3 (1) (o) of the Sick Industrial Companies (special provisions) Act, 1985 as per decision of BIFR in its meeting held on 20/04/2010 effective 31st March 2010.		
4	The gross block of fixed assets includes Rs. 541.33 lacs (Previous year Rs. 541.33 lacs) on account of revaluation of fixed assets carried out on 31/03/09. Consequent to the said revaluation, there is an additional charge of depreciation of Rs. 23.69 lacs (Previous year Rs. nil) and an equivalent amount has been withdrawn from Revaluation reserve and credited to the profit and loss account. This has no impact on profit of the year.		
5	The company's operations fall under single segment namely "Chemicals".		

6 Related Party Disclosure :

a. Parties where control exists :

Refnol Overseas Limited	-	Subsidiary
Indokem Limited	-	Associate
Indokem Export Limited	-	Associate
Priyamvada Holdings Limited	-	Associate
Khatau Capacitors Pvt. Ltd.	-	Associate
Orchard acres	-	Associate

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

Key Management Personnel & Relatives :

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

	Current Year	(Rupees in lacs) Previous Year
a. Nature of Transaction		
(i) Sales		
- Parties where control exists	565.57	807.99
(ii) Payment for other services		
- Parties where control exists	0.96	0.96
- Key Management Personnel & Relative	1.96	1.90
(iii) Interest and other Income Received / Receivable		
- Parties where control exists	—	0.05
(iv) Outstanding Balance as at 31st March 2010		
Debtors :		
- Parties where control exists	341.87	358.95
Creditors :		
- Parties where control exists	0.31	0.49
(v) Remuneration	26.02	23.01
(vi) Hire Charges	2.16	2.16
7 Earning per share :		
Profit for the year	73.34	135.35
Number of equity shares outstanding	3089900	3089900
Basic and diluted earning per share (face value of Rs.10 each)	2.37	4.38
8 Due to Carried forward Book Losses Company has not provided accumulated net deferred tax as on 1st April, 2001 and for the current year as per Accounting Standard 22 (Accounting for Taxes on Income) of The Institute of Chartered Accountants of India.		
9 Managing Directors' Remuneration :		
Computation of Managing Directors' remuneration u/s 309 (5) of the Companies Act, 1956.		(Rupees in lacs)
	Current Year	Previous Year
Salary	23.17	20.88
Contribution to PF	1.68	1.52
Gratuity	0.67	0.61
Perquisites	0.50	0.25
	<u>26.02</u>	<u>23.26</u>
10 Auditors' Remuneration :		
Schedule 19 includes Auditors' remuneration as under :		
Statutory Auditors		
i) Audit fees	0.61	0.50
ii) Tax audit fees	0.24	0.22
iii) Other matters	0.45	0.45
Cost Audit fees	0.25	0.25

11 The figures of the previous year have been regrouped / reclassified / rearranged, wherever necessary.

12 Additional information required under Part IV of Schedule-VI to the Companies Act, 1956 are as per Schedule 22.

SCHEDULE - 22 : ADDITIONAL INFORMATION UNDER PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956.**1. THE QUANTITATIVE INFORMATION WITH REGARD TO THE GOODS MANUFACTURED : YEAR 2009-2010**

(Rupees in lacs)

Product	Licensed Capacity	Installed Capacity	Production Quantity Kgs.	Opening Stock		Closing Stock		Sales	
				Quantity Kgs.	Amount Rs.	Quantity Kgs.	Amount Rs.	Quantity Kgs.	Amount Rs.
Chemicals	N.A.	6500 TPA *							
Textile			2660887	79409		75119		2665177	
Resins			1015969	13890		28997		1000863	
Garment Wash			1205485	56294		71381		1190399	
Others			24603	3017		3625		23995	
			**4906944 (4810395)	152610 (114388)		179121 (152610)		4880433 (4772173)	2539.86 (2389.79)

* The installed capacity is an indicative value and depends significantly upon the product mix.

** Production figures are inclusive of products awaiting final identification, inter product transfer and rejections.

2. CONSUMPTION :

	2009-2010		2008-2009	
	Percentage	Rs.	Percentage	Rs.
(i) Raw materials				
Imported	5.46	88.57	8.88	127.48
Indigenous	94.54	1532.37	91.12	1307.53
TOTAL	100.00	1620.94	100.00	1435.01
(ii) Stores, spares & Packing Materials				
Indigenous	100.00	194.23	100.00	173.85
CIF Value of Imports		66.53		93.18

3 FOREIGN EXCHANGE EARNED :

- Exports at FOB Value	581.52	655.60
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4 EXPENDITURE IN FOREIGN EXCHANGE :

- Travelling	2.66	4.03
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Signature to Schedules 1 to 21

In terms of our Report of even date
For **G. P. KAPADIA & CO.**
Chartered Accountants

For and on behalf of the Board,

Uday R. Parikh
Partner
Membership No. 10217

Mahendra K. Khatau
Chairman

Arup Basu
Managing Director

Place : Ahmedabad
Date : May 31st, 2010

Place : Mumbai
Date : May 31st, 2010

6. Additional information pursuant of Part IV of Schedule VI of the Companies Act, 1956.

I. Registration Details

Registration No.	<input type="text" value="23507"/>	State Code	<input type="text" value="11"/>
Balance Sheet Date	<input type="text" value="31"/>	<input type="text" value="03"/>	<input type="text" value="2010"/>
	Date	Month	Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	<input type="text" value="Nil"/>	Right Issue	<input type="text" value="Nil"/>
Bonus Issue	<input type="text" value="Nil"/>	FCB Conversion	<input type="text" value="Nil"/>

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

Total Liabilities	<input type="text" value="137662"/>	Total Assets	<input type="text" value="137662"/>
Sources of Funds		Application of Funds	
Paid-up Capital	<input type="text" value="30899"/>	Net Fixed Assets	<input type="text" value="65353"/>
Reserves & Surplus	<input type="text" value="74050"/>	Investments	<input type="text" value="8913"/>
Secured Loans	<input type="text" value="30713"/>	Net Current Assets	<input type="text" value="35246"/>
Unsecured Loans	<input type="text" value="2000"/>	Misc. Expenditure	<input type="text" value="Nil"/>
		Accumulated Losses	<input type="text" value="28150"/>

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	<input type="text" value="253986"/>	Total Expenditure	<input type="text" value="246639"/>
Profit/(Loss) Before Tax	<input type="text" value="7347"/>	Profit/(Loss) After Tax	<input type="text" value="7347"/>
Earning Per Share in Rs.	<input type="text" value="2.38"/>	Dividend %	<input type="text" value="Nil"/>

V. Generic Names of Four Principal Product/Services of the Company (As per monetary terms)

Product Description	Item Code No. (ITC Code)
TEXTILE CHEMICALS	<input type="text" value="38099190"/>
GARMENT WASH CHEMICALS	<input type="text" value="34029041"/>
LAUNDRY CHEMICALS	<input type="text" value="34029091"/>
RESINS	<input type="text" value="39079120"/>

Note : Classification of products / services under ITC Code being of technical nature is not verified by Auditors.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	2009-2010	(Rupees in lacs) 2008-2009
A. Cash Flow From Operating Activities		
Net Profit After Tax And Extra Ordinary Items	73.34	135.35
Adjustments For :		
Depreciation	14.77	18.38
Depreciation Written Back	—	(24.40)
Interest Expenses & Finance Charges	78.47	85.28
Interest Income	(4.13)	(6.98)
Provision For Taxation (FBT)	—	4.50
Loss On Sale Of Fixed Assets	—	0.42
Exchange Rate Difference (Net)	0.73	6.69
	<u>89.84</u>	<u>83.89</u>
Operating Profit / Loss Before Working Capital Changes	163.18	219.24
Adjustments For :		
Trade And Other Receivables	(152.27)	(19.94)
Inventories	(31.40)	(45.68)
Trade And Other Payables	28.79	(29.89)
	<u>(154.88)</u>	<u>(95.51)</u>
Cash Used In Operations	8.30	123.73
Direct Tax Paid (FBT)	—	(4.45)
Net Cash Used In Operating Activities	(A) 8.30	119.28
B. Cash Flow From Investing Activities		
Interest Received	4.13	5.53
Purchase Of Fixed Assets	(10.95)	(25.74)
Sale Of Fixed Assets	—	3.68
	<u>(6.82)</u>	<u>(16.53)</u>
Net Cash Used In Investing Activities	(B) (6.82)	(16.53)
C. Cash Flow From Financing Activities		
Proceeds From Borrowings	73.42	—
Repayment Of Borrowings	—	(18.55)
Long Term Borrowings	—	—
Interest & Finance Charges Paid	(78.47)	(84.03)
Exchange Rate Difference (Net)	(0.73)	(6.69)
Net Cash Used In Financing Activities	(C) (5.78)	(109.27)
Net Increase In Cash And Cash Equivalents (A+B+C)	(4.30)	(6.52)
Cash And Cash Equivalents-Opening Balance	81.17	87.69
Cash And Cash Equivalents-Closing Balance	76.87	81.17

In terms of our Report of even date
For **G. P. KAPADIA & CO.**
Chartered Accountants

For and on behalf of the Board,

Uday R. Parikh
Partner
Membership No. 10217

Mahendra K. Khatau
Chairman

Arup Basu
Managing Director

Place : Ahmedabad
Date : May 31st, 2010

Place : Mumbai
Date : May 31st, 2010

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956.

- | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---------------------------------|
| 1. Name of the Subsidiary Company. | : | Refinol Overseas Ltd. |
| 2. The Financial Year of Subsidiary ended on. | : | 31st March, 2010 |
| 3. Date from which it became subsidiary. | : | 10th August, 1994 |
| 4. Number of Equity Shares held by the Company on the above date. | : | 2,40,000 Shares of US \$ 1 each |
| 5. Extent of Holding. | : | 100 % |
| 6. The net aggregate of Profit / (Losses) of the Subsidiary so far as they concern the members of the Company and which are not dealt with the accounts of the Company for the year ended on 31st March, 2010. | | |
| (1) For the Financial Year of the Subsidiary. | : | US \$ 4560 |
| (2) For the previous financial years of the Subsidiary. | : | US \$ 8528 |
| 7. The Net aggregate of Profit / (Losses) of the Subsidiary so far as they concern the members of the Company and which are dealt with the accounts of the Company for the year ended 31st March, 2010. | | |
| (1) For the Financial year of the Subsidiary. | : | NIL |
| (2) For the previous Financial Years of the Subsidiary. | : | NIL |

For and on behalf of the Board,

Mahendra K. Khatau
Chairman

Arup Basu
Managing Director

Place : Ahmedabad
Date : May 31st, 2010

Place : Mumbai
Date : May 31st, 2010

CORPORATE DATA

		Appointment Date	Resignation Date	
Directors	:	Mr. Dev Joory	03 June 2003	07 January 2010
		Mr. Couldiplall Basanta Lala	03 June 2003	07 January 2010
		Mr. Arup Basu	11 Septemeber 1998	—
		Mr. Mahendra Kishore Khatau	10 August 1994	—
		Bluesphere Limited	07 January 2010	—
Registered Office	:	C/o Trident Trust Company (Mauritius) Limited 5th Floor, Barkly Wharf Le Caudan Waterfront Port Louis Republic of Mauritius		
Banker	:	HSBC Bank (Mauritius) Limited Offshore Banking Unit 6th Floor, HSBC Center 18 Cybercity, Ebene Republic of Mauritius		
Auditors	:	Moore Stephens Chartered Accountants 6th Floor, Newton Tower Sir William Newton Street Port Louis Republic of Mauritius		

COMMENTARY OF THE DIRECTORS

PRINCIPAL ACTIVITY

The main activity of REFNOL OVERSEAS LIMITED (the "Company") is that of investment holding.

RESULTS

The results for the year are shown in the statement of comprehensive income and related notes.

DIRECTORS

The present membership of the Board is set out on page 1.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and the cash flows of the Company. The directors are also responsible for keeping accounting records which:

- correctly record and explain the transactions of the Company;
- disclose with reasonable accuracy at any time the financial position of the Company; and
- would enable them to ensure that the financial statements comply with the Companies Act 2001.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

AUDITORS

Messrs Moore Stephens, Chartered Accountants, have expressed their willingness to continue in office.

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF REFNOL OVERSEAS LIMITED**

This report, including the opinion, has been prepared for and only for the Company's members, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001 and for no other purpose. We do not in, giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on the Financial Statements

We have audited the financial statements of REFNOL OVERSEAS LIMITED (the "Company"), set out on pages 4 to 15, which comprise the statement of financial position at 31 March 2010, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair representation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

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Opinion

Except for the non-compliance with international Financial Reporting Standards as referred above, in our opinion, the financial statements on pages 4 to 15 give a true and fair view of the financial position of the Company at 31 March 2010 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

We have no relationship with or interests in the Company other than in our capacities as auditors. We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

MOORE STEPHENS
Chartered accountants
PORT LOUIS, REPUBLIC OF MAURITIUS

GHANSHYAM HURRY F.C.C.A.
CHARTERED CERTIFIED ACCOUNTANT
DATE : 16 JUL 2010

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REFNOL OVERSEAS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	NOTES	<u>2010</u> USD	<u>2009</u> USD
ASSETS			
Non-current assets			
Investment in subsidiary	5	41,013	41,013
Non current receivable	6	178,238	178,238
		<u>219,251</u>	<u>219,251</u>
Current assets			
Accounts receivable	7	75,769	76,742
Cash and cash equivalents	8	275	217
		<u>76,044</u>	<u>76,959</u>
TOTAL ASSETS		<u><u>295,295</u></u>	<u><u>296,210</u></u>
EQUITY & LIABILITIES			
Capital and reserves			
Stated capital	9	240,000	240,000
Retained earnings	10	53,455	48,895
		<u>293,455</u>	<u>288,895</u>
Current liabilities			
Accounts payable	11	1,840	7,315
Total equity and liabilities		<u><u>295,295</u></u>	<u><u>296,210</u></u>

(Director)

(Director)

The notes on pages 8 to 15 from an integral part of these financial Statements.

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STATEMENT OF COMPRESENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2010

	NOTES	<u>2010</u> USD	<u>2009</u> USD
INCOME			
Interest income	6	16,041	16,041
EXPENSES			
Administration fees and disbursements		11,911	2,484
Audit fees		1,000	1,500
Overprovision of audit fees		(500)	—
Bank charges		(1,812)	78
Directors fees		250	1,530
Secretarial fees		632	1,921
		<u>11,481</u>	<u>7,513</u>
Profit before taxation	12	4,560	8,528
Taxation	13	—	—
Profit for the year		<u>4,560</u>	<u>8,528</u>
Other comperhensive income		—	—
Total comperhensive income for the year		<u><u>4,560</u></u>	<u><u>8,528</u></u>

The notes on pages 8 to 15 from an integral part of these financial Statements.

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REFNOL OVERSEAS LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2010

	Stated capital	Retained earnings	Total
	USD	USD	USD
Issue of Shares	240,000	40,367	280,367
Total comprehensive income for the year	—	8,528	8,528
Balance at 31st March 2009	240,000	48,895	288,895
Total comprehensive income for the year	—	4,560	4,560
Balance at 31st March 2010	240,000	53,455	293,455

The notes on pages 8 to 15 from an integral part of these financial Statements.

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STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2010

	2010	2009
	USD	USD
Cash flows from operating activities		
Profit before taxation	4,560	8,528
Adjustments for:		
Interest income	(16,041)	(16,041)
Operating loss before working capital changes	(11,481)	(7,513)
Decrease in accounts receivable	973	1,966
(Decrease) / Increase in accounts payable	(5,475)	3,687
Cash used in operating activities	(15,983)	(1,860)
Cash flows from investing activities		
Interest received	16,041	1,600
Net increase / (decrease) in cash and cash equivalents	58	(260)
Movements in cash and cash equivalents		
Cash and cash equivalents at beginning of the year	217	477
Cash and cash equivalents at end of the year	275	217
Net increase / (decrease) in cash and cash equivalents	58	(260)

The notes on pages 8 to 15 from an integral part of these financial Statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1. GENERAL INFORMATION

REFNOL OVERSEAS LIMITED (the "Company") was incorporated on 10 August 1994 and is limited by shares. The Company holds a Category 2 Global Business Licence issued by Financial Service Commission. The Companies Act 2001 exempts such companies from the audit of financial statements.

The principal activity of the Company, whose registered office is at 5th Floor, Barkly Wharf L Caudan Waterfront, Port Louis, Republic of Mauritius, is that of investment holding.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 Standards and Interpretations affecting amounts reported in the current year (and/or prior periods)

The following new and revised Standards and Interpretations have been adopted in the current Year and have affected the presentation and disclosure but not the amounts reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out in section 2.2.

- IAS 1 (as revised in 2007) Presentation of Financial Statements
IAS 1(2007) has introduced terminology changes (including revised titles for the financial presentation of financial statements) and changes in the format and content of the financial statements.
- Improving Disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures)
The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Company has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

2.2 Standards and Interpretations adopted with no effect on the financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
The amendments deal with the measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting IFRSs for the first time and with the recognition of dividend income from subsidiaries in a parent's separate financial statements.

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- *Improvements to IFRSs (2008)*

In addition to the changes affecting amounts reported in the financial statements described at 2.1 above, the improvements have led to a number of changes in the detail of the Company's accounting policies -some of which are changes in terminology only, and some of which are substantive but have had no material effect on amounts reported. The majority of these amendments are effective from 1 January 2009.

- *Improvements to IFRSs (2009)*

In addition to the amendments to IFRS 7 described earlier in this section and the amendments to IAS 17 discussed in section 2.3 below, the improvements have led to a number of changes in the detail of the Company's accounting policies-some of which are changes in terminology only, and some of which are substantive but have had no material effect on amounts reported.

2.3 Standards and Interpretations in issue not yet adopted

- *As part of Improvements to IFRSs (2009) issued in April 2009, the International Accounting Standards Board amended the requirements of IAS 17 Leases regarding the Classification of leases of land.*
- *In June 2009, the IASB issued amendments to IERS 2 Share-based Payment.*

The directors have assessed the relevance of the above Standards, interpretations and amendments with respect to the Company's operations and concluded that they are not applicable to the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

(b) Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(c) Revenue Recognition

interest income

- Interest income is accounted for on a time proportion basis.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Functional and presentation currency

(i) Reporting currency

The financial statements are presented in United States dollar (USD), which is the Company's functional and presentation currency and represents the currency of the primary economic environment in which the entity operates.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities in foreign currencies at year end exchange rates are recognised in the statement of comprehensive income.

(e) Cash and cash equivalents

Cash comprises cash at bank and in hand, demand deposits and bank overdrafts. Cash equivalents short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Deferred tax

Deferred taxation is provided using the liability method on all temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Temporary differences arise mainly from tax losses carried forward.

(e) Investment in subsidiary

The investment in Texcare Middic East LLC the subsidiary, has been stated at cost (which includes transaction costs) in the financial statements of the Company. When indication of impairment exists, the recoverable amount of the investment is assessed. Where the recoverable amount of an investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Stated capital

Ordinary shares are classified as equity.

(i) Related parties

Related parties are considered to be related if one party has ability to control the other party or exercise significant influence over the other party in making financial operating decisions.

(j) Financial instruments

Financial instruments carried on the statement of financial position include investment in subsidiary, non current receivable, accounts receivables, cash and cash equivalents and accounts payable. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

(k) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred.

(l) Accounts receivable

Accounts receivable is stated at its nominal value as reduced by appropriate allowances for

(m) Accounts payable

Accounts payable is stated at its nominal value.

(n) Provisions

Provisions are recognised when the Company has a present or constructive obligation as a result of past events which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

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REFNOL OVERSEAS LIMITED

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) *impairment of Assets*

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangibles assets to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use.

(p) *Consolidated financial statements*

The Company owns 100% of the share capital of Texcare Middle East L.L.C. International Accounting Standard (IAS 27) - Consolidated and Separate Financial Statements require the Company to prepare consolidated financial statements which include the financial statements of the subsidiary.

Since the Company is a wholly owned subsidiary of Refnol Resins and Chemicals Limited, having its registered office at Plot 23, Phase III, G.I.D.C Industrial Estate, Naroda - 382 330, Ahmedabad, India which prepares consolidated financial statements under IFRS including those of the Company and its subsidiary the Company is therefore exempt according to IAS 27 to prepare group accounts.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the period of the revision and factors periods if the revision affects both current and future periods.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgment that have a significant effect on the amounts recognised in the financial statements or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.1 *Key sources of estimation uncertainty*

With regards to the nature of the Company's business there were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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5. INVESTMENT IN SUBSIDIARY

	<u>2010</u>	<u>2009</u>
	USD	USD
Cost at 31 March	41,013	41,013

Details of the investment are as follows:

Investee Company	Country of Incorporation	No. of shares	% Holding
Texcare Middle East L.L.C.	Sharjah, U.A.E.	300	100

The principal activity of Texcare Middle East L.L.C. is the manufacturing of textile and garment wash chemicals, textile sizing chemicals and laundry & cleaing chemicals.

6. NON CURRENT RECEIVABLES

Loan receivable from Texcare Middle East L.L.C.	<u>178,238</u>	<u>178,238</u>
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The loan to Taxcare Middle East L.L.C. is unsecured, bears interest at the rate of 9% per annum and is repayable after more than one year.

7. ACCOUNTS RECEIVABLES

Interest receivable on loan to Taxcare Middle East L.L.C.	54,158	56,618
Other receivable	20,000	20,000
Prepayments	1,611	124
	<u>75,769</u>	<u>76,742</u>

8. CASH AND CASH EQUIVALENTS

Cash at Bank	<u>275</u>	<u>217</u>
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9. STATED CAPITAL

Issued and fully paid		
240,000 Ordinary shares of USD 1 each	<u>240,000</u>	<u>240,000</u>

Note : All the above Shares are at par value.

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REFNOL OVERSEAS LIMITED

10. RETAINED EARNINGS

	2010	2009
	USD	USD
At 1 April	48,895	40,367
Total comprehensive income for the year	4,560	8,528
At 31 March	<u>53,455</u>	<u>48,895</u>

11. ACCOUNTS PAYABLE

Accruals	<u>1,840</u>	<u>7,315</u>
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12. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging the following items :-

Auditors' Remuneration	1,000	1,500
Director's Remuneration	250	1,530
Staff Costs	—	—
Number of Employees	<u>—</u>	<u>—</u>

13. TAXATION

The Company holds a Category 2 Global Licence and is not resident in Mauritius for tax purposes and therefore is tax exempt.

14. RISK MANAGEMENT

capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholder through the optimisation of the debt and equity balance. The capital structure of the Company consists of stated capital and retained earnings.

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk), credit risk and liquidity risk.

(a) Market risk

(i) Foreign exchange risk

The Company did not engage in activities which would require foreign currency exposure hedging. However the Company invest in shares denominated in Arab Emirates dirham (AED). Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to the AED may change in a manner which has a material effect on the reported values of the Company's investment denominated in AED.

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Foreign currency risk management

The currency profile of the Company's assets and liabilities is summarized as follows:

	Financial assets 2010	Financial liabilities 2010	Financial assets 2009	Financial liabilities 2009
	USD	USD	USD	USD
Arab Emirates dirham (AED)	41,013	—	41,013	—
United States dollars (USD)	252,671	1,840	255,073	7,315
	<u>293,684</u>	<u>1,840</u>	<u>296,086</u>	<u>7,315</u>

Prepayments amounting to USD 1,611 (2009:USD 124) have not been included in the Financial statements.

(ii) Liquidity risk

Liquidity risk is managed by ensuring the financial support of the Company's shareholder.

(iii) Interest rate risk management

The Company's exposure to interest rate risk is limited as its only interest bearing financial instruments are the loan receivable from its subsidiary bearing fixed interest rate per annum (note 6) and cash at bank.

15. POST BALANCE SHEET EVENTS

There are no events subsequent to the date of the statement of financial position which may have a material effect on the financial statements at 31 March 2010.

16. HOLDING COMPANY

The directors regard Refnol Resins and Chemicals Limited, a company incorporated in India as the Company's immediate and ultimate holding company.

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REFNOL RESINS AND CHEMICALS LIMITED

Regd. Office : 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400016.

ATTENDANCE SLIP

I hereby record my presence at the Twenty Ninth Annual General Meeting to be held on 23rd September, 2010 at 11:00 A.M. at 45/47, Mint Chambers, 103/104, 1st Floor, Mint Road, Opp. G.P.O. Fort, Mumbai-400 001

Folio No.	Status
Name :	
No. of Shares Held	
Venue : Mumbai.	
Time : 11:00 A. M.	

Signature of the Attending Member/Proxy: _____

REFNOL RESINS AND CHEMICALS LIMITED

Regd. Office : 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400016.

PROXY FORM

Folio No. _____ No. of Shares Held _____

I/We _____ of _____

_____ being a Member / Members of REFNOL RESINS AND CHEMICALS LIMITED, hereby appoint

_____ of _____

or failing him of _____ of _____

as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Twenty Ninth Annual General Meeting of the Company to be held on 23rd September, 2010 or at any adjournment thereof.

Signed this _____ day of _____ 2010.

Signature _____

Affix
1 Rupee
Revenue
Stamp

* Strike out whichever is not applicable.

Note : Shareholders/proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.

Shareholders/proxy holder desiring to attend the meeting should bring his/her copy of Annual Report for reference at the meeting.

The Proxy form must be deposited at the Registered Office of the Company at 410/411, Khatau House, Mogul Lane, Mahim (west), Mumbai - 400016 not less than 48 hours before the commencement of the meeting. i.e. latest by 11:00 A. M. on Saturday the 21st September, 2010. The Proxy need not be a member of the Company.

TEAR HERE