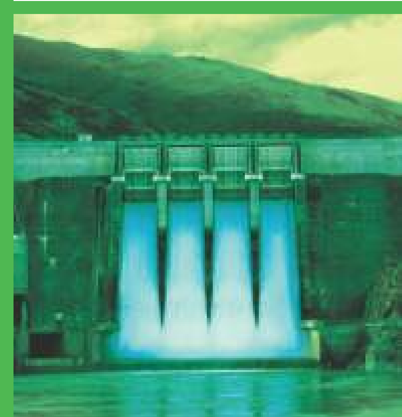



9th ANNUAL REPORT, 2010-2011



LET'S GO GREEN



Refex Refrigerants Limited

The Refex Belief

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

let's go green

SAFEGUARDING OZONE

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

RRL Values

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

RRL Goal

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

RRL Culture

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

RRL Principles

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

RRL 3000 MT PLANT

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CORPORATE INFORMATION

Board Of Directors

Sri. A. Tarachand Jain
Chairman
Sri.T.Anil Jain
Managing Director
Sri.T.Jagdish Jain
Whole Time Director
Sri N.D.Trivedi
Ms. Abhinandana Papisetty
Sri. Sumermal Mehta (Inducted on 30.06.2011)

Management Team

Sri S. Gopalakrishnan
Company Secretary

Sri. M K Sharda
General Manager

Bankers

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

Registered Office

20 Mooker Nallamuthu Street, Chennai – 600 001.

Corporate Office

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

Registrar and Share Tranfer Agents

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

Notice

Notice is hereby given that the Ninth Annual General Meeting of the Company will be held on Monday the 5th September 2011 at 3.30 pm at BENZZ PARK, Rover Hall, No.62, Thirumalai Pillai Road, T.Nagar, Chennai- 600 017 to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance sheet as at 31st March 2011 and Profit and Loss Account for the period ended on that date together with the Reports of the Directors & Auditors thereon.

2. To elect Directors:

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

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

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

"RESOLVED THAT M/S.Bhandari & Keswani, Chartered Accountants, Chennai, the retiring Statutory Auditors,(FRN.000433S) be and are hereby re-appointed as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company on a remuneration to be fixed by the Board of Directors of the Company".

4. SPECIAL BUSINESS

4. To consider and if thought fir, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT Sri Sumermal Mehta whose term of office as an Additional Director pursuant to Section 260 of the Companies Act 1956, expires at this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act 1956, proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if thought fir, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION.

"Resolved that pursuant to the provisions of Sec 198, 269, 309, 310 and other applicable provisions if any of the companies Act, 1956, read with schedule XIII to the act consent of the company be and is hereby given for the reappointment of Shri A, Tarachand Jain as the chairman cum whole time Director of the Company for a period of 3 years commencing retrospectively from 1/7/2011 and ending with 30/06/2014 and payment of remuneration as mentioned below"

Salary ` 1,20,000/- per month

Perquisites

A. Contribution to Provident Fund as per Company's rules up to a percentage of 12% of the salary as may be amended by the Central Government from time to time in this Regard

B. Contribution towards Gratuity Fund as per Company's rules

Resolved further that in the event of the Company having no profits or inadequate profits, the Company shall pay remuneration subject to the compliance of schedule XIII of the companies Act, 1956.

6. To consider and if thought fir, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION.

“Resolved that pursuant to the provisions of Sec 198, 269, 309, 310 and other applicable provisions if any of the companies Act, 1956, read with Schedule XIII to the act consent of the company be and is hereby given for the reappointment of Shri T. Anil Jain as the Managing Director of the Company for a period of Three years commencing retrospectively from 1/7/2011 and ending with 30/06/2014 and payment of remuneration as mentioned below”

Salary ` 1,00,000/- per month

Perquisites

A. Contribution to Provident Fund as per Company's rules up to a percentage of 12% of the salary as may be amended by the Central Government from time to time in this Regard

B. Contribution towards Gratuity Fund as per Company's rules

“Resolved further that in the event of the Company having no profits or inadequate profits, the Company shall pay remuneration subject to the compliance of Schedule XIII of the companies Act, 1956.”

7. To consider and if thought fir, to pass with or without modifications, the following resolution as a Special Resolution.

“Resolved that pursuant to the provisions of Sec 198, 269, 309, 310 and other applicable provisions if any of the companies Act, 1956, read with Schedule XIII to the act consent of the company be and is hereby given for the reappointment of Shri T. Jagdish Jain as the whole time Director of the Company for a period of 3 years commencing retrospectively from 1/7/2011 and ending with 30/06/2014 and payment of remuneration as mentioned below”

Salary ` 1,00,000/- per month

Perquisites

A. Contribution to Provident Fund as per Company's rules up to a percentage of 12% of the salary as may be amended by the Central Government from time to time in this Regard

B. Contribution towards Gratuity Fund as per Company's rules

“Resolved further that in the event of the Company having no profits or inadequate profits, the Company shall pay remuneration subject to the compliance of Schedule XIII of the companies Act, 1956.”

8. To consider and if thought fir, to pass with or without modifications, the following resolution as a Special Resolution.

“RESOLVED that in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, to the Companies Act, 1956, and enabling provisions in the Memorandum and Articles of Association of the Company, the listing agreement entered into by the company with the stock exchanges where the shares of the company are listed and in accordance with the guidelines issued by the Securities and Exchange Board of India

(SEBI) and clarifications thereon issued from time to time, the notifications , guidelines as may be issued by Government of India and Reserve Bank of India in this regard, and subject to the approval of financial institutions, company's bankers, and subject to all other approvals, permissions and sanctions as may be required under applicable laws and regulations and of concerned authorities, bodies and agencies and subject to such modifications as may be imposed by such authorities while granting such approvals and which may be agreed to by the Board of Directors of the Company(Hereinafter refereed to as the 'Board', which term shall deem to include any duly authorized committee thereof for the time being exercising the powers conferred on the Board by this resolution) the consent of the company be and is hereby accorded to the Board to create , issue , offer in the course of one or more pubic or private offering, in domestic , or one or more international markets , equity shares or equity shares through depository receipt mechanism, and /or foreign currency convertible bonds and / or securities convertible in to equity shares at the option of the company and / or of the holder of such securities, and / or securities linked to equity shares and / or any instrument or securities representing equity shares and / or convertible securities linked to equity shares (all of which herein after referred to as 'securities') to investors (whether residents and / or non residents and / or strategic investors and / or institutions or banks and / or incorporated bodies and / or individuals and / or trustees and / or stabilization agents or otherwise irrespective of whether or not such investors are existing members or not) either through a prospectus and / or offer letter and / or a circular and / or on a private placement basis for an aggregate value of INR 200 crores at the relevant times of issue of securities, such issue and allotment to be made at such times in one or more tranches at such price or prices, either at a discount, equal or a premium to market prices in such manner and where necessary in consultation with the lead mangers and / or underwriters and / or advisors or otherwise on such terms and conditions which the Board may, in its absolute discretion, decide at the time of issue."

"Resolved further that without prejudice to the generality of the above, the aforesaid issue of securities may have all or any terms or combination of terms in accordance with prevalent market practice including terms relating to issue of additional equity shares, variations of the price, or period of conversion of securities into equity shares or terms relating to voting rights and terms of interest and other payments on foreign currency convertible bonds."

"Resolved further that the Board be and is hereby authorized to nominate agencies or bodies to issue depository receipts representing the underlying equity shares in the capital of the company or such other securities with such features or attributes as may be required and to provide the tradability and free transferability thereof as per market practices and regulations (including listing on one or more stock exchanges) in or outside India."

"Resolved further that the Board be and is hereby authorized to issue, create, offer and allot such number of equity shares as may be required to be issued upon conversion of any securities referred to above or as may be necessary in accordance with the terms of the offer, such shares ranking parri passu in all respects interse and with the then existing equity shares of the company in all respects."

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

Place : Chennai

Date : 08.07.2011

By Order of the Board

S.GOPALAKRISHNAN
Company Secretary

Notice

1. The Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business as contained in the Notice is annexed hereto. The relevant details of persons seeking appointment as Directors under Item No.2 and 4 of the Notice as required by Clause 49 of the Listing Agreement entered into with Stock Exchanges are also annexed.

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

3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday 29th August 2011 to Monday 5th September 2011 (both the days inclusive).

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

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

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

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

8. Refex is concerned about the environment and utilizes natural resources in a sustainable way. Recently, the Ministry of Corporate Affairs (MCA), Government of India, through its circular, no. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

9. Recognizing the spirit of the circular issued by the MCA, the Company henceforth, proposes to send documents like the notice covering the Annual General Meeting, Financial, Statements, Director's Report, Auditor's Report etc. to the email address provided by you with your depositories.

We request you to update your e-mail address with your depository participants to ensure that the Annual Report and other documents reach you on your preferred e-mail.

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

ITEM NO 2

The following Directors Shri A.Tarachand Jain and Shri.T. Anil Jain retire by rotation at the Annual General Meeting and being eligible offer themselves for re-appointment. Accordingly, Resolutions are proposed for re-appointment.

The Board of Directors recommends the Resolutions for approval of the Members.

As per Clause 49 of listing agreement with Stock Exchanges, a brief resume of Directors who are proposed to be re-appointed at this meeting is furnished below:

PROFILE OF SHRI A.TARACHAND JAIN

Aged 60 years, Shri A. Tarachand Jain carries with himself vast experience in the field of Stainless steel business for the past three decades, he has more than ten years experience in air Conditioners products and spares. He is a promoter of the Company and he is the Chairman cum director since 26th July 2004. He was later appointed as whole time director on 21/6/2006 for a period of Five years. He is holding 1, 85,200 Equity Shares in the Company. He also holds directorship and membership in other Companies / firms which are given below:

Name of the Company/ Firm	Position Held	Committee Membership
Sherisha Technologies Private Limited	Director	NIL
Bombay Metals (FIRM)	Partner	NIL

PROFILE OF SHRI T.ANIL JAIN

Aged 35 years, Shri. T. Anil Jain is a promoter and first Director of the Company. He was appointed as Managing Director of the company on 21/6/2006 and has held the position since then

Shri T Anil Jain, a commerce graduate, carries with himself more than 9 years experience in Air conditioner Products and spares. He is instrumental in formulating the Company's projects and marketing of its products. Shri T. Anil Jain is fully equipped with the latest technologies in the business segment of the Company and is fully in charge of conceptualizing the Company's plans, evolving strategies for the same and implementing them.

The company under his guidance has shown improvement in terms of turnover and Profits. He holds 2458934 Equity Shares in the Company. He is a member of share holder / Investor Grievance Committee and Audit Committee. He also holds directorship and membership in other Companies/firms which are given below:

Name of the Company/ Firm	Position Held	Committee Membership
Sherisha Technologies Private Limited	Director	NIL
Sherisha Technologies (S) Pte Ltd (a Company incorporated under the laws of Singapore)s	Director	NIL
Refex Energy Limited	Managing Director	NIL
Refex Wind Power Private Limited	Director	NIL
Refex Solar Power Private Limited	Director	NIL
Refex Hydro Power Private Limited	Director	NIL
Quidel Software Private Limited	Director	NIL

PROFILE OF SHRI.SUMERMAL MEHTA

Sri Sumermal Mehta aged 52 years was inducted to the Board on 30.06.2011. He is a partner in P.B.Metal Corporation, Mumbai. He is associated with this firm for more than 25 years and guided its business in the areas of Finance and administration quite successfully. He possesses a good business acumen and sound knowledge of management practices and techniques.

ITEM NO 4

Sri Sumermal Mehta was appointed as an Additional Director a on 30.06.2011. Pursuant to Section 260 of the Companies Act 1956 Sri Sumermal Mehta will hold office as an Additional Director upto the date of the Ensuing Annual General Meeting. The Company has received a Notice in writing from a Member proposing the candidature of Sri Sumermal Mehta for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956, along with necessary deposit

Your Directors recommend the Resolution for approval. Save and except Sri Sumermal Mehta, none of the Directors is concerned or interested in the resolution.

ITEM NO 5 and 6

Shri A. Tarachand Jain and Shri T. Anil Jain were appointed as Whole Time Director and Managing Director respectively in the EGM held on 21/6/2006 for a period of five years with effect from 1/7/2006. Their terms of office were valid up to 30/6/2011.

Over the years both the above mentioned Directors were largely instrumental in steering the company to the present position in the market after overcoming the business challenges, financial problems and other operational difficulties. The Board is of opinion that the company would be benefitted immensely from their experience and expertise in the day to day business matters. Consequently the Board in their meeting held on 08/07/2011, reappointed them in the respective position for a further period of Three years with effect from 1/7/2011, revising the remuneration payable to them as proposed in the resolution based on the recommendation of the Remuneration committee.

Shri.T.Anil Jain is the Managing Director of Refex Energy Ltd, but does not draw any remuneration from that Company.

The proposed increase in the remuneration is within the limits laid down in the Schedule XIII of the Companies Act, 1956. Necessary resolutions are placed before the members for approving the reappointment with the revision in the remuneration

Except Shri. A.Tarachand Jain, Shri T. Anil Jain and Shri T. Jagdish Jain being their relative, other Directors are not concerned or interested in the said resolution.

ITEM NO 7

Shri T. Jagdish Jain was appointed as a Whole Time Director in the AGM held on 9/6/2008 for a period of Three years with effect from 1/4/2008.

His term of office was valid up to 31/3/2011

Shri T. Jagdish Jain played a key role in successfully implementing the construction and commissioning of the company's new projects. Currently, he is in-charge of all operations in the Plant.

The Board considers Shri T. Jagdish Jain to be pivotal to Refex, having handled a broad range of assignments right from the inception of the company. He holds 4.72.000 equity shares in the company.

Taking into account his high degree of commitment to work and managerial capabilities he possess the Board in their meeting held on 08/07/2011, thought fit and prudent to reappoint him in the same position for a further term of Three years with effect from 1/7/2011, revising the remuneration payable to him as set out in the resolution based on the recommendations of the Remuneration committee.

The proposed increase in the remuneration is within the limits laid down in Schedule XIII to the Companies Act, 1956. Necessary resolution is placed before the members for approving the reappointment with the revision in the remuneration.

Except Shri T. Jagdish Jain along with Shri A. Tarachand Jain and T. Anil Jain, being his relatives, other Directors are not concerned or interested in the resolution.

ITEM NO 8

At the extraordinary general meeting held on 9th January 2008, members had accorded their approval for raising capital through Global Depositary Receipts (GDRs) up to an amount not exceeding INR 200crores for the company's expansion plans.

However due to uncertain market conditions and recession which hit the entire world, and more particularly American and European Economy during 2008-2009 it has not been possible to implement this proposal

As the Board of the company proposes to revive this plan for raising of funds through issue of Global Depository Receipts (GDR), American Depository Receipt (ADR) and Foreign Currency Convertible Bonds (FCCB), a suitable enabling resolutions permitting the Board to raise funds upto Rs.200 Crores is now being proposed. The said resolution also gives adequate flexibility and discretion to the Board of Directors to finalize the terms of the issue subject to the compliance with all applicable laws, rules, regulations, guidelines and approval.

The relevant provision of Section 81 to the Companies Act 1956, read with the listing agreement executed with the company with various stock exchanges where, the company shares are listed provides, Interalia that when it is proposed to increase the issued capital of the company by allotment of further shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down in the said section unless the shareholders decide otherwise in the general meeting.

The company has been receiving certain Enquiries from a few overseas investors evincing interest in the Company's activities. The company has drawn up certain expansion plans, which requires foreign exchange needs. To take advantage of this, a Special resolution is being proposed to enable the Board to raise funds in the form of foreign exchange through the Global Depositary route and/or Foreign Currency Convertible Bond route. This would involve investment by the foreigners and non resident Indians, either directly in the form Depositary Receipt or Foreign Currency Convertible Bonds at the market driven prices. Such securities shall contain predetermined terms for maturity, redemption and conversion including terms relating to interest payment thereof.

Such Depository Receipts would be listed in the Stock Exchanges abroad, thus creating a global presence of the company.

Considering the prevailing market conditions and other relevant factors, the detailed terms and conditions of the offer will be determined in consultation with the advisers, lead managers, underwriters and such other agencies as may be required. The pricing of the domestic and/or international offerings will be subject to compliance with all applicable laws, rules, regulations, guidelines and approvals including of the Foreign Investment Promotion Board and may be at a premium or discount to market price in accordance with international/domestic practice as the case may be.

The resolution is proposed will enable the Board to create, offer, and issue securities with the underlying Equity Shares to such foreign investors, at market driven prices, which the Board feels would help in price discovery of the company's underlying potential apart from providing the cost effective funds for the company. These factors would ultimately help and add stimulus to the faster paced growth of the Company.

The Board of Directors recommends the resolution for the approval of the members.

None of the Directors are interested or concerned in the said resolution.

Palce : Chennai

Date : 08.07.2011

By Order of the Board

S.GOPALAKRISHNAN
Company Secretary

Directors' Report

To the Members,

Your Directors have great pleasure in presenting the Ninth Annual Report together with the Audited Statement of Accounts for the 9 months period ended March 31, 2011.

FINANCIAL PERFORMANCE

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

(Rs.In Lakhs)

Description	2010-11	2009-10
Turnover	8014.75	5164.10
Other Income	224.20	106.15
Total Income	8238.94	5270.25
Expenditure (other than Tax)	7516.10	4863.93
Profit before tax	722.84	406.32
Provision for Income Tax	--	62.77
Profit after Income Tax	722.84	343.55
Provision for Dimunition in value of Investment	--	1953.43
Deferred Tax	--	27.02
Net Profit / (Loss)	722.84	(1636.90)
EARNING PER SHARE (IN RS.)	4.67	-

The financial statements for the accounting period 2010-11 covers a period of 9 months (July 2010 March 2011) as against 15 months for the financial period 2009-10 (April 2009-June 2010). Hence the figures are not strictly comparable. This change in accounting period was approved by the Board in its meeting held on 8th January 2011.

During the period, under review the company's turnover rose to Rs.8014.74 Lakhs to as against Rs.5164.10 Lakhs in the previous year, recording an increase of 92% (Annualized)

Apart from this, considerable reduction in cost of sales to the extent of Rs.1375.51 lakhs contributed significantly to the profitability of the company.

As a result, the net profit for the current period jumped to Rs. 722.84 lakhs from Rs.406.32 lakhs in the previous year, and registered an excellent increase of 130% (Annualized)

DIVIDEND

The Board of Directors after duly considering the Company's fund requirements for future growth and expansion felt that Company would require additional funds in the near future for its diversification, modernization and for its new project including the Solar Power Project currently being undertaken in the state of Rajasthan. Hence the Directors after due deliberation have decided to re-deploy the funds of the Company into the business of the Company and not to recommended any dividend for this year. The Board hopes that the Company will attain higher levels of performance in the current year and will be in a position to offer a good return to the shareholders in the future.

CURRENT INDUSTRY AND FUTURE OUTLOOK

INDUSTRY OVERVIEW

India's stand on Montreal Protocol

India acceded to the Vienna Convention for the Protection of the Ozone Layer in 1991 and ratified the Montreal Protocol on Substances that Deplete the Ozone Layer in 1992. India has also ratified all the amendments to the Montreal Protocol, as on date.

(HCFCs) are classified as controlled substances under Annex-C Group-I of the Montreal Protocol and therefore their use has to be reduced and eventually phased out. HCFCs additionally have a global warming impact due to their high Global Warming Potential (GWP).

Due to the economic liberalization policies since early 1990s resulting in sustained growth in the purchasing power and consequent growth in demand for consumer, commercial and industrial products, the consumption of HCFCs has grown steadily at an average annual rate of over 11% in the past 15 years. Much of this growth has occurred in the past few years. For example, since 2001, the consumption of HCFCs in India has more than tripled. This trend is expected to continue. The accelerated phase-out schedule for HCFCs adopted at the Nineteenth Meeting of the Parties to the Montreal Protocol, would present unprecedented challenges for an emerging economy like India. These challenges include cost-effective availability of sustainable environment-friendly alternatives for HCFCs and access to adequate technology and funding to facilitate transition without undue burden on the economy of the country and constraints on consumers and industry.

Recognizing these challenges, the Government of India has formulated a comprehensive roadmap for HCFC phase-out, which spells out concrete goals, actions and timelines to control and reduce production and consumption of HCFCs in line with the accelerated control schedule for HCFCs under the Montreal Protocol. These actions include strengthened and coordinated management with stakeholder representation and participation, collection and analysis of current updated data, prioritization of sectors and sub-sectors for technology transfer interventions, enhanced communication and awareness, development of sectoral strategies and overarching national strategy and policy and regulatory initiatives, to ensure compliance with the 2013/2015 targets as well as the broader phase out targets by 2020.

Refrigeration and Air-conditioning

India, being a warm tropical country, most of the Refrigeration and Air Conditioning applications involve cooling of air, water, other fluids or products. Refrigeration and Air-conditioning accounts for a significant portion of the energy consumption in many manufacturing industries (like chemicals, pharmaceuticals, dairy, food etc.), agricultural & horticultural sectors (mainly cold stores) and commercial buildings (like hotels, hospitals, offices, airports, theatres, auditoria, multiplexes, data processing centers, telecom switching exchanges etc). Refrigeration and air conditioning systems cover a wide variety of cooling applications, using both standard and custom-made equipments. Some commonly used applications are process cooling by chilled water or brine, ice plants, cold stores, freeze drying, air-conditioning systems etc.

With industrial development, the demand for process related refrigeration and air conditioning (AC) is bound to increase. However, modern lifestyles with the increasing demand of comfort air conditioning in commercial buildings and homes, using conventional air conditioning methods and equipments, are a source of concern for an energy scarce country like India.

The total market size for air conditioning in India was around Rs.10,250 crores. Of this, the market for central air conditioning, including central plants, packaged/ducted systems and VRF systems was about Rs.5,750 crores, while the market for room air conditioners comprised the balance Rs.4,500 crores. The commercial air conditioning segment catering to corporate and commercial establishments amounted to around Rs.8,000 crores, while the balance Rs.2,250 crores came from the residential sector.

The value of the RAC market is based on a size of two million units (non-ducted), which at an average price of Rs.22,500 works out to Rs.4,500 crores. Ducted Packaged/Split air conditioners and VRF systems were estimated at 600,000 tons, which @ Rs.25,000 per ton works out to Rs.1,500 crores. Central Chilled Water plants' total capacity was estimated at 950,000 tons and @ Rs.50,000 per ton worked out to Rs.4,750 crores. The total of Rs.1,500 and Rs.4,750 crores added upto Rs.6,250 crores.

Commercial Refrigeration

The market for commercial refrigeration equipment and systems was estimated at around Rs.2,000 crores, which includes a wide range of products such as modular cold storages, supermarket refrigeration equipment, water coolers, bottled water dispensers, deep freezers, milk coolers, bottle coolers and ice cubers. Not included in the above figure is “industrial refrigeration”, chillers for low and medium temperature, usually with Ammonia refrigerant.

Significant developments have taken place in the technology related to the hardware and controls related to refrigeration and air conditioning systems to help improve energy efficiency. However, the right attitude and design philosophy can play a larger role than technology in conserving energy. This implies that use of nature-assisted cooling techniques and minimal use of energy guzzling refrigeration equipments is the key energy conservation.

Automobile Industry

The Automotive industry in India is one of the largest in the world and one of the fastest growing globally. India manufactures over 11 million 2 and 4-wheeled vehicles and exports about 1.5 million every year It is the world's second largest manufacturer of motorcycles, with annual sales exceeding 8.5 million in 2009. India's passenger car and commercial vehicle manufacturing industry is the seventh largest in the world, with an annual production of more than 2.6 million units in 2009. In 2009, India emerged as Asia's fourth largest exporter of passenger cars, behind Japan, South Korea and Thailand.

As of 2009, India is home to 40 million passenger vehicles and more than 2.6 million cars were sold in India in 2009 (an increase of 26%), making the country the second fastest growing automobile market in the world According to the Society of Indian Automobile Manufacturers, annual car sales are projected to increase up to 5 million vehicles by 2015 and more than 9 million by 2020. By 2050, the country is expected to top the world in car volumes with approximately 611 million vehicles on the nation's roads.

A chunk of India's car manufacturing industry is based in and around the city of Chennai, also known as the "Detroit *of India*", With the Indian city accounting for 60 per cent of the country's automotive exports. Gurgaon and Manesar near New Delhi are hubs where all of the Maruti Suzuki cars in India are manufactured. The Chakan

Year	Car Production	% Change
2010	2,610,318	20.50
2009	2,166,238	17.34
2008	1,846,051	7.74
2007	1,713,479	16.33
2006	1,473,000	16.53
2005	1,264,000	7.27
2004	1,178,354	29.78
2003	907,968	28.98
2002	703,948	7.55
2001	654,557	26.37
2000	517,957	-2.85
1999	533,149	------

corridor near Pune, Maharashtra is another vehicular production hub with General Motors, Volkswagen/ Skoda, Mahindra and Mahindra in the process of setting up or already set up facilities. Halol in Gujarat, Aurangabad in Maharashtra and Kolkatta in West Bengal are some of the other auomotive manufacturing regions around the country.

Taking into account the above, the total requirement for refrigerants in Auto sector alone will be around 1300mt for new vehicles with 0.500kg per vehicle and for the old vehicles on roads, even taking 75% to be air-conditioned and need to change the refrigerant once in 4 years. The requirement will be around 4000mt. The aftermarket for Refrigerants will grow at exponential rate because of the addition in new cars every year and need for replacement in 3-4 years.

Refrigerators

In India, refrigerators have the highest aspiration value of all consumer durables, with the exception of televisions. This accounts for the high growth rate of the refrigerator market. The refrigerator market has been growing at a rate of about 15% per year, while the consumer durables industry as a whole has grown at almost 8%. The size of the refrigerator market is estimated to be 4.00 million units approximately, valued at Rs 50 billion. The domestic penetration rate of refrigerators is about 9%. The penetration of refrigerators is considerably higher in urban areas, which account for 75% of the demand, with rural areas constituting the other 25%. The demand is also higher in the northern and western parts of the country than in the east. The south also has high demand as the warmer weather of the south requires a refrigerator running throughout the year.

THE BUSINESS

Market:
Diversity in customer base and products:

The company caters to the needs of Mobile Air-conditioning (Car Air-conditioning, Bus Air-conditioning , AC Train Coaches , Metro Coaches manufacturing industry) and RAC i.e., Refrigeration and Air-conditioning Industry , (Refrigerators Manufacturers and Chillers manufacturing units, Water dispensers, central air-conditioning plants, Precision Air-conditioning for telecom sectors and other unorganised sectors like Car service stations, Refrigerator Service Stations and Traders)

With the development of economy and ever growing needs of Air-conditioning and Refrigeration the industry has been growing almost 15-20% p.a in the last decade.

The refrigerant supplied by us is an integral part of every equipment being made and is considered as the blood for the system signifying that without the refrigerant any RAC equipment cannot run. Thus the ever growing demand of refrigerant being supplied by us increases with the growth as per the industry.

Moreover, the worldwide initiative to promote Green refrigerant being supplied by Refex (Ozone friendly) and the ever increasing need for more energy efficient RAC equipments the new age refrigerants demand is growing and is getting boosted by the above mentioned initiatives.

With the growing automobile industry all the passenger vehicles are now being made only air-conditioned and the trend for comfort travelling in rail and road transport (Train & Bus) is also seen as more AC coaches being introduced by railways (Trains like Shatabdi , Rajdhani ,Garib Rath,& Duronto etc being completely AC) ,new Metro projects coming up in all major cities with AC Metro Trains & AC Buses using 134a is seen as major growth sectors in coming years ,thus fuelling the demand for 134a.

The growing infrastructure (e.g., Airports , Malls , Multiplexes , Residential and Commercial Spaces) where the need for air-conditioned buildings is increasing demand for Centrally air-conditioned units are increasing ,The Green building concept is also forcing the installers of these units to use machines containing new age refrigerants and thus demand of 134a is growing in leaps and bounds.

Selling and distribution Arrangement:

The distribution of products being an integral part for success of any company and efficient distribution ensures the presence of products across country at the right place and on the right time.

Refex has regional offices In Chennai, Mumbai and Delhi to ensure that stocks at these strategic locations reach the customers on time.

Refex has a unique distinction of having their presence all across India with a range of distributors spread across the states of Tamil Nadu, Andhra Pradesh, Karnataka, Kerala, Maharashtra, Gujarat, Madhya Pradesh, Rajasthan, Delhi, Uttar Pradesh, Bihar, Punjab, Assam and West Bengal and in other states where it has a strong multi dealer network. It has already made its presence in most of these segments. The company has dealer distribution network in the country. The Company is spreading their wings in Eastern Region also by offering dealerships in West Bengal, Orissa, Meghalaya and other states.

The dealer network ensures fast and smooth distribution in every nook and corner of the country, and mainly caters to after market segment which is a high return and ever growing segment. The regional dealers are also aware of local, regional and market issues and ensure a communication interphase with end customers enabling company to improve and formulate marketing strategies as per market conditions. This also ensure to increase market share of the company as regional dealers make inroads to even very small towns and compiling their demand catapulting into larger overall net sales and visibility of products everywhere. This also ensures that the company minimize financial risk and increase profits by the way of better price realization for the products as well as by higher sales volume. The main criteria for the selection of dealers is based on the sound financial background of the concerned individual or agency along with their proven experience in handling Sales and distribution work.

Refex has an exclusive arrangement with Godrej and Boyce Manufacturing Company, where the refrigerants are sold through Godrej smart care dealers across the country. Godrej Smart care is a service arm of Godrej, from where they take up sales and service of various brands of Refrigerators. Also joint branding is done to promote both the brands equally in the market. Similar arrangements are with Whirlpool of India ltd also, which has around 1000 dealers across the country. These two tie ups are a step towards popularizing small cans of 500 gms and 340 gms for a seamless flow of Refrigerants without any hindrance of cylinder shortage etc.

Customers

The OEM segment gives the company an edge to supply its products for new equipments being manufactured and thus in turn creating a market for the service and after market segment of the company. The annual growth of new equipments directly reflects the Increase in Demand of the company's products used by them.

It is observed that RAC Industry is growing at a rate between 15-20% annually. Based on the projection made for the future it is clearly foreseen that the requirements of the company's products is bound to rise substantially.

The total automobiles being manufactured in India has crossed 15 million mark and Refrigerators Sales crossing 50 million mark. In addition the Chillers and other equipments production are increasing by almost 40% in coming years. In the light of these booming market conditions it is quite evident that the demand for 134a and 4 series will multiply.

Business Strategy

As the global environment becomes competitive, finding the most innovative and creative solutions for the clients' needs, will remain the main concern and objective of Refex. Refex employs a diverse work force which is in a position to offer widest possible range of products. With a view to maintain and strengthen a competitive edge Refex has the ability to adapt to the needs of its customers without compromising its core values and principles.

Refex has identified and adopted different product packing options to cater to every segment in the industry. Moreover, the launch of its products in small disposable cans of 340gms and 500gms will be the first of its kind in the country to reach out to the consumers. This launch will ensure that the products of Refex are both affordable and within the reach of the common man.

Disposable Cans

The disposable cans being marketed by Refex in the Auto Accessory showrooms in the country has helped the company to explore the untapped segment in the refrigerant industry.

With the launch of cans Refex became the first company in India to bring about such an innovative product with great success. By doing so it has achieved a distinction to foresee beyond the traditional ways of conducting the refrigerant business in India.

As the response from the customers for the disposable cans was overwhelming and encouraging is has helped the company to increase the overall 134a sales multifold.

Features of the disposable cans:

- First company in India to launch small Refrigerant Cans for single use.
- Worldwide choice to replace CFC 12 for new mobile AC systems.
- Available all throughout India.
- Available in 340 gms and 500gms cans.
- Zero Ozone Depleting Potential.
- Proven in use in over 85 million vehicles worldwide.
- Contains no solvents.
- Quick Action.

Benefits of the disposable cans:

- Saves Time! Application of Refrigerant in One step.
- Cost Effective.
- Saves valuable man hours.
- Easy to use.

List of users

- Car Owners
- Refrigerator Owners
- Service Centers
- Spare Part Dealers
- Auto Dealers
- Mechanics

Every product of the Company is branded by the name “Refex”. The Disposable Cylinders and Cans shall be packed in attractive colors and would contain a list of detailed instructions for handling the refrigerants.

At core, the business of Refex is its commitment to clients. The Goal of the Company is to position Refex as a global player with a clear focus on each business. Refex is committed to both, a continuous improvement in its operations and sharing the knowledge that it gains with its employees, customers, suppliers, the scientific community, the government and the industry. Furthermore, through continuous improvement methodologies, Refex will work to achieve sustainable products and manufacturing processes. The company will strive to reduce, reuse and recycle, and expects its employees to implement measures to properly dispose of any remaining wastes in a safe and environmentally sound manner.

Diversification

Stabilizers and stands:

Your company has started producing Stabilizers and stands used in Outdoor units and have started selling them from Feb 2011. The company has a very good access to the trade market and with the brand Refex, it is able to penetrate the market and add to the topline of the company. The products have been accepted across the industry. Your companies brand value and quality backing has helped the company to achieve this success in entering the new business.

Solar Power project:

Your company has signed a PPA with NVVN under the Jawaharlal Nehru Solar Mission to set up a 5mwp Power plant. The site for this in Vituza Village, Barmer Dist, Rajasthan. Construction in full swing is on at the site and will complete the plant by 30th September 2011. The tariff for this plant is `17.95 per unit. Once on stream this will produce power from Solar Energy and supply to Rajasthan State utilities under the PPA of NVVN. This plant is being constructed with technology from IBC Solar Germany, who are pioneers in this industry.

SUBSIDARY COMPANIES

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

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

CORPORATE GOVERNANCE

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

The Managing Director and Chief Financial Officer of the Company have issued necessary certificate to the Board in terms of Clause 49(v) of Listing Agreement with Stock Exchanges for the financial period ended 31st March 2011.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm that

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

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

III. They have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

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

DIRECTORS

As per Article 35 of the Articles of Association of the company Shri A.Tarachand Jain and Mr. T.Anil Jain, Directors of the Company retire by rotation in the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. Necessary resolutions are submitted for your approval.

Sri Sumermal Mehta was co-opted as an Additional Director who will hold office upto the date of the ensuing Annual General Meeting. Necessary resolution is in place for his appointment as a regular Director.

AUDITORS

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

As regards qualification of Auditors in their report dated 31st March 2011, regarding non compliance with AS 21 (Accounting Standard on Consolidation of financial statement of subsidiaries') the reasons for non furnishing of consolidated financial statement is already given in the para relating to Subsidiary Companies, above.

LISTING

Your Company's shares are listed in National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd. The Listing Fee for the Financial Year 2011-2012 has been paid to both the Stock Exchanges

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO:

FOREIGN EXCHANGE EARNINGS	` 1,04, 88,691/-
FOREIGN EXCHANGE OUTGO	` 6, 99,800/-

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

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

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

PUBLIC DEPOSITS

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

ACKNOWLEDGMENT

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

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

Place : Chennai
Dated : 08.07.2011

By Order of the Board
A. TARACHAND JAIN
CHAIRMAN

Management Discussion and Analysis Sheet

INDUSTRY STRUCTURE AND DEVELOPMENT

REFEX REFRIGERANTS LIMITED was incorporated on 13th September 2002 and is an ISO 9001 and 14001 Company. Refex Refrigerants Ltd. is primarily engaged in the business of refilling non ozone depleting refrigerant gases popularly known as Hydrofluoro Carbon or HFCs, which are used in Automobile Air-conditioners, Room Air-conditioners and Refrigerating Equipments.

During the period, the actual production of refrigerant gases accounted for 489.348 MT against the installed capacity of 3000 MT. The sales of products in terms of qty recorded 1754.741 MT.

OPPORTUNITIES

The Company is engaged in the business of Hydro Fluoro Carbons (HFCs) which are replacement of the Ozone depleting CFC which are already banned in India and HCFC that are to be banned in a phased manner from 2020 onwards as per the implementation schedule of the Montreal Protocol by developing countries. This phase out starts from 2012 onwards in parts and a complete ban will come in by 2020. The Ozone Cell and Ministry of Environment is under pressure from the international agencies to prepone these dates to 2015. These are primarily used as Refrigerants in refrigeration and air-conditioning applications, propellants and aerosols, blowing agents for insulating from and other application. Your Company has a wide breadth of customers in all major market segments like replacement market, original equipment and households. Also the growth of consumer durable industry and Automobile industry, there are huge opportunities coming in its way. Your company is strong in after markets and service industry which is growing multifold with the growth of the Manufacturing sector. The Refrigerants are typically consumables and need to be replaced or refilled in systems atleast 3-4 times over the life of the equipment. With its access to the various traders across the country, your company has 2 more products used in Airconditioning Industry. Voltage Stabilizers and Stands for outdoor units. Using the brand image and acceptance by the industry, these two products were launched in January 2011 and is widely accepted in the market. With this reach, your company plans to add many more products used in this industry either by imports, contract manufacturing or self manufacturing as the situation arises. Your company has tied up with Daikin Arkema Refrigerants Asia Pte Ltd, for exclusively marketing their products mainly used for special applications for Joint branding and selling in India. This is the first of the kind arrangement by a two decade old Refrigerant manufacturer. This will open up opportunity in newer segment where your company is currently struggling.

THREATS

The Company is largely dependent on foreign countries for the supply of raw materials and hence the shortage in the availability of raw material cost coupled with adverse foreign exchange fluctuations will affect the cost structure and bottom line of the Company. Any charges in the regulatory framework pertaining to manufacturing and importing of refrigerant gases could have an adverse impact on the business of the Company, also Refrigerants peak requirements is during summer months, so there is a seasonal variation in sales.

COMPETITIVE STRENGTH

The Company is engaged in the Business of refilling HFC, which unlike other Refrigerant Gases, is an eco friendly gas that does not harm the Ozone layer. The plant has been certified by many OEM's and has been designated as world class by Daikin Arkema Refrigerants Asia Pte Ltd.The Company has reputed corporates and MNCs in its clientele The client base of the Company is steadily increasing. It had introduced Refrigerants in small cans making it a retail product available off the shelf. It has also well branded the product, that the consumer recognizes the product when they need it. It has a handpicked marketing team who is well versed in the subjects and are pro customers and customer service.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

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

HUMAN RESOURCE DEVELOPMENT

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

DISCUSSION ON FINANCIAL PERFORMANCE

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

PRODUCT WISE / SEGMENT WISE PERFORMANCE

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

	2010-11	2009-10
Sales (in KGS)	17, 54,741	21, 92,350

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

Report On Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

Composition and Category of Directors

The current strength of the Board is Six Directors. Presently, the Board has Three Independent Directors, Shri N.D. Trivedi, Ms Abhinandana Papisetty and Shri.Sumermal Mehta out of the total Board's strength of Six Directors.

Number of Board Meetings

During the financial period 2010-2011, the Board met 5 times on following dates: 10th May 2010, 28th August 2010, 15th Nov 2010, 4th Dec 2010, and 8th Jan 2011 and the gap between two Meetings has not exceeded four months.

DIRECTORS ATTENDANCE RECORD AND DIRECTORSHIPS HELD

Name of the Director	Position / Category	Board Meetings		Last AGM Attended	Board Membership (Other Companies)
		Held	Attended		
Mr A. Tarachand Jain	Chairman - Promoter Executive	5	5	Yes	1
Mr. T Anil Jain	Managing Director - Promoter Executive	5	5	No	7
Mr. T Jagdish Jain	Whole Time Director - Promoter Executive	5	5	Yes	4
Mr.N DTrivedi	Director - Non Promoter, Non Executive Independent	5	Nil	No	Nil
Ms Abhinandana Papisetty	Director - Non Promoter, Non Executive Independent	5	5	Yes	Nil

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

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

The Company has in place the Code of Business Conduct and Ethics for Board of Directors and Senior Management personnel which are approved by the Board of Directors. The Code has been communicated to Directors and the members of the Senior Management personnel. The Code of conduct has also been posted on to the website of the Company. All Board Members and Senior Management personnel have confirmed compliance with the Code for the period ended 31st March 2011. The Annual Report contains a declaration to this effect signed by the Chairman, Managing Director and Company Secretary as compliance officer for the code.

3. BOARD COMMITTEES

(a) Audit Committee:

The Audit committee includes the following out of which, two are Independent Directors.

Ms. Abhinandana Papisetty	Chairman
Mr.N D Trivedi	Member
Mr.T Anil Jain	Member

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

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

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

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

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

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

The Committee met on 10.5.2010, 28.8.2010, 15.11.2010, 8.1.2011 for discharging the functions and was attended by two members for all the meetings held.

(b) Remuneration Committee

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

Ms. Abhinandana Papisetty	Chairman
Shri. N D Trivedi	Member
Shri. Sumermal Mehta	Member

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

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

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

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

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

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

The committee was not required to meet during 2010-11 as no occasion arose warranting any discussion and approval regarding revision of remuneration to managerial personnel.

Managerial Remuneration paid during the period.

	Amount (Rs. In Lakhs)
Managing Director	7.65
Whole Time Director	7.65

During the financial period ended 31st March 2011, Chairman waived his remuneration for the entire period while Managing Director and Whole time Director provided the remuneration for a period 9 months

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

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

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

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

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

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

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

iii) To resolve the investors' complaints.

The committee comprises of

Mr. T Anil Jain	Chairman
Mr T Jagdish Jain	Member

The Committee met on 3.8.2010. 13.10.2010 and 19.1.2011 for discharging the functions and were attended by both the members.

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

4. SECRETARIAL AUDIT

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

5. DIRECTORS MEMBERSHIP / CHAIRMANSHIP IN COMMITTEES

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

6. PROFILE OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT.

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

7. GENERAL BODY MEETINGS

Date, Time and Venue of the last three AGMs

Financial Year Ended	Date	Time	Venue
30th June 2010	03.12.2010	03.30 P.M	Benz Park, Rover Hall, 62, Tirumalai Pillai Road, T.Nagar Chennai 17.
31st March 2009	06.11.2009	03.30 P.M	Benz Park, Rover Hall, 62, Tirumalai Pillai Road, T.Nagar Chennai 17.
31st March 2008	09.06.2008	03.30 P.M	GRT Convention Centre, 120, Sir Thyagaraya Road, T.Nagar.Chennai 600 001

SPECIAL RESOLUTONS PASSED IN THE LAST 3 ANNUAL GENERAL MEETING.

DATE OF AGM 09.06.2008

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

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

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

DATE OF AGM 03.12.2010

INCREASE IN AUTHORIZED CAPITAL FROM RS.18 CRORES TO RS. 30 CRORES

ISSUE OF REDEEMABLE CUMULATIVE PREFERENCE SHARE FOR AN AGGREGATE VALUE OF RS. 100 CRORES

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

RESOLUTIONS THROUGH POSTAL BALLOT

The company conducted postal ballot resolution during December 2010 for seeking member's approval by way of special resolution for issue of Equity shares on preferential allotment basis to promoters of the company.

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

Total Ballot forms received	94
Valid ballot forms	93
Invalid forms	1

Total votes in favour	87 holding 89454170 shares
Total votes against	6 holding 16150 shares

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

8. MATERIAL CONTRACTS / TRANSACTIONS CONCERNING DIRECTORS INTEREST:

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

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

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

9. MEANS OF COMMUNICATION

(a) Quarterly Results

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

(ii)Any website displayed
Nill

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

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

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

10. GENERAL SHAREHOLDER'S INFORMATION

AGM Date, Time and Venue	5th September 2011 at 3.30 pm in Benzz Park, Rover Hall, No.62, Thirumalai Pillai Road, T. Nagar, Chennai – 600 017	
Financial Year	31st March 2011	
Financial Calendar for 2010-2011 (tentative dates for declaration of Quarterly Financial Results)	1st Quarter ending June 30, 2011	On or before 15th AUGUST 2011
	2nd Quarter ending Sept 30,2011	On or before 15th NOV 2011
	3rd Quarter ending Dec 31, 2011	On or before 15th FEB 2012
	4th Quarter ending March 30,2011	On or before 31st MAY 2012
Date of Book closure	29th August 2011to 5th September 2011(both days inclusive)	
Dividend Payment Date	Within Thirty days of declaration	
Name of the Stock Exchange on which shares are listed	Bombay Stock Exchange Ltd *Scrip Code: 532884	National Stock Exchange of India Ltd Scrip Code REFEX
Name & Address of Registrar & Share Transfer Agents	M/s.Cameo Corporate Services Ltd "Subramanian Building" Fifth Floor No.1, Club House Road, Chennai – 600 002	
Dematerialisation of shares	Approximately 98.21% of the shares are dematerialised. *DEMAT ISIN :INE 056i01017	
Address for Correspondance	M/s.Refex Refrigerants Limited, 67, Bazuallah Road, T Nagar, Chennai – 600 017.	

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

Details of Market Price-BSE

MONTH ENDED ON	HIGH (Rs.)	LOW (Rs.)
31.07.2010	29.20	24.00
31.08.2010	28.00	22.65
30.09.2010	28.90	22.50
31.10.2010	32.50	23.10
30.11.2010	51.45	30.30
31.12.2010	45.65	32.05
31.01.2011	49.00	33.75
28.02.2011	45.00	23.30
31.03.2011	38.25	23.65

Details of Market Price-NSE

MONTH ENDED ON	HIGH (Rs.)	LOW (Rs.)
31.07.2010	28.50	23.05
31.08.2010	28.00	22.75
30.09.2010	29.25	22.15
31.10.2010	32.00	23.05
30.11.2010	51.75	30.55
31.12.2010	45.70	32.05
31.01.2011	49.25	33.60
28.02.2011	45.45	24.20
31.03.2011	38.50	24.00

Share Transfer System:

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

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

11. SHARE HOLDING PATTERN AS ON 31st MARCH 2011

Category	Number of Share Holders	Number of Shares Held	%of Share Holding
Directors and their relatives including Associate Companies	8	8539304	55.18
Bodies Corporate	196	2873369	18.57
Foreign Company/ Nationals	1	1200	-
Foreign Institutional Investors	--	--	--
Banks / Financial Institutions	--	--	--
NRI	26	22931	0.15
UTI / Mutual Fund	--	--	--
Public(others)	5003	4038372	26.10
TOTAL	5234	15475176	100.00

12. INVESTORS CORRESPONDENCE

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

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

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

13. LIST OF DIRECTORS HOLDING SHARES OF THE COMPANY

Name of the Director	Category	Number of Shares held	% of Share holding
A. Tarachand Jain	Chairman, Promoter	1,85,200	1.20
T Anil Jain	Managing Director, Promoter	24,58,934	15.89
T Jagdish Jain	WholeTime Director, Promoter	4,72,000	3.05

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

To
The Members of
Refex Refrigerants Ltd.,

On the basis of the written representations received from Members of the Board and Senior Management Personnel as on 31st March 2011 in terms of Clause 49 of the Listing Agreement, we hereby certify that both the Members of the Board and the Senior management personnel have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the Board of Directors.

Place: Chennai	A Tarachand Jain	T Anil Jain	S. Gopalakrishnan
Date : 08.07.2011	Chairman	Managing Director	Company Secretary

Auditor's Certificate on Corporate Governance

To
The Members of
Refex Refrigerants Limited
Chennai

We have examined the Compliance of the conditions of Corporate Governance by M/s Refex Refrigerants Limited, for the period ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

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

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

We state that no investors' grievances are pending for the period exceeding 30 days against the Company as per the records maintained by the Registrar and Share Transfer Agents of the Company and presented to the Share Holders/Investors Grievances Committee.

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

Place : Chennai
Date : 08.07.2011

For Bhandari & Keswani
Chartered Accountants
FRN.000433S
P Bhandari
Partner
Membership No.17411

Auditors' Report

To the Members of
REFEX REFRIGERANTS LIMITED

1. We have audited the attached Balance Sheet of REFEX REFRIGERANTS LIMITED as at March 31, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

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

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

   e) On the basis of written representations received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon more particularly note No.3 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 2011

      (ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and

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

PLACE: Chennai
DATE : 27.05.2011

For BHANDARI & KESWANI
Chartered Accountants
FRN.000433S
P. Bhandari
Partner
Membership No.17411

Re: Refex Refrigerants Limited

Referred to in paragraph 3 of our report of even date

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

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

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

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

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

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

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

(b) The Company has taken interest free unsecured loans from two Body Corporates and three Directors covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.5,46,66,755/- and the year-end balance was Rs.4,72,64,608/-. The principal amounts are repayable on demand and there is no repayment schedule. In our opinion and according to the information and explanations given to us , the rate of interest and other terms and conditions of the loans given by the Company, are not prima facie prejudicial to the interest of the Company.

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

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls during the course of our Audit.

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

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

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

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

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

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

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty, Cess and other material Statutory dues were in arrears as at 31st March 2011 for a period of more than six months from the date they became payable.

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

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

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

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

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

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

(xv) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.

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

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

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

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

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

PLACE: Chennai
DATE : 27.05.2011

For BHANDARI & KESWANI
Chartered Accountants
FRN.000433S
P. Bhandari
Partner
Membership No. 17411

Balance Sheet as at 31st March, 2011

	Schedule	31st March 2011 `		30th June 2010 `	
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Capital	1	15,47,51,760		15,47,51,760	
b) Reserves and Surplus	2	27,46,21,967	42,93,73,727	27,46,21,967	42,93,73,727
2. Loan Funds					
a) Secured Loans	3	28,58,31,415		28,28,56,839	
b) Unsecured Loans	4	6,22,58,736	34,80,90,151	11,48,09,353	39,76,66,192
3. Deferred Tax - Net			4,31,32,103		4,31,32,103
	Total		82,05,95,981		87,01,72,022
II. APPLICATION OF FUNDS					
1. Fixed Assets	5				
a) Gross Block		45,90,44,428		45,99,81,789	
b) Less: Depreciation		6,52,79,423		3,99,48,901	
c) Net Block		39,37,65,005		42,00,32,888	
d) Capital Work-in-Progress		11,91,621	39,49,56,626	10,91,621	42,11,24,509
2. Investments	6		47,94,937		47,94,937
3. Current Assets, Loans and Advances					
a) Inventories	7	12,97,21,250		14,10,62,820	
b) Sundry Debtors	8	34,84,25,171		22,25,76,020	
c) Cash and Bank Balances	9	1,76,31,000		1,27,61,282	
d) Loans and Advances	10	5,05,14,645		9,98,14,728	
	(A)	54,62,92,066		47,62,14,850	
Less :					
4. Current Liabilities and Provisions					
a) Current Liabilities	11	15,53,41,204		14,99,38,209	
b) Provisions	12	1,90,74,218		74,34,858	
	(B)	17,44,15,422		15,73,73,067	
Net Current Assets	(A-B)		37,18,76,644		31,88,41,783
5. Miscellaneous Expenditure	13		-		-
(To the extent not written off or adjusted)					
Profit & Loss A/c			3,68,17,670		10,91,01,066
Deferred Revenue Expenses			1,21,50,104		1,63,09,727
	Total		82,05,95,981		87,01,72,022

As per our Audit Report of even date

For BHANDARI & KESWANI Chartered Accountants FRN. 000433S	A.Tarachand Jain Chairman	T. Anil Jain Managing Director
P. Bhandari Partner Membership No. 17411	T. Jagadish Jain Director	Abhinandana Papisetty Director
Place : Chennai Date : 27.05.2011	S.Gopalakrishnan Company Secretary	

Profit & Loss Account for the Nine Months Ended 31st March, 2011

	Schedule	31st March 2011 `	30th June 2010 `
I. INCOME			
Gross Sales		82,34,54,947	56,50,90,372
Less: Excise Duty		2,19,80,828	4,86,80,780
Net Sales		80,14,74,119	51,64,09,592
Other Income		2,24,19,685	1,06,15,646
	Total (A)	82,38,93,804	52,70,25,238
II. EXPENDITURE			
Cost of Sales of Manufactured Goods	14	16,23,28,572	29,98,79,728
Purchase of Goods		49,65,41,037	4,47,52,695
Establishment Expenses	15	1,08,76,493	1,71,38,367
Administrative Expenses	16	2,28,26,972	3,35,05,494
Finance cost		2,95,47,189	5,78,28,459
Depreciation	5	2,53,30,522	1,90,26,119
Amortisation of Deferred Revenue Expenses		41,59,623	69,32,704
Loss on Sale of Investment		-	73,29,215
	Total (B)	75,16,10,408	48,63,92,781
III. PROFIT			
Profit Before Tax	(A-B)	7,22,83,396	4,06,32,457
Provision for Income Tax		-	62,77,715
Amount Written Off		-	19,53,43,146
Deferred Tax Liability		-	27,01,893
Net Profit for the Year		7,22,83,396	(16,36,90,297)
Add :Balance brought forward from Previous Year		(10,91,01,066)	5,45,89,231
Loss After Appropriation		(3,68,17,670)	(10,91,01,066)
IV. APPROPRIATIONS			
Loss carried to Balance Sheet		(3,68,17,670)	(10,91,01,066)
		(3,68,17,670)	(10,91,01,066)
Earnings Per Share (Rs.) - Basic & Diluted (Face value of Rs.10/- each)		4.67	-

As per our Audit Report of even date

For BHANDARI & KESWANI Chartered Accountants FRN. 000433S	A.Tarachand Jain Chairman	T. Anil Jain Managing Director
P. Bhandari Partner Membership No.17411	T. Jagadish Jain Director	Abhinandana Papisetty Director
Place : Chennai Date : 27.05.2011	S.Gopalakrishnan Company Secretary	

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

	As at 31st March 2011 `		As at 30th June 2010 `	
1. CAPITAL				
Authorised				
2,50,00,000 (1,80,00,000) Equity Shares of `.10/- each &		30,00,00,000		18,00,00,000
5,00,000 Cumulative Redeemable Preference Shares of `.100/- each				
Issued , Subscribed and Paid-Up				
1,54,75,176 Equity Shares of `.10/- each fully paid-up		15,47,51,760		15,47,51,760
		15,47,51,760		15,47,51,760
Of the above:				
31,29,000 Equity Shares of `.10/- each are allotted as fully paid up bonus shares by way of capitalisation of General Reserve				
2. RESERVES AND SURPLUS				
Securities Premium		23,24,11,967		23,24,11,967
General Reserve				
As per last Balance Sheet	4,22,10,000		4,22,10,000	
Add: Transfer from Profit & Loss Account	-	4,22,10,000	-	4,22,10,000
Profit & Loss Account		-		-
		27,46,21,967		27,46,21,967
3. SECURED LOANS				
Loans and Advances from Banks		28,58,31,415		28,28,56,839
Secured by Charge over certain Fixed Assets and Current Assets of the Company both present and future.				
		28,58,31,415		28,28,56,839
4. UNSECURED LOANS				
Intercorporate Deposits		2,11,35,206		8,86,33,663
From Directors		4,11,23,530		2,61,75,689
		6,22,58,736		11,48,09,353
6. INVESTMENTS				
In Equity Shares-Non Trade, Unquoted of an Overseas Subsidiary				
Sherisha Technologies (Singapore) Pte Ltd (Sch.16)				
73,61,905(47,94,937) shares of SGD 1 each	20,01,38,083	-	20,01,38,083	
Less: Provision for dimunition in Value if Investment	19,53,43,146	-	19,53,43,146	47,94,937
		47,94,937		47,94,937
7. INVENTORIES (As valued and certified by the Management)				
Stock of Raw Materials		12,97,21,250		14,10,62,820
		12,97,21,250		14,10,62,820
8. SUNDRY DEBTORS				
(Unsecured Considered Good, except otherwise stated)				
Over six months	2,35,55,098		13,45,82,890	
Others	33,14,07,506		9,63,07,013	
	35,49,62,604		23,08,89,903	
Less: Deposits from normal Trade Debtors - Contra	65,37,433	34,84,25,171	83,13,884	22,25,76,019
9. CASH AND BANK BALANCES				
Cash on hand		1,10,165		31,646
With Scheduled Banks in:				
Current Accounts		60,904		53,036
Deposit Accounts		1,73,09,500		1,26,76,000
Dividend A/c with Bank		1,50,431		-
		1,76,31,000		1,27,61,282

	As at 31st March 2011 `		As at 30th June 2010 `	
10. LOANS AND ADVANCES				
(Unsecured Considered Good, unless otherwise stated)				
Advance recoverable in cash or in kind or for value to be received		2,89,45,156		2,75,97,240
Advances to Suppliers		-		5,79,06,135
Balance with Excise		1,22,96,280		1,19,63,498
Rent Deposit		23,84,693		9,00,035
Security Deposit		68,88,516		14,47,820
		5,05,14,645		9,98,14,728
11. CURRENT LIABILITIES				
Advances from Customers		-		3,04,84,903
Sundry Creditors		14,89,93,985		11,40,32,100
Sundry Creditors - Expenses		61,96,788		54,21207
Unclaimed Dividend		1,50,431		
		15,53,41,204		14,99,38,209
12. PROVISIONS				
Gratuity		22,97,477		14,21,508
Provision for expenses		1,07,82,646		-
Fringe Benefit Tax (net of advance payment)		12,77,500		12,77,500
Taxation (net of advance payment)		47,16,595		47,35,850
		1,90,74,218		74,34,858
13. MISCELLANEOUS EXPENDITURE				
(To be extent not written off or adjusted)				
Deferred revenue Expenses				
Opening Balance	1,63,09,727		1,59,31,066	
Add: Addition (Deduction) During the year	-		73,11,365	
	1,63,09,727		2,32,42,431	
Less: Transfer to P&L A/C	41,59,623	1,21,50,104	69,32,704	1,63,09,727
		1,21,50,104		1,63,09,727
14. COST OF SALES				
Opening Stock		14,10,62,820		5,31,58,279
Add: Purchase of Raw Materials		12,35,71,127		33,62,60,133
		26,46,33,947		38,94,18,412
Less: Closing Stock of Raw Materials		12,97,21,250		14,10,62,820
		13,49,12,697		24,83,55,592
Direct Expenses				
Transport and Carriage Expenses		57,85,576		1,52,32,625
Customs Duty		83,96,716		2,30,06,146
Stores & Consumables		2,77,843		1,32,540
Packing Materials		54,14,627		11,62,613
Discount		12,981		-
Factory Maintenance		6,25,814		16,03,682
Freight & Handling Charges		4,69,860		15,10,604
Clearing & Forwarding Charges		59,23,339		79,65,081
Power Charges		5,09,120		9,10,844
		16,23,28,572		29,98,79,728
15. ESTABLISHMENT EXPENSES				
Bonus		3,85,742		5,27,444
Salary		79,38,035		1,29,13,168
Gratuity		8,89,527		6,64,293
Provident Fund		3,47,284		5,80,184
Employee State Insurance		1,64,005		1,63,909
Staff Welfare		11,51,900		22,89,369
		1,08,76,493		1,71,38,367
16. ADMINISTRATIVE EXPENSES				
Advertisement Charges		2,20,895		4,60,784
Audit Fees		82,725		75,000
Bank Charges/Processing fee		33,73,742		72,60,902
Books and Periodicals/Subscription		73,953		83,907
Brokerage		35,000		37,900
Business Promotion		3,03,968		3,84,549
Consultancy Charges		5,75,755		7,29,609
Conveyance		1,47,317		3,03,753
Directors Remuneration		15,30,000		20,80,000
Donation		5,251		5,000
General Expenses/Bad Debts		6,37,580		7,51,945
Insurance		3,82,546		19,09,351
Legal & Professional Fees		5,19,925		31,71,964
Rates, Taxes and Fees		9,04,570		9,28,962
Office Maintenance		2,23,037		4,04,562
Petrol Expenses		6,75,823		10,12,207
Postage and Courier		2,79,394		3,16,776
Printing and Stationery		5,46,367		6,89,104
Rent		15,95,717		23,28,331
Repairs & Maintenance				
Machinery		3,90,732		2,21,217
Vehicles		3,21,476		4,05,064
Others		1,66,952		1,83,037
Security Charges		5,06,020		6,80,400
Telepone Charges		8,48,566		18,10,689
Travelling Expenses		19,18,085		69,10,590
Exchange Loss		65,61,575		3,59,892
		2,28,26,972		3,35,05,494

SAFEGUARDING OZONE

Schedule ' 5 '

SCHEDULE OF FIXED ASSETS

Figures in symbol `

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.07.2010	Additions for the year	Deletions for the year	As at 31.03.2011	Up to 30.06.2010	For the Period	Deductions	Up to 31.03.2011	As at 31.03.2011	As at 30.06.2010
LAND	10,22,79,110	-	-	10,22,79,110	-	-	-	-	10,22,79,110	10,22,79,110
BUILDING	14,28,72,295	-	-	14,28,72,295	98,61,660	37,92,492	-	1,36,54,152	12,92,18,143	13,30,10,635
ELECTRICAL INSTALLATIONS	2,50,20,480	-	-	2,50,20,480	21,40,730	9,47,888	-	30,88,618	2,19,31,862	2,28,79,750
FURNITURE & FITTINGS	75,29,874	5,14,358	-	80,44,232	20,13,673	5,02,677	-	25,16,350	55,27,882	55,16,201
OFFICE EQUIPMENTS	37,21,564	61,629	-	37,83,193	6,30,404	1,61,921	-	7,92,325	29,90,868	30,91,160
PLANT & MACHINERY- Cylinder	12,03,68,574	86,772	16,26,537	11,88,28,809	1,83,89,807	1,71,00,441	-	3,54,90,248	8,33,38,561	10,19,78,767
Other M/C	4,79,55,791	26,417	-	4,79,82,208	44,36,553	18,44,068	-	62,80,621	4,17,01,587	4,35,19,238
VEHICLES - Others	97,16,101	-	-	97,16,101	23,54,039	9,27,314	-	32,81,353	64,34,748	73,62,062
VAN	5,18,000	-	-	5,18,000	1,22,035	53,721	-	1,75,756	3,42,244	3,95,965
TOTAL	45,99,81,789	6,89,176	16,26,537	45,90,44,428	3,99,48,901	2,53,30,522	-	6,52,79,423	39,37,65,005	42,00,32,888

Schedule - 17
Significant Accounting Policies

1. Basis of Preparation of Financial Statements

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

2. Use of Estimates

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

3. Fixed Assets

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

4. Depreciation

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

5. Impairment of Assets

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

6. Foreign Currency Transactions

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

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

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

7. Investments

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

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

Investments in Subsidiary Company are carried at fair value as estimated by Board of Directors.

8. Inventories

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

9. Turnover

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

10. Excise Duty and Sales Tax

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

11. Employee Benefits

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

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

12. Borrowing Costs

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

13. Initial Public Offer and Deferred Revenue Expenditure

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

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

14. Provision for Current and Deferred Tax

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

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

15. Provision, Contingent Liabilities and Contingent Assets

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

Schedule 18
Notes On Accounts

1. The financial statements for the accounting period 2010-11 covers a period of 9 months (July 2010-March 2011) as against 15 months for the financial period 2009-10 (April 2009-June 2010). Hence the figures are not strictly comparable. This change in accounting period was approved by the Board in its meeting held on 8th January 2011.

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

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

4. During the current financial period, Barclays Bank PLC, offered a onetime settlement for repayment of Short Term Loan facility availed by the Company by waiving Rs 235 Lacs. This benefit received by the Company as a part of OTS has been included in the other income.

5. The Company's contribution paid/payable during the year to Employees Provident Fund Organization and Employee State Insurance Corporation are recognized in the Profit and Loss Account. As regards provision for Gratuity, the Company has estimated the provision based on actuarial

valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The additional provision for Gratuity for the current period is `. 8,75,969/- (Previous Year `.6,64,293/-)

	2010-11 `	2009-10 `
6. Payment to Auditors:		
Audit Fees	75,000	75,000
7. Managerial Remuneration:		
Directors Remuneration	15,30,000	20,40,000

8. (a) In respect of Fixed Assets (Vehicles) taken on hypothecation, future obligations towards Equated Monthly Installments (EMI) under the said hypothecation as on 31.03.2011 amounts to `. 12,01,129/- (Previous year `.21,50,253/-).

	`	`
Within one year	7,08,564	4,34,488
Later than one year and not later than five years	4,92,565	17,15,765
Total	12,01,129	21,50,253

(b) General Description of Hypothecation

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

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

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

9. The deferred tax charge comprise of the following:

	As at 31st March, 2011 `	As at 30th June, 2010 `
Deferred Tax Liability		
Related to fixed assets	NIL	42,49,000
Related to expenses	NIL	(15,47,107)
Total	NIL	27,01,893

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

As certified by the Management

Class of goods	Units	Licenced / Registered Capacity		Installed Capacity		Actual Production	
		2011	2010	2011	2010	2011	2010
Refrigerant Gases	Kilograms	NA	NA	30,00,000	30,00,000	4,89,348	22,39,841

11. Quantitative details of Raw materials consumed:

Product	Units	Quantity		Value (`)	
		2011	2010	2011	2010
Refrigerant Gases	Kilograms	4,89,348	22,39,841	14,23,79,994	24,83,55,592

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

Products	Units	Opening Stock				Purchases				Closing Stock			
		Qty 2011	Value `. 2011	Qty 2010	Value `. 2010	Qty 2011	Value `. 2011	Qty 2010	Value `. 2010	Qty 2011	Value `. 2011	Qty 2010	Value `. 2010
Refrigerant Gases	Kgs	NIL	NIL	NIL	NIL	9,85,858	49,42,56,420	2,09,531	2,69,69,205	12,320	61,76,588	NIL	NIL
Refrigerant Gases In Cans	Nos	45,237	38,86,983	17,379	12,28,110	19,045	55,22,782	1,45,000	1,62,36,234	83	20,175	45,237	38,86,983
Stop Valves (Nos)	Nos	NIL	NIL	NIL	NIL	30,000	21,15,665	NIL	NIL	13,663	9,63,131	NIL	NIL

13. Quantitative information in regard to Sale of Goods:

Product	Units	Quantity		Value (`)	
		2011	2010	2011	2010
Refrigerant Gases	Kgs	17,54,741	21,92,350	80,14,74,119	51,64,09,592

	31st March 2011 `	30th June 2010 `
14. Percentage of Raw Material consumption		
Imported	20%	83.63%
Indigenous	80%	16.36%
15. Expenditure in foreign currency with Respect to Travel	6,99,800	22,20,548
16. Value of Imports calculated on CIF basis	12,35,71,127	20,76,99,782
17. Earnings in foreign exchange FOB value of exports	1, 04,88,691	46,96,382
18. Remittance in foreign currency on account of dividend	NIL	NIL
19. Earnings per share has been computed as under		
Net Profit / (Loss)	7,22,83,396	(16,36,90,297)
Weighted average number of equity shares Outstanding	1,54,75,176	1,54,75,176
Earnings per share ` - Basix & Diluted		
(Face Value of `.10 per share)	4.67	NIL
20. Contingent Liability		
(a) Corporate Guarantees given by the Company Guaranteeing the loans of Subsidiary Companies	NIL	16,85,40,750
(b) Estimated amount of Contracts remaining to be Executed on Capital Account and not provided for	NIL	NIL
(c) Letter of Credit issued by the bankers remaining Outstanding (net of margin deposits)	5,16,91,940	2,42,82,500

21. Contingent Liability

(a) Key Management Personnel:

1) Mr.A.Tarachand Jain

2) Mr.T.Anil Jain

3) Mr.T.Jagdish Jain

(b) Other Related Parties

1) Sherisha Technologies Private Limited

2) Refex Energy Ltd

3) Sherisha Technologies (S) Pte Ltd, Singapore

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

i) Persons referred to in (a) above

Sl.No	Nature of Transaction	Current Period `	Previous year `
1	Salary		
	A.Tarachand Jain	NIL	NIL
	T.Anil Jain	7,65,000	10,20,000
	T.Jagdish Jain	7,65,000	10,20,000
2	Loan received - A.Tarachand Jain		
	Opening Balance	11,64,719	99,719
	Amount received during the year	NIL	10,65,000
	Amount repaid during the year	NIL	NIL
	Closing Balance - Payable	11,64,719	11,64,719
3	Loan received - T.Anil Jain		
	Opening Balance	2,23,29,491	5,48,09,083
	Amount received during the year	2,13,84,906	3,41,06,689
	Amount repaid during the year	69,94,541	6,65,86,281
	Closing Balance - Payable	3,67,19,856	2,23,29,491
4.	Loan received - T.Jagdish Jain		
	Opening Balance	26,81,479	1,958
	Amount received during the year	10,07,850	30,36,691
	Amount repaid during the year	4,50,376	3,57,170
	Closing Balance - Payable	32,38,953	26,81,479

ii) Parties referred to in item (b) above

Sl.No	Nature of Transaction	Current Period `	Previous year `
1	Sherisha Technologies Pvt. Ltd.		
	(a) Unsecured Loan Received		
	Opening balance	26,08,648	4,64,996
	Amount received during the year	NIL	31,05,128
	Amount repaid during the year	25,00,000	31,484
	Closing balance-Payable	1,08,648	26,08,648
2	Refex Energy Pvt. Ltd.		
	Opening balance	5,55,39,157	6,34,83,519
	Amount received during the year	34,66,720	21,01,343
	Amount repaid during the year	5,90,05,877	1,00,45,705
	Closing balance	NIL	5,55,39,157

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

Signature to Schedules 1 to 18.

As per our Audit Report of even date

For BHANDARI & KESWANI Chartered Accountants FRN. 000433S	A.Tarachand Jain Chairman	T. Anil Jain Managing Director
P. Bhandari Partner Membership No. 17411	T. Jagadish Jain Director	Abhinandana Papisetty Director
Place : Chennai Date : 27.05.2011	S.Gopalakrishnan Company Secretary	

Cash Flow Statement for the period ended 31st March, 2011

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

	For the period ended 31st March, 2011 ₹		For the year ended 30th June, 2010 ₹	
A. NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		7,22,83,396		4,06,32,457
ADJUSTMENTS FOR :				
Depreciation	2,53,30,522		1,90,26,119	
Interest etc. (Net)	2,95,47,189		5,78,28,459	
Income from Long Term Investments	-		-	
Amortisation of Deferred Revenue Expenditure	41,59,623		69,32,704	
Income from Current Investments	-		-	
Fixed Assets - (Profit) / Loss on Sale	-		3,59,892	
Loss on Sale of Current Investments - Net	-		73,29,215	
Unrealised (Gain)/Loss on Exchange (Net)	-		-	
Write off/Loss on sale of Long Term Investment	-		-	
		5,90,37,334		9,14,76,389
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		13,13,20,729		13,21,08,846
ADJUSTMENTS FOR :				
Trade and Other Receivables		(7,65,49,068)		10,17,66,071
Inventories		1,13,41,570		(8,79,04,541)
Trade Payables		1,70,42,355		2,82,89,538
CASH GENERATED FROM OPERATIONS		8,31,55,586		17,42,59,914
Income Tax Paid		-		-
Cash Flow before Exceptional items		8,31,55,586		17,42,59,914
Exceptional items paid/received		-		-
NET CASH FROM OPERATING ACTIVITIES		8,31,55,586		17,42,59,914
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(7,89,176)		(8,33,91,861)	
Sale of Fixed Assets	16,26,537		6,11,255	
Purchase of Business	-		-	
Purchase of Current Investments	-		-	
Sale/Redemption of Current Investments	-		-	
Purchase of Long Term Investments	-		-	
Sale of Long Term Investments	-		18,11,61,145	
Income from Long Term Investments Received	-		-	
Income from Current Investments Received	-		-	
Interest Received	-		-	
Refund of Deposits towards Property Options	-		-	
Loans Given			2,54,87,479	
Loans Realised		8,37,362		(23,84,54,273)
NET CASH USED IN INVESTING ACTIVITIES		8,39,92,948		(6,41,94,359)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from issue of Share Capital	-		-	
Proceeds from Long Term Borrowings	29,74,576		75,51,366	
Repayments of Long Term Borrowings	-		-	
Net increase / (decrease) in Cash/Export Credit Facilities and other Short Term Loan	(5,25,50,618)		(2,66,81,652)	
Interest etc. Paid	(2,95,47,189)		(5,78,28,459)	
Dividends Paid	-		-	
Income Tax on Dividend Paid	-		-	
NET CASH FLOW USED IN FINANCING ACTIVITIES		7,91,23,231		(7,69,58,745)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		48,69,717		(14,11,53,103)
OPENING CASH AND CASH EQUIVALENTS		1,27,61,282		1,53,19,347
CLOSING CASH AND CASH EQUIVALENTS		1,76,31,000		1,27,61,282
CASH AND CASH EQUIVALENTS COMPRISE :				
Cash and Bank Balances	1,76,31,000		1,27,61,282	
Unrealised Loss / (Gain) on Foreign Currency Cash and Cash Equivalents	-		-	
		1,76,31,000		1,27,61,282

As per our Audit Report of even date

For BHANDARI & KESWANI
Chartered Accountants FRN. 000433S
P. Bhandari
Partner Membership No.17411
Place : Chennai
Date : 27.05.2011

A.Tarachand Jain
Chairman

T. Anil Jain
Managing Director

T. Jagadish Jain
Director

Abhinandana Papisetty
Director

S.Gopalakrishnan
Company Secretary

Balance Sheet Abstract and Company's General Business Profile

1 Registration Details — State Code 18

Registration No. 4 9 6 0 1

Balance Sheet Date `

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

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

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

Total Liabilities	Total Assets
8,20,596	8,20,596
Sources of Funds	
Paid - Up Capital	Reserves & Surplus
1,54,752	2,74,622
Secured Loans	Unsecured Loans
2,85,831	62,259
Deferred Tax Liability	
43,132	
Application of Funds	
Net Fixed Assets	Investments
3,94,957	4,795
Net Current Assets including long term Loans & Advances	
4,20,844	
Accumulated Losses	Misc. Expenditure
-	-

4 Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
8,23,894	7,51,610
Profit Before Tax	Profit After Tax
72,283	72,283
Earning Per Share in Rs (Rs. 10/- paid)	Dividend Rate %
4.67	0%

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

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

As per our Audit Report of even date
For BHANDARI & KESWANI
Chartered Accountants FRN. 000433S
P. Bhandari
Partner Membership No.17411
Place : Chennai
Date : 27.05.2011

A.Tarachand Jain — Chairman
T. Anil Jain — Managing Director
T. Jagadish Jain — Director

Abhinandana Papisetty — Director
S.Gopalakrishnan — Company Secretary

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

Sl. No.	Details	
1.	Name of the Subsidiary	Sherisha Technologies (S) PTE Ltd. Singapore
2.	Financial Year Ending	31.12.2010
3.	Shares of the subsidiary held by the company as on above date	73,61,905 Equity shares of Singapore $ 1 each fully paid up
4.	Net Aggregate amount of Profits / (losses) of the subsidiary for the above financial year of the subsidiary not dealt with in the company's accounts	
	(a) For the financial year of the subsidiary Profits / (loss)	(`.1,78,62,023/-)
	(b) For the previous financial year since it became subsidiary - Profits/(Loss)	(`.16,19,40,883/-)
5.	Net Aggregate amount of Profits/(losses) of the subsidiary for the above financial year of the subsidiary dealt with in the company's accounts	
	(a) for the financial year of the subsidiary Profits / (loss)	NIL
	(b) for the previous financial year since it became subsidiary Profits / (loss)	NIL
6.	Material changes between the end of financial year of the subsidiary and 31st March 2011	NIL

A.Tarachand Jain
Chairman

T. Anil Jain
Managing Director

T. Jagadish Jain
Director

Place : Chennai
Date : 08.07.2011

Abhinandana Papisetty
Director

S.Gopalakrishnan
Company Secretary

Annual Report of

SHERISHA TECHNOLOGIES (S) PTE. LTD, SINGAPORE

Registration No. 200801026N

Financial Statements for the year Ended December 31,2010

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

Directors' Report

The directors have pleasure in presenting their report to the members together with the audited financial statements for the company for the financial year ended 31 December 2010.

1. Directors

The directors in office at the date of this report are:

Anil Jain Tara Chand

Pooja Bagri

Sudhakar Thirumalaiswamy

2. Arrangements to enable directors to acquire share and debentures

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

3.Director's interests in shares and debentures

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

Name of the directors	At beginning of year	At end of year
Holding Company		
Refex Refrigerants Limited		
Ordinary shares @ INR 10each		
Anil Jain Tara Chand		
Direct Interest	2,840,902	2,840,902
Deemed Interest	72,000	72,000
Pooja Bagri	89,813	128,441

4. Director's receipt and entitlement to contractual benefits

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

5. Share Options

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

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

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

6. Auditors

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

Statement of Directors

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

(a)The accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows to together with the notes there to are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2010 and of the results, changes in equity and cash flows of the Company for the period ended on that date, and

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

On behalf of the Board

Anil Jain Tara Chand　　　　Pooja Bagri

Singapore,
Date : May 27,2011

Independent Auditors' Report

TO THE MEMBERS OF SHERISHA TECHNOLOGIES (S) PTE. LTD.
(Incorporated in the Republic of Singapore)

Report on the Financial Statements

We have audited the accompanying financial statements of SHERISHA TECHNOLOGIES (S) PTE. LTD., which comprise the statement of financial position as at December 31, 2010, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets.

Auditors responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at December 31, 2010 and the results, changes in equity and cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Natarajan & Swaminathan,
Public Accountants and Certified Public Accountants

Singapore
Date ; May 27,2011

Statement of Financial Position as at 31st December, 2010

Asset	Note	31st December, 2010 S$	31st December, 2009 S$
Non-Current Asset			
Investment in a subsidiary	3	-	6,625,000
Total non-current assets		-	6,625,000
Current Asset			
Other Receivables	4	1,467,511	-
Cash at Bank	5	80,082	42,867
Total Current Asset		1,547,593	42,867
Total Assets		1,547,593	6,667,867
Equity and liabilities			
Equity			
Share capital	6	7,361,905	7,361,905
Accumulated loss		(6,071,583)	(5,559,378)
Total equity		1,290,322	1,802,527
Non-current liabilities			
Share application money	7	145,000	-
Long term Loan	8	-	2,462,692
Total Non-current liabilities		145,000	2,462,692
Current Liabilities			
Accrued Expense		12,271	32,108
Other payables	9	100,000	729,185
Current Portion of long term loan	8	-	1,641,355
Total Current Liabilities		112,271	2,402,648
Total Liabilities		257,271	4,865,340
Total Equity and liabilities		1,547,593	6,667,867

Statement of Comprehensive Income

For the Financial year ended December 31, 2010

	Note	31st December, 2010 S$	31st December, 2009 S$
Revenue		-	-
Other income	10	145,545	136,214
Salaries and employe benefits	11	(257,500)	(8,025)
Impairment loss in investment in subsidiary	3	-	(4,595,000)
Other operating expenses		(328,129)	(121,204)
Finance cost	12	(72,121)	(290,031)
Loss before income tax	13	(512,205)	(4,878,046)
Income tax expense	14	-	-
Loss after income tax		(512,205)	(4,878,046)
Other Comprehensive income		-	-
Total Comprehensive loss for the year		(512,205)	(4,878,046)

Statement of Changes in Equity
For the Financial year ended December 31, 2010

Note	Share Capital S$	Accumulated Loss S$	Total S$
Balance as at 01.01.2009	4,794,937	(681,332)	4,113,605
Issue of shares	2,566,968	-	2,566,968
Total comprehensive loss for the period	-	(4,878,046)	(4,878,046)
Balance as at 31.12.2009	7,361,905	(5,559,378)	1,802,527
Total comprehensive loss for the year	-	(512,205)	(512,205)
Balance as at 31.12.2010	7,361,905	(6,071,583)	1,290,322

Statement of Cash Flow
For the Financial year ended December 31, 2010

	31st December, 2010 S$	31st December, 2009 S$
Cash flows from operating activities		
Loss before income tax	(512,205)	(4,878,046)
Adjustments for:		
Impairment loss in investment in subsidiary	-	4,595,000
Interest income	(1)	(1)
Interest expense	72,121	290,031
Operating profit / (loss) before working capital changes	(440,085)	6,984
Other Receivables	(1,467,511)	-
Accrued expenses	(19,837)	(97,119)
Other payable	(629,185)	(464,402)
Cash used in operations	(2,556,618)	(554,537)
Interest received	1	1
Interest paid	(72,121)	(290,031)
Net cash used in operating operations	(2,628,738)	(844,567)
Cash flows from Investing activities		
Sale of Investment in a subsidiary	6,625,000	-
Net cash used in investing activities	6,625,000	-
Cash flows from Financing activities		
Proceeds from issue of shares	-	2,566,968
Share application money receivrd	145,000	-
Proceeds from term loan	-	397,017
Repayment of term loan	(4,104,047)	(2,078,087)
Net cash (used in) / from financing activities	(3,959,047)	885,898
Net increase in cash and cash equivalents	37,215	41,331
Cash and cash equivalents brought forward	42,867	1,536
Cash and cash equivalents carried forward	80,082	42,867
Cash and cash equivalents comprise		
cash at bank	37,082	42,867
cash at hand	43,000	-
	80,082	42,867

Notes to the financial statements

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

1. Corporate Information

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

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

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

There have been no significant changes in the nature of these activities during the financial year.

Holding company

The Company is a wholly owned subsidiary of 'Refex Refrigerants Limited', a company incorporated and listed in India, which is also the ultimate holding company.

2. Significant accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”) as required by the Singapore Companies Act, Chapter 50. The financial statements are expressed in Singapore Dollars (S$), and are prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances (refer to Note 2(b) to the financial statements).

There were no new or revised FRS issued during the financial year that was applicable to the Company.

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

In the process of applying the entity's accounting policies, management is of opinion that there are no critical judgements (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

2. Significant accounting policies

b) Critical judgments in applying the entity's accounting policies (cont’d)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowance for trade and other receivables

The provision policy for doubtful debts of the Company is based on the ongoing evaluation of collectability and aging analysis of the outstanding receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Company were to deteriorate, resulting in an impairment of their ability to make payments, allowances would be made.

c) Foreign currency transactions

(i) Functional currency

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

(ii) Transactions and balances

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

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

d) Investment in subsidiary

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

e) Impairment of non-financial assets

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

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

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

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

f) Financial instruments

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

Effective interest method

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

Financial assets

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

Recognition

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

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

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

Loans and receivables

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

Impairment

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

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

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

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

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

Derecognition

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

Financial liabilities

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

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

Interest-bearing bank loans and overdraft are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for finance costs.

Financial liabilities are derecognised when the obligation under the liabilities are discharged, cancelled or expire.

g) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank and cash in hand.

h) Revenue recognition

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

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

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

Interest income
Interest income is recognised on an accrual basis

i) benfits Employee

Retirement benefit costs

As required by law, the Company makes contributions to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore. CPF contributions are recognised as expense in the same year to which the contribution relates.

Employee entitlements to annual leave are recognised when they accrue to the employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by the employees up to the statement of financial position date.

A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

i) Finance costs

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

j) Income tax

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

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

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

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

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

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

3. Investment in a subsidiary

	2010	2009
	S$	S$
Unquoted equity share, at cost	6,625,000	11,220,000
Impairment loss for the year and carried forward	-	(4,595,000)
Disposed during the year	(6,625,000)	-
	-	6,625,000

Details of the subsidiary

Name of subsidiary	Country of Incorporation	Effective equity held by Company		Cost of investment	
		2010	2009	2010	2009
		%	%	S$	S$
Kaltech Engineering and Refrigerants Pte Ltd (#)	Singapore	-	51	-	11,220,000
Held by subsidiary					
Global Refrigerants Pte Ltd (#)	Singapore	51	51	-	-

(#) Audited by other firm of auditors

During the financial year, the Company had disposed of its subsidiary and had fully repaid the loan (refer Note 8 to the financial statements).

4. Other Receivables

	2010	2009
	S$	S$
Holding company	1,380,011	-
Prepayment	87,500	-
	1,467,511	-

The amount due from holding company was unsecured, interest free and repayable on demand.

5. Cash and bank balances

	2010	2011
	S$	S$
Cash at bank	37,082	42,867
Cash in hand	43,000	-
	80,082	42,867

The cash and bank balances that are not denominated in Singapore dollars are as follows:-

	2009	2008
	S$	S$
United states Dollars	34,269	399

6. Share capital

	2010	2010	2009	2009
	No. of shares issued	S$	No. of shares issued	S$
Ordinary shares issued and fully paid				
Balance at beginning of year	7,361,905	7,361,905	4,794,937	4,794,937
Issue of shares	-	-	2,566,968	2,566,968
Balance at end of year	7,361,905	7,361,905	7,361,905	7,361,905

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

7. Share application money

During the financial year, the Company received S$145,000 for share application. No shares had been issued as of the date of these financial statements towards this share application money.

8. Long - term loan

	2010	2009
	S$	S$
Loan	-	4,104,047
Less: Current portion	-	(1,641,355)
Non current portion	-	2,462,692
The amount due after 1 year is repayable within the period as follows:		
Between 2-5 years	-	2,462,692

In 2009, the loan bore an interest of about 6% per annum. The loan was secured on equity investment in its subsidiary, Kaltech Engineering and Refrigerants Pte Ltd. During the financial year the loan was fully repaid.

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

	2010	2011
	S$	S$
United States Dollars	-	4,104,047

9. Other payables

	2010	2009
	S$	S$
Holding company	-	629,185
Director	100,000	100,000
	100,000	729,185

The amount due to holding company and directors are unsecured, interest free and repayable on demand.

10. Other income

	2010	2009
	S$	S$
Commission income	97,399	61,066
Foreign exchange gain	11,651	75,147
Interest income	1	1
Miscellaneous Income	36,494	-
	145,545	136,214

11. Salaries and employee benefits

	2010	2009
	S$	S$
Salary	110,000	-
Director's Remuneration	147,500	-
Director's fee	-	8,025
	257,500	8,025

The salaries and employee benefits are paid to the key management personnel of the Company.

12. Finance cost

	2010	2009
	S$	S$
Interest on bank loans	72,121	290,031

13. Loss before income tax

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

	2010	2009
	S$	S$
Foreign exchange gain	(11,651)	(75,147)

14. Income tax expense

No provision for income tax has been set up in 2010 and 2009 in view of the losses incurred.

Subject to agreement with the Tax Authority and compliance with certain conditions of the Income Tax Act, the Company has unutilised tax losses as at the end of the financial year amounting to about S$590,000 (2009:S$243,000) respectively which are available for set off against future taxable income.

Deferred tax assets of about S$100,000 (2009:S$41,000) arising from unutilised tax losses is not provided for in the financial statements, as future taxable profits to utilise the tax losses cannot be reasonably ascertained.

15. Ralated party transactions

Party is considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decision. Related party may be individual or entity.

Some of the Company's transactions and arrangement are with related party and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances with this party are unsecured, interest free and repayable on demand unless otherwise stated.

During the year, the Company entered into the following trading transactions:

	2010	2009
	S$	S$
Salary	110,000	-
Loans and receivables	210,000	-

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

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

	2010	2009
	S$	S$
Financial assets		
Loans and receivables	1,547,593	42,867

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

	2010	2009
	S$	S$
Financial liabilities		
Amortised cost	257,271	4,865,340

Amortised cost under financial liabilities comprises of share application money accrued expenses, other payables and long term loans.

(b) Fair value measurements

The Company adopted the amendment to FRS 107 which requires disclosure of the fair value measurements by level of the following fair value measurement hierarchy:

I) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The financial assets and liabilities of the Company comprise other receivables, cash and bank balances, share application money, accrued expenses, other payables and long term loan. The carrying values of the financial assets and liabilities as shown in the statement of financial position approximate their fair value amounts at the statement of financial position date, except that the fair value of share application money cannot be practically determined as there are no fixed terms of repayment to ascertain the future cash flows reliably. The carrying values of these assets and liabilities are the nominal or cost values.

c) Financial risk

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

Interest rate risk

As at end of the financial year 2010, the Company has no significant exposure to market risk for changes in interest rate as it has no interest bearing borrowings

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company has no significant liquidity risk. It maintains a level of cash and cash equivalents that is sufficient for working capital purposes.

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

		Cash Flows		
	Carrying amount	Contractual Cash flow	Less than 1year	Between 2 to 5 years
	S$	S$	S$	S$
2010				
Non-derivative financial liabilities				
Accrued expenses and other payables	112,271	(112,271)	(112,271)	(112,271)
Share application money(*)	145,000	-	-	-
	257,271	(112,271)	(112,271)	(112,271)

* No contractual cash flow is reflected as the directors' do not foresee a cash repayment for the share application money.

	Carrying amount	Contractual Cash flow	Cash Flows Less than 1year	Between 2 to 5 years
	S$	S$	S$	S$
2009				
Non-derivative financial liabilities				
Trade and other payables	761,293	(761,293)	(761,293)	-
Interest-bearing borrowings	4,104,407	(4,104,407)	(1,641,355)	(2,462,692)
	4,865,340	(4,865,340)	(2,402,648)	(2,462,692)

Credit risk

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

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

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

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

Foreign currency risk

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

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

Foreign currency sensitivity analysis

Any increase or decrease in the United States dollars against the Singapore dollars will have an impact on the financial statements. An increase or decrease in 10% in the United States dollars against Singapore dollars rate will decrease or increase the loss before tax by approximately S$3,400 (2009: S$411,000).

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

Price risk

The Company has no significant exposure to price risk.

(d) Capital risk management

The management considers the capita l of the Company to mainly consist of shareholders equity.

The management manages the capital to ensure the Company will be able to continue as a going concern while maximizing the return to shareholders through optimization of the capital.

The management's overall strategy remains unchanged from 2009.

17. New accounting standards and FRS interpretations

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

			Effective from annual periods beginning on or after
FRS 12	:	Amendments to FRS 12	
		Deferred Tax: recovery of Underlying Assets	January 1, 2012
FRS 24	:	Related Party Disclosures	January 1, 2011
FRS 107	:	Amendments fo FRS 107	July 1, 2011
		Disclosure - Transfers of Financial Assets	

The Management anticipates that the adoption of the above FRS and INT FRS does not result in any significant changes to the company's accounting policies or have any significant impact on the financial statement of the company.

18. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Directors on May 27, 2011.

REFEX REFRIGERANTS LIMITED

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

ATTENDANCE SLIP

Annual General Meeting Held on Monday the 5th September 2011

Regd. Folio No.. (or)

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

Name and Address of the Share holder(s)

Proxy's Name

I hereby record my attendance at the ANNUAL GENERAL MEETING of the Company at BENZZ PARK, Rover Hall, No. 62, Thirumalai Pillai Road, T.Nagar, Chennai-17. on 5th September 2011 at 3.30 pm

SIGNATURE OF THE ATTENDING MEMBER/PROXY :

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

REFEX REFRIGERANTS LIMITED

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

I/We..

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

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

my/our Proxy to attend and vote for me/us and on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held on Monday 5th September 2011 at 3.30 p.m. and at any adjournment thereof.

Signed this .... Day of ....2011.

Registered Folio No./DD ID & Client ID :

No. of Shares held :

Affix Re.1
Rev.Stamp

This form is to be used $\frac{\text{* in favour of}}{\text{* against}}$ the resolution. Unless otherwise

instructed, the Proxy will act as he thinks fit.

* Strike out whichever is not desired.

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

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