Chemistry of success at work

ANNUAL REPORT 2016-2017

SGX

MEGHMANI ORGANICS LIMITED

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS	Jayanti M Patel Ashish N Soparkar Natwarlal M Patel Ramesh M Patel Anand I Patel Balkrishna T Thakkar Chinubhai R Shah Jayaraman Vishwanathan Kantibhai H Patel Chander Kumar Sabharwal Ms. Urvashi Shah
AUDIT COMMITTEE	Balkrishna T Thakkar Chinubhai R Shah Jayaraman Vishwanathan
NOMINATION COMMITTEE	Chinubhai R Shah Balkrishna T Thakkar Kantibhai H Patel
REMUNERATION COMMITTEE	Chinubhai R Shah Balkrishna T Thakkar Kantibhai H Patel
THE SHAREHOLDERS' / INVESTORS' GRIEVANCE, SHARE ALLOTMENT AND SHARE TRANSFER COMMITTEE	Chinubhai R Shah Balkrishna T Thakkar Ashish N Soparkar
CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	Chinubhai R Shah Balkrishna T Thakkar Ashish N Soparkar Jayanti M Patel Natwarlal M Patel
COMPANY SECRETARY	Kamlesh Dinkerray Mehta
REGISTRAR & SHARE TRANSFER AGENT-INDIA	Link Intime India Private Limited C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400083. Tel: +91 22 4918 6270 Fax: +91 22 4918 6060

CORPORATE INFORMATION

INVESTOR SERVICES E - MAIL ID	helpdesk@meghmani.com
SINGAPORE DEPOSITORY SHARES (“SDSs”) REGISTRAR AND SDSs OFFICE	Tricor Barbinder Share Registration Services 80 Robinson Road, #02-00 Singapore 068898 Telephone No. (65) 6236 3552 Fax No. (65) 6236 3405 E-mail : helpdesk@meghmani.com
SINGAPORE SECRETARIAL AGENT	Tricor Evatthouse Corporate Services 80 Robinson Road, #02-00 Singapore 068898 Telephone No. (65) 6236 3510 Fax No. (65) 6236 4399 E-mail : helpdesk@meghmani.com
REGISTERED OFFICE	Plot No. 184, Phase II, G.I.D.C. Vatva, Ahmedabad -382 445 Telephone No. 91-79-25831210 Fax No. 91-79-25833403 E-mail : helpdesk@meghmani.com
CORPORATE OFFICE	Meghmani House, B/h Safal Profitaire, Corporate Road, Prahaladnagar, Ahmedabad 380 015 Telephone No. 91-79-2970 9600/ 7176 1000 Fax No. 91-79-2970 9605 E-mail : helpdesk@meghmani.com
MUMBAI OFFICE PRESENT OFFICE	A1& B1, Ground Floor, Kalamandir Co.Op.Housing Society, Chitrakar Ketakar Marg, Near Sathye College, Ville Parle [East], Mumbai – 4000 057 Telephone No. 91 22 2612 2640
PERMANENT OFFICE (BUILDING UNDER RECONSTRUCTION)	Flat No. 22/23, Vellard View Co.op. Housing Society, Tardeo Road, Mumbai

CORPORATE INFORMATION

PLANT LOCATION

1. Pigment Division - Green	Plot No. 184, Phase II, G.I.D.C. Vatva, Ahmedabad -382 445 Telephone No. 91-79-25831210 Fax No. 91-79-25833403 E-mail : helpdesk@meghmani.com
2. Pigment Division - Blue	Plot No. 21,21/1, G.I.D.C. Panoli, District :- Bharuch Telephone No. 91-9879606337, 38, 39 E-mail : helpdesk@meghmani.com
3. Pigment Division - Blue	Plot No. Z-31, Z-32, Dahej SEZ Limited, - Dahej Taluka :- Vagra, District :- Bharuch Telephone No. 91-7567144279 E-mail : helpdesk@meghmani.com
4. Agro Division – I	Plot No. 402,403,404 & 452, Village Chharodi, Taluka Sanand, District :- Ahmedabad Telephone No. 91-2717-273251 E-mail : helpdesk@meghmani.com
5. Agro Division – II	5001/B, G.I.D.C. Ankleshwar, District :- Bharuch Telephone No. 91-2646-222971 E-mail : helpdesk@meghmani.com
6. Agro Division – III	Plot No - Ch-1+2/A GIDC Dahej, Taluka – Vagra District :- Bharuch - 392130 Telephone No. 91-2641-291017 E-mail : helpdesk@meghmani.com
7. Agro Division – IV	Plot No. 22/2, G.I.D.C. Panoli, District :- Bharuch Telephone No. 91-2646- 276577 E-mail : helpdesk@meghmani.com

CORPORATE INFORMATION

PRINCIPAL BANKERS	State Bank of India, CAG Branch, 58, Shreemali Society, Navrangpura, Ahmedabad 380 009
	HDFC Bank Limited Mithakhali, Ahmedabad 380 009
	ICICI Bank Limited JMC House, Opp. Parimal Garden, Ambawadi, Ahmedabad 380 009
	Standard Chartered Bank, Ground Floor, Abhijeet II, Mithakhali Six Roads, Ahmedabad – 380 006
AUDITOR	M/s Khandwala & Khandwala Chartered Accountants 2nd Floor, “HRISHIKESH”, Vasantbaug Society, Opposite Water Tank, Gulbai Tekra, AHMEDABAD – 380006
JOINT - AUDITOR	KPMG Safal Profitaire, B4, Third Floor, Corporate Road, Opp. Auda Garden, Prahladnagar, Ahmedabad – 380 015

★★★

CHAIRMAN'S STATEMENT

Dear Shareholders,

This was a year of continued progress for Meghmani Organics. On one hand, we took the next leap forward in our vision of becoming a global chemicals conglomerate with the start of a ₹ **5.4-bn round of expansion to be completed over the next 2-3 years.** This is the next strategic stepping stone to expand our Chemicals business post the ₹ 6.5-bn invested over the last five years. On the other hand, we delivered **steady profitable growth of** 7% revenue growth and EBITDA margins of 21%. That too in the face of challenges like the high channel inventory in the Indian Agrochemicals Market, a lackluster exports market, the fire at our Beta Blue plant and slow ramp-up in the Caustic Potash facility.

However, with all challenges now behind us, FY18 looks to be more promising. **In Agrochemicals,** the Indian market is expected to have a good year on the back of two good monsoons (i.e. last year's monsoon along with a good monsoon predicted for FY18), following two years of drought, and strong government support. In **Pigments,** with the Beta Blue plant fire incident behind us, we will be able to increase the share of higher-value-added products in FY18 as earlier planned. In **Basic Chemicals,** the technical issues resulting in slow ramp-up of our new Caustic Potash facility at Dahej of 60 TPD capacity have now been sorted out. The Company is positive about quickly ramping up the plant to optimum utilisation levels.

We are confident that the above developments, along with Meghmani's **strong leadership across businesses, wide presence in international markets and increased focus on the fast-growing domestic market will help deliver robust performance in Fy18.**

Our global market share in Pthalocyanine Pigments was up at 8%, we are a leading player in Agrochemicals and the fourth-largest Caustic Chlorine player in India in the Basic Chemicals segment. At present, we export to 75 countries and are servicing 400+ marquee clients. During the year, we continued to expand our global footprint. Our Exports registrations have increased to 227 in FY17 from 183 in FY16. Simultaneously, we increased our focus on the fast-growing domestic market. This was in response to the government's increased thrust on the Indian Chemicals sector as part of its ambitious "Make in India" initiative. India is the third-largest producer of chemicals in Asia and the Sixth-largest by output globally. Going forward, India's large population base with low per-capita consumption of chemicals and relatively strong GDP growth outlook (GDP expected to grow at 7.2% in 2018, according to IMF Outlook), as the transient impact of demonetisation withers off will sustain healthy domestic growth in the sector.

₹ 5.4-bn capex underway for strong future growth

The project will be a major growth-driver, going forward. It involves 3 projects. **The first Project** is the Company's CMS project of 40,000 MTPA which will result in captive consumption of 41,000 MTPA of Chlorine (Co-product of the Company's Caustic Soda production), which currently has negative realisation. So, this project will help the Company to achieve better realisation in the Caustic segment. The end products of this project is MDC (which mainly used by Pharma and Agro Chemical Industries and India is currently a net importer of the same), Chloroform and Carbon Tetra Chloride(CTC). This is expected to be commissioned by March 2018 and add ₹1.4 bn of revenue in the full year of operations. **The Company's second Project** involves 50% capacity expansion of the Caustic Soda Plant to 2,40,000 MTPA using the zero gap membrane cell technology and increase the Company's Captive Power Plant capacity to 90MW from 60 MW now. **The Company's third Project** is to set up a Hydrogen Peroxide (50%) project of 25,000 MTPA. which also used in Pharma and Agro Chemical Industries. The expansion of the Caustic Chlorine facility, along with Power Plant and Hydrogen Peroxide projects will involve investments to the tune of ₹ 4 bn. These are expected to be commissioned by June 2019 and add ₹ 3 bn in revenue in the full year of operations.

Continued growth momentum with maintained profitability

Consolidated revenue delivered YoY growth of 7% in FY17 on the back of growth in the domestic market, which grew by 11% in the year. Pigments and Agrochemicals delivered good growth, despite challenges, such as subdued exports, fire incident and pricing pressure in Agrochemicals due to channel inventory following 2 years of drought. Revenue from Basic Chemicals was stable on account of lower utilisation due to synchronisation of the Caustic Potash Plant.

CHAIRMAN'S STATEMENT

EBITDA for the period increased 11% to ₹ 2,888 mn on the back of improved operational performance, higher production and increased share of value-added products. This resulted in expansion of 77 bps in EBITDA margin to 20.6%. PAT grew by 6% to ₹ 878 mn on the back of improved financial leverage due to debt reduction, taking the PAT margin to 6.3%. Exceptional Loss of ₹ 38 mn is related to Loss due to fire at Beta Blue Plant. Our long-term debt is down by ₹1,171 mn this year and we plan to pay off a further ₹ 910 mn in FY18. This, along with better performance, has resulted in an improved interest coverage ratio of 3.9X compared to 2.9X in FY16. The Debt Equity ratio was further reduced to 0.6X in FY17 from 0.9X in FY16.

In view of our Group's performance in FY17, I am pleased to propose a dividend of ₹ 0.40 per share fo ₹ 1 each.

Segmental Performance:

Pigments continue with profitable growth momentum

Our Pigments business delivered steady growth with higher profitability in the year despite the fire at the Beta Blue plant during the year. Revenue grew by 10% in the year to reach ₹ 5,143 mn, driven by robust performance in both domestic and export markets, which grew at 29% and 12%, respectively. Volumes increased by 7% at 14,462 MT, driven by higher production and higher realisation. EBITDA margin increased to 17% from 13% in FY16 due to higher production, higher realisation, lower fuel cost and lower other expenses. Utilisation levels increased to 66% in FY17 from 63% in FY16.

Agrochemicals business delivers double-digit revenue growth, led by strong volumes

Our Agrochemicals business reported higher revenue on the back of robust volume growth in the domestic market, but lower realisations impacted the segment's profitability transiently. However, the year ended on a better note with all setbacks firmly behind us. Revenue for the year increased by 11% to ₹ 4,730 mn in FY17, from ₹ 4,262 mn in FY16 driven by a robust growth of 34% in the domestic markets coupled with stable exports. Volumes witnessed robust growth of 27%. However, realisations declined due to change in product mix to match demand in the market. EBITDA margin for the period was down at 10% in the year compared to 12% in FY16, on account of lower realisation and lower utilisation. Utilisation level was at 60% as production capacity increased to 27,180 MTPA in FY17 from 20,520 MTPA in FY16 via debottlenecking.

Basic Chemicals continue to deliver profitability in line with long-term range

Our Basic Chemicals segment reported good performance with margins in the range of the long-term average of 30-35%. During the year, the synchronisation of the Caustic Potash plant led to lower production, which is directly connected to revenue. Revenue for the year was therefore, marginally down at ₹ 3,953 mn. The Company also upgraded its Caustic plant to the zero gap technology in FY17. Blended realisation for the segment was stable. EBITDA margin was at 36%, above the guided range of 30-35%, but lower than the previous year on account of lower utilisation and higher fuel cost. Utilisation level declined to 77% on account of Caustic Potash plant synchronisation and increased capacity to 1,87,600 MTPA from 1,66,600 MTPA on account of commencement of the Caustic Potash facility.

Industry Outlook

All the 3 segments of the Chemical industry we operate in, i.e., Pigments, Agrochemicals and Basic Chemicals, are growing well on both the Domestic and Export fronts.

The size of the global Pigments market in 2016 was $24 bn and is expected to rise to $32 bn by 2023, growing at a CAGR of 3.8%. Asia Pacific (APAC) is expected to make up the lion's share of the global geographical market with approximately 47% share in 2023.The global organic pigments market is expected to grow at a CAGR of more than 3% between 2017 and 2021. In terms of geography, APAC is the largest and most dominating region in the global market. The highly fragmented Indian colorant industry, valued at $6.8 bn, exports nearly 75% of its production. Exports have grown in double-digits over the last few years.

The global Agrochemicals market should cross $266 bn by 2021, up from $213 bn in 2016, growing at a CAGR of 4.5% from 2016 to 2021. The growing global population and limited land are the major growth-drivers for the agrochemicals market. In 2015, APAC accounted for 53% of the revenue share of the agrochemicals market. FY17 was a progressive year for the Indian Agrochemical Industry, which experienced a healthy monsoon after 2 years of drought. Budget 2017-18 gave a big fillip to the Indian Agri sector through pitched reforms in agriculture and increased funds for insurance and irrigation schemes, amongst

CHAIRMAN'S STATEMENT

others. The Indian Agrochemicals industry is expected to grow at 10-12% annually to reach $6.8-7.4 bn by FY19. Approximately half of the demand comes from domestic consumers and the rest from exports.

According to Research and Markets, the global Chlor-Alkali market is projected to grow at a CAGR of between 5.0% and 5.5% from 2016 to 2022. The consistent global demand for alumina, pulp and paper, vinyls and other derivatives provide positive growth opportunities for the Chlor-Alkali market. According to IMF, India's FY18 GDP growth is projected to increase to 7.2%. Basic Chemicals – Chlor-Alkalis and PVC are basic building blocks that find application in products of everyday use, including Aluminium, Paper, Textiles and Plastics.

Future Outlook:

FY18 looks to be a more promising year with all businesses poised to grow

We are positive about a stepped-up performance in FY18 as all our businesses are on a strong growth path:

Pigments is expected to continue with the momentum with its increasing share of value-added products, led by fully ramped-up Beta Blue plant. We are also focusing on the high-margin paints and plastics market by improving the product-mix and developing specialty pigment products for international markets to maintain the growth in exports. Meghmani Organics, being a leader in the Indian pigments market, is well placed to monetise the significant market opportunities in the fast-growing Indian economy.

In Agrochemicals, we expect the domestic market to further grow in FY18, driven by a better monsoon following the channel inventory drying up after 2 years of drought, and lower imports due to reduced production in China on account of pollution issues. The Company has focused its efforts on strengthening its distribution network which was earlier not being pursued very aggressively due to subdued market conditions. The Company's export markets are already reviving and Meghmani Organics is witnessing increasing demand for its higher-value products which will result in higher realisations and better margins.

Our Caustic Potash plant, which is now getting ramped up, coupled with continued strong performance by Caustic Soda, will be the key drivers for profitable growth of the Basic Chemicals segment.

Overall, FY18 looks to be more promising with all segments expected to progress: Agrochemicals with better industry demand, Pigments with increasing share of higher-value-added products and Basic Chemicals with increased utilisation of caustic potash. So Meghmani, with its Chemicals DNA, diversified portfolio, unmatchable infrastructure and improved market conditions, will continue delivering profitable growth, leading to higher returns for our stakeholders.

Acknowledgements:

On behalf of the Board, I would like to thank the management and staff of Meghmani, who have worked hard for the growth and future of the Company. I am also grateful to my fellow directors for their continued guidance, advice and foresight that helped steer the Group's business through the increasingly competitive industry landscape. I extend my heartfelt gratitude to our Customers for their continued faith in our products and our business partners for their support to our business. Finally, I thank our Shareholders for the trust and confidence they have placed in us. With your belief in us, we are confident of keeping up the growth momentum and report even better results in the years to come.

Thank you and best wishes.

Jayanti Patel
Executive Chairman

DIRECTORS' REPORT

To,
The Members,
Meghmani Organics Limited

Your Directors have pleasure in presenting Twenty Third Annual Report and Audited Statement of Accounts of the Company for the Financial Year ended on 31st March, 2017.

FINANCIAL RESULTS

(₹ in Lakhs)

PARTICULARS	YEAR ENDED ON 31st MARCH, 2017	YEAR ENDED ON 31st MARCH, 2016
Net Revenue from Operations	102301.00	94029.63
Other Operating Revenue	2318.09	1881.66
Revenue from Operations	**104619.09**	**95911.29**
Other Income	1096.35	2401.31
Total Revenue	**105715.44**	**98312.60**
Profit Before Finance Cost and Depreciation	**14416.78**	**13527.89**
Finance Cost	3641.66	4130.85
Depreciation	3846.98	3618.67
Profit Before Exceptional Item & Tax	**6928.14**	**5778.37**
Exceptional item	381.06	811.44
Profit Before Tax	**6547.08**	**4966.93**
Payment and Provision of Current Tax	2250.00	1290.00
Deferred Tax Expenses/(Income)	95.26	10.52
Excess/short provision of tax for earlier year	50.76	38.88
Profit After Tax	**4151.06**	**3627.53**

DIVIDEND:-

The Board of Directors has recommended payment of dividend at ₹ 0.40 per Equity Share on 254,314,211 Equity Shares of ₹ 1/- each fully paid up for Financial year 2016-17. The dividend will entail an out flow of ₹ 1224.35 Lakhs including dividend distribution tax. The proposed dividend is tax free in the hands of shareholders.

During the year, unclaimed dividend of ₹ 2.66 Lakhs pertaining to Financial year 2008-09 were transferred to the Investor Education & Protection Fund (IEPF) while Unclaimed Dividend relating to the Financial Year 2009-10 is due for transfer on 10.08.2017 to (IEPF) established by the Central Government.

DIRECTORS' REPORT

OVERVIEW OF COMPANY'S OPERATING RESULTS:-

Sales:-

The Company is in the business of manufacturing of Pigments and Agrochemicals.

The Sales increased by ₹ 8271.36 Lakhs (8.80%) i.e. from ₹ 94029.63 Lakhs in FY 2016 to ₹ 102301.00 Lakhs in FY 2017.

The Sales of Pigment Division increased by ₹ 4543.73 Lakhs (9.69%) i.e. from ₹ 46884.32 Lakhs in FY 2016 to ₹ 51428.05 Lakhs in FY 2017.

The Sales of Agrochemical Division has increased by ₹ 4679.50 Lakhs (10.98%) i.e. from ₹ 42619.53 Lakhs in FY 2016 to ₹ 47299.03 Lakhs in FY 2017.

1) **DOMESTIC SALES:-**

The Domestic Sales increased by ₹ 8092.07 Lakhs (31.68%) i.e. from ₹ 25543.45 Lakhs in FY 2016 to ₹ 33635.52 Lakhs in FY 2017.

The Domestic Sales of Pigment Division increased by ₹ 3545.79 Lakhs (29.40%) i.e. from ₹ 12058.67 Lakhs in FY 2016 to ₹ 15604.46 Lakhs in FY 2017.

The Domestic Sales of Agro Division increased by ₹ 4541.80 Lakhs (33.75%) i.e. from ₹13457.74 Lakhs in FY 2016 to ₹ 17999.54 Lakhs in FY 2017.

2) **EXPORT SALES :-**

The Export Sales increased by ₹ 179.30 Lakhs (0.26%) i.e. from ₹ 68486.18 Lakhs in FY 2016 to ₹ 68665.48 Lakhs in FY 2017.

The Export Sales of Pigment Division increased by ₹ 997.94 Lakhs (2.87%) i.e. from ₹ 34825.66 Lakhs in FY 2016 to ₹ 35823.60 Lakhs in FY 2017.

The Export Sales of Agro Division increased by ₹ 137.70 Lakhs (0.47%) i.e. from ₹ 29161.78 Lakhs in FY 2016 to ₹ 29299.48 Lakhs in FY 2017. Export Sales related to trading activity decreased by ₹ 956.39 Lakhs.

3) **OTHER INCOME :-**

Other income decreased by ₹ 1304.96 Lakhs mainly due to decrease in exchange rate difference.

4) **PROFITABILITY :-**

Profit Before Tax increased by ₹ 1580.15 Lakhs i.e. by (31.81%) while Profit after Tax increased by ₹ 523.53 Lakhs (14.43%).

4. **AUDITORS REPORT:-**

There is no qualification, reservation or adverse remarks or disclaimer made by the Auditors in their report on the financial statement of the Company for the Financial Year ended on 31st March, 2017.

5. **SHARE CAPITAL:-**

The Paid up Equity Share Capital as on March 31, 2017 was ₹ 2543.14 Lakhs. During the year under review, the Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme. The Company has not issued any convertible instrument during the year.

No disclosure is required under Section 67(3) (C) of the Companies Act, 2013 (Act) in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable.

6. **FINANCIAL LIQUIDITY:-**

Cash and cash equivalent as at 31 March, 2017 was ₹ 105.33Lakhs (Previous year ₹ 137.46 Lakhs). The Company's working capital management is based on a well-organized process of continuous monitoring and controls on its net Current Assets.

DIRECTORS' REPORT

7. **CREDIT RATING:-**

CRISIL has upgraded Long Term Rating CRISIL A +/ Stable (Upgraded from 'CRISIL A / Positive) and Short Term Rating CRISIL A1 (Reaffirmed) to its total Bank facility of ₹ 611.75 Crore vide its letter MEGORGN/177268/BLR/051700953 dated May 16, 2017.

CRISIL has assigned Rating CRISIL A1 (pronounced as CRISIL A one rating) vide its letter MEGORGN/177268/CP/051700952 dated May 16, 2017 for issuance of Commercial Paper of ₹ 50 Crore.

8. **EXTRACT OF ANNUAL RETURN:-**

As required by Section 92(3) of the Companies Act, 2013 and the Rules framed there under, the extract of the Annual Return in Form MGT 9 is annexed herewith as **"Annexure B".**

9. **MEETINGS:-**

BOARD MEETINGS:-

During the year, Four Board Meetings were convened and held, the details of which are given in the Corporate Governance Report.

AUDIT COMMITTEE MEETINGS:-

During the year, Four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report.

10. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:-**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

11. **RELATED PARTY TRANSACTIONS (RPT):-**

All transactions with Related Parties are placed before the Audit Committee for approval.

The Company has obtained prior Omnibus Approval of the Audit Committee for the transactions which are of foreseen and repetitive nature. The transactions entered into pursuant to the Omnibus Approval so granted are audited and a statement giving the details of all Related Party Transactions is placed before the Audit Committee for their approval on a Quarterly basis. The Company had also taken members' approval at its Annual General Meeting held on 26th July, 2016 for entering into the transactions with Related Parties for the period of 3 (Three) years i.e. from 01/04/2016 to 31/03/2019.

All transactions entered into with Related Parties during the Financial Year were on an Arm's Length pricing basis and were in the ordinary course of business. There were no Materially Related Party Transactions i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements entered into during the year. Hence, no transactions are required to be reported in Form AOC2.

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

12. **MATERIAL CHANGES:-**

No material changes or commitments have occurred between the end of the calendar year and the date of this report which affect the financial statements of the Company in respect of the reporting year.

13. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:-**

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure- A** and is attached to this report.

DIRECTORS' REPORT

14. SUBSIDIARY COMPANIES:-

The Company has following Five Subsidiaries.

Sr. No.	Name of the Subsidiary	Business
1	Meghmani Finechem Limited (MFL)	Caustic Manufacturing
2	Meghmani Europe BVBA (Europe)	Distribution Business
3	Meghmani Organics USA INC. (USA)	Distribution Business
4	P T Meghmani Organics Indonesia (Indonesia)	Distribution Business
5	Meghmani Overseas FZE - Sharjah - Dubai	Distribution Business

The Company does not have any **Joint Venture or Associate Company.**

Pursuant to Section 129(3) of the Companies Act, 2013 a statement in Form "AOC 1" containing the salient features of the Financial Statements of each of the Subsidiaries is attached.

MATERIAL SUBSIDIARIES:-

Meghmani Finechem Limited (MFL) is a material subsidiary whose income or net worth in the immediately preceding accounting year exceeds 20% of the consolidated income or Net Worth respectively of the Company and its Subsidiaries.

15. CONSOLIDATED FINANCIAL STATEMENT:-

Consolidated Financial Statements of the Company for the Financial Year 2016-17 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and regulation as prescribed by Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Consolidated Financial Statements have been prepared on the Basis of the Audited Financial Statements of the Company and its Subsidiary Companies, as approved by their respective Board of Directors.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Financial Statements of the Company, the Consolidated Financial Statements along with all relevant documents and the Auditor's Report thereon form part of this Annual Report. The Financial Statements as stated above are also available on the website **www.meghmani.com** of the Company.

16. DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP):-

APPOINTMENT OF DIRECTORS:-

At the last Annual General Meeting held on July 26, 2016, the Members have re-appointed Mr. Jayantibhai Patel, Executive Chairman and Mr. Ashish Soparkar, Managing Director of the Company, who retires by rotation.

During the year, Mr. Natwarlal Patel, Managing Director & Mr. Rameshbhai Patel, Executive Director, who retires by rotation and being eligible offer themselves for re-appointment. The details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting has been provided in the Notice of the Annual General Meeting, forming part of the Annual Report.

KEY MANAGERIAL PERSONNEL:-

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) of the Companies Act, 2013, read with the Rules framed there under.

1. Mr. Ankit Patel - Chief Executive Officer (CEO) (Appointed w. e. f. 22.05.2017)
2. Mr. Kamlesh Mehta - Company Secretary & Vice President (Company Affairs)
3. Mr. Raj Kumar Mehta - Chief Financial Officer (CFO) (Appointed w. e. f. 22.05.2017)

DIRECTORS' REPORT

During the year under review:

(1) Mr. Dinesh Shah, CFO has resigned on 15th June, 2016 and

(2) Mr. Upen Shah, CFO appointed on 7th September, 2016 resigned on 9th February, 2017.

17. INTERNAL AUDIT :-

The Internal Audit (IA) function reports to the Audit Committee of the Board, which helps to maintain its objectivity and independence. The scope and authority of the IA function is defined by Audit Committee. The Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. M/s. Khandwala & Khandwala has been appointed as Internal Auditor for the Financial Year 2017-18.

18. INDIAN ACCOUNTING STANDARDS (IND AS) – IFRS CONVERGED STANDARDS:-

The Ministry of Corporate Affairs vide its notification dated February 16, 2015 has notified the Companies (Indian Accounting Standard) Rules, 2015. In pursuance of this notification, the Company and its subsidiaries has adopted Ind AS with effect from April 01, 2015, with the comparatives for the periods ending March 31, 2017.

The implementation of Ind AS is a major change process for which the Company has established a project team and is dedicating considerable resources.

19. FIXED DEPOSITS:-

During the year under report, the Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed there under.

20. INDEPENDENT DIRECTORS:-

The Independent Directors hold office for a fixed term of five years and are not Liable to retire by Rotation. In accordance with Section 149(7) of the Act, each Independent Director has given a written Declaration to the Company confirming that he/she meets the criteria of Independence as mentioned under Section 149(6) of the Act and SEBI Regulations.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR) :-

Your Company continued the social development schemes initiated in previous years. These projects covered the broad thematic areas of Livelihood, Education, Kanya Kelwani Nidhi and Vanvasi Kalyan Yojana that are compliant with Companies Act 2013.

During Financial Year 2016-17, the Company has spent an amount of ₹ 88 Lakhs (Previous year ₹ 85 Lakhs) towards the CSR activities. CSR amount to be spent for Financial Year 2016-17 works out to ₹ 92.45 Lakhs. Total CSR amount with previous year figure to be spent is ₹ 59 Lakhs.

22. BOARD EVALUATION:-

Pursuant to the provisions of the Companies Act, 2013, SEBI Regulations, and Singapore Listing requirements, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

23. REMUNERATION POLICY:-

The Board has, on the recommendation of Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

24. VIGIL MECHANISM / WHISTLE BLOWER POLICY:-

The Company has a WHISTLE BLOWER POLICY to deal with instance of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct, if any. The details of the WHISTLE BLOWER POLICY are posted on the website of the Company.

25. CORPORATE GOVERNANCE:-

A Separate Section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this report, as per SEBI Regulations.

DIRECTORS' REPORT

This report also forms part of Singapore Stock Exchange listing requirements.

26. AUDITORS:-

(A) STATUTORY AUDITORS:-

M/s. Khandwala & Khandwala, Chartered Accountants, Ahmedabad (Firm Regn. No. 107647W) were appointed as the Statutory Auditors of the Company since incorporation in 1995 and the present term of their appointment as Statutory Auditors shall expire upon conclusion of 23rd Annual General Meeting.

Considering the tenure of the existing Statutory Auditors and the provisions of Section 139 of the Companies Act, 2013, your Directors recommend the appointment of M/s SRBC & Co. LLP Chartered Accountants for your approval.

You are, therefore, requested to appoint M/s. of SRBC & Co LLP Chartered Accountants, Ahmedabad (Firm Regn. No. 324982E / E 300003) as Statutory Auditors of the Company to hold office from the conclusion of 23rd Annual General Meeting (AGM) till the conclusion of 28th AGM i.e. for a period of five years (subject to ratification of the appointment by the Members at every AGM held after this AGM).

The Company has received letter from M/s SRBC & Co LLP Chartered Accountants to the effect of their appointment, if made, would be within prescribed limit under Section 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit & Auditors) Rules, 2014 and that they are not disqualified for appointment.

To meet with the Singapore Listing Rules requirement, the Company is required to appoint Joint Auditor based at Singapore to sign the Audit Report under International Finance Reporting System (IFRS). The Company has therefore decided to appoint **E&Y LLP Singapore** as Joint Auditor for FY 2017-18 to comply with IFRS requirements of Singapore Listing Rules. They will be appointed as Joint Auditor at the next Annual General Meeting.

(B) SECRETARIAL AUDITOR:-

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Shah & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for FY 2016-2017. The Secretarial Audit Report is appended to this report.

(C) COST-AUDITOR:-

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Audit records maintained by the Company in respect of Certain Pigment and Agrochemicals products are required to be audited by a Qualified Cost Accountant.

Your Directors have on the recommendation of the Audit Committee, appointed M/s. Kiran J Mehta & Co. Cost Accountants (Firm Registration number 00025) to audit the Cost Accounts of the Company for the Financial Year 2017-2018. As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification.

A Resolution seeking appointment and remuneration payable to M/s. Kiran J Mehta & Co., Cost Accountants, is included in the Notice convening the Annual General Meeting.

27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:-

As per Clause 34(2) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report, is appended to this report.

28. INSURANCE:-

The Company's plant, property, equipments and stocks are adequately insured under the Industrial All Risk Policy. The Company has insurance coverage for Product Liability, Public Liability, Marine coverage And Commercial General Liability (CGL). The Company has Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

DIRECTORS' REPORT

A Fire accident occurred on 27th July, 2016 in Beta Blue Finished goods Warehouse and Plant at Dahej SEZ Plant. The Surveyor assessed the loss of the fire for on account payment and on that basis the Company has received on account payment of ₹ 12 Crore on 11th April, 2017.

The reinstatement of the Plant is at the advance stage and is expected to start in June 2017. The final claim bill will be lodged thereafter.

29. FINANCE:- RENEWAL OF WORKING CAPITAL FACILITY:-

The Consortium Banks has renewed Fund Based and Non Fund Based Working Capital Credit facilities up to ₹ 400 Crore. To avail the enhancement, execution of Security Documents are in process.

30. AGROCHEMICAL REGISTRATION:-

To date, we have 227 export registrations including Co-partner Registrations world wide. The Company has 354 registrations of Central Insecticides Board (CIB), Faridabad, 35 registered Trade Marks and 496 Export registrations are in pipe line.

31. RESEARCH & DEVELOPMENT:-

Research and Development (R & D) Center of at Village Chharodi, Taluka : Sanand, District : Ahmedabad is registered by Council of Scientific & Industrial Research (CSIR), New Delhi. R & D Center carries out development of off-patent molecules, improvements in process parameters, time cycle optimization, and scale up of new technology from laboratory to production level. During the year the Company has spent ₹157 Lakhs (Previous year ₹ 139 Lakhs) as R & D expenses.

32. ANNUAL LISTING FEE:-

The Company has paid the Annual Listing Fees for the Financial Year 2017-18 to National Stock Exchange of India Limited, BSE Limited and Singapore Exchange.

33. ENVIRONMENT:-

As a responsible corporate citizen and as a chemicals manufacturer environmental safety has been one of the key concerns of the Company. It is the constant endeavour of the Company to strive for compliant of stipulated pollution control norms. During the year the Company has spent ₹ 1157 Lakhs (Previous Year ₹ 1096 Lakhs).

34. INDUSTRIAL RELATIONS:-

The relationship with the workmen and staff remained co-ordial and harmonious during the year and management received full cooperation from employees.

35. PARTICULARS OF EMPLOYEES:-

The applicable information required pursuant to Section 197 of the Companies Act, 2013 read with Rule (5) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014 in respect of the employees are as under.

i. Ratio of remuneration of each director to the median employee's is 23.

ii. Percentage increase in remuneration of each Director, CFO, CEO, CS or Manager, if any

Sr. No.	Name	Designation	% increase
1	Mr. Jayanti Patel	Executive Chairman	41.67%
2	Mr. Ashish Soparkar	Managing Director	41.67%
3	Mr. Natwarlal Patel	Managing Director	41.67%
4	Mr. Ramesh Patel	Executive Director	25.00%
5	Mr. Anand Patel	Executive Director	16.67%
6	Mr. Kamlesh Mehta	Company Secretary	7.00%

DIRECTORS' REPORT

iii. The percentage increase in the median remuneration of employees is 11%.

iv. The number of permanent employees on the rolls of Company is 1411.

v. The Sales turnover of the Company has increased by 8.80% while the Net Profit by 14.43%. There is no direct relationship between average increase in remuneration of employee and company performance.

vi. The Sales turnover of the Company has increased by 8.80% while the Net Profit by 14.43%. There is no direct relationship between average increase in remuneration of KMP and company performance.

vii. The Price earning ratio as at 31.03.2017 is 22.88 and 31.03.2016 was 15.94.

The Market Capitalisation as on 31.03.2017 was ₹ 948.59 Crore (Share Price ₹ 37.30 per Equity Share) while on 31.03.2016 it was ₹ 579.836. Crore (Share Price ₹ 22.80 per Equity Share).

The Company had made its IPO in 2007 at ₹ 19 /- per Equity Share of ₹ 1/- each. The Share price as on 31 March, 2017 was ₹ 37.30/- per Equity Share of ₹ 1/- each. The percentage increase in the market quotation was 96.32%

viii. There is no employee receiving remuneration in excess of the highest paid Director.

ix. All the components of the remuneration are fixed and no components are variable.

x. The remuneration paid to Working Directors is as per Schedule V of the Companies Act, 2013 and as per remuneration policy of the Company.

xi. Particulars of Employees:- Employed throughout the financial year receiving remuneration in aggregate, not less than ₹ 60 lakhs.

(₹ Lakhs)

Sr. No.	Name	Salary Per Annum	Perquisites Per Annum	Performance Per Bonus	Total
1	Mr. Jayanti Patel	60.00	7.28	25.00	92.28
2	Mr. Ashish Soparkar	60.00	7.28	25.00	92.28
3	Mr. Natwarlal Patel	60.00	7.28	25.00	92.28
4	Mr. Ramesh Patel	60.00	7.28	15.00	82.28
5	Mr. Anand Patel	60.00	7.28	10.00	77.28
	Total	**300.00**	**36.38**	**100.00**	**436.40**

No Employee was employed for a part of the financial year at an aggregate salary of not less than ₹ 5 lakhs per month.

xii. No one was employed through out the financial year or part thereof receiving remuneration in excess of the amount drawn by Managing Director.

36. DIRECTORS' RESPONSIBILITY STATEMENT:-

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Companies Act (Act):—

a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the period ended on 31st March, 2017.

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors had prepared the Annual Accounts on a Going Concern Basis;

DIRECTORS' REPORT

e) The Directors had laid down Internal Financial Controls (IFC) and that such Internal Financial Controls are adequate and have been operating effectively.

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems have been found adequate and operating effectively.

ACKNOWLEDGMENT:-

Your Directors thank various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. Customers, Members, Dealers, Vendors, Banks and other business partners for the excellent support received from them during the year.

The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board
Jayanti Patel
Executive Chairman
DIN - 00027224

Place: Ahmedabad
Date: 22nd May, 2017

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-A

1. CONSERVATION OF ENERGY:

A	Energy conservation measures taken	1. Agro – II at Ankleshwar - Ejector and Multiple Effect Evaporation cooling tower replaced with fan less fill 2. Agro – II at Ankleshwar - Scrubber pump replaced with high efficiency magnetic drive pump instead of normal centrifugal pump. 3. Pigment Panoli Plant - Express Feeder for Power supply installed. As a result Gas Consumption reduced. 4. Agitated Thin Field Dryer for environment.
B	Additional investments and proposals if any being implemented for reduction of consumption of energy	The Proposal to install Windmill with an investment of ₹ 5000 Lakhs.
C	Impact of the measures at (a) & (b) above for reduction of the energy consumption and consequent impact on the cost of production of goods.	Thereby Power Cost will be reduced resulting reduction in Cost of Production.
D	Total energy consumption and energy consumption per unit of production	As per Form – A

ANNEXURE TO THE DIRECTORS' REPORT

FORM A

Form for disclosure of particulars with respect to conservation of Energy

Particulars		2016-17	2015-16
A Power Consumption			
1. Electricity Consumption			
(a) Purchase			
Unit	KWH	6,87,82,556	7,21,95,988
Total Amount	₹	46,57,30,616	51,11,29,073
Rate/Unit	₹/ KWH	6.77	7.08
(b) Own Generation through Diesel Generator			
Unit	KWH	50,542	-
Total Amount	KWH	13,31,109	-
Cost/Unit	₹/ KWH	26.34	-
(c) Own Generation through steam Turbine/Generator			
Unit	KWH	2,41,464	34,100
Total Amount	₹	21,23,950	3,42,945
Cost / Unit	₹/ KWH	8.80	10.06
2. Coal (Specify Quality and Used)			
Steam Generated	(MT)	3,09,035	2,89,474
Consumption of Coal /Lignite	(MT)	63,039	53,564
Gas Consumption	(In 1000 Cubic Meter)	280	135
Cost / Unit	₹ / (KG)	0.85	0.83
3. Others/Internal Generations			
B Consumption per unit of Production			
Production	(MT)	32,025	33,491
Unit Consumption	(Unit/MT)	2156	2157

ANNEXURE TO THE DIRECTORS' REPORT

2. TECHNOLOGY ABSORPTION:

Form–B

A. Form for disclosure of particulars with respect to Technology Absorption, Research & Development

1	Specific areas in which R & D is carried out by the Company.	(1) Improved Yield of CPC and Solvent Recovery from CPC. (2) New route for 2, 4-D Acid Technical by Sodium Chloroacetate (SMCA) (3) Applied for patent for purification process of Imidacloprid Technical. (4) GLP application to NGCMA (National GLP Compliance Monitoring Authority
2	Benefits derived as a result of the above R & D.	Yield at Pigment will be improved to 93%.
3	Future Plan of Action	Further recovery of Solvent in CPC Plant
4	Expenditure on R & D	₹ 157.13 Lakhs

B. Technology Absorption, Adoption and Innovation:

A	Efforts, in brief, made towards technology absorption, adaptation and innovation.	-
B	Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution etc.	-
C	Imported technology (imported during the last 5 years reckoned from the beginning of the financial year.	During the last five years, no technology has been imported by way of foreign collaboration or otherwise for the existing products of the Company.

3. Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings	₹ 67922.90 Lakhs
Foreign Exchange Outgo	₹ 727.02 Lakhs

For and on behalf of the Board

Jayanti Patel
Executive Chairman
DIN - 00027224

Place: Ahmedabad
Date: 22nd May, 2017

ANNEXURE- B

EXTRACT OF ANNUAL RETURN

(As on the financial year ended 31.03.2017)

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

I.	**Registration and other details**	
	CINL24110GJ1995PLC024052	
	Registration Date	2nd January, 1995
	Name of the Company	Meghmani Organics Limited
	Category/Sub-category of the Company	Company having Share Capital
	Address of the Registered Office and contact details	Plot No. 184, Phase II, GIDC Vatva, Ahmedabad-382 445, Ph- 91-79-25831210
	Whether Listed Company	Yes
	Name, address and contact details of the Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400083. Tel: +91 22 4918 6270 Fax: +91 22 4918 6060

II. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated.

Name & Description of main Products/Services	NIC Code of the Product/ Service	% of total turnover of the Company
Pigments	3031	50.27
Agro Chemicals	3014	46.24
Other	-	3.49

III. Particulars of Holding, Subsidiary & Associate Companies

Sr. No.	Name & Address of the Company	CIN/GIN	Holding/ Subsidiary/	% of shares held Associate	Applicable Section
1	Meghmani Organics USA, Inc.	Foreign Company	Subsidiary	100	2(87)
2	Meghmanu Europe BVBA	Foreign Company	Subsidiary	100	2(87)
3	PT Meghmani Organics Indonesia	Foreign Company	Subsidiary	100	2(87)
4	Meghmani Overseas FZE	Foreign Company	Subsidiary	100	2(87)
5	Meghmani Finechem Limited	U24100GJ2007PLC051717	Subsidiary	57	2(87)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category Code	Category Of Share Holder	Shareholding at the beginning of the year 2016				Shareholding at the end of the year 2017				% of Change During the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of Total Shares	
(A)	SHAREHOLDING OF PROMOTER & PROMOTER GROUP									
1	**INDIAN**									
(a)	INDIVIDUAL /HUF	128474295	-	128474295	50.52%	127558319	-	127558319	50.16%	-0.36%
(b)	CENTRAL / STATE GOVERNMENT(S)	-	-	-	-					-
(c)	BODIES CORPORATE	-	-	-	-					-
(d)	FINANCIAL INSTITUTIONS / BANKS	-	-	-	-					-
(e)	ANY OTHER (SPECIFY)	-	-	-	-					-
	SUB TOTAL : (A) 1	128474295		128474295	50.52%	127558319	-	127558319	50.16%	-0.36%
2	**FOREIGN**									
(a)	INDIVIDUAL	-	-	-	-	-	-	-	-	-
(b)	BODIES CORPORATE	-	-	-	-	-	-	-	-	-
(c)	INSTITUTIONS	-	-	-	-	-	-	-	-	-
(d)	QUALIFIED FOREIGN INVESTOR - CORPORATE	-	-	-	-	-	-	-	-	-
(e)	ANY OTHER	-	-	-	-	-	-	-	-	-
	SUB TOTAL : (A) 2	-	-	-	-	-	-	-	-	
(A)	**TOTAL HOLDING FOR PROMOTERS :(A) 1 + (A) 2**	128474295		128474295	50.52%	127558319	-	127558319	50.16%	-0.36%

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

Category Code	Category of Share Holder	Shareholding at the beginning of the year 2016				Shareholding at the end of the year 2017				% of Change During the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of Total Shares	
(B)	PUBLIC SHAREHOLDING									
1	INSTITUTIONS	-	-	-	-	-	-	-	-	-
(a)	MUTUAL FUNDS / UTI	-	-	-	-	-	-	-	-	-
(b)	FINANCIAL INSTITUTIONS / BANKS	135348	-	135348	0.05%	641912	-	641912	0.25%	0.19%
(c)	CENTRAL / STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-	-
(d)	VENTURE CAPITAL FUNDS	-	-	-	-	-	-	-	-	-
(e)	INSURANCE COMPANIES	-	-	-	-	-	-	-	-	-
(f)	FOREIGN INSTUTIONAL INVESTORS	-	-	-	-	-	-	-	-	-
(g)	FOREIGN PORTFOLIO INVESTOR	2706031	-	2706031	1.06%	7394653	-	7394653	2.91%	1.84%
(h)	QUALIFIED FOREIGN	-	-	-	-					-
	INVESTOR - CORPORATE	-	-	-	-	-	-	-	-	-
(i)	ANY OTHER (SPECIFY)	-	-	-	-					-
	SUB TOTAL :(B) 1	**2841379**	**-**	**2841379**	**1.12%**	**8036565**	**-**	**8036565**	**3.16%**	**2.04%**
2	NON-INSTITUTIONS									
(a)	BODIES CORPORATE	19530812	-	19530812	7.68%	19022838	-	19022838	7.48%	-0.20%
(b)	INDIVIDUAL (CAPITAL <= ₹ 1 LAKH)	50901313	252976	51004289	20.06	60261136	100976	60362112	23.74%	3.68%
(b)	INDIVIDUAL (CAPITAL > ₹ 1 LA)	6212822	150000	6362822	2.50%	5733575	150000	5883575	2.31%	-0.19%
(d)	CLEARING MEMBER	2471214	-	2471214	0.97%	2400624	-	2400624	0.94%	-0.03%
(g)	NON RESIDENT INDIANS (REPAT)	1396099	-	1396099	0.55%	2908961	-	2908961	1.14%	0.59%
(h)	NON RESIDENT INDIANS (NON REPAT)	301685	-	301685	0.12%	413499	-	413499	0.16%	0.04%
(I)	FOREIGN COMPANIES	-	-	-	-	-	-	-	-	-
(j)	OVERSEAS BODIES CORPORATES	-	-	-	-	-	-	-	-	-
(j)	QUALIFIED FOREIGN	-	-	-	-	-	-	-	-	-
	INVESTOR - CORPORATE	-	-	-	-	-	-	-	-	-
(k)	TRUSTS	10000	-	10000	0.00%	5000	-	5000	0.00%	0.00%
(l)	ANY OTHERS (HUF)	4488166	-	4488166	1.76%	5069118	-	5069118	1.99%	0.23%
	SUB TOTAL : :(B) 2	**85312111**	**252976**	**85565087**	**33.65%**	**95814751**	**250976**	**96065727**	**37.77%**	**4.13%**

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

Category Code	Category of Share Holder	Shareholding at the beginning of the year 2016				Shareholding at the end of the year 2017				% of Change During the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of Total Shares	
(B)	**TOTAL HOLDING FOR PUBLIC : (B)1 + B(2)**	**88153490**	**252976**	**88406466**	**34.76%**	**103851316**	**250976**	**104102292**	**40.93%**	**6.18%**
	TOTAL (A)+(B)	**216627785**	**252976**	**216880761**	**85.28%**	**231409635**	**250976**	**231660611**	**91.09%**	**5.81%**
(C)	NON PROMOTER NON PUBLIC									
1	CUSTODIAN/ DR HOLDER	37433450	-	37433450	14.72%	22653600	-	22653600	8.90%	-5.81%
2	EMPLOYEE BENEFIT TRUST	-	-	-		-	-	-		
(C)	**SUB TOTAL : :(C)**	**37433450**	**-**	**37433450**	**14.72%**	**22653600**	**-**	**22653600**	**8.90%**	**-5.81%**
	GRAND TOTAL (A)+(B)+(C)	**254061235**	**252976**	**254314211**	**100.00%**	**254063235**	**250976**	**254314211**	**100.00%**	

(ii) **Shareholdings of Promoters**

Shareholders Name	Shareholding at the beginning of the year (1st April, 2016)			Shareholding at the end of the year (31st March, 2017)			% change during the year
	No. of shares	% of total shares of the Company	% of total pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of total pledged/ encumbered to total shares	
Jayatibhai M. Patel	18560390	7.30%	-	18560390	7.30%	-	0.00%
Ashish N. Soparkar	25928128	10.20%	-	24585628	9.67%	-	-0.52%
Natwarlal M. Patel	25910477	10.19%	-	25712130	10.11%	-	-0.08%
Rameshbhai M. Patel	16422392	6.46%	-	16422392	6.46%	-	0.00%
Anandbhai I. Patel	8130200	3.20%	-	8130200	3.20%	-	0.00%

(iii) Change in Promoter's Shareholding

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	Refer ii) Shareholding of Promoters			
Date wise Increase/ Decrease in Promoters Shareholding during the year with reasons for change				
At the end of the year				

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

Name of Shareholders	Shareholding at the beginning of the year 1st April, 2016		Cumulative Shareholding at the end of the year 31st March, 2017	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
DBS Nominees (Pvt) Limited	37433450	14.72%	22653600	8.91%
VLS Finance Limited	7500000	2.95%	7500000	2.95%
Gadia Naveen Vishwanath	2248500	0.88%	2869250	1.13%
VLS Capital Limited	2447146	0.96%	1795646	0.71%
Goldman Sachs (Singapore) Pte. Ltd.	197028	0.08%	1316810	0.52%
Dolly Khanna	658492	0.26%	1020665	0.40%
Ashmore Sicav Indian small cap Equity Fund	0	0.00%	798137	0.31%
Morgan Stanley Mauritius Company Limited	0	0.00%	727623	0.29%
IL and FS Securities Services Ltd.	371805	0.15%	710676	0.28%
Angle Broking Private Limited	259776	0.10%	629901	0.25%
Keyur Balkrishna Thakkar	697998	0.27%	517419	0.20%
Globe Fincap Limited	617221	0.24%	11495	0.00%
Indianivesh Capitals Limited	686000	0.27%	5000	0.00%
Remcom Sales Services Pvt Ltd	500000	0.20%	0	0.00%
Anand Rathi Global Finance Ltd.	499999	0.20%	0	0.00%

(v) Shareholding of Directors and Key Managerial Personnel

For each of Directors and KMP	Shareholding at the beginning of the year 1st April, 2016		Cumulative Shareholding at end of the year 31st March, 2017	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. Jayantibhai Meghjibhai Patel	18560390	7.30%	18560390	7.30%
Mr. Ashish Natwarlal Soparkar	25928128	10.20%	24585628	9.67%
Mr. Natubhai Meghjibhai Patel	25910477	10.19%	25712130	10.11%
Mr. Rameshbhai Meghjibhai Patel	16422392	6.46%	16422392	6.46%
Mr. Anandbhai Ishwarbhai Patel	8130200	3.20%	8130200	3.20%
Mr. Balkrishna Thakkar	-	-	-	-
Mr. Chinubhai R. Shah	1000	0.00%	1000	0.00%
Mr. Jayaraman Vishwanathan	-	-	-	-
Mr. Kantibhai H. Patel	-	-	-	-
Mr. Chander Kumar Sabharwal	-	-	-	-
Ms Urvashi Dhirubhai Shah	-	-	-	-
Mr. Kamlesh D. Mehta	-	-	-	-
	94952587	37.35%	93411740	36.74%

V. Indebtedness

Indebtedness of the Company Including interest outstanding/accrued but not due for payment (₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of FY				
i) Principal Amount	38812.00	-	-	38812.00
ii) Interest due but not paid	11.00	-	-	11.00
iii) Interest accrued but not due	162.00	-	-	162.00
Total (i+ii+iii)	38985.00	-	-	38985.00
Change in Indebtedness during FY				
Addition	-	-	-	-
Reduction	5043.00	-	-	5043.00
Net Change				
Indebtedness at the end of the FY				
i) Principal Amount	33769.00	-	-	33769.00
ii) Interest due but not paid	1.00	-	-	1.00
iii) Interest accrued but not due	144.00	-	-	144.00
Total (i+ii+iii)	**33914.00**	**-**	**-**	**33914.00**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Directors, Whole-time Directors and/or Manager (₹ in Lakhs)

Particulars of Remuneration	Mr. Jayanti Patel (Executive Chairman	Mr. Ashish Soparkar (Managing Director)	Mr. Natwarlal. Patel (Managing Director)	Mr. Ramesh Patel (Executive Director)	Mr. Anand Patel (Executive Director)	Total Amount
Gross Salary						
Salary as per provisions of Section 17(1) of the Income Tax Act, 1961	60.00	60.00	60.00	60.00	60.00	300.00
Value of perquisites under Section 17(2) of the Income Tax Act, 1961	7.28	7.28	7.28	7.28	7.28	36.40
Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
Stock Options	-	-	-	-	-	-
Sweat Equity	-	-	-	-	-	-
Commission (as % of Profit)	-	-	-	-	-	-
Others (Performance Bonus)	25.00	25.00	25.00	15.00	10.00	100.00
Total (A)	**92.28**	**92.28**	**92.28**	**82.28**	**77.28**	**436.40**

B. Remuneration to other Non –Executive Independent Directors (₹ in Lakhs)

Particulars of Remuneration	Name of Directors						Total Amount
	Mr. Chinubhai Shah	Mr. B T Thakkar	Mr. Jayaraman Vishwanathan	Mr. K. H. Patel	Mr. Chander. Sabharwal	Ms Urvashi Shah	
Fees for attending Board/ Committee Meetings	3.75	3.75	1.00	1.25	1.25	1.00	12.00
Commission	-	-	-	-	-	-	-
Others, Please Specify	-	-	-	-	-	-	-
Total (B)	**3.75**	**3.75**	**1.00**	**1.25**	**1.25**	**1.00**	**12.00**

C. Remuneration to Key Managerial Personnel other than MDs/EDs (₹ in Lakhs)

Particulars of Remuneration	Key Managerial Personnel (KMP)			
	Mr. K. D. Mehta, Company Secretary (CS)	Mr. Dinesh Shah, Chief Financial Officer (CFO)*	Mr. Upen Shah, Chief Financial Officer (CFO)**	Total Amount
Gross Salary				
Salary as per provisions of Section 17(1) of the Income Tax Act, 1961	19.26	7.00	21.00	47.26
Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0.00	0.00	0.00	0.00
Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00	0.00
Stock Options	0.00	0.00	0.00	0.00
Sweat Equity	0.00	0.00	0.00	0.00
Commission (as % of Profit)	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
Total (C)	**19.26**	**7.00**	**21.00**	**47.26**

*For the period 01-04-2016 to 15-05-2016

**For the period 07-09-2016 to 09-02-2017

VII. Penalties/ Punishment/ Compounding of Offences					
Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any
A. Company					
Penalty	None				
Punishment					
Compounding					
B. Directors					
Penalty	None				
Punishment					
Compounding					
C. Other Officers in Defaults					
Penalty	None				
Punishment					
Compounding					

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FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31.03.2017

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

To,
The Members,
Meghmani Organics Limited
Plot No. 184, Phase II,
GIDC Vatva, Ahmedabad-382 445

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Meghmani Organics Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

We report that-

a. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c. We have not verified the correctness and appropriateness of the financial statement of the Company.

d. The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

e. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 **(Not Applicable to the Company during the Audit Period) ;**

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not Applicable to the Company during the Audit Period) ;**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period) ;**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period) ;** and

h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period) ;**

6. Other laws specifically applicable to the Company **(As per Annexure-1)**

We have also examined compliance with the applicable clauses of the followings:-

I. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited;

ii. Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;

iii. Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

The Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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

We further report that during the audit period, there were no instances of :-

1. Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity.
2. Redemption/Buy Back of Securities.
3. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
4. Merger / Amalgamation / Reconstruction etc.
5. Foreign Technical Collaborations.

Place: Ahmedabad
Date: 22nd May, 2017

For, SHAHS & ASSOCIATES
Company Secretaries
Sd/
Kaushik Shah
Partner
FCS No 2420 CP No-1414

ANNEXURE - 1

(1) INSECTICIDES ACT , 1968

(2) ENVIRONMENT PROTECTION ACT, 1986

(3) THE CENTRAL EXCISE ACT, 1961

(4) INDIAN EXPLOSIVE ACT, 1952 – POISON ACT, 1884

(5) INCOME TAX ACT, 1961

(6) CENTRAL SALES TAX ACT 1944;

(7) VALUE ADDED TAX GUJARAT STATE, 2005

(8) PROFESSIONAL TAX, 1976

(9) SERVICE TAX, 1994

(10) NEGOTIABLE INSTRUMENT ACT, 1938

(11) THE FACTORIES ACT, 1948

(12) THE APPRENTICE ACT, 1961

(13) THE INDUSTRIAL DISPUTE ACT, 1947

(14) EMPLOYEES PROVIDENT FUND & MISC. PROVISIONS ACT

(15) THE PAYMENT WAGES ACT, 1965

(16) THE PAYMENT OF BONUS ACT, 1965

(17) THE PAYMENT OF GRATUITY ACT, 1972

(18) THE MINIMUM WAGES ACT, 1946

(19) THE TRADE UNION ACT, 1926

(20) THE EMPLOYMENT EXCHANGE ACT 1952

(21) INDIAN STAMP ACT, 1899

(22) THE TRADE MARKS ACT, 1999

(23) FOREIGN TRADE (DEVELOPMENT AND REGULATION)ACT, 1992

(24) ESSENTIAL COMMODITIES ACT 1955

(25) CUSTOMS ACT 1962

(26) INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951

(27) COMPETITION ACT, 2002

Place: Ahmedabad
Date: 22nd May, 2017

For, SHAHS & ASSOCIATES
Company Secretaries
Sd/
Kaushik Shah
Partner
FCS No 2420 CP No-1414

MANAGEMENT DISCUSSION AND ANALYSIS

The Financial Year 2017 was another year of steady profitable growth for Meghmani Organics with 7% growth in revenue and EBITDA margin maintained at 21%. This was despite the setback caused by the fire at the Company's Beta Blue plant during the year. The ₹ 6.5-bn mega capacity expansion done over the past 5 years across our businesses, i.e. Pigments, Agrochemicals and Basic Chemicals, has put the Company in good stead. The Company has developed a growing basket of higher-value-added and high-margin products, along with an extensive pan-India and global presence. Meghmani is now present in 75 countries with over 400 clients.

During the year, the Company witnessed continued growth in the Pigments and Agrochemicals businesses. Meghmani Organics is among the top 3 players in the world in Blue Pigment, with an increased market share of 8%. Following capacity expansion, the Company has increased its focus on the domestic pigments market. The Company's focus on building its branded agro formulations business has resulted in an expanded distribution network consisting of 2807 stockists, agents, distributors, and dealers, compared to 2370 in FY16. The Caustic Potash plant which began operations at the beginning of the year ramped up slowly due to technical issues, which have now been fully sorted out. So, the Company will now be able to quickly ramp up the plant to optimum utilisation. Meghmani's Return on Capital Employed (ROCE) continues to increase as the Company has consistently been reducing debt as per plan.

The year also saw the Company embark on its next landmark capex plan involving ₹ 5.4 bn of investments over the next 2-3 years. The project will be a major growth-driver, going ahead. It involves 3 projects. The first is the Company's CMS Project of 40,000 MTPA which will result in captive consumption of 41,000 MTPA of Chlorine (Co-product of the Company's Caustic Soda production), which currently has a negative realisation. So, this project will help the Company achieve better realisation in the Caustic Chlorine segment. The final product of this project is MDC (which mainly used by Pharma and Agro Chemical Industries and India is currently a net importer of the same), Chloroform and Carbon Tetra Chloride (CTC). This is expected to be commissioned by March 2018 and add ₹ 1.4 bn of revenue in the full year of operations. The Company's second project involves 50% capacity expansion of the Caustic Soda Plant to 2,40,000 MTPA using Zero Gap Membrane cell technology and increase the Company's Captive Power Plant capacity to 90MW from 60 MW now. Meghmani's third project is to set up a Hydrogen Peroxide (50%) project of 25,000 MTPA, which also used in Pharma & Agro Chemical Industries. The expansion of the Caustic Chlorine facility along with Power Plant and Hydrogen Peroxide projects will involve investments to the tune of ₹ 4 bn. These are expected to be commissioned by June 2019 and add ₹ 3 bn in revenue in the full year of operations.

During the year, the Company continued its efforts to increase production and capacity utilisation across segments. In fact, volumes have registered good growth in Pigments and Agrochemicals. The synchronisation process of the Caustic Potash facility had some impact on the Caustic Chlorine facility along with Power Plant utilisation and production.

FY18 looks to be more promising with all segments expected to progress: Agrochemicals with better industry demand driven by better monsoon in FY17 and expected good monsoon in FY18 along with the proposed key reforms and increased funds in Budget FY17, Pigments with increasing share of higher-value-added products as the Beta Blue plant is fully ramped up, and Basic Chemicals with increased utilisation of Caustic Potash.

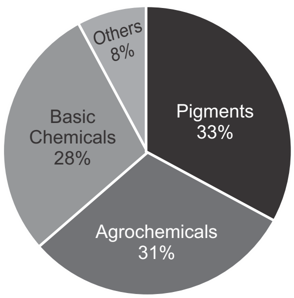
MANAGEMENT DISCUSSION AND ANALYSIS

FY17 witnesses continued momentum of profitable growth

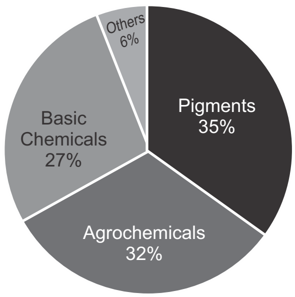
The Company delivered revenue growth of 7% in FY17 on the back of good growth in Pigments and Agrochemicals, which increased 10% and 11%, respectively, despite challenges, such as subdued exports and a fire at the Beta Blue plant, pricing pressure in Agrochemicals due to channel inventory following 2 years of drought. Revenue from Basic Chemicals was stable on account of lower utilisation due to synchronisation of the Caustic Potash plant.

Net Sales by Segments

FY16



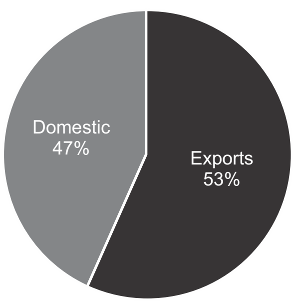
FY17



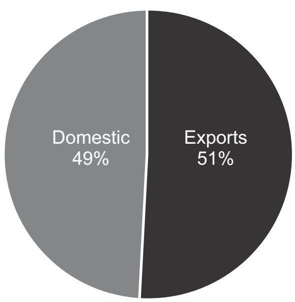
In terms of geography, domestic sales delivered revenue growth of 11%, whereas export revenue grew by 3%.

Net Sales by Geography

FY16



FY17



EBITDA for the period increased 11% to ₹ 2,888 mn on the back of improved operational performance, higher production and increased share of value-added products. This resulted in expansion of 77 bps in EBITDA margin to 20.6%. PAT grew by 6% to ₹ 878 mn on the back of improved financial leverage due to debt reduction, taking the PAT margin to 6.3%. Exceptional loss, resulting from the loss due to fire at the Beta Blue plant, was ₹ 38 mn.

The Company has reduced its long-term debt by ₹1,171 mn this year and plans to further pay off ₹ 910 mn in FY18. The interest coverage ratio improved to 3.9X from 2.9X in FY16, thanks to better performance and lower cost of debt. The Company's Debt Equity ratio too was further reduced to 0.6X in FY17 from 0.9X in FY16.

Business Segments

I. Pigments

(a) Industry Opportunity

Global Pigments market is expected to reach ~$32 bn by 2023

The size of the global Pigments market in 2016 was $24 bn and is expected to rise to $32 bn by 2023, growing at a CAGR of 3.8%. Asia Pacific is expected to make up the lion's share of the global geographical market with approximately 47% share in 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

The global paints & coatings market is projected to grow at a CAGR of 5.5% during the forecast period of 2017-2022. This is expected to give a strong boost to the global pigments market. Per capita paint consumption in emerging countries is less than in the developed countries; economic development in the Association of Southeast Asian Nations (ASEAN), China, India, and the Gulf Cooperation Council (GCC) is expected to improve the trend.

Pigments are a critical element in the plastics industry because of their aesthetic and colouring effects, superior compatibility, moisture & heat resistance, and capability to increase stability in plastics. Being a major consumer of pigments, the growing plastics industry could offer some great opportunities for players in the global pigments market.

Organic Pigment: A key constituent of growth in the industry

The global organic pigments market is expected to grow at a CAGR of more than 3% between 2017 and 2021. In terms of geography, Asia Pacific (APAC) is the largest and dominating region in the global market due to the presence of several manufacturers who offer pigments at lower costs in comparison to other regions. APAC is anticipated to lead the market in terms of consumption over the next four years due to increase in infrastructure activities that require paints and coatings with functional benefits. Upsurge in development of textile and plastic industries and expansion of the middle class in Asia-Pacific are other factors which are expected to boost the demand for organic pigments in the region.

The printing inks segment was the largest application segment of organic pigments in 2016 and will continue its dominance during the forecast period.

Indian Dye and Pigment Industry: Ready for the future

The highly fragmented Indian colorant industry, valued at $6.8 bn, exports nearly 75% of its production. Exports have grown in double digits over the last few years.

The Indian dyestuffs and pigments industry has transformed from being import-dependent to export-driven. To support the growth of the industry, developed countries are now focusing on sourcing dyestuffs and pigments from cost-effective Asian markets, owing to stringent measures taken on environmental issues back home.

The decorative paints market is expected to witness a CAGR of 12.7% and the industrial paints market a CAGR of 9.5% (2015-2020), according to the Indian Paint Association (IPA).

The packaging Industry is expected to grow at 18% per annum till 2020, since the per capita packaging consumption in India is low at 4.3 kg, compared to developed countries like Germany and Taiwan where it is 42 kg and 19 kg, respectively.

(b) Business Overview

Meghmani Organics is one of the largest manufacturers of Phthalocyanine-based pigments with a global market share of ~8% in volume terms. The Company has vertically integrated facilities manufacturing CPC Blue (an upstream product which too is sold to other pigment manufacturers) and end products — Pigment Green and Pigment Blue. These pigment products are used in multiple applications, including paints, plastics and printing inks.

The Company's pigments business enjoys strong global presence with exports accounting for ~68% of net sales. Customers comprise mainly MNCs, such as Sun-DIC, Flint Group, Akzo Nobel, DuPont, and PPG Industries. The Company's relationship with its clients is sticky, with 90% business arising from repeat customers. The Company has a global distribution network of 70 overseas distributors. Its direct presence (with subsidiaries in the US, Europe, Indonesia, and Dubai) helps it to maintain a front-end presence and the ability to work closely with end - user customers. The Company also has warehouses in Belgium, Turkey, Russia, USA, and Uruguay.

Meghmani Organics has three dedicated manufacturing facilities to manufacture Pigment products. These are located at:

- GIDC Vatva, Ahmedabad, (2,940 MTPA) where Pigment Green 7 products are manufactured
- GIDC Panoli, near Ankleshwar, (17,400 MTPA), where CPC Blue, Alfa and Beta Blue, Pigment Blue 15 products are manufactured
- Dahej SEZ Ltd, (10,800 MTPA) where CPC Blue, Alfa and Beta Blue are manufactured

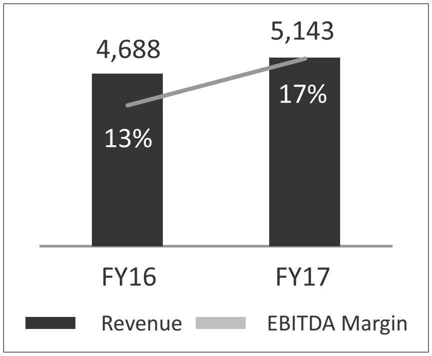
MANAGEMENT DISCUSSION AND ANALYSIS

(c) FY17 Performance and Outlook

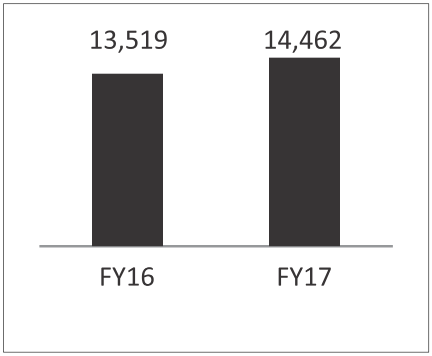
The pigments business delivered strong growth in FY17, with net sales growth of 10%, to ₹ 5,143 mn. This was driven by robust performance in both domestic and export markets which grew at 29% and 12%, respectively. Volumes increased by 7% at 14,462 MT, driven by higher production and higher realisation. EBITDA margin increased to 17% from 13% in FY16, due to higher production, higher realisation, lower fuel cost and lower other expenses. Utilisation levels have increased to 66% in FY17 from 63% in FY16.

4. Outlook and Strategy:

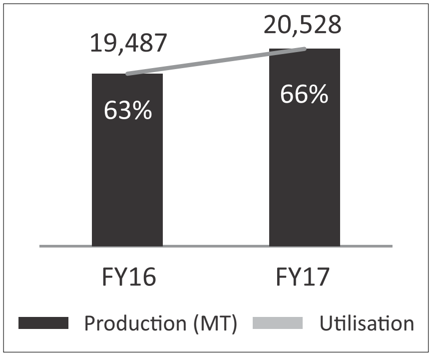
Profitable growth



Volume up 7%



Increased utilisation



Going forward, the Company expects the share of value-added products to increase, led by its fully ramped up Beta Blue plant. The Company is also focusing on the high-margin paints and plastics market by improving the product-mix and developing specialty pigment products for international markets to maintain the growth in exports. The Company continues to focus on increasing its domestic presence, given the significant market opportunities. Meghmani Organics, being a leader in the Indian pigments market, is well placed to monetise this opportunity.

To summarise, Pigments is expected to deliver continued growth with improved profitability on account of increased share of value-added products, higher utilisation and good opportunities in the export and domestic markets.

(d) Risks, Concerns and Threats

Fluctuating and volatile prices of key raw materials, including benzene and toluene, coupled with an increasingly stringent regulatory environment, are critical challenges to the growth of this industry. Since the Company derives a significant portion of business from exports, volatility of the rupees vis-à-vis the dollar and the euro may affect realisations. The Company competes in the areas of quality, technical competence, backward integration, logistics facilities, after-sales service and customer relationship. Changing competitive environment may impact the Company's business and future prospects.

II. Agrochemicals

1. Industry Structure

Global Agrochemicals market is expected to cross $266 bn by 2021

The global agrochemicals market should cross $266 bn by 2021, up from $213 bn in 2016, growing at a CAGR of 4.5% from 2016 to 2021. The growing global population is the major growth-driver for the agrochemicals market. Agricultural land is limited, and due to the expanding population and rising demand for food, land previously used for other purposes is rapidly undergoing degradation. Asia-Pacific is, by far, the largest market for agrochemicals. The region comprises about 30% of the earth's land area and its population represents nearly 60% of the global total. Both these factors are driving growth of its market. The global market for fertilisers is expected to grow to $188 bn in 2021 from $155 bn in 2016 at a CAGR of 4.0%. Similarly, the global market for pesticides is expected to grow to $78 bn in 2021 from $58 bn in 2016 at a CAGR of 6.0%.

MANAGEMENT DISCUSSION AND ANALYSIS

Huge Potential in the Indian Agrochemicals Market with a CAGR of 11.7%

FY17 was a progressive year for the Agrochemical Industry, which experienced a healthy monsoon after 2 years of drought. Budget 2017-18 gave a big fillip to the Indian Agri sector — it has pitched for more reforms in agriculture and increased funds for insurance and irrigation schemes, along with various other measures to boost farm income and to double it in the next five years.

India has become the fourth-largest producer of agrochemicals in the world, trailing only the US, Japan and China. This manufacturing segment is expected to grow at 10-12% annually to reach $6.8-7.4 bn by FY19. Approximately half of the demand comes from domestic consumers and the rest from exports. In FY17, the agrochemical industry in India was temporarily affected by demonetisation. The cash crunch led to farmers not being able to purchase fertilisers and other chemicals.

Opportunities and Key growth drivers for the Indian Crop Protection Market:

1. Budget 2017-18 gave a big fillip to Indian Agriculture, and in turn, to the Agrochemicals sector.
   - For 2017-18, a target of disbursing ₹10 tn in farm credit has been set, up from ₹ 9 tn last year.
   - For the flagship crop insurance scheme Pradhan Mantri Fasal Bima Yojana, the allocation has been increased to ₹ 90 bn in 2017-18 from ₹ 55 bn (in Budget 2016-17). The target next year is to bring 40% of the cropped area under insurance and ramp it up to 50% next year.
   - To improve access to irrigation, an additional ₹ 200 bn has been provided for the long-term irrigation fund under NABARD.

   All the proposed schemes will address working capital requirements of farmers and should therefore support growth in sales of Agrochemicals.
2. Prediction of good monsoon following 2 years of drought.
3. GST (Goods and Services Tax) Bill, to be implemented from July 2017, resulting in the unification of tax rates and India emerging as a single market, will provide companies an opportunity to optimise their supply chains and warehouse locations.
4. Agrochemicals worth $4.1 bn are expected to go off-patent by 2020. This will provide significant export opportunities for Indian companies which have expertise in manufacturing generic products.
5. New genetically modified crops have increased the use of herbicides, with a rise of 15% per year over the next five years. Growth in fungicides has been 7.5% over the last five years, and this growth is expected to continue due to shortage of labour and high labour costs.
6. Consumption of pesticides is the lowest in India, at 0.6kg/ha compared to 13kg/ha in China. This is bound to increase in order to help boost yields.
7. Other drivers, such as rising population, decreasing per capita availability of arable land and focus on increasing agricultural yield will fuel the demand for agrochemicals.

2. Business Overview

Meghmani Organics is a leading vertically-integrated Agrochemicals player with product offerings encompassing the entire value chain — intermediate, technical grade and formulations (bulk and branded). The Company's vertical integration of business allows Meghmani Organics to effectively manage raw material costs and assure a constant supply of consistent quality.

The agrochemicals industry is highly regulated and the Company enjoys competitive advantage via 227 export registrations, 496 registrations in pipeline, 354 CIB registrations, and 35 registered trademarks. The Company has a strong global client base with exports accounting for 69% of its agrochemical sales. The Company exports technical as well as branded products to Africa, Brazil, LatAm, the US, and European countries.

MANAGEMENT DISCUSSION AND ANALYSIS

Meghmani Organics produces commonly-used pesticides for crop and non-crop applications, such as for public health, insect control in wood preservation and foodgrain storage. Major products include 2, 4-D, Cypermethrin, Permethrin, Metaphenoxy, Benzaldehyde, Chlorpyrifos and Profenophos. In branded formulations, the Company has established a strong pan-India presence with about 2807 stockists, agents, distributors, and dealers spread across 17 states. Key brands include Megastar, Megacyper, Megaban, Synergy, and Courage.

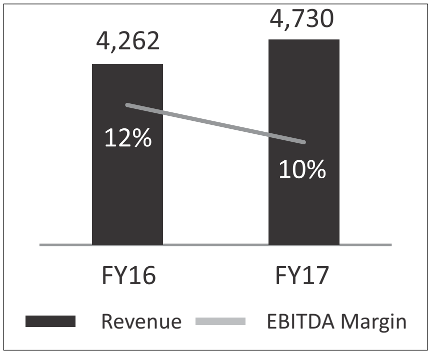
The Company has three state-of-the-art manufacturing facilities where capacities have been increased via debottlenecking. These are located at:

- GIDC Ankleshwar, (6,240 MTPA)
- GIDC Panoli, (7,200 MTPA up from 3,600 MTPA in FY16)
- GIDC Dahej, (13,740 MTPA up from 10,260 MTPA in FY16)

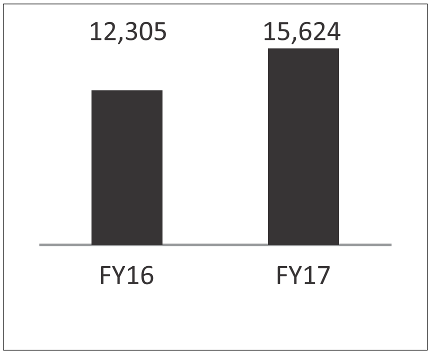
3. Performance of Agrochemicals Business

Net sales from Agrochemicals increased by 11% to ₹ 4,730 mn in FY17, from ₹ 4,262 mn in FY16 — driven by robust growth of 34% in domestic markets coupled with stable exports. Volumes witnessed robust growth of 27%. However, realisations declined due to change in product mix to match demand in the market. Margin for the period was down at 10% on account of lower realisation and lower utilisation.

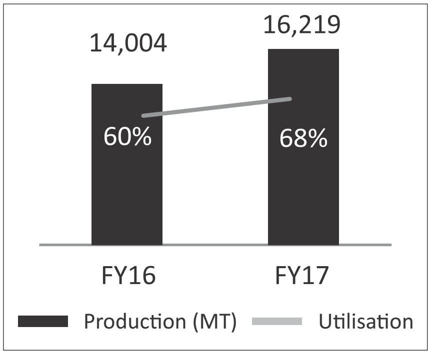
Margins up



Volumes up by 27%



Increased utilisation



Going forward, in Agrochemicals, the Company expects the domestic market to further grow in FY18, driven by a better monsoon as the channel inventory after 2 years of drought has cleared up. The Company has focussed its efforts on strengthening its distribution network which was earlier not being pursued very aggressively due to subdued market conditions. Further, pollution issues in China, wherein many plants are closing down, are expected to result in lower imports from China, while the ‘Make in India’ initiative by the Government of India is expected to boost growth. The Company’s export markets are already reviving and Meghmani Organics is witnessing increasing demand for its higher-value products which will result in higher realisations and better margins.

To summarise, Agrochemicals is expected to deliver strong growth with higher margins as market opportunities in export and domestic segments materialise along with strong support from the Government in the form of increased funds and key reforms.

4. Risks, Concerns and Threats

Despite strong growth drivers, the Indian Agrochemicals industry faces challenges in terms of low awareness levels among farmers about agrochemical products and their usage. Also, rising sale of spurious pesticides and spiked bio pesticides pose major threats to industry growth.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company exports its products to various countries. Thus, any adverse changes in the political, climatic, economic, regulatory or social conditions of these countries might impact the Company's business prospects in these countries. Any change in the policies implemented by the Governments of these countries, which result in currency and interest rate fluctuations, capital restrictions, changes in duties & taxes and a registration regime detrimental to the Company's business could adversely affect its operations and future growth. Increase in crude prices will also impact the costs and prices of various products.

The Company operates in a competitive environment and faces competition from international as well as domestic players on various fronts, such as quality, technical competence, distribution channels, logistics facilities, after-sales service and customer relationships.

The performance of the Indian agrochemical industry is dependent on the monsoon. Erratic rainfall affects crop acreages, pest application and overall productivity, directly impacting the Company's sales performance.

III. Basic Chemicals

(a) Industry Structure

Global Chlor-Alkali Industry to grow at 5-5.5% CAGR (2017-21)

According to Research and Markets, the global Chlor-Alkali market is projected to grow at a CAGR of between 5.0% and 5.5% from 2016 to 2022. The consistent global demand for alumina, pulp and paper, vinyls and other derivatives provide positive growth opportunities for the Chlor-Alkali market. Furthermore, heavy investments in the alumina industry are expected to provide growth opportunities for the Chlor-Alkali market, as caustic soda is a major raw material for the alumina refining process.

The demand for chlorine is leading many Chlor-Alkali manufacturers to upgrade technology as well as their manufacturing facilities to improve the production of allied products and attain optimum output, as these should help in the growth of the market.

Indian Chlor-Alkali Industry poised to grow

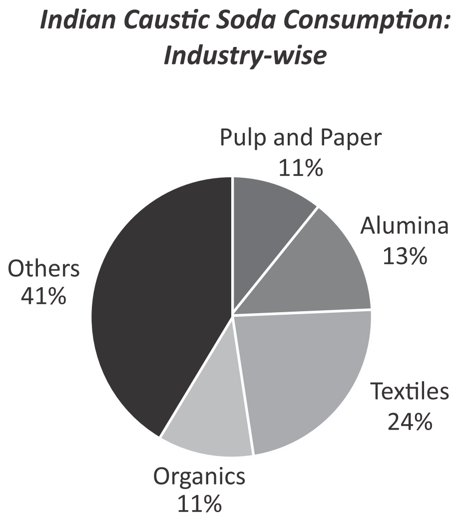
According to the IMF, India's FY18 GDP growth is projected to increase to 7.2%. Basic Chemicals – Chlor- Alkalis and PVC are basic building blocks that find application in products of everyday use, including aluminium, paper, textiles and plastic. These industries are expected to witness increase in volume consumption of chlor-alkali chemicals, which will boost the Indian chlor-alkali market in the coming years. Moreover, with growing aspirations of a rising middle class, higher disposable incomes and the current low level of penetration, demand for these products is bound to grow.

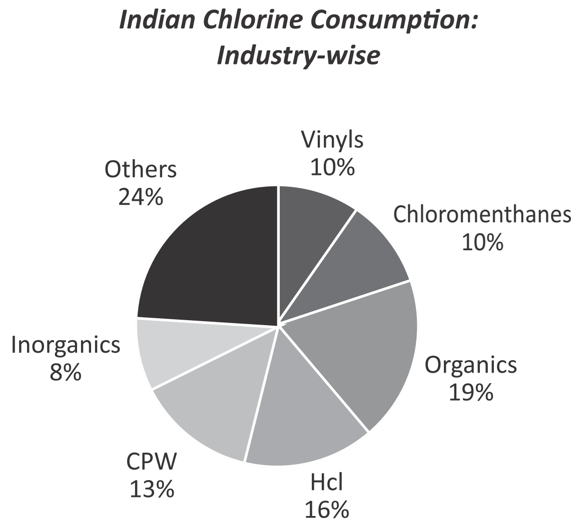
There is a vast untapped market, especially in the rural areas, which will significantly drive demand. To illustrate, India has a low per capita consumption of 1.85 kg of caustic soda compared to 32 kg in the US and 12 kg in China. Similarly, the 'Make in India' programme of the Indian Government is expected to provide a fillip to domestic manufacturing and value addition, provided the right ecosystem is put in place to bring in investments and augment the domestic manufacturing capacity.

Particulars (MT Lakhs)	Caustic Soda			Chlorine		
	2015	2016	% Change	2015	2016	% Change
Production	27.6	28.7	4%	24.4	25.4	4%
Installed capacity	33.9	33.7	-0.6%	22.4	22.9	2.2%
Export	0.8	1.1	40.3%	0.0	0.0	61%
Import	5.1	5.7	11.8%	0.0	0.0	-25.6%

Source: AMIA Industry Review

MANAGEMENT DISCUSSION AND ANALYSIS





(b) Business Overview

The Company entered the Basic Chemicals segment in 2009 with capacity of 119,000 MTPA at Dahej. It expanded capacity by 40% in FY15 to 166,600 MTPA, and became the fourth-largest Caustic Soda Flakes producer in India. The current product portfolio includes Caustic and Hydrogen.

Meghmani is one of the most efficient manufacturers of Caustic with an integrated Captive Power Plant of 60MW. It uses the latest fourth-generation 'membrane cell technology' sourced from Asahi Kasei Chemical Corp, Japan, (one of the most established technology providers of Chlor-Alkali products). Since power cost accounts for ~60% of total raw material cost in Caustic production, captive power plant provides power at lower cost resulting in high margins. The Dahej facility is strategically located due to its proximity to the port, providing ease of importing coal and proximity to chemical manufacturers. The Company is supplying Caustic and Chlorine via pipeline to select buyers, thus substantially reducing its logistics costs. The Company has recently changed the membrane of its existing Caustic Soda Plant.

The Company's new Caustic Potash facility at Dahej of 60 TPD capacity which commenced production at the beginning of the year is ramping up slowly due to technical issues, which have now been sorted out. The Company is positive about quickly ramping up the plant to optimum utilisation levels. Caustic Potash is one of the very few chemicals that find universal application with makers of Soaps, Detergents, Fertilizers and Chemicals.

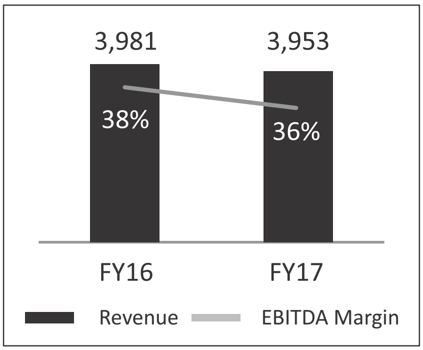
The Company's planned capex of ₹ 5.4 bn involving 3 projects over the next 2-3 years is in-line with its strategic intent of expanding the chemicals business. **The first** Project is the CMS Project of 40,000 MTPA which will produce MDC (which mainly used by Pharma and Agro Chemical Industries and India is currently a net importer of same) Chloroform and Carbon Tetra Chloride(CTC) . This is expected to be commissioned by March 2018 and add ₹ 1.4 bn of revenue in the full year of operations. **The second** Project involves 50% capacity expansion of the Company's Caustic Soda plant to 2,40,000 MTPA using Zero Gap Membrane Cell technology and increase the Captive Power Plant capacity to 90MW from 60 MW now. **The third** Project is to set up a Hydrogen Peroxide (50%) project of 25,000 MTPA capacity which also used in Pharma and Agro Chemical Industries. Expansion of the Caustic Soda and Hydrogen Peroxide projects will involve ₹ 4 bn investments, and are expected to be commissioned by June 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

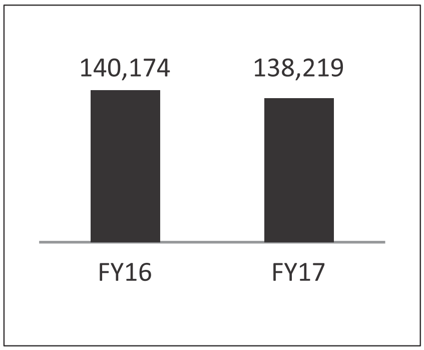
(c) Performance of Basic Chemicals

Net sales of Basic Chemicals were marginally down at ₹ 3,953 mn on account of lower volumes due to the synchronisation process of Caustic Potash facility which took place during the year. The Company also upgraded its Caustic Soda plant to zero gap technology in FY17. Blended realisation for the segment was stable. EBITDA margin was at 36%, above the guided range of 30-35%, but lower than the previous year on account of lower utilisation and higher fuel cost.

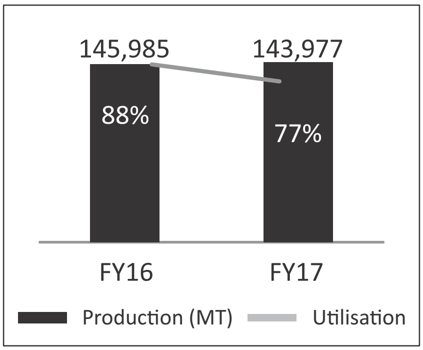
Stable Revenue



Driven by Stable Volumes



Utilisation impacted by Synchronisation at New Unit



In FY18, the Caustic Potash plant, which is now getting ramped up, coupled with continued strong performance by Caustic, will be the key drivers for profitable growth of the Basic Chemicals segment.

5. Risks, Concerns and Threats – Basic Chemicals

We operate in a competitive environment and compete with international as well as domestic players on various fronts, such as quality, technical competence, distribution channels, logistics facilities, after-sales service and customer relationships. Dumping of Caustic from neighbouring countries might impact realisations of the Electrochemical Unit (ECU).

Internal Control System

The Company has a proper and adequate system of Internal Control commensurate with the size and nature of its operations to ensure that all assets are safeguarded against unauthorised use or disposal, ensuring true and fair reporting and compliance with all applicable regulatory laws and company policies. Internal Audit Reports are reviewed by the Audit Committee of the Board.

The following ratios reflect the consolidated financial performance for the year in relation to the previous year.

Particulars (₹ mn)	FY16	FY17
Net Revenue from Operations	13,322	14,229
EBITDA	2,608	2,888
PBT	1,464	1,558
PAT before Minority Interest	1,113	1,162
PAT after Minority Interest	825	878
Key Ratios		
Net Sales Growth	5.1%	6.8%
EBITDA Margin	19.9%	20.6%
ROCE	15.3%	16.6%
D/E ratio	0.9	0.6
EPS ₹	3.2	3.5

***

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance which sets out systems and processes of the Company, as prescribed in Regulation 17 to 27 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") and some of the practices followed by the Company on Corporate Governance, for the Financial Year ended on 31st March, 2017.

The Company has complied with the requirements of the Corporate Governance in terms of Listing Agreement executed with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

This report sets out the Group's Corporate Governance practices with specific reference to the Code of Corporate Governance 2012 (the "Code") and the Disclosure Guide on Compliance with the Code developed by the Singapore Exchange Securities Trading Limited (the "SGX-ST") in January 2015.

The Board of Directors presents a composite Corporate Governance report on the compliance of the Indian and Singapore Listing requirements in the following paragraphs.

1. The Company's Philosophy on Corporate Governance

The Directors and Management of the Company and its Subsidiaries are committed to maintain high standards of Corporate Governance in conducting its business and ensure that an effective self regulatory mechanism exists to protect the interest of our Indian stakeholders (Investors, Customers, Suppliers and Government) and Singapore Depository Shareholders.

2. Board of Directors

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

(a) COMPOSITION:-

The Composition of Board is in compliance with the SEBI Regulations, 2015.

Category	No. of Directors	%
Non Executive & Independent Directors	6	55%
Executive Director	5	45%
Total	**11**	**100%**

The Composition of Board of the Company is also complying with the requirements of Singapore Stock Exchange – Code of Corporate Governance Guide Line 2.2. The Singapore Stock Exchange has exempted the Company from the requirements of two resident directors on the Board.

The Board is of the opinion that the current Board Comprises of persons who as a group, have core competencies such as finance, accounting, legal, business and industry knowledge necessary to lead and manage the Company and given the scope and the nature of the Company's operations, the present size of the Board is appropriate for effective decision making.

(b) LIMIT ON NUMBER OF DIRECTORSHIP:-

None of the Director of the Company is appointed in more than 10 Committees or is acting as Chairman in more than 5 (Five) Committees across all Companies in which he is a Director.

None of the Director of the Company is holding Directorship in more than 10 Public Limited Companies. None of an Independent Directors serve as an Independent Director in more than 7 (Seven) Listed Companies.

Independent Directors play an important role in the governance processes of the Board. They bring with them their expertise and experience for fruitful discussions and deliberations at the Board. This betters the decision making process at the Board.

CORPORATE GOVERNANCE

The Independent Directors have been appointed for a fixed term of 5 (Five) years from their respective dates of appointment with an option to retire from the office at any time during the term of appointment. Their appointment has been approved by the Members of the Company.

The Independent Directors have confirmed that they meet with the criteria of independence laid down under the Act, the Code and SEBI Regulations, 2015.

(c) SEPARATE MEETING OF INDEPENDENT DIRECTOR:-

The Independent Directors had met on 6th February, 2017, without the attendance of Non-Independent Directors and members of management to discuss the followings:-

(a) Review the performance of Non-Independent Directors and the Board as a whole;

(b) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

(c) Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(d) ISSUANCE OF LETTER OF APPOINTMENT:-

A formal letter of appointment was issued to all Independent Directors.

(e) NON EXECUTIVE DIRECTORS' COMPENSATION & DISCLOSURES:-

The Non-Executive Directors were not paid any Compensation except sitting fees. The Board has fixed the sitting fees payable to Non-Executive Directors within the limits prescribed under the Companies Act, 2013 (hereinafter referred to as Act). Therefore, requirement of obtaining prior approval of shareholders in General Meeting was not required.

(f) TRAINING OF INDEPENDENT DIRECTOR:-

Newly appointed Director receives appropriate training, if required. In addition, the Board is provided with regular updates with respect to new laws and regulations in order to adapt to the changing commercial risks relating to the business and operations of the Group. The Management regularly updates and familiarizes the Directors on the business activities of the Company during the Board meetings.

The Independent Director is also explained in detail the compliances required under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations including amendments thereof from time to time and their affirmations are taken with respect to the same.

(g) PERFORMANCE EVALUATION OF THE BOARD & INDIVIDUAL DIRECTORS:-

Pursuant to the provisions of the Act and the SEBI Regulations, the Board has carried out the Annual performance evaluation of its own performance, as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors. The Chairman of the Board of Directors and the Chairman of Nomination and Remuneration Committee met all the Directors individually to get an overview of the functioning of the Board and its constituents inter alia on the following broad criteria :-

- Attendance and level of participation,
- Independence of judgement exercised by Independent Directors,
- Interpersonal relationship etc.

Based on the valuable inputs received from the Directors, an action plan has been drawn up to encourage greater engagement of the Independent Directors with the Company. Following the evaluation exercise, the Board is of the view that the Board and its Committees operate effectively.

CORPORATE GOVERNANCE

(h) DIRECTORSHIPS AND MEMBERSHIP ON COMMITTEES:-

The total number of Directorships held by the Directors and the position of Membership / Chairmanship of Committees is given below. All the Directors are in compliant with the provisions of the Companies Act, 2013 and "SEBI Regulations" in this regard.

Name of Director	Designation	Category	Directorship in other Public Limited Companies *	Committee Membership of other Companies**
Mr. Jayanti Patel	Executive Chairman	Executive	1	Nil
Mr. Ashish Soparkar	Managing Director	Executive	1	Nil
Mr. Natwarlal Patel	Managing Director	Executive	4	Nil
Mr. Ramesh Patel	Executive Director	Executive	1	Nil
Mr. Anand Patel	Executive Director	Executive	Nil	Nil
Mr. Chinubhai Shah	Independent Director	Non - Executive	9	8
Mr. Balkrishna Thakkar	Independent Director	Non - Executive	1	1
Mr. Jayaraman Vishwanathan	Independent Director	Non - Executive	Nil	Nil
Mr. Kantibhai Patel	Independent Director	Non - Executive	3	2
Mr. Chander Sabharwal	Independent Director	Non - Executive	1	Nil
Ms. Urvashi Shah	Independent Woman Director	Non - Executive	1	Nil

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

** Committees considered are Audit Committee & Stakeholder's Relationship Committee.

(i) NUMBER OF BOARD MEETINGS HELD:-

During the financial year ended on 31st March, 2017, 4 (Four) meetings of the Board of Directors were held and the gap between two meetings did not exceed One hundred and Twenty (120) days. The Board meetings were held on 28.05.2016, 06.08.2016, 25.10.2016 and 06.02.2017.

The last Annual General Meeting of the Company was held on 26th July, 2016.

(j) ATTENDANCE OF DIRECTORS AT BOARD & ANNUAL GENERAL MEETING:-

The details of attendance of the Directors at the Board Meeting during the year and at Annual General Meeting are given below:

Name of Director	Position	Board Meeting Attended	AGM Attended
Mr. Jayanti Patel	Executive Chairman	4	Yes
Mr. Ashish Soparkar	Managing Director	4	Yes
Mr. Natwarlal Patel	Managing Director	2	Yes
Mr. Ramesh Patel	Executive Director	2	Yes
Mr. Anand Patel	Executive Director	2	Yes
Mr. Chinubhai Shah	Independent Director	4	Yes
Mr. Balkrishna Thakkar	Independent Director	4	Yes
Mr. Jayaraman Vishwanathan	Independent Director	2	No
Mr. Kantibhai Patel	Independent Director	2	Yes
Mr. Chander Sabharwal	Independent Director	4	No
Ms. Urvashi Shah	Independent Director	3	Yes

CORPORATE GOVERNANCE

Minimum four Board meetings are held in each year. Apart from the four prescheduled Board meetings, the meetings would also be convened to address specific needs of the Company.

The Company in consultation with the Directors prepares the annual calendar of meetings and circulates a tentative Schedule for the meeting of the Board and Committee in order to facilitate the Directors to plan their schedules.

The Board meetings till 31 January, 2017 used to be held at Corporate Office of the Company situated at Meghmani House, Shreenivas Society, Vikas Gruh Road, Paldi, Ahmedabad 380 007. The meetings after 1st February, 2017 will be now held at Meghmani House, B/h Safal Profitaire, Corporate Road, Nr. Auda Garden, Prahlad Nagar, Ahmedabad – 380 015 due to change in Corporate Office.

(k) AGENDA FOR BOARD MEETING:-

Agenda and Notes on Agenda are circulated to the Directors in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful discussion. Where it is not practicable the same is tabled before the meeting.

The followings are generally tabled for information, review and approval of the Board.

- Annual Operating Plans & Budgets.
- Quarterly Results and its Operating Divisions or Business Segments.
- Minutes of meetings of Audit Committee and Other Committees of the Board of Directors.
- The information on recruitment and remuneration of Senior Officers just below the level of Board of Directors, including Appointment or Removal of Chief Financial Officer and the Company Secretary.
- Show cause, Demand, Prosecution Notices and Penalty Notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the entity.
- Details of any Joint Venture or Collaboration Agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

(l) POST MEETING FOLLOW-UP MECHANISM:-

The Company has an effective post meeting follow-up, review and reporting process mechanism for the decisions taken by the Board/Committees. Important decisions taken at the Board/Committee meetings are communicated to the concerned Functional Heads promptly. Action Taken Report on previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee members.

(m) RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS:-

As per Secretarial Standard 1 (SS-1) issued by The Institute of Company Secretaries of India (ICSI), the Company Secretary records the minutes of the proceedings of each Board and Committee meeting. The Draft minutes are circulated to the members for their comments.

(n) COMPLIANCE REPORT:-

While preparing the Agenda adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013 read with the Rules made there under, Secretarial standard issued by ICSI.

The Board periodically reviews all statutory compliance reports of all laws applicable to the Company.

CORPORATE GOVERNANCE

(o) SGX - GUIDELINE 6.1 OF THE CODE- ACCESS TO INFORMATION:-

The Directors have separate and independent access to the Company's management and the Company Secretary at all times. Directors are entitled to request from management and should be provided with such information as needed to make informed decisions in a timely manner. The Board is informed of all material events and transactions as and when they occurred. Should the Directors, whether individually or collectively, require independent professional advice; such professionals (who will be selected with the approval of the Chairman of the respective Committees requiring such advice) will be appointed at the expenses of the Company.

The Company Secretary attends all the Board and Board Committee meetings and attends to the Corporate Secretarial Administration matters, ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

(p) RELATIONSHIP BETWEEN DIRECTORS:-

Except Mr. Jayanti Patel, Mr. Natwarlal Patel and Mr. Ramesh Patel (related as brothers), no other directors are related to each other.

(q) NUMBER OF SHARES HELD BY NON-EXECUTIVE DIRECTORS:-

Particulars of Equity Shareholding of Independent Directors: - 31.03.2017:

3. COMMITTEES OF THE BOARD OF DIRECTORS

Name of Independent Director	No. of Equity Shares of ₹ 1/- each
Mr. Chinubhai Shah	1000
Mr. Balkrishna Thakkar	Nil
Mr. Jayaraman Vishwanathan	Nil
Mr. Kantibhai Patel	Nil
Mr. Chander Sabharwal	Nil
Ms. Urvashi Shah	Nil

The Board has constituted the following five Committees:–

(1) Audit Committee.

(2) Nomination Committee.

(3) Remuneration Committee.

(4) Shareholders/ Investors Grievances Share Allotment, Share Transfer & Stake Holders Relationship Committee.

(5) Corporate Social Responsibility Committee.

The Risk Management Committee is not applicable to the Company on the basis of market Capitalisation. The market capitalisation as on 31.03.2017 is ₹ 961 Crore.

The terms of reference of the Committees are determined by the Board from time to time. The respective Chairman of the Committees, who also inform the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are tabled at the respective Committee Meetings. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

3.1 AUDIT COMMITTEE - TERMS OF REFERENCE :-

The Audit Committee acts as a link between the Statutory Auditors, Internal Auditors and the Board. The Committee is governed by regulatory requirements mandated by Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) 2015. The Committee has full access to financial information.

CORPORATE GOVERNANCE

The terms of reference of the Audit Committee are as set out in Part C of Schedule II of SEBI (LODR) 2015 read with Section 177 of the Companies Act 2013. The Audit Committee reviews the financial statements of all Subsidiaries of the Company and also performs the following functions:

- To review the audit plan and Company's external auditors report;
- To recommend appointment, remuneration and terms of appointment of auditors of the Company;
- To review the financial statements of the Company before their submission to the Board;
- To review with management the quarterly financial statements of the Company before their submission to the Board;
- To review co-operation given by the Company's officers to the external auditors;
- To discuss nature and scope of audit before audit commences with statutory auditors;
- To review the scope and results of internal audit procedures;
- To nominate external auditors for re-appointment;
- To review with management performance of Statutory and Internal Auditors and adequacy of the internal control system;
- To approve or any subsequent modification of transactions with related parties;
- To scrutinize inter-corporate loans and investments;
- To ascertain valuation of undertakings or assets, wherever it is necessary;
- To evaluate internal financial controls and risk management systems
- To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- To discuss with internal auditors of any significant findings and follow up thereon.
- To review the functioning of the whistle blower mechanism;
- To approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions.
- To carry out any other function as mentioned in the terms of reference of the audit committee.

3.2 COMPOSITION OF COMMITTEE:-

The Audit Committee comprises of three Independent Non Executive Directors. Mr. Balkrishna Thakkar is the Chairman of the Committee. All members of the Audit Committee are financially literate and having in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. Mr. K. D. Mehta, Company Secretary, acts as the Secretary of the Audit Committee.

3.3 MEETING AND ATTENDANCE:-

The Committee met four times during the year on 28.05.2016, 06.08.2016, 25.10.2016 and 06.02.2017.

Name of the Director	Category of directorship	Qualification	No. of meetings attended
Mr. Balkrishna Thakkar	Chairman - Independent Director	FCA - Institute of Chartered Accountant of India (ICAI)	4
Mr. Chinubhai Shah	Member- Independent Director	MA LLM FCS – Institute of Company Secretaries of India (ICSI)	4
Mr. Jayaraman Vishwanathan	Member - Independent Director	FCA - Institute of Chartered Accountant of India (ICAI)	2

In addition to the above, the Committee meetings are also attended by Chief Financial Officer (CFO), Statutory Auditors and Internal Auditors as permanent invitees to Audit Committee.

CORPORATE GOVERNANCE

3.4 REVIEW OF INFORMATION BY AUDIT COMMITTEE (AC):-

AC has reviewed and satisfied that the Company's internal audit function is adequately resourced and has appropriate standing within the Company. AC has also reviewed:-

(1) Management Discussion and Analysis of financial condition and results of operation;

(2) Statement of significant Related Party Transactions submitted by management;

(3) Internal Audit Reports relating to internal control weaknesses;

3.5 INTERNAL AUDIT FUNCTION:-

The Company has outsourced the Internal Audit function to a professional firm M/s M Hawa & Associates, Chartered Accountants. The Internal Auditor reports directly to the Chairman of the Audit Committee ("AC") on internal audit matters.

3.6 SGX LISTING RULE 1207(6):- NON AUDIT SERVICES:-

The Audit Committee has reviewed and confirmed that all non-audit services provided by the auditors have not affected the independence of the auditors.

3.7 SGX LISTING RULE 1207 (10):- (GUIDELINE 11.3 OF THE CODE):-

Based on reports submitted by the external and internal auditors, the system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems maintained by the management that was in place throughout the financial year and up to date of this report, the Board, with the concurrence of the Audit Committee and assurance of the management (including Chief Executive Officer and Chief Financial Officer) as well as the Internal Auditors, are of the opinion that (a) the financial records have been properly maintained and financial statements give a true and fair view of the Company's operations and finances and (b) the Group's system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective as at the date of this report.

To ensure the adequacy of the internal audit function, the Audit Committee reviews and approves, on an annual basis, the internal audit plans and the resources required to adequately performing this function.

However, the Board and management acknowledge that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision- making, human errors, losses, fraud or other irregularities.

3.8 ASSURANCE FROM CEO AND CFO:-

The Board has received assurance from Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to ensure that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and the effectiveness of the Company's risk management and internal control systems are operating effectively in all material respects, based on the criteria for effective internal control established.

4. NOMINATION COMMITTEE (NC)-TERMS OF REFERENCE:-

The Nomination Committee (NC) aims at establishing a formal and transparent process for the appointment/re-appointment of Directors. The Nomination Committee is responsible to:

(a) Make recommendations to the Board on the appointment of new Executive and Non-Executive Directors, Key Managerial Personnel and other employees;

(b) Review the Board structure, size and composition, having regard to the principles of the Code;

(c) Assess nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent;

(d) Put in place plans for succession, in particular, for the Chairman of the Board and Chief Executive Officer of the Group;

(e) Make recommendations to the Board for the continuation in services of any Executive Director who has reached the age of 70 (Seventy) years;

CORPORATE GOVERNANCE

(f) Recommend Directors who are retiring by rotation to be put forward for re-election;

(g) Decide whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations;

(h) Recommend to the Board internal guidelines to address the competing time commitments faced by directors who serve on multiple boards;

(i) Assess the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board on an annual basis.

(j) Devising a policy on Board diversity;

(k) Formulation of the criteria for determining qualifications, positive attributes and independence of a director; for evaluation of performance of Independent Directors and the Board of Directors;

4.1 SGX CORPORATE GOVERNANCE CODE - GUIDELINE 2.1:-

Determine, on an annual basis, whether a Director is independent taking into account the circumstances set forth in Guideline 2.1 of the Corporate Governance Code of Singapore Exchange and any other salient factors;

The search and nomination process for new Directors are through personal contacts and recommendations of the Director. NC will review and assess candidates before making recommendation to the Board. NC will also take the lead in identifying, evaluating and selecting suitable candidate for new Directorship. In its search and selection process, NC considers factors such as commitment and the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board and Board Committees.

4.2 SGX CORPORATE GOVERNANCE CODE 2.4:-

NC had performed a rigorous review to assess the independence of the Independent Directors, Mr. Chinubhai Shah and Mr. Balkrishna Thakkar and considers that they are independent even though they have served on the Board beyond 10 years. The relevant factors that were taken into consideration in determining the independence are:-

(1) Very rich experience and wealth of knowledge.

(2) Active participation in the proceedings and decision making process of the Board and Committee Meetings;

(3) Deep insight into the Business of the Company and possesses experience and knowledge of the business;

(4) Qualification and expertise which provides reasonable checks and balances for the Management;

(5) Providing overall guidance to Management and act as safeguard for the protection of Company's assets and shareholders' interests.

NC has adopted a formal system of evaluating Board performance as a whole and the contribution of each individual Director. An evaluation of Board performance is conducted annually to identify areas of improvement and as a form of good Board management practice.

Each member of NC shall abstain from voting any resolutions in respect of the assessment of his performance or re-nomination as Director.

The results of the evaluation exercise were considered by NC which then makes recommendations to the Board aimed at helping the Board to discharge its duties more effectively.

4.3 COMPOSITION OF COMMITTEE:-

The Nomination Committee comprises of three Independent – Non Executive Directors. Mr. Chinubhai Shah is the Chairman of the Committee. Mr. K. D. Mehta Company Secretary acts as the Secretary of the Committee.

CORPORATE GOVERNANCE

4.4 MEETINGS AND ATTENDANCE DURING THE YEAR:-

The Committee met on 28.05.2016. The particulars of meeting attended by members of the Committee are given below:

Name of the Director	Status	No. of Meetings Held
Mr. Chinubhai Shah	Chairman - Independent Director	1
Mr. Balkrishan Thakkar	Member - Independent Director	1
Mr. Kantibhai Patel	Member – Independent Director	1

5. REMUNERATION COMMITTEE – (RC) -TERMS OF REFERENCE:-

(a) Recommend to the Board a framework of remuneration and specific remuneration packages for all Directors of the Company, Key Managerial Personnel (KMP) and other employees and determine specific remuneration packages for each Director.;

(b) Review the service contracts of the Executive Directors;

(c) Carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board of Directors from time to time;

(d) Reviewing and enhancing on the compensation structure to incentive performance base for key executives;

(e) Ensure that the remuneration packages are comparable within the industry and comparable Companies and include a performance-related element coupled with appropriate and meaningful measures of assessing individual executive Director's performance.

(f) To facilitate the transparency, accountability and reasonableness of the remuneration of Director and Senior Management Personnel.

(g) Remuneration Committee will recommend to the Board a framework of remuneration for the Directors,

(h) All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the Remuneration Committee.

Each member of the Remuneration Committee shall abstain from voting any resolutions in respect of his remuneration package.

5.1 COMPOSITION OF COMMITTEE:-

The Remuneration Committee comprises of three Independent Non Executive Directors. Mr. Chinubhai Shah is the Chairman of the Committee. Mr. K. D. Mehta, Company Secretary, acts as the Secretary of the Committee.

5.2 MEETINGS AND ATTENDANCE DURING THE YEAR:-

The Committee met on 28.05.2016 particulars of meeting attended by members of the Committee are given below:

Name of the Director	Status	No. of Meetings Attended
Mr. Chinubhai Shah	Chairman - Independent Director	1
Mr. Balkrishna Thakkar	Member - Independent Director	1
Mr. Kantibhai Patel	Member – Independent Director	1

5.3 PECUNIARY RELATIONSHIP OR TRANSACTION:-

There is no other pecuniary relationship or transaction by the Company with Non-Executive Directors.

5.4 PAYMENT TO NON EXECUTIVE DIRECTORS:-

The Non Executive Directors of the Company are paid Sitting Fees only.

5.5 PAYMENT TO EXECUTIVE DIRECTORS:-

The Company pays remuneration to its Executive Chairman, Managing Directors and Executive Directors by way of Salary, Perquisites and Performance Bonus.

CORPORATE GOVERNANCE

5.6 REMUNERATION TO ALL THE DIRECTORS:-

The members at the Annual General Meeting held on 28th July, 2014 has approved the re-appointment and terms of remuneration payable to Mr. Jayanti Patel Executive Chairman, Mr. Ashish Soparkar and Mr. Natwarlal Patel Managing Directors, Mr. Ramesh Patel and Mr. Anand Patel – Executive Directors for a period of 5 years from 01 April, 2014.

In FY 2016-17, the Company has Paid remuneration of ₹ 5 Lakhs per month (₹ 60 Lakhs per annum) and perquisites to Mr. Jayanti Patel, Mr. Ashish Soparkar and Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel. The remuneration paid is within the overall limits approved by the Shareholders.

During the year, over and above salary, the Company has paid Performance Bonus of ₹ 25 Lakhs each to Mr. Jayanti Patel, Mr. Ashish Soparkar and Mr. Natwarlal Patel, while ₹15 Lakhs to Mr. Ramesh Patel and ₹ 10 Lakhs to Mr. Anand Patel for the financial year FY 2015-16.

The Company does not have any Employee Share Option Scheme or Employee Stock Option or any long-term incentive scheme in place.

5.7 Sitting fees paid to Independent Directors during FY 2016-17:-

Name of Independent Director	Sitting Fees (₹ Lakhs)
Mr. Chinubhai Shah	3.75
Mr. Balkrishna Thakkar	3.75
Mr. Jayaraman Vishwanathan	1.00
Mr. Kantibhai Patel	1.25
Mr. Chander Sabharwal	1.25
Ms. Urvashi Shah	1.00
Total	**12.00**

The Details of remuneration paid to the Directors are also given in Form MGT–9 (Annual Return) as a part of Directors' report.

5.8 SGX Corporate Governance Code - Guideline 8.4:-

Currently, the Company does not have any contractual provisions to allow the Company to reclaim incentive from Executive Directors and Key Management Personnel in exceptional cases of wrongdoings.

Remuneration paid during the FY 2016-17 to Working Directors are:-

Name of Director	Salary, Perquisites & Performance Bonus (₹ Lakhs)
Mr. Jayanti Patel	92.28
Mr. Ashish Soparkar	92.28
Mr. Natwarlal Patel	92.28
Mr. Ramesh Patel	82.28
Mr. Anand Patel	77.28
Total	**436.40**

CORPORATE GOVERNANCE

5.9 SGX Corporate Governance Code - Guideline 9.3:-

The Company is providing remuneration to its Executive Directors in compliance with Section II of Part II of Schedule V of the Indian Companies, Act, 2013.

Remuneration Bands of Less than S$ 250,000

Name of Director	Directors Fees	Salary	Performance Bonus	Other & benefits	Total
Mr. Jayanti Patel	Nil	65%	27%	8%	100%
Mr. Ashish Soparkar	Nil	65%	27%	8%	100%
Mr. Natwarlal Patel	Nil	65%	27%	8%	100%
Mr. Ramesh Patel	Nil	73%	18%	9%	100%
Mr. Anand Patel	Nil	78%	13%	9%	100%

5.10 SGX Corporate Governance Code - Guideline 9.3:-

The Details of the name and aggregate remuneration paid to Key Managerial Personnel (who are not Directors or the CEO) during the Financial Year ended 31 March 2017 is S$ 110,169. (₹ 48.51 = S$1)

Remuneration Bands of Less than S$ 250,000 – Key Managerial Personnel

Name	Designation	Salary	Allowances	Other Benefits	Total
Mr. M P Punia	Business Leader-Agro	45%	30%	25%	100%
Mr. Kamlesh Mehta	V P (Company Affairs)	45%	30%	25%	100%
Mr. Ashok Bangde	G M (Works)	45%	30%	25%	100%
Mr. Amit Kumar Talesara	G M (Agro Export)	45%	30%	25%	100%
Mr. Jayesh Trivedi	GM (Agro Marketing)	45%	30%	25%	100%
Mr. Rajesh Verma	GM (Environment)	45%	30%	25%	100%
Mr. Ramchandrudu Mangali	DGM (Works)	45%	30%	25%	100%

5.11 Corporate Governance Guideline 9.4 – Code of - Singapore Stock Exchange:-

No employees of immediate family members of a Director or CEO have drawn remuneration exceeding S$ 50,000 during financial year 2016-2017.

6 SHAREHOLDERS'/INVESTORS' GRIEVANCES, SHARE ALLOTMENT, SHARE TRANSFER AND STAKE HOLDER RELATIONSHIP COMMITTEE

6.1 TERMS OF REFERENCE:-

i. To allot Equity Shares of the Company,

ii. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;

iii. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc;

iv. Issue of duplicate / split / consolidated share certificates;

v. Allotment and listing of shares;

vi. Review of cases for refusal of transfer / transmission of shares and debentures;

vii. Reference to statutory and regulatory authorities regarding investor grievances;

viii. And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

CORPORATE GOVERNANCE

6.2 COMPOSITION OF COMMITTEE:-

The Committee comprises of two Independent Non Executive Directors and One Executive Director. Mr. Chinubhai Shah is the Chairman of the Committee. Mr. K. D. Mehta Company Secretary acts as Secretary& Compliance officer of the Committee.

6.3 MEETINGS AND ATTENDANCE DURING THE YEAR:-

The Shareholders' / Investors' Grievances, Share Allotment Share Transfer and Stake Holder Relationship Committee were held on 28.05.2016, 06.08.2016, 25.10.2016 and 06.02.2017.

Name of the Director	Status	No. of Meetings
Mr. Chinubhai Shah	Chairman - Independent Director	4
Mr. Balkrishna Thakkar	Member - Independent Director	4
Mr. Ashish Soparkar	Member – Executive Director	4

6.4 DETAILS OF SHAREHOLDERS' COMPLAINTS:-

Detail of Complaints received	Nos.
Number of Complaints received from Shareholders' 01.04.2016 to 31.03.2017	0
Number of Complaints not solved to the satisfaction of the shareholder	0
Number of Pending Complaints on 31.03.2017	0

7 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:-

The Company has always been mindful of its obligations vis-à-vis the communities it impacts and has been pursuing various CSR activities long before it became mandated by law.

The terms of reference of CSR broadly comprises:

1) To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

2) To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

The Compositions of the CSR Committee as on 31st March, 2017 are as under:

Name of Member	Category
Mr. Chinubahi Shah	Non-Executive/ Independent
Mr. Balkrishna Thakkar	Non-Executive/ Independent
Mr. Jayanti Patel	Executive / Non-independent
Mr. Ashish Soparkar	Executive / Non-independent
Mr. Natwarlal Patel	Executive / Non-independent

During the year the Company has spent ₹ 88 Lakhs towards CSR activities.

CORPORATE GOVERNANCE

8 **GENERAL BODY MEETINGS:-**

The details of date, time and location of Annual General Meetings (AGM) held in last 3 years and Special resolutions passed are as under :-

Financial Year	Category- Date & Time	Venue	Special – Resolutions passed
2013-14	Annual General Meeting 28 July, 2014 at 10.00 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	1. Appointment of Mr. Chander Sabharwal 2. To authorize to borrow up to ₹ 1000 Crore under Section 180(1)(c) of the Companies Act, 2013. 3. To authorize to create mortgage / charge over property of the Company of Section 180(1)(a) of the Companies Act, 2013 4. To authorize to contribute to charitable and other funds under Section 181 the Companies Act, 2013. 5. To authorize to give loan & make investments under Section 186 of the Companies Act, 2013 6. To re-appoint Mr Jayanti Patel as Executive Chairman of the Company for a period of 5 years. 7. To re-appoint Mr Ashish Soparkar as Managing Director of the Company for a period of 5 years. 8. To re-appoint Mr. Natwarlal Patel as Managing Director of the Company for a period of 5 years. 9. To re-appoint Mr. Ramesh Patel as Executive Director of the Company for a period of 5 years. 10. To re-appoint Mr. Anand Patel as Executive Director of the Company for a period of 5 years.. 11. To authorize Related Party Transactions under Section 188(1) of the Companies Act, 2013 12. To approve adoption of new Articles.
2014-15	Annual General Meeting 27 July, 2015 at 10.00 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Asso. Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	No Special Resolution was passed.
2015-16	Annual General Meeting 26 July, 2016 at 10.00 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	1. Authorize Directors to Convert Financial assistance into Fully Paid up Equity Shares of the Company.

No Special resolution was passed last year through Postal Ballot. At present the Company has not proposed any Special Resolution through Postal Ballot.

CORPORATE GOVERNANCE

9 MEANS OF COMMUNICATION:-

9.1 QUARTERLY RESULTS:-

The Unaudited quarterly/half yearly financial statements are announced within 45 (Forty Five) days of the end of the Quarter.

The aforesaid financial statements reviewed by the Audit Committee are taken on record by the Board of Directors and are communicated to the Indian and Singapore Stock Exchanges where the Company's securities are listed.

Once the Stock Exchanges have been intimated, these results are given by way of a press release to news agency and published within 48 hours in two leading daily news papers – one in English and one in Gujarati.

9.2 ANNOUNCEMENT OF FINANCIAL RESULT:-

The Audited annual results are announced within 60 (Sixty) days from the end of last quarter i.e. 31st March to meet with the requirements of Stock Exchanges. The Audited Annual Financial Results were announced on 22nd May, 2017. The aforesaid Audited Annual Results are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the Company's securities are listed.

These results are then given by way of a press release to news agency and published within 48 hours in two leading daily news papers one in English and one in Gujarati. The Audited financial results form a part of the Annual Report which is sent to the Shareholders prior to the Annual General Meeting

9.3 WEBSITE DISPLAY:-

The Company's Official news releases, presentation, policies, financial results, shareholder's general information etc. are displayed on the Company's website **www.meghmani.com.** News Releases are placed on Stock Exchanges and displayed on website. The presentations prepared for the investors and analysts are submitted to Stock Exchanges and displayed on the Company's website **www.meghmani.com.**

9.4 GREEN INITIATIVE FOR PAPERLESS COMMUNICATIONS:-

To support the "Green Initiative in the Corporate Governance", an initiative has been taken by the Ministry of Corporate Affairs (MCA). The Company has sent the soft copies of Annual Report 2016-17 to those members whose Email ID were registered with the Depository Participants (DP) after informing them suitably.

10 OTHER DISCLOSURES:-

10.1 Disclosure of Material Transactions:- Related Party Transaction:-

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirement) Regulation, 2015 during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable Disclosure as required by the Accounting Standards (AS 24) has been made in the notes to the Financial Statements in this Annual Report. The Policy on Related Party Transaction has been placed on the Company's website.

10.2 Vigil Mechanism / Whistle Blower Policy:-

The Company has a Whistle Blower Policy to deal with instance of unethical behaviour, actual or suspected fraud or violation of the company's Code of Conduct, if any. The Whistle Blower Policy is posted on the website of the Company.

10.3 Accounting Treatment:-

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

CORPORATE GOVERNANCE

10.4 Corporate Governance of Subsidiaries:-

Meghmani Finechem Limited (MFL) needs to have on its Board two Directors of Meghmani Organics Limited (MOL) who are independent. Mr. Chinubhai Shah and Mr. Balkrishna Thakkar, Independent Director of MOL are appointed on the Board of MFL.

The Subsidiaries of the Company are managed by experienced Board of Directors.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings. The Copies of the Minutes of the Audit Committee / Board Meetings of Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings. The Companies policy on 'material subsidiary" is placed on the Company's website.

10.5 Auditors' Certificate on Corporate Governance:-

The Company has obtained a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance prescribed under the Listing agreement with Stock Exchanges which forms part of this report.

10.6 Shareholder's Information:-

This Chapter read with the information given in the section titled General Shareholders' information constitutes the compliance report on Corporate Governance.

10.7 Code of Conduct:-

The Company has adopted a Code of Conduct for its Directors and designated Senior Management Personnel. All the Board Members and Senior Management Personnel have agreed to follow compliance of code of conduct. The code has been posted on the Company's website.

10.8 Management Discussion and Analysis Report:-

This is given as the Separate chapter in the Annual Report which forms part of this report.

10.9 Insider Trading:-

All the Directors and Senior Management Personnel have affirmed compliance with the Corporate Code laid down by the Board of Directors of the Company.

The Executive Chairman, the Managing Directors and Company Secretary have made the necessary certification to the Board of Directors of the Company.

The Company has also announced closure of trading window to Stock Exchanges as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the Indian Stock Exchanges.

10.10 Disclosures regarding Re-appointment of Directors:-

As per the Articles of Association of the Company, one third of the Directors are liable to retire by rotation every year and if eligible, they offer themselves for re-election by the shareholders at the General Meeting.

There is no Alternate Director being appointed to the Board.

10.11 Equity shares in Suspense Account :-

As per circular dated 24th April, 2009, the Company has deposited 2100 Equity shares of ₹ 1/- each lying in the suspense account which was issued pursuant to the Public issue of Equity Shares to list Equity Shares on Indian Stock Exchanges.

The Voting rights on the shares standing in the suspense account as on 31 March, 2013 shall remain frozen till the rightful owner of such share claims the shares.

10.12 Immediate Family Member of Director:-

Mr. Maulik Patel, Ms. Deval Soparkar, Mr. Kaushal Soparkar, Mr. Ankit Patel, Mr. Karana Patel, and Mr. Darshan Patel are immediate family members of Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel Directors of the Company respectively.

CORPORATE GOVERNANCE

10.13 Appointment & Removal of Company Secretary:-

The appointment and removal of the Company Secretary is subject to the approval of the Board.

10.14 Reminders to Unpaid Dividend:-

Reminders for Unpaid dividend are sent to the shareholders as per records every year.

10.15 Outstanding Singapore Depository Receipt Shares:-

In accordance with terms and conditions of Depository agreement, each holder of SDSs is entitled to present SDSs for cancellation and then receive the corresponding number of underlying shares at Custodian office, subject to all regulatory approvals. This mechanism is under Operative guidelines for the limited two way fungibility under the "issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993".

36,917,880 SDSs each of ₹ 0.50 paise representing 18,458,940 Equity Shares of ₹1/-each is outstanding as on 31st March, 2017. The conversion of SDSs in to Equity shares will not have any impact on paid up capital or cash position of the Company.

10.16 Particulars of interested person transactions under Rule 920 of Singapore Listing Manual for the year ended 31 March, 2017 are as under:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 (equivalent to approximately ₹ 4,851,000) and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual) (excluding transactions less than S$100,000 (equivalent to approximately ₹ 4,851,000)	
	Amount in ₹	**Amount in S$,000**	**Amount in ₹**	**Amount in S$,000**
Matangi Industries	79,78,635	164	-	-
Meghmani Industries Ltd	1,40,27,349	289	-	-
Meghmani Dyes & Intermediates LLP	51,39,365	106	-	-
Vidhi Global Chemicals Ltd.	30,00,92,267	6187	-	-
Meghmani Pigments	12,97,43,062	2675	-	-
Ashish Chemicals (EOU)	2,34,29,759	483	-	-
Meghmani Chemicals Ltd	65,73,623	136	-	-
Meghmani LLP	4,56,06,337	940	-	-
Pancharatna Corporation	1,44,15,300	297	-	-
Navratna Speciality Chemical LLP	97,97,404	202	-	-
Total	**55,68,03,101**	**11479**		

The above transaction amount includes Purchase and Sales.

Note – ₹ 48.51= S$1 (Average Rate of Financial Year 2016-2017)

The Company has established procedures to ensure that all the transactions with interested person transactions are reported to Audit Committee and that the transactions are carried out on a normal commercial terms and shall not be prejudicial to the interest of the Company and minority shareholders.

CORPORATE GOVERNANCE

11 General Shareholder Information :-

I. Financial Year :-

The financial year of the Company is from 01 April to 31 March. The Board Meetings for approval of Quarterly financial results during the year ended 31 March, 2017 were held on the following dates:-

Financial Calendar 2016-2017:-

First Quarter Results	6th August, 2016
Second Quarter and Half yearly results	25th October, 2016
Third Quarter Results	6th February, 2017
Fourth Quarter & Annual Results	22nd May, 2017

Financial Calendar 2017-2018:-

First Quarter Results - 30.06.2017	Within 45 days from the close of quarter
Second Quarter Result – 30.09.2017	Within 45 days from the close of quarter
Third Quarter Results – 31.12.2017	Within 45 days from the close of quarter
Fourth Quarter - 31.03.2018	Within 60 days from the close of quarter

II. Annual General Meeting :-

Date	**27th July, 2017**
Venue	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad
Time	10.00 a.m.
Last date of receipt of Proxy	Tuesday 25 July, 2017 (before 10.00. a.m.)
Posting of Annual Report	On or before 01st July, 2017

III. Date of Book Closure:-

Book Closure	Thursday 20 July, 2017 to Thursday 27 July, 2017

IV. Dividend payment:-

The Board of Directors at their meeting held on 22nd May, 2017 recommended a final dividend of ₹ 0.40 per Equity Shares of the face value of ₹ 1/- each for the financial year 2016-2017, subject to approval of the shareholders.

The information of unclaimed dividend is as under:-

Financial Year	Dividend%	Payment Date	Due date for transfer to IEPF
Un-paid Dividend - 2010	40%	11.08.2010	10.08.2017
Un-paid Dividend - 2011	40%	11.08.2011	10.08.2018
Un-paid Dividend - 2012	10%	11.08.2012	10.08.2019
Un-paid Dividend - 2013	10%	07.08.2013	06.08.2020
Un-paid Dividend - 2014	10%	11.08.2014	10.08.2021
Un-paid Dividend - 2015	40%	27.02.2015	26.02.2022
Un-paid Dividend - 2016	30%	23.03.2016	22.02.2023

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V. Stock code:-

ISIN allotted to the Company's equity shares of face value of ₹ 1/- each is INE974H01013.

VI. Share Market Price data:-

The Monthly High and Low prices and volumes of Meghmani Organics Limited (MOL) share at National Stock Exchange of (India) Limited (NSE) and BSE Limited for the year ended on 31 March, 2017 are as under :-

National Stock Exchange of India Limited: - 31.03.2017

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	Total Turnover (₹ In Lakhs)
Apr-16	22.70	32.90	22.40	32.05	4,75,18,980	13,541.05
May-16	32.05	46.70	31.80	35.00	8,05,12,077	30,990.90
Jun-16	35.00	43.40	33.55	39.45	3,10,97,166	12,413.95
Jul-16	39.60	49.70	39.35	45.80	3,93,81,588	18,009.04
Aug-16	46.15	48.80	38.00	40.70	2,38,50,054	10,300.78
Sep-16	40.60	48.40	37.75	45.00	4,18,36,445	18,088.46
Oct-16	46.50	52.35	45.25	48.70	4,48,25,831	22,019.57
Nov-16	48.65	48.90	34.10	43.05	1,89,95,380	7,862.75
Dec-16	43.25	43.35	36.50	37.30	1,12,50,145	4,534.93
Jan-17	37.95	46.85	37.25	44.85	2,70,64,286	11,847.69
Feb-17	45.15	49.20	37.40	38.90	2,46,54,427	10,477.12
Mar-17	39.00	40.20	37.00	37.25	1,61,62,012	6,177.52

BSE Limited: - 31.03.2017

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	Total Turnover (₹ In Lakhs)
Apr-16	22.80	32.90	22.50	32.00	12627285	3607.51
May-16	32.15	46.75	31.85	34.95	25336184	9774.95
Jun-16	35.00	43.30	35.00	39.45	10433751	4167.30
Jul-16	39.60	49.75	39.30	45.70	12510945	5712.20
Aug-16	46.40	48.90	38.15	40.75	7520761	3244.85
Sep-16	40.80	48.40	37.75	44.95	12506986	5391.12
Oct-16	46.35	52.40	45.25	48.85	13136212	6443.91
Nov-16	48.00	48.65	34.10	43.00	6348390	2620.49
Dec-16	43.05	43.35	36.50	37.30	3223840	1302.33
Jan-17	37.90	46.90	37.30	44.65	6311700	2762.88
Feb-17	45.00	49.15	37.40	38.90	5942142	2530.90
Mar-17	39.00	40.30	36.95	37.30	5155134	1973.20

CORPORATE GOVERNANCE

VII. Listing details of Equity shares:-

Name of Stock Exchange	Address	Stock Code
National Stock Exchange of India Limited	Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	MEGH.NS
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street,Mumbai - 400 001	532865
Singapore Exchange	2 Shenton Way #19-00 SGX Centre Singapore 068804	MEGH.SI

The listing fee for the financial year 2017-2018 has been paid to the above Stock Exchanges.

VIII. No Suspension of Securities:-

The Company has complied with the necessary requirements of SEBI, Stock Exchanges and Statutory authorities and no penalties or strictures were imposed on any matter related to capital markets during the last three years.

IX. Share Transfer System:-

Job of Share Registrar and Transfer Agents are carried out by Link Intime India Private Limited, Mumbai, Transfer and Dematerialization of shares is processed by Link Intime India Private Limited, Mumbai. The transfer of shares in Depository mode need not be approved by the Company. The Physical transfers of shares are approved by Share Transfer Committee.

X. Shareholding Pattern - 31.03.2017:-

Category	Total shares	%
Clearing Member	2400624	0.94
Other Bodies Corporate	19022838	7.48
Financial Institutions	597685	0.24
Foreign Inst. Investor	2869250	1.13
Singapore Depository Receipts	22653600	8.91
Hindu Undivided Family	5069118	1.99
Non Nationalized Banks	44227	0.02
Non Resident Indians	2908961	1.14
Non Resident (Non Repatriable)	413499	0.16
Public	66245687	26.05
Promoters	93618060	36.81
Relatives of Director	33940259	13.35
Trusts	5000	0.00
Foreign Portfolio Investors (Corporate)	4525403	1.78
Total	**254314211**	**100.00**

CORPORATE GOVERNANCE

XI. Distribution of Shareholding: 31.03.2017:-

Category	Shareholders		Shares of Re. 1/- each	
	Number	Percent	Number	Percent
1-500	52970	71.85	11741321	4.62
501-1000	10280	13.95	8884665	3.49
1001-2000	4962	6.73	7966962	3.13
2001-3000	1777	2.41	4674885	1.84
3001- 4000	768	1.04	2838242	1.12
4001- 5000	813	1.10	3933562	1.55
5001-10000	1073	1.46	8218220	3.23
10001- & ABOVE	1075	1.46	206056354	81.02
Total	**73718**	**100.00**	**254314211**	**100.00**

Dematerialization of Shares and Liquidity Distribution: 31.03.2017:-

Share Capital	No. of shares	%
Listed Capital	254314211	100.00
Held in Dematerialized form :-		
National Securities Depository Limited	220395152	86.66
Central Depository Services (India) Limited	33668083	13.24
Held in Physical Form	250976	0.10
	254314211	100.00

CORPORATE GOVERNANCE

Twenty Largest Singapore Depository Shares ("SDS") Holders 12.06.2017 (As per Singapore rules):-

Sr. No.	NAME OF SDS HOLDER	NO. OF SDS	%
1	WATERWORTH PTE LTD	95,00,000	27.12
2	KER BOON KEE	13,84,000	3.95
3	DBSN SERVICES PTE LTD	12,93,000	3.69
4	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	12,80,000	3.65
5	TEO CHIANG SONG	12,00,000	3.43
6	WU CHUNG SHOU	10,20,000	2.91
7	RAFFLES NOMINEES (PTE) LTD	9,64,200	2.75
8	ANG LAY TENG OR TAN CHOON HUI	8,29,000	2.37
9	INDIA INTERNATIONAL INSURANCE PTE LTD - SIF	8,00,000	2.28
10	SEE BENG LIAN JANICE	8,00,000	2.28
11	CITIBANK NOMINEES SINGAPORE PTE LTD	7,41,000	2.12
12	LIM LENG CHYE	7,00,000	2.00
13	PHILLIP SECURITIES PTE LTD	6,81,000	1.94
14	CHAN SIEW LIAN ANGELINE	6,49,000	1.85
15	SOH DOLLY	4,41,000	1.26
16	WONG TZE CHYUAN	4,35,000	1.24
17	DBS NOMINEES PTE LTD	3,61,000	1.03
18	YONG YAU FUAY @AARIZ YONG	3,00,000	0.86
19	HSBC (SINGAPORE) NOMINEES PTE LTD	2,90,000	0.83
20	CHONG MUI KHIM	2,89,000	0.83
	Total	**2,39,57,200**	**68.39**

Distribution of Shareholding: 12.06.2017 (As per Singapore rules):-

Size of SDS	SDS Shareholders		No. of SDS of Re. 0.50/- each	
	Number	Percent	Number	Percent
1 - 99	4	0.93	82	0.00
100 - 1,000	36	8.33	32,900	0.09
1,001 - 10,000	165	38.19	11,76,400	3.36
10,001 - 1,000,000	221	51.16	1,81,40,698	51.79
1,000,001 AND ABOVE	6	1.39	1,56,77,000	44.76
Total	**432**	**100.00**	**3,50,27,080**	**100.00**

CORPORATE GOVERNANCE

XII. SGX CORPORATE GOVERNANCE RULE 1015 (5) – SUBSTANTIAL SHAREHOLDERS' INTERESTS:-

The interests of the Directors and substantial shareholders of the Company in the issued Singapore Depository Shares of the Company are as under:-.

Name of the Substantial SDS Holder	No. of SDS	%	Interest Held
Director's Interest	Nil	Nil	-
Water worth Pte. Limited	9500000	25.73%	Direct

SDSs held by the public are 74.27%. The Company has not issued any Treasury Shares. No subsidiary of the Company is holding any Singapore Depository Shares.

XIII. Outstanding Singapore Depository Receipts:-

153,165,300 Singapore Depository Shares were issued under Depository mechanism on 10th August, 2004 at a 28 Cent per SDS of ₹ 0.50 paisa on Singapore Stock Exchange.

As on 31st March, 2017 the number of SDS outstanding are **36,917,880** which represents **18,458,940** Equity Shares. The Closing SDS price as on 31st March, 2017 was 0.3725 Cent.

There is no conversion date fixed for SDS in to Equity Shares. There will be no impact on conversion of SDS in to equity shares as the conversion takes place under two way fungibility guide lines issued by Reserve Bank of India.

XIV. SGX Rule 1204 (19) – TRADING WINDOW CLOSED:-

In compliance with Rule 1204(19), the Company has adopted policies to provide guidance to its Directors and officers on dealings in the Company's securities.

The Company prohibits its Directors and officers from dealing in the Company's shares on short term considerations or when they are in possession of unpublished price-sensitive information. The Directors and Officers are also not allowed to deal in the Company's shares during the period commencing two (2) weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year and one month before the announcement of the Company's full-year financial results, and ending on the date of the announcement of the relevant results

XV. SGX Rule 730 A (1) – HOLDING OF ANNUAL GENERAL MEETING:-

As confirmed by SGX, Rule 730A(1) of the Listing Manual is not applicable to the Company. Consequently, the Company will continue to hold its general meeting in India and not in Singapore. The Company has agreed to hold an annual information meeting in Singapore every year so as to have as much information possible to Singapore Shareholders at the time of such meeting.

XVI. REGISTRAR AND SHARE TRANSFER AGENT IN INDIA:-

In compliance with SEBI guidelines, the Company has appointed Link Intime India Private Limited, as a common Share Transfer agent for Physical and Electronic form of shareholding.

Link Intime India Private Limited

C 101, 247 Park, L. B. S. Marg,

Vikhroli (West), Mumbai - 400083.

Tel: +91 22 4918 6270

Fax: +91 22 4918 6060

CORPORATE GOVERNANCE

XVII. LOCATION OF MANUFACTURING FACILITY:-

1.	Pigment Division - Green	Plot No. 184, Phase II, G.I.D.C. Vatva, Ahmedabad -382 445
2.	Pigment Division – Blue	Plot No. 21, 21/1, G.I.D.C. Panoli, District :- Bharuch
3.	Pigment Division - Blue	Plot No. Z-31 Z-32, Dahej SEZ Limited, District :- Bharuch
4.	Agro Division – I	Plot No. 402,403,404 & 452, Village Chharodi, Taluka Sanand, District :- Ahmedabad
5.	Agro Division – II	5001/B, G.I.D.C. Ankleshwar, District :- Bharuch
6.	Agro Division – III	Plot No. CH-1+2/A GIDC Industrial Estate, Dahej, District :- Bharuch
7.	Agro Division – IV	Plot No. 20,G.I.D.C. Panoli, District :- Bharuch

XVIII. INVESTOR CORRESPONDENCE :-

All enquiries, clarification and correspondence should be addressed to the Company Secretary and Compliance Officer:-

Mr. K D Mehta – V P (Company Affairs) & Company Secretary

Meghmani Organics Limited

Meghmani House,
B/h Safal Profitaire, Corporate Road,
Prahalad Nagar, Ahmedabad 380 015
Telephone No. 91-79-2970 9600/ 7176 1000
Fax No. 91-79-2970 9605
E-mail : helpdesk@meghmani.com

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DIRECTORS' PROFILE

(1) Mr. Jayanti Patel :- DIN 00027224

Mr. Jayanti Meghjibhai Patel, 65 years, is the Executive Chairman of the Company. Mr. Jayanti Patel holds a Bachelors of Chemical Engineering degree from Maharaja Sayajirao University, Baroda. He currently oversees the International Marketing of our Company and is responsible for all major policy decisions. Mr. Jayanti Patel has more than 40 years experience in the Dyes and Pigments industry and more than 23 years experience in the Agrochemicals industry.

Mr. Jayanti Patel is interested in the following companies and partnership firms.

Sr.No.	Name of the firm/concern	Position Held
1)	Meghmani Chemicals Limited	Director
2)	Meghmani Organics USA Inc.	Director
3)	PT. Meghmani Organics Indonesia	Director
4)	Ashish Chemicals	Partner
5)	Meghmani Pigments (erstwhile Alpanil Industries)	Partner

Mr. Jayanti Patel is the brother of Mr. Natwarlal Patel and Mr. Ramesh Patel.

(2) Mr. Ashish Soparkar:- DIN 00027480

Mr. Ashish Natwarlal Soparkar, 64 years, is the Managing Director of the Company. Mr. Ashish Soparkar holds a Bachelors of Chemical Engineering degree from Maharaja Sayajirao University of Baroda. He currently oversees the Corporate Affairs and Finance Matters of our Company. Mr. Ashish N Soparkar, has more than 40 years experience in the Dyes and Pigments Industry, and more than 23 years experience in the Agrochemicals Industry. Mr. Ashish Soparkar is interested in the following companies and partnership firms.

Sr.No.	Name of the firm/concern	Position Held
1)	Meghmani Chemicals Limited	Director
2)	Meghmani Exports Limitada Sa De CV Mexico	Director
3)	Meghmani Organics USA Inc.	Director
4)	Ashish Chemicals	Partner
5)	Meghmani Pigments (erstwhile Alpanil Industries)	Partner

(3) Mr. Natwarlal Patel :- DIN 00027540

Mr. Natwarlal Meghjibhai Patel, 64 years, is the Managing Director of the Company. Mr. Natwarlal Patel holds a Masters of Science degree from Sardar Patel University, Gujarat. He currently oversees the technical matters of the Agrochemical divisions, as well as the International and Domestic marketing of the Agrochemical products. Mr. Natwarlal Patel, has more than 39 years experience in the Dyes and Pigments Industry, and more than 24 years experience in the Agrochemicals Industry. Mr. Natwarlal Patel is interested in the following companies and partnership firms.

Sr.No.	Name of the firm/concern	Position Held
1)	Meghmani Industries Limited	Director
2)	Meghmani Chemicals Limited	Director
3)	John Energy Limited	Director
4)	Gujarat State Export Corporation Limited	Director
5)	Meghmani Overseas FZE – Sharjah	Director
6)	Tapsheel Enterprises	Partner
7)	Navratna Specialty Chemicals LLP	Partner
8)	Uniworth Enterprises LLP	Partner

Mr. Natwarlal Patel is the brother of Mr. Jayanti Patel and Mr. Ramesh Patel.

DIRECTORS' PROFILE

(4) Mr. Ramesh Patel :- DIN 00027637

Mr. Ramesh Meghjibhai Patel, 61 years, is the Executive Director of the Company. Mr. Ramesh Patel holds a Bachelor of Arts degree from Saurashtra University. Mr. Ramesh Patel has 32 years of experience in the Pigments Industry and 21 years of experience in the Agrochemicals Industry.

Mr. Ramesh Patel is currently in charge of overseeing purchases made by the Company (including Domestic purchases and Global imports) and is responsible for all liaisons between the Company and Government authorities or other regulatory bodies. Mr. Ramesh Patel is interested in the following companies and partnership firms.

Sr.No.	Name of the firm/concern	Position Held
1)	Meghmani Industries Limited	Director
2)	Meghmani Chemicals Limited	Director
3)	Uniworth Enterprises LLP	Partner

Mr. Ramesh Patel is the brother of Mr. Jayanti Patel and Mr. Natwarlal Patel.

(5) Mr. Anand Patel :- DIN 00027836

Mr. Anand Ishwarbhai Patel, 54 years, is the Executive Director of the Company. Mr. Anand Patel holds a Bachelor of Science degree from the Gujarat University. Mr. Anand Patel has 30 years of experience in the Pigments Industry. Mr. Anand Patel currently oversees the manufacturing of Pigments at Vatva, Panoli and Dahej as well as the International & Domestic marketing of Pigments. Mr. Anand Patel is interested in the following companies and partnership firms.

Sr.No.	Name of the firm/concern	Position Held
1)	Meghmani Europe BVBA	Director
2)	Tapsheel Enterprises	Partner
3)	Meghmani Chemicals	Partner
4)	Novel Spent Acid Management	Partner

Mr. Anand Patel is the Cousin of Mr. Jayanti Patel, Mr. Natwarlal Patel and Mr. Ramesh Patel.

(6) Mr. Chinubhai Shah :- DIN 00558310

Mr. Chinubhai Shah, 80 Years, was appointed as a Director of the Company on April 13, 2000 and has been on our Board since then. He holds a Masters degree in Arts and a Masters degree in Law. He also has a Diploma in Labor Practice and Diploma in Taxation Practice, both from Gujarat University. He is a Fellow member of the Institute of Company Secretaries of India and Fellow membership for life was also conferred on him by All India Management Association, New Delhi.

Mr. Chinubhai Shah was twice elected as the President of the Institute of Companies Secretaries of India. He was also elected as the President of All India Management Association. He was a visiting professor and a member of the Board of Governors of the Indian Institute of Management, Ahmedabad. He was the President of the Gujarat Chamber of Commerce and Industry and was also a member of the Company Law Advisory Committee in the Government of India. He was a member of the Secondary Market Advisory Committee of SEBI.

He has had more than 47 years experience in the areas of Management, Finance and Accounting. Mr. Chinubhai Shah headed Torrent Pharmaceuticals and Torrent Exports Limited as Executive Director from 1991 to 1998. From 1998 to 2000 he was the Managing Director of Ahmedabad Electricity Co. Limited (Presently Torrent Power Limited).

Mr. Chinubhai Shah is a member of Audit & Corporate Social Responsibility (CSR) Committee and Chairman of Remuneration Committee, Nominating Committee and Shareholders / Investors Grievances and Share Transfer Committee of the Company and is a director on the Board of the following other companies:-

DIRECTORS' PROFILE

Sr. No.	Name of the Company	Director	Member of Committee	Chairman of Committee
1)	Apollo Hospitals International Ltd	Director	–	–
2)	Arman financial Services Limited	Chairman	Audit	Shareholders’
3)	Cadila Pharmaceuticals Limited	Director	–	Audit
4)	G.S.E.C Limited	Director	Audit	–
5)	Gulmahor Greens-Golf & Country Club Limited	Director	–	–
6)	India Renal Foundation	Chairman	–	–
7)	Nirma Limited	Director	–	–
8)	Saline Area Vitalisation Enterprise Limited	Chairman	–	–
9)	Shilp Gravuers Limited	Director	–	Audit
10)	Meghmani Finechem Limited	Director	Audit	–
11)	Human Wellness Foundation	Director	–	–

(7) Mr. Balkrishna Thakkar :- DIN 00430220

Mr. Balkrishna Thakkar, 70 years, was appointed as a Director of the Company on April 13, 2000. He holds a Bachelor of Commerce degree from Gujarat University and is also a Fellow member of the Institute of Chartered Accountants of India. Since 1974, after qualifying as Chartered Accountant, he started his own practice. He is currently practicing as a Chartered Accountant in the name and style of Balkrishna Thakkar & Co., a sole proprietorship that he founded in 1975, and his primary practice areas are audit and taxation.

Mr. Balkrishna Thakkar is the Chairman of Audit Committee and member of Remuneration Committee, Nomination, Shareholders / Investors Grievances and Share Transfer and & Corporate Social Responsibility (CSR) Committee of the Company.

(8) Mr. Jayaraman Vishwanathan :- DIN No. 00477796

Mr. Jayaraman Vishwanathan, 59 years, was appointed as a Director of the Company on July 17, 2003. He has more than 29 years of experience in industry, banking, private equity and entrepreneurial related assignments, both in India as well as in other countries. He was the Director and the Head of Direct Investments in Jardine Fleming India Securities Limited (“JF Electra”) (Now Electra Partners Asia Limited “Electra Asia”) from December 1995 to July 1999 and has rejoined Electra Partners in February 7, 2005. He holds a Bachelor of Commerce (Honours) degree from the University of Delhi, India. He is also a qualified Chartered Accountant and also a Management Accountant from the Chartered Institute of Management Accountants, London, United Kingdom.

Mr. Vishwanathan has also worked on an assignment with an arm of the Government of Abu Dhabi to help set up a private equity operation for them in the UAE. The name of the organization was CERT (Centre of Excellence for Applied Research and Training), which is governed by UAE Ministry for Higher Education and Scientific Research. CERT is the largest investor in the MENA region (Middle East, North Africa).

(9) MR. CHANDER KUMAR SABHARWAL :- DIN No. 00368621

Mr. Chander Kumar Sabharwal 67 Years is BA Honors (Economics) and has studied Law & Management. He has worked as Senior Management Trainee (SMT Scheme) & Executive with DCM (Now Shriram Group) 1970-74, Part of founding group of HCL in 1975 and Managing Agrochemical Public Ltd Company – 1974 onwards. Mr. Chander Sabharwal has held various positions as under:-

- Director on the Board of Oriental Bank of Commerce, New Delhi – 2005-11
- Director on the Board of Crop Care Federation of India - 1985 – 2009

DIRECTORS' PROFILE

- Executive Member, All India Bio Technology Association of India (AIBA)
- Managing Director, Crop Health Products Ltd, New Delhi (1975 – till date),
- Partner, R K Associates, (Dusseldorf – US – India), M&A Advisors

Mr. Chander Sabharwal is successfully managing family business Crop Health Products Ltd – involved from multi sites in manufacturing & marketing of Agrochemicals in Punjab, Haryana, UP, J&K, HP, Rajasthan, Gujarat, MP, and Chhattisgarh & Orissa. The Public Ltd Company is 47 years, the peak turnover of which reached US$ 17 million. He is Associated with many International Companies such as Bayer, BASF, Monsanto, IFFCO, etc.

He is also on the Board of Crop Health Products Limited, Crop Health Products Chemicals Private Limited, ISK Biosciences India Private Limited, Petch Agri Biotech Private Limited and Caliber Farm Solutions Private Limited.

(10) Mr. K H Patel :- Din No. 02325787

Mr. K H Patel, 70 years, is a Bachelor of Science and Law degree from Gujarat University and also holds Diploma of Master of Labour Welfare (MLW).

Mr. Patel after completing his graduation served Textile Industries in Ahmedabad for 12 years out of which he served as Labour Welfare Officer for 7 (Seven) years in New Cotton Mills Limited, Ahmedabad. He started his own practice as an Advocate in 1980. His primary practice areas are Labour Law and Criminal Law (Management) side.

He is also on the Board of Rainbow Papers Limited and Sundek India Limited.

(11) Ms. Urvashi Shah :- DIN- 07007362

Ms. Urvashi Dhirubhai Shah, 60 years, holds Bachelor of Arts (BA) Degree with Economics and having First class First rank of Gujarat University. She has passed Intermediate Exam of the Institute of Chartered Accountants of India. She is an Advocate by profession and practicing with Income Tax appellate Tribunal since last 12 years. Ms. Urvashi Shah is on the Board of Brady & Morris Engineering Co Ltd. (Bombay) as Non Executive Independent Director.

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COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2017.

For Meghmani Organics Limited
Ashish Soparkar
Managing Director

Place: Ahmedabad
Date: 22nd May, 2017

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members,
Meghmani Organics Limited

We have examined the compliance of conditions of Corporate Governance by Meghmani Organics Limited, for the year ended on 31st March 2017, as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.

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

FOR M/S. KHANDWALA & KHANDWALA
Chartered Accountants
M M Khandwala
Partner
Membership Number 32472
FRN No.107647W

Place: Ahmedabad
Date: 22nd May, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

MEGHMANI ORGANICS LIMITED

Report on the Standalone Indian Accounting Standards (IND AS) Financial Statements

We have audited the accompanying Standalone Financial Statements of **Meghmani Organics Limited,** which comprise the **Balance Sheet as at 31st March, 2017 the Statement of Profit and Loss(including Other Comprehensive Income), the Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year ended,** and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone IND AS Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles Generally Accepted in India, of the state of affairs of the Company as at **31st March, 2017,** and its profit (including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial information of the Company for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April 2015 included in these Standalone financial statements, are based on the previously issued statutory financial statements for the years ended 31st March, 2016 and 31st March, 2015 prepared in accordance with the Companies

INDEPENDENT AUDITORS' REPORT

(Accounting Standards) Rules, 2006 (as amended) which were audited by us , on which we expressed an unmodified opinion dated 28th May, 2016 and 22nd May, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition have been audited by us.

Report on Other Legal and Regulatory Requirements

As required by 'The Companies (Auditors' Report) Order, 2016', issued by the Central Government of India in terms of sub Section (11) of Section 143 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order.

As required by Section 143(3) of the Act, we report that:

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

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

(c) The Balance Sheet, the Statement of Profit and Loss(including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on **31st March, 2017** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2017** from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

   ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year ended **31st March, 2017.**

   iv. The Company has provided requisite disclosures in the Standalone Financial Statement as to holding as well as dealing in specified bank notes during the period from 8th November, 2016 to 30th December, 2016, on the basis of information available with the Company. Based on audit procedure and relying on management's representation, we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the management.

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN 107647W
M.M.KHANDWALA
PARTNER
M.NO.: 32472

Place: Ahmedabad
Date: 22nd May, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MEGHMANI ORGANICS LIMITED

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

We have audited the Internal Financial Controls over financial reporting of **Meghmani Organics Limited** as of **31st March, 2017** in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's Internal Financial Control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN 107647W
M.M.KHANDWALA
PARTNER
M.NO.: 32472

Place: Ahmedabad
Date: 22nd May, 2017

ANNEXURE TO INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Referred to in Paragraph 1 of the Report on Other Legal & Regulatory Requirements of Independent Auditors' Report of Even date

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report to the extent:

i. (a) The Company has maintained records under SAP showing full particulars including quantitative details and situation of its fixed assets.

(b) Fixed Assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties as disclosed in Note 2A on Property, Plant and Equipment to the Standalone Financial Statements, are held in the name of the Company, except for the freehold land of Agro I division which amounts to ₹ 558.40 Lakhs whose title deeds are not held in Companies name.

ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.

iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loans, secured or unsecured, to its one Subsidiary Company listed in the register maintained under Section 189 of the Companies Act, 2013.

(a) In respect of aforesaid loans, the Company has not charged interest on loan given to Subsidiary, other terms and conditions of loan given by the Company are prima facie not prejudicial to the interest of the Company.

(b) The said interest free loan given to its Subsidiary of the Company is repayable on demand.

(c) Total amount overdue ₹ 413.42 Lakhs is written off by the Company during the year.

iv. In our opinion, and according to the information and explanations given to us, Company has complied with provision of Section 185 and 186 of the Companies Act,2013 in respect of loans and investment made, guarantees and security provided by it.

v. The Company has not accepted any deposits from the public covered under the provision of Section 73 to 76 of the Companies Act, 2013 and the Rules framed there under to the extent notified.

vi. The Central Government has prescribed maintenance of Cost Records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended by sub section (1) of Section 148 of the Companies act, 2013. We have broadly reviewed the Books of Accounts maintained by the Company under SAP environment. We are of the opinion that prima facie Cost Records have been maintained by Company. We have not however made detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax, Duty of Customs, Duty of Excise, VAT and any other Statutory dues, though there has been a slight delay in few cases, and is regular in depositing undisputed statutory dues, with the appropriate authorities.

(b) According to the information and explanations given to us, the statutory dues which have not been deposited on account of disputes are given below:

Name of Statue	Nature of Dues	Figures (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Labour Laws	Compensation Claims	63.88	2009, 2010, 2011, 2012, 2015, 2016	Labour Court
Income Tax Act	Income Tax/Penalty for various Financial Year	125.43	2000-2001,2007 -2008 and 2008-2009	Income Tax Appellate Tribunal
		50.60	2002-2003	High Court
Central Excise Tariff Act	Excise Duty/Penalty / Interest	1877.89	2003-2004,2008-2009,2012-2013 & 2013-2014	Central Excise Service Tax Appellate Tribunal
		1048.90	2003-2004,2008-2009,2011-2012& 2013-2014	Departmental Authorities
Service Tax	Service Tax/Penalty/ Interest	232.56	2005-2006,2006-2007,2007-2008, 2009-2010,2010-2011, 2012-2013,2013-2014, 2014-2015 & 2015-2016	Departmental Authorities
		111.50	2006-2012	Central Excise Service Tax Appellate Tribunal
Value Added Tax	Input Tax Credit	229.13	2006-2007,2007-2008 2008-2009,2009-2010 and 2010-2011	Departmental Authorities

viii. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as at the balance sheet date.

ix. The Company has not raised any money through Initial Public Offer or Further Public Offer. In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which those are raised.

x. During the course of our examination of books and record of the Company, carried out in accordance with the Generally Accepted Auditing Practice in India, and according to the information and explanations given to us, we have neither come across any instance or material fraud by the Company or on the Company by its officer or employee noticed or reported during the year, nor have been informed of any such case by the Management.

xi. Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules,2014 are not applicable to it, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

xiii. The Company has entered into transactions with Related Parties in compliance with provision of Sections 177 and 188 of the Act. The details of such Related Party Transactions have been disclosed in the Financial Statement as required under Ind AS 24, Related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

ANNEXURE TO INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review. Therefore, the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him. Therefore, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank Of India Act,1934. Therefore, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN 107647W
M.M.KHANDWALA
PARTNER
M.NO.: 32472

Place: Ahmedabad
Date: 22nd May, 2017

BALANCE SHEET AS AT 31ST MARCH 2017

PARTICULARS	Note No.	(₹ in Lakhs) 31st March 2017	31st March 2016	1st April 2015
I. ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	**2.1**	37,488.69	37,098.02	38,558.50
(b) Capital Work-in-Progress	**2.3**	656.44	1,532.69	486.96
(c) Intangible Assets	**2.2**	924.96	1,203.75	230.59
(d) Intangible Assets under development	**2.4**	944.69	718.21	1072.07
(e) Investments in Subsidiary /Associate	**3**	12,443.40	12,426.05	13,203.25
(f) Financial Assets				
(I) Investments	**4**	58.43	58.43	55.93
(ii) Other Financial Assets	**5**	496.29	418.20	552.82
(g) Other Assets	**6**	199.31	84.52	129.28
Total Non-Current Assets		**53,212.21**	**53,539.87**	**54,289.40**
(2) Current Assets				
(a) Inventories	**7**	20,903.62	26,387.17	24,056.66
(b Financial Assets				
(I) Trade Receivables	**8**	29,776.63	29,486.37	23,605.63
(ii) Cash and Cash Equivalents	**9**	105.33	137.46	290.07
(iii) Bank Balances other than (ii) above	**10**	813.37	830.96	841.14
(iv) Loans	**11**	-	413.42	389.99
(v) Other Financial Assets	**12**	5,787.32	1,966.99	1,739.53
(c) Current Tax Assets (Net)	**13**	1,733.25	1,878.73	1,440.04
(d) Other Assets	**14**	6,785.70	5,065.70	7,152.19
Total Current Assets		**65,905.22**	**66,166.80**	**59,515.25**
TOTAL ASSETS		**1,19,117.43**	**1,19,706.67**	**1,13,804.65**
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	**15**	2,543.14	2,543.14	2,543.14
(b) Other Equity	**16**	60,747.86	56,616.45	53,270.99
Total Equity		**63,291.00**	**59,159.59**	**55,814.13**
(2) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	**17**	7,698.11	10,334.45	13,216.97
(b) Provisions	**18**	402.07	372.52	213.77
(c) Deferred Tax Liabilities (Net)	**19 d**	2,748.08	2,388.22	2,270.21
Total Non-Current Liabilities		**10,848.26**	**13,095.19**	**15,700.95**
(3) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	**20**	23,460.17	25,866.54	19,728.45
(ii) Trade Payables	**21**	15,515.15	16,291.84	12,524.38
(iii) Other Financial Liabilities	**22**	4,569.48	4,059.11	8,829.56
(b) Other Liabilities	**23**	879.82	1,180.22	1,012.50
(c) Provisions	**24**	9.72	4.97	121.94
(d) Current Tax Liabilities (Net)	**25**	543.83	49.21	72.74
Total Current Liabilities		**44,978.17**	**47,451.89**	**42,289.57**
Total Liabilities		**55,826.43**	**60,547.08**	**57,990.52**
Significant Accounting Policies	**1**			
Notes forming part of accounts	**1 to 41**			
TOTAL EQUITY AND LIABILITIES		**1,19,117.43**	**1,19,706.67**	**1,13,804.65**

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN - 107647W
M. M. KHANDWALA
PARTNER
M. NO.: 32472

Raj Kumar Mehta
Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad
Date : 22nd May, 2017

FOR AND ON BEHALF OF THE BOARD

J.M.PATEL - Executive Chairman (DIN - 00027224)
A.N.SOPARKAR - Managing Director (DIN - 00027480)
N.M.PATEL - Managing Director (DIN - 00027540)

Place : Ahmedabad
Date : 22nd May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2017

PARTICULARS	Note No.	(₹ in Lakhs)	
		31st March 2017	31st March 2016
Income			
I Revenue From Operations	26	1,11,746.57	1,03,016.56
II Other Income	27	1,096.35	2,401.31
III Total Income (I+II)		1,12,842.92	1,05,417.87
IV Expenses			
Cost of Materials Consumed	28	55,096.16	53,348.29
Purchase of Traded Goods		3,052.56	4,345.36
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	5,998.36	(2,705.11)
Employee Benefits Expenses	30	4,844.63	4,321.11
Finance Costs	31	3,641.66	4,130.85
Depreciation and Amortization Expenses	2	3,846.98	3,618.67
Excise Duty on Sales		7,127.48	7,105.27
Other Expenses	32	22,306.95	25,475.06
Total Expenses (IV)		**1,05,914.78**	**99,639.50**
V Profit / (Loss) Before Exceptional items & Tax (III-IV)		**6,928.14**	**5,778.37**
VI Exceptional Items	33	381.06	811.44
VII Profit / (Loss) Before Tax (V-VI)		**6,547.08**	**4,966.93**
VIII Tax Expenses	**19**		
1 Current Tax		2,250.00	1,290.00
2 Deferred Tax		95.26	10.52
3 Adjustment of Tax For Earlier Years		50.76	38.88
IX Profit/(Loss) for the period from Continuing Operations (VII-VIII)		**4,151.06**	**3,627.53**
X Profit / (Loss) For The Period		**4,151.06**	**3,627.53**
XI Other Comprehensive Income			
A (I) Items that will not be reclassified to Profit or Loss - Remeasurement of Net Defined Benefit Plans		(30.05)	7.17
(ii) Income Tax related to items that will not be reclassified to Profit or Loss		10.40	(2.48)
B (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income Tax related to items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income (XI)		**(19.65)**	**4.69**
XII. Total Comprehensive Income For The Period (X + XI) (Comprising Profit / (Loss) and other Comprehensive Income For The Period)		**4,131.41**	**3,632.22**
XIII. Earnings Per Equity Share of Re 1 Each (For Continuing Operations)			
1. Basic		1.63	1.43
2. Diluted		1.63	1.43
Total		**4,151.06**	**3,627.53**
Basic and Diluted Earning Per Share of face value of Re. 1 each	**34**		
Before Extraordinary item		**1.63**	**1.43**
After Extraordinary item		**1.63**	**1.43**
Significant Accounting Policies	**1**		
Notes forming part of Accounts	**1 to 41**		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN - 107647W
M. M. KHANDWALA
PARTNER
M. NO.: 32472

Raj Kumar Mehta
Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad
Date : 22nd May, 2017

FOR AND ON BEHALF OF THE BOARD

J.M.PATEL - Executive Chairman (DIN - 00027224)
A.N.SOPARKAR - Managing Director (DIN - 00027480)
N.M.PATEL - Managing Director (DIN - 00027540)

Place : Ahmedabad
Date : 22nd May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
A. Cash flow from Operating Activities		
Net Profit Before Tax	6,547.08	4,966.93
Adjustment for :		
Depreciation	3,846.98	3,618.67
Unrealised Foreign Exchange	549.39	(158.72)
Mark to Market Loss on Derivative	(128.43)	(1,364.94)
Liability no longer Required	(231.28)	(2.34)
Actuarial Valuation of Gratuity	(30.06)	7.17
Interest and Finance Charges	3,641.66	4,130.85
Interest Received	(285.01)	(267.02)
Bad Debts Written off	72.98	1,744.81
Investment Written off	-	811.44
Loss due to Fire	381.06	-
Sundry Balance Written off	434.23	-
(Profit) / Loss on Sale of Fixed Assets (Net)	5.34	11.53
Operating Profit before Working Capital changes	**14,803.94**	**13,498.38**
Adjustment for:		
Inventories	5,245.91	(2,330.51)
Trade Receivables	(363.24)	(7,625.56)
Other Current Financial Assets	(3,691.90)	(301.29)
Other Current Assets	(1,720.00)	2,086.49
Other Non-Current Financial Assets	(78.09)	134.63
Other Non-Current Assets	(114.78)	44.76
Trade Payables	(566.22)	3,769.80
Other Current Financial Liabilities	102.24	127.18
Other Current Liabilities	(300.40)	167.72
Provisions	34.30	41.78
Sub Total	**(1,452.18)**	**(3,885.00)**
Cash Generated from Operation	**13,351.76**	**9,613.38**
Direct Taxes Paid (Net)	(1,360.38)	(1,682.61)
Net Cash from Operating Activities	**11,991.38**	**7,930.77**
B. Cash Flow from Investment Activities		
Purchase of Fixed Assets	(3,016.98)	(3,607.61)
Interest Received	255.62	282.84
Investment in Others	-	(2.50)
Sale of Tangible Assets	47.94	19.55
Net Cash Used in Investing Activities	**(2,713.42)**	**(3,307.72)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
C. Cash Flow from Financing Activities		
Dividend & Interim Dividend paid	-	(762.94)
Dividend Distribution Tax	-	(155.32)
Interest and Finance Charges Paid	(3698.58)	(4,155.77)
Short Term Borrowings	(2,435.12)	(2,338.91)
Proceeds from Other Borrowing	30,000.00	19,699.00
Repayment of Other Borrowing	(29,977.00)	(11,222.00)
Repayment of Non Convertible Debentures	-	(5,000.00)
Proceeds from Bank Borrowing (Term Loan)	-	10,675.00
Repayment of Bank Borrowing (Term Loan)	(2,650.00)	(11,650.00)
Net Cash Used in Finanacing Activities	**(8,760.70)**	**(4,910.94)**
Net (Decrease) / Increase in Cash and Cash Equivalent	**517.26**	**(287.89)**
Cash on Hand -Opening Balance	**137.46**	**290.07**
Cash on Hand -Closing Balance	**654.72**	**2.18**
Reconciliation of Cash and Cash Equivalent		
Total Cash & Bank Balance as per Balance Sheet	**105.33**	**137.46**
Cash and Cash Equivalent Comprises as under :		
Balance with Banks in Current Accounts	97.39	118.29
Cash on Hand	7.94	19.17
Cash and Cash Equivalents	**105.33**	**137.46**
Net effect of Unrealised Exchange Difference	549.39	(135.28)
Cash & Cash Equivalent at the end of the year	**654.72**	**2.18**

Notes to the Cash Flow statement for the year ended on 31.03.2017

(1) Figures in brackets indicate cash outgo.

(2) The previous year figures have been regrouped/restated where ever necessary to confirm to this year's classification.

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN - 107647W
M. M. KHANDWALA
PARTNER
M. NO.: 32472

Raj Kumar Mehta
Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad
Date : 22nd May, 2017

FOR AND ON BEHALF OF THE BOARD

J.M.PATEL - Executive Chairman (DIN - 00027224)
A.N.SOPARKAR - Managing Director (DIN - 00027480)
N.M.PATEL - Managing Director (DIN - 00027540)

Place : Ahmedabad
Date : 22nd May, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

(a) Equity Share Capital	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	25,43,14,211	2,543.14	25,43,14,211	2,543.14	25,43,14,211	2,543.14
Changes in Equity Share capital during the year	-	-	-	-	-	-
Balance at the end of the reporting period	25,43,14,211	2,543.14	25,43,14,211	2,543.14	25,43,14,211	2,543.14

(b) Other Equity	Attributable to the equity holders of the parent						Items of Other Comprehensive Income	Total Equity
	Reserves & Surplus							
Particulars	Capital Reserve	Securities Premium Account	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Effective portion of Cash Flow Hedges	
Balance at April 1, 2015	31.22	15,650.48	184.33	1,116.51	7,442.18	29,477.77	(631.50)	53,270.99
Profit for the year	-	-	-	-	-	3,627.53	-	3,627.53
Other Comprehensive Income for the year - Remeasurement Gain / (Loss) on Defined Benefit Plan	-	-	-	-	-	4.69	-	4.69
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**3,632.22**	**-**	**3,632.22**
Cash Dividends	-	-	-	-	-	(762.94)	-	(762.94)
Dividend Distribution Tax (DDT)	-	-	-	-	-	(155.32)	-	(155.32)
(Addition) / Deduction during the year	-	-	-	-	-	-	631.50	631.50
Transfer from Retained Earning to Debenture Redemption Reserve	-	-	-	133.49	-	(133.49)	-	-
Transfer from Debenture Redemption Reserve to General Reserve	-	-	-	(1,250.00)	1,250.00	-	-	-
Transfer from Retained Earning to General Reserve	-	-	-	-	275.00	(275.00)	-	-
Balance at March 31, 2016	**31.22**	**15,650.48**	**184.33**	**-**	**8,967.18**	**31,783.24**	**-**	**56,616.45**
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the reporting period	**31.22**	**15,650.48**	**184.33**	**-**	**8,967.18**	**31,783.24**	**-**	**56,616.45**
Profit for the year	-	-	-	-	-	4,151.06	-	4,151.06
Other Comprehensive Income for the year - Remeasurement Gain / (Loss) On Defined Benefit Plan	-	-	-	-	-	(19.65)	-	(19.65)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**4,131.41**	**-**	**4,131.41**
Balance at March 31, 2017	**31.22**	**15,650.48**	**184.33**	**-**	**8,967.18**	**35,914.65**	**-**	**60,747.86**

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR KHANDWALA & KHANDWALA
\CHARTERED ACCOUNTANTS
FRN - 107647W
M. M. KHANDWALA
PARTNER
M. NO.: 32472

Raj Kumar Mehta - Chief Financial Officer
K. D. Mehta - Company Secretary

Place : Ahmedabad
Date : 22nd May, 2017

FOR AND ON BEHALF OF THE BOARD

J.M.PATEL-Executive Chairman (DIN - 00027224)
A.N.SOPARKAR - Managing Director (DIN - 00027480)
N.M.PATEL - Managing Director (DIN - 00027540)

Place : Ahmedabad
Date : 22nd May, 2017

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

BACKGROUND

Meghmani Organics Limited (the Company) is a public company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956. Its shares are listed on National Stock Exchange of India Limited and BSE Limited. Its registered office is situated at Plot no 184 Phase II GIDC, Vatva Ahmedabad- 382 445, Gujarat India. The Company is engaged in manufacturing and selling of Pigment and Agrochemicals products.

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the Significant Accounting Policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 BASIS FOR PREPARATION OF ACCOUNTS

a) Statement of compliance with Ind AS

The Standalone Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Financial statements for the year ended 31st March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial Statements for the year ended 31st March 2017 are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April, 2015. Refer Note 41 for an explanation of how the transition from Indian GAAP (IGAAP) to Ind AS has affected the Company's financial position, financial performance and Cash Flows.

b) Current versus Non-Current classification

All assets and liabilities have been classified as Current or Non Current as per the Company’s normal operation cycle i.e. twelve months and other criteria set out in the Schedule III of the Act.

c) Historical Cost Convention

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for the following:

- Certain financial assets and liabilities (including derivative instrument) measured at fair value;
- Defined benefit plans - plan assets measured at fair value

1.2 USE OF ESTIMATES

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 19 - Current/deferred tax expense

Note 36 - Measurement of defined benefit obligations

Note 35 - Provisions and contingencies

1.3 REVENUE RECOGNITION

i) Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts and volume rebates. It includes excise duty and subsidy and excludes Value Added Tax / Sales Tax.

ii) Export Benefits

- Incomes in respect of Duty Drawback in respect of exports made during the year are accounted on accrual basis.
- Focus Market License, Focus Product License and Merchandise Exports from India Scheme (MEIS) income is recognised on accrual basis when considering the related expenses to the same profit or losses on transfer of licenses are accounted in year of the sales. Duty free imports of material under Advance License matched with the export made against the said licenses

iii) Dividend

Dividend income is recognised when the right to receive the same is established, which is generally when shareholders approve the dividend.

iv) Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

1.4 FOREIGN CURRENCY TRANSACTIONS

Functional and Presentation Currency

The financial statements are presented in Indian Rupee (INR), which is company's functional and presentation currency.

Transactions and Balances

(i) Transactions in foreign currencies are recorded in Indian Rupees using the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, recorded monetary balance are reported in Indian Rupees at the rates of exchange prevailing at the balance sheet date. All realised and unrealised exchange adjustment gains and losses are dealt with in the Statement of Profit and Loss.

(ii) In order to hedge exposure to foreign exchange risks arising from Export or Import foreign currency, bank borrowings and trade receivables, the Company enters into forward contracts. Any profit or loss arising on the cancellation or renewal of a forward exchange contract is recognised as income or expenses for the year.

(iii) Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).

(iv) Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1.5 PROPERTY, PLANT AND EQUIPMENTS

TANGIBLE ASSETS

(i) Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

(ii) The cost of self-constructed assets includes cost of materials plus any other directly attributable costs of bringing the assets to working condition for its intended use.

(iii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

(iv) An item of Property, Plant or Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

(v) Items of fixed assets that are retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are presented separately in the Financial Statements. Any expected loss is recognized immediately in the Statement of Profit and Loss.

(vi) The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss for the relevant financial year.

(vii) Capital Work in Progress include expenditure directly related to construction and incidental thereto. The same is transferred or allocated to respective item Property, Plant, and Equipment on commissioning of the project.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at 1 April 2015 measured as per the IGAAP and use that carrying value as the deemed cost of the property, plant and equipment. Hence regarded thereafter as historical cost.

1.6 INTANGIBLE ASSETS

Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment Losses.

Internally-generated intangible assets - Research and Development expenditure

Assessment of whether an internally generated Intangible Asset meets the criteria for recognition, the expenditure on generation of the asset is classified into research phase and development phase. Expenses incurred during research phase are recognized immediately in the Statement of Profit and Loss. Expenditure during the development phase is recognized as an Intangible Asset under development on fulfilment of following conditions:-

- The technical feasibility of completing the Intangible Asset so that it will be available for use or sale;
- The intention to complete the Intangible Asset and use or sell it;
- The ability to use or sell the Intangible Asset;
- The Intangible Asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the Intangible Asset; and
- The ability to measure reliably the expenditure attributable to the Intangible Asset during its development.

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

The amount initially recognised for internally-generated Intangible Assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the Statement of Profit and Loss in the period in which it is incurred

Derecognition of Intangible Assets

An Intangible Asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is derecognised

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as at 1 April 2015 measured as per the IGAAP and use that carrying value as the deemed cost of the intangible assets

1.7 IMPAIRMENT OF NON- FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.8 DEPRECIATION AND AMORTISATION

Depreciation is calculated to systematically allocate the cost of Property, Plant and Equipment and Intangible Asset net of the estimated residual values over the estimated useful life. Freehold land is not depreciated. Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013, except for Plant and Machinery pertaining to power generating units which are based on independent technical evaluation, life has been estimated as 20 years (on single shift basis) which is different from that prescribed in schedule II of the Act.

The residual values are not more than 5% of the original cost of the item of Property, Plant and Equipment. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Useful lives of the items of Property, Plant and Equipment are as follows:

Asset	Estimated Useful Life
Leasehold Land	99 years
Building	30 years
Plant & Machinery	15 years
Power Generating Units	20 years
Furniture and Fixtures	10 years
Vehicles	8 years
Computers	3 years
Other equipment	5 years

Intangible Assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the Company for its intended use. The useful life so determined is as follows:

Assets	Amortisation period
Software Licenses	5 years
Product Licenses	5 years
Usage Rights	5 years

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

Depreciation on items of Property, Plant and Equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Depreciation is not provided on Freehold Land. Leasehold land is amortized over the available balance lease period.

1.9 NON-DERIVATIVE FINANCIAL INSTRUMENTS

Financial Assets and Liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets and Financial Liabilities (other than financial assets and financial liabilities valued at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of Financial Asset or Financial Liability.

Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial Assets at Amortised cost

Financial Assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual Cash Flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial Assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial Liabilities

Financial Liabilities are measured at amortised cost using the effective interest method.

Equity Investment

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

Loan and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

Trade and Other Payables

These amounts represent liability for good and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derivatives and Hedging activities

The Company uses derivative financial instruments, to hedge its interest rate and foreign currency risk. Such derivative financial instruments are initially recognised at fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Any gains or losses arising from changes in fair value of derivatives are taken directly in the Statement of Profit and Loss.

The fair values of all such derivative financial instruments are recognized as assets or liabilities at the Balance Sheet date. Such derivative financial instruments are used as risk management tools only and not for speculative purposes.

Accordingly, the resultant gains and losses on fair valuation/ settlement of the derivative contracts covered under Ind AS 109 are recognized in the Statement of Profit and Loss or Balance Sheet as the case may be after applying the test of hedge effectiveness. Where the cash flow hedge is effective, the gains or losses are recognized in the “Hedge Reserve” which forms part of “Other Equity” in the Balance Sheet, while the same is recognized in the Statement of Profit and Loss where the hedge is ineffective. The amount recognized in the “Hedge Reserve” is transferred to the Statement of Profit and Loss in the period in which the underlying hedged item affects the Statement of Profit and Loss.

For derivative financial instruments designated as Fair Value hedges, the fair value of both the derivative financial instrument and the hedged item are recognized as the Profit or Loss till the period the relationship is found to be effective. If the hedging relationship ceases to be effective or it becomes probable that the expected transaction will no longer occur, future gains or losses on the derivative financial instruments are recognized in Profit and Loss.

If no hedging relationship is designated, the fair value of the derivative financial instruments is marked to market through in the Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

I. Investments in Subsidiaries

A Subsidiary is an entity that is controlled by the Company.

The Company accounts for the each category of investments in subsidiaries at cost in accordance with Ind AS 27-Separate Financial Statements.

II. Derivative Financial Instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

III. Impairment

Financial Assets (other than at fair value)

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

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1.10 INVENTORIES

Inventories are stated at the lower of cost and net realizable value.

Cost of Raw Material is determined on a monthly moving weighted average basis.

Stores and Consumables are valued at cost (net of CENVAT) or net realizable value whichever is lower.

Finished goods are valued at cost or net realizable value whichever is lower. Cost comprises direct materials and where applicable, direct labour costs, those overheads that have been incurred in bringing the inventories to their present location and condition and excise duty payable on finished goods.

For finished goods of Special Economic Zone (SEZs) where prima facie finished goods of SEZs are meant for export and no excise duty is leviable, therefore no excise duty is added in finished goods valuation. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Work in Progress is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs, manufacturing overheads and depreciation.

1.11 BORROWING COSTS

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. Such capitalisation is done only when it is probable that the asset will result in future economic benefits and the costs can be measured reliably. Capitalisation of borrowing costs commences when all the following conditions are satisfied:

i. Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;

ii. Borrowing costs are being incurred; and

iii. Activities that are necessary to prepare the asset for its intended use are in progress.

A qualifying asset is one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account. Capitalisation of borrowing cost is suspended when active development is interrupted

1.12 EMPLOYEE BENEFITS

i. Short term employee benefit obligations

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Other long term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of reporting period that have terms approximating to the terms of related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the Company does not have unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

iii. Post-employment obligations

The Company operates the following post-employment schemes:

A. Defined benefit plans such as Gratuity; and

B. Defined contribution plan such as Provident Fund

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

Gratuity Obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Defined Contribution Plans

The Company pays provident fund contributions to publicly administered funds as per the local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

1.13 EXCISE DUTY

Excise duty (including Education Cess) on Finished Goods are shown separately in Manufacturing and Other Expenses and included in the valuation of Finished Goods.

1.14 CENVAT

CENVAT Credit of Raw Materials and Other Consumables is accounted at the time of purchase and the same is being adjusted to the cost of Raw Materials and Other Consumables.

1.15 ACCOUNTING FOR TAXES ON INCOME

Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred Taxes

Deferred tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in standalone financial statements. Deferred tax amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits.

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred Tax Assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit including MAT credit available is recognised as Deferred Tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the Statement of Profit and Loss and shown under the head deferred tax asset.

The carrying amount of Deferred Tax Assets is reviewed at each reporting 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 Deferred Tax Asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

1.16 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liability is disclosed in the case of:

i. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;

ii. A present obligation arising from the past events, when no reliable estimate is possible;

iii. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for and if material, are disclosed by way of notes to accounts. Contingent assets are not recognized in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

1.17 LEASES

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the Lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the Lessor are classified as operating leases.

(i) Operating Lease:

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the Lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the Lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

(ii) Finance Lease:

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the Lessor is included in the Balance Sheet as a finance lease obligation.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in Statement of Profit or Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

1.18 EARNING PER SHARE

Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

Diluted Earnings Per Share

Diluted Earnings Per Share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

1.19 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise cash and deposits with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.20 STATEMENT OF CASH FLOWS

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing Cash Flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

1.21 DIVIDEND

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

1.22 ROUNDING OFF

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees, unless otherwise stated.

1.23 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

1.24 EVENTS OCCURING AFTER THE REPORTING DATE

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

1.25 EXCEPTIONAL ITEMS

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note - 2

Property, Plant and Equipment As on 31st March 2017

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation / Amortisation			Net Block	
		Opening	Addition	Deduction / Adjustment	Closing	Opening	Provision For the Year	Closing	Closing Balance 31.03.2017	Closing Balance 31.03.2016
2.1	**Tangible Assets**									
1	Freehold Land	558.40	-	-	558.40	-	-	-	558.40	558.40
2	Leasehold Land	2,754.58	-	-	2,754.58	31.19	31.19	62.38	2,692.20	2,723.39
3	Building	13,792.35	1,560.30	895.12	14,457.53	613.12	594.78	1,207.90	13,249.63	13,179.23
4	Plant & Machinery	22,396.40	2,956.72	539.78	24,813.34	2,658.03	2,737.41	5,395.44	19,417.90	19,738.37
5	Furniture & Fixtures	195.32	446.19	-	641.51	28.23	34.17	62.40	579.11	167.09
6	Vehicles	717.75	251.00	52.64	916.11	98.91	119.48	218.39	697.72	618.84
7	Computers	53.55	49.45	-	103.00	16.18	15.84	32.02	70.98	37.37
8	Other Equipments	99.82	174.83	-	274.65	24.49	27.41	51.90	222.75	75.33
	Sub Total	**40,568.17**	**5,438.49**	**1,487.54**	**44,519.12**	**3,470.15**	**3,560.28**	**7,030.43**	**37,488.69**	**37,098.02**
2.2	**Intangible Assets**									
1	Software Licences	62.58	7.90	-	70.48	28.18	26.27	54.45	16.03	34.40
2	Product Licences	1,075.28	-	-	1,075.28	80.68	212.64	293.32	781.96	994.60
3	Usage Rights	214.41	-	-	214.41	39.66	47.78	87.44	126.97	174.75
	Sub Total	**1,352.27**	**7.90**	**-**	**1,360.17**	**148.52**	**286.69**	**435.21**	**924.96**	**1,203.75**
	Capital WIP									
2.3	Tangible Assets	1,532.69	555.37	1,431.62	656.44	-	-	-	656.44	1,532.69
2.4	Intangible Assets	718.22	226.47	-	944.69	-	-	-	944.69	718.22
	Sub Total	**2,250.91**	**781.84**	**1,431.62**	**1,601.13**	**-**	**-**	**-**	**1,601.13**	**2,250.91**
	Total	**44,171.35**	**6,228.23**	**2,919.16**	**47,480.42**	**3,618.67**	**3,846.97**	**7,465.64**	**40,014.78**	**40,552.68**

i Borrowing Cost capitalised during the year ₹ 77.61 Lakhs (Previous Year ₹ 214.55 Lakhs) to respective Qualifying Assets.

ii The management has technically reviewed the estimated useful life of Plant and Machinery related to Power Generating Unit as 20 years which is different from those prescribed under Part C of Schedule II to the Companies Act 2013.

NOTES TO THE FINANCIAL STATEMENTS

Notes: - Addition to Research and Development Assets during the year are as under :-

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation / Amortisation			Net Block	
		Opening	Addition	Deduction Adjustment	Closing	Opening	Provision For the Year	Closing	Closing Balance 31.03.2017	Closing Balance 31.03.2016
	Tangible Assets									
1	Building	9.49	-	-	9.49	0.16	0.16	0.32	9.17	9.33
2	Plant & Machinery	85.33	24.08	-	109.41	13.75	14.80	28.55	80.86	71.58
3	Furniture & Fixtures	15.76	-	-	15.76	3.32	3.33	6.65	9.11	12.44
4	Vehicles	0.17	-	0.17	-	-	-	-	-	0.17
5	Computers	1.21	2.12	-	3.33	0.24	0.49	0.73	2.60	0.97
6	Other Equipments	1.30	0.80	-	2.10	0.20	0.28	0.48	1.62	1.10
	Sub Total	**113.26**	**27.00**	**0.17**	**140.09**	**17.67**	**19.06**	**36.73**	**103.36**	**95.59**
	Intangible Assets									
1	Product Licences	52.96	-	-	52.96	40.89	10.47	51.36	1.60	12.07
	Sub Total	**52.96**	**-**	**-**	**52.96**	**40.89**	**10.47**	**51.36**	**1.60**	**12.07**
	Total	**166.22**	**27.00**	**0.17**	**193.05**	**58.56**	**29.53**	**88.09**	**104.96**	**107.66**

NOTES TO THE FINANCIAL STATEMENTS

Note - 2

Property, Plant and Equipment As on 31st March 2016

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation / Amortisation			Net Block	
		Opening	Addition	Deduction / Adjustment	Closing	Opening	Provision For the Year	Closing	Closing Balance 31.03.2016	Closing Balance 01.04.2015
2.1	**Tangible Assets**									
1	Freehold Land	444.55	113.85	-	558.40	-	-	-	558.40	444.55
2	Leasehold Land	2,754.58	-	-	2,754.58	-	31.19	31.19	2,723.39	2,754.58
3	Building	13,490.38	301.97	-	13,792.35	-	613.12	613.12	13,179.23	13,490.38
4	Plant & Machinery	21,110.89	1,302.05	16.53	22,396.41	-	2,658.03	2,658.03	19,738.38	21,110.89
5	Furniture & Fixtures	176.38	18.94	-	195.32	-	28.23	28.23	167.09	176.38
6	Vehicles	480.96	249.16	12.36	717.76	-	98.91	98.91	618.85	480.96
7	Computers	41.43	12.14	0.02	53.55	-	16.18	16.18	37.37	41.43
8	Other Equipments	59.33	42.64	2.17	99.80	-	24.49	24.49	75.31	59.33
	Sub Total	**38,558.50**	**2,040.75**	**31.08**	**40,568.17**	**-**	**3,470.15**	**3,470.15**	**37,098.02**	**38,558.50**
2.2	**Intangible Assets**									
1	Software Licences	60.33	2.26	-	62.59	-	28.18	28.18	34.41	60.33
2	Product Licences	108.07	967.20	-	1,075.27	-	80.68	80.68	994.59	108.07
3	Usage Rights	62.18	152.23	-	214.41	-	39.66	39.66	174.75	62.18
	Sub Total	**230.58**	**1,121.69**	**-**	**1,352.27**	**-**	**148.52**	**148.52**	**1,203.75**	**230.58**
	Capital WIP									
2.3	Tangible Assets	486.96	1,187.85	142.12	1,532.69	-	-	-	1,532.69	486.96
2.4	Intangible Assets	1,072.07	129.89	483.75	718.21	-	-	-	718.21	1,072.07
	Sub Total	**1,559.03**	**1,317.74**	**625.87**	**2,250.90**	**-**	**-**	**-**	**2,250.90**	**1,559.03**
	Total	**40,348.11**	**4,480.18**	**656.95**	**44,171.34**	**-**	**3,618.67**	**3,618.67**	**40,552.67**	**40,348.11**

I Borrowing Cost capitalised during the year ₹ 214.55 Lakhs (Previous Year ₹ 42.65 Lakhs) to respective Qualifying Assets.

ii The management has technically reviewed the estimated useful life of Plant and Machinery related to Power Generating Unit as 20 years which is different from those prescribed under Part C of Schedule II to the Companies Act 2013.

NOTES TO THE FINANCIAL STATEMENTS

Notes: - Addition to Research and Development Assets during the year are as under :-

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation / Amortisation			Net Block	
		Opening	Addition	Deduction/ Adjustment	Closing	Opening	Provision For the Year	Closing	Closing Balance 31.03.2016	Closing Balance 01.04.2015
	Tangible Assets									
1	Building	9.49	-	-	9.49	-	0.16	0.16	9.33	9.49
2	Plant & Machinery	85.24	0.09	-	85.33	-	13.75	13.75	71.58	85.24
3	Furniture & Fixtures	15.71	0.05	-	15.76	-	3.32	3.32	12.44	15.71
4	Vehicles	0.17	-	-	0.17	-	-	-	0.17	0.17
5	Computers	0.16	1.05	-	1.21	-	0.24	0.24	0.97	0.16
6	Other Equipments	0.80	0.49	-	1.29	-	0.20	0.20	1.09	0.80
	Sub Total	**111.57**	**1.68**	**-**	**113.25**	**-**	**17.67**	**17.67**	**95.58**	**111.57**
	Intangible Assets									
1	Product Licences	52.96	-	-	52.96	-	40.89	40.89	12.07	52.96
	Sub Total	**52.96**	**-**	**-**	**52.96**	**-**	**40.89**	**40.89**	**12.07**	**52.96**
	Total	**164.53**	**1.68**	**-**	**166.21**	**-**	**58.56**	**58.56**	**107.65**	**164.53**

NOTES TO THE FINANCIAL STATEMENTS

Fixed Assets As on 1st April 2015

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation / Amortisation			Net Block	
		Opening	Addition	Deduction / Adjustment	Closing	Opening	Provision For the Year	Closing	Closing Balance 01.04.2015	Closing Balance 01.04.2015
2.1	**Tangible Assets**									
1	Freehold Land	444.55	-	-	444.55	-	-	-	444.55	444.55
2	Leasehold Land	2,754.58	-	-	2,754.58	-	-	-	2,754.58	2,754.58
3	Building	13,490.38	-	-	13,490.38	-	-	-	13,490.38	13,490.38
4	Plant & Machinery	21,110.89	-	-	21,110.89	-	-	-	21,110.89	21,110.89
5	Furniture & Fixtures	176.38	-	-	176.38	-	-	-	176.38	176.38
6	Vehicles	480.96	-	-	480.96	-	-	-	480.96	480.96
7	Computers	41.43	-	-	41.43	-	-	-	41.43	41.43
8	Other Equipments	59.33	-	-	59.33	-	-	-	59.33	59.33
	Sub Total	**38,558.50**	**-**	**-**	**38,558.50**	**-**	**-**	**-**	**38,558.50**	**38,558.50**
2.2	**Intangible Assets**									
1	Software Licences	60.33	-	-	60.33	-	-	-	60.33	60.33
2	Product Licences	108.08	-	-	108.08	-	-	-	108.08	108.08
3	Usage Rights	62.18	-	-	62.18	-	-	-	62.18	62.18
	Sub Total	**230.59**	**-**	**-**	**230.59**	**-**	**-**	**-**	**230.59**	**230.59**
	Capital WIP									
2.3	Tangible Assets	486.96	-	-	486.96	-	-	-	486.96	486.96
2.4	Intangible Assets	1,072.07	-	-	1,072.07	-	-	-	1,072.07	1,072.07
	Sub Total	**1,559.03**	**-**	**-**	**1,559.03**	**-**	**-**	**-**	**1,559.03**	**1,559.03**
	Total	**40,348.12**	**-**	**-**	**40,348.12**	**-**	**-**	**-**	**40,348.12**	**40,348.12**

NOTES TO THE FINANCIAL STATEMENTS

Notes: - Addition to Research and Development Assets during the year are as under :-

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation / Amortisation			Net Block	
		Opening	Addition	Deduction/ Adjustment	Closing	Opening	Provision For the Year	Closing	Closing Balance 01.04.2015	Closing Balance 01.04.2015
	Tangible Assets									
1	Building	9.49	-	-	9.49	-	-	-	9.49	9.49
2	Plant & Machinery	85.24	-	-	85.24	-	-	-	85.24	85.24
3	Furniture & Fixtures	15.71	-	-	15.71	-	-	-	15.71	15.71
4	Vehicles	0.17	-	-	0.17	-	-	-	0.17	0.17
5	Computers	0.16	-	-	0.16	-	-	-	0.16	0.16
6	Other Equipments	0.80	-	-	0.80	-	-	-	0.80	0.80
	Sub Total	**111.57**	**-**	**-**	**111.57**	**-**	**-**	**-**	**111.57**	**111.57**
	Intangible Assets									
1	Product Licences	52.96	-	-	52.96	-	-	-	52.96	52.96
	Sub Total	**52.96**	**-**	**-**	**52.96**	**-**	**-**	**-**	**52.96**	**52.96**
	Total	**164.53**	**-**	**-**	**164.53**	**-**	**-**	**-**	**164.53**	**164.53**

NOTES TO THE FINANCIAL STATEMENTS

2A Property Plant & Equipment - break up as on 1st April 2015

(₹ in Lakhs)

Particulars	Gross Carrying Value	Depreciation Fund	Net Carrying Value
Tangible Assets			
Freehold Land	444.55	-	444.55
Leasehold Land	2,934.63	180.05	2,754.58
Building	16,082.99	2,592.61	13,490.38
Plant & Machinery	41,964.80	20,853.91	21,110.89
Furniture & Fixtures	512.81	336.42	176.38
Vehicles	875.92	394.96	480.96
Computers	331.95	290.52	41.43
Other Equipments	260.19	200.84	59.35
Total	**63,407.84**	**24,849.31**	**38,558.52**
Intangible Assets			
Software Licences	380.07	319.75	60.33
Product Licences	1,113.11	1,005.03	108.08
Usage Rights	127.60	65.42	62.18
Total	**1,620.78**	**1,390.20**	**230.59**

I The Company has availed deemed cost exemption in relation to Property, Plant and Equipment on the date of transition i.e. 1st April 2015 and hence net block carrying amount has been considered as the gross block carrying amount on that date. Refer Note 2A for the gross book value and accumulated depreciation as on 1st April 2015 under Previous GAAP.

ii Borrowing Cost capitalised @ effective rate of Interest of 10.50% during the year ₹ 42.65 Lakhs to respective Qualifying Assets.

iii The management has technically reviewed the estimated useful life of Plant and Machinery related to Power Generating Unit as 20 years which is different from those prescribed under Part C of Schedule II to the Companies Act 2013.

3 INVESTMENTS IN SUBSIDIARY / ASSOCIATE - NON CURRENT

(₹ in Lakhs)

PARTICULARS	31st March 2017	31st March 2016	1st April 2015
Investment in Equity Shares carried at amortised cost (fully paid) - Unquoted Equity Shares:			
In Subsidiaries and in Associate Enterprise (Unquoted and fully paid)			
(i) 61,299 (Previous Year 61,299) Equity Shares of Meghmani Europe BVBA, Belgium of Euro 18.55 each (Refer Note I below)	-	811.44	811.44
Less - Impairment in value of Investment	-	(811.44)	-
	-	-	811.44
(ii) 2,92,500 (Previous Year 2,92,500) Equity Shares of Meghmani Organics Inc., USA of USD 1 each	139.70	139.70	139.70
(iii) 4,04,46,820 (Previous Year: 4,04,46,820) Equity Shares of Meghmani Finechem Ltd. of ₹10/- each	12,175.84	12,158.49	12,124.25
(iv) 2,50,000 (Previous Year 2,50,000) Equity Shares of PT Meghmani Organics Indonesia of USD 1 each	123.30	123.30	123.30
(v) 1 (Previous Year 1) Equity Shares of Meghmani Overseas FZE of AED 35,000 each	4.56	4.56	4.56
(vi) 8,67,400 (Previous Year 8,67,400) Equity Shares of Latasha Exports Limited of ₹ 10/- each (Refer Note I Below)	-	-	600.00
Less - Impairment in value of Investment	-	-	(600.00)
TOTAL	**12,443.40**	**12,426.05**	**13,203.25**

NOTES TO THE FINANCIAL STATEMENTS

AGGREGATE VALUE OF UNQUOTED INVESTMENTS

(₹ in Lakhs)

PARTICULARS	31st March 2017	31st March 2016	1st April 2015
Non-Current	12,443.40	12,426.05	13,203.25
Aggregate Value of Impairment In Value of Investment	-	811.44	600.00

Note -

i The Company had made assessment of investment in its Subsidiary Latasha Exports Limited and Meghmani Europe BVBA (Wholly Owned) and taken into account the past business performances and prevailing condition and as a matter of prudence has written off diminution in carrying value of investments of ₹ 600.00 Lakhs and ₹ 811.44 Lakhs as on 1st April 2015 and 31st March 2016 respectively.

4 Non-Current Financial Assets : Investments

(₹ in Lakhs)

PARTICULARS	31st March 2017	31st March 2016	1st April 2015
(I) Investment in Equity Shares carried at amortised cost (fully paid) - Unquoted Equity Shares:			
(i) 4 (Previous Year 4) Equity Shares of Alaukik Owners Association of ₹100/- each - unquoted #	0.00	0.00	0.00
(ii) 5,17,085 (Previous Year 5,17,085) Equity Shares of Bharuch Eco Aqua Infrastructure Ltd.of ₹ 10/- each	51.71	51.71	49.16
(iii) 14,000 (Previous Year 14,000) Equity Share of Bharuch Eco Enviro Infrastructure Ltd. of ₹10/- each	1.40	1.40	1.40
(iv) 500 (Previous Year 500) Equity Shares of Green Environment Services Co.Op.Soc. Ltd of ₹10/- each	0.05	0.05	0.05
(v) 30,000 (Previous Year 30,000) Equity Shares of Panoli Enviro Technology of ₹10/- each	3.00	3.00	3.00
(vi) 100 (Previous Year 100) Equity Shares of Sanand Eco Project Limited of ₹10/- each	0.01	0.01	0.01
(vii) 2,000 (Previous Year 2,000) Equity Shares of Suvikas Peoples Co. Op. Bank Limited of ₹ 50/- each	1.00	1.00	1.00
(viii) 10 (Previous Year 10) Equity Shares of Vellard View Premises Co. Op. Soc Ltd. of ₹ 50/- each	0.01	0.01	0.01
(II) Investments in unquoted Government Securities			
National Savings Certificate	0.23	0.23	0.28
Total (I+II)	**57.41**	**57.41**	**54.91**
(III) Investment in Equity Shares accounted through statement of profit & loss			
(I) 2,000 (Previous Year 2,000) Equity Shares of Saket Project Ltd. of ₹ 100/- each - Quoted	0.20	0.20	0.20
(ii) 8,200 (Previous Year 8,200) Equity Shares of Lanzorate Finance Limited of ₹10/- each - Unquoted	0.82	0.82	0.82
Total (III)	**1.02**	**1.02**	**1.02**
TOTAL(I+II+III)	**58.43**	**58.43**	**55.93**

Note- # Amount is less than 0.01 Lakhs.

NOTES TO THE FINANCIAL STATEMENTS

AGGREGATE VALUE OF QUOTED INVESTMENTS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Non-Current: Equity Shares of Saket Project Ltd.			
Carrying Amount	0.20	0.20	0.20
Market Value	Not Available	Not Available	Not Available
Current:			
Carrying Amount	-	-	-
Market Value	-	-	-

AGGREGATE VALUE OF UNQUOTED INVESTMENTS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Non-Current	58.23	58.23	55.73
Current	-	-	-
Aggregate Value of Provision for Diminution In Value	Nil	Nil	Nil

5 OTHER NON-CURRENT FINANCIAL ASSETS
Unsecured and Considered Good

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Security Deposits	488.48	411.47	546.03
Deposits for Margin Money with Banks exceeding one year (See Note)	7.81	6.73	6.79
TOTAL	**496.29**	**418.20**	**552.82**

Note-
Term Deposit held as margin money ₹ 7.81 Lakhs (Previous Year as at 31st March 2016 ₹ 6.73 Lakhs and as at 1st April 2015 ₹ 6.79 Lakhs) that are restricted for use pertains to lien against Bank Guarantee with State Bank of India.

6 OTHER NON CURRENT ASSETS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Capital Advances	153.57	43.09	87.97
Balances with Government Authorities	45.74	41.43	41.31
TOTAL	**199.31**	**84.52**	**129.28**

NOTES TO THE FINANCIAL STATEMENTS

7 INVENTORIES

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Raw Materials	4,321.46	4,213.48	4,801.57
Raw Materials in Transit	14.38	7.73	3.42
Work In Process	1,205.50	1,259.41	1,315.85
Finished Goods	6,401.49	11,284.13	9,952.22
Finished Goods in Transit	7,561.77	8,577.68	7,041.94
Stock in Trade (Trading)	38.75	84.66	190.76
Stores & Spares	503.73	404.49	323.23
Others (Packing Material & Fuel)	856.54	555.59	427.67
TOTAL	**20,903.62**	**26,387.17**	**24,056.66**

Notes-

i For Method of Valuation of Inventories refer Note No. 1.10

ii Stock of Finished Goods includes Excise Duty of ₹ 737.00 Lakhs (Previous Year ₹ 1147.76 Lakhs)

8 TRADE RECEIVABLES

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
(Secured and considered good)			
Exceeding Six Months from Due Date	-	-	-
Others	-	-	-
(Unsecured and considered good)			
Exceeding Six Months from Due Date (Refer Note - I)	2,546.25	2,248.52	3,405.64
Others (Refer Note - ii)	27,230.38	27,237.85	20,199.99
	29,776.63	29,486.37	23,605.63
Less : Provision for Doubtful Debts	**-**	**-**	**-**
TOTAL	**29,776.63**	**29,486.37**	**23,605.63**

Notes-

i Trade Receivables exceeding six months includes ₹128.41 Lakhs as at 31st March 2017(Previous Year as at 31st March 2016 ₹142.77 Lakhs and as at 1st April 2015 ₹ 281.26 Lakhs) due from Subsidiary Company and ₹15.95 Lakhs as at 31st March 2017 (Previous Year as at 31st March 2016 ₹ 10.19 Lakhs and as at 1st April 2015 ₹ Nil) due from firm or a Company in which some of the Directors are interested.

ii Trade Receivables Others Includes ₹1011.54 Lakhs as at 31st March 2017(Previous Year as at 31st March 2016 ₹ 2316.27 Lakhs and as at 1st April 2015 ₹ 4280.39 Lakhs) due from Subsidiary Company and ₹ 447.15 Lakhs as at 31st March 2017 (Previous Year as at 31st March 2016 ₹ 538.74 Lakhs and as at 1st April 2015 ₹ 78.62 Lakhs) due from firm or a Company in which some of the Directors are interested.

iii The Company has called for balance confirmation of Trade Receivables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Trade Receivables are subject to confirmation.

iv Refer Note No - 39 for information about Credit Risk and Market Risk of Trade Receivables.

NOTES TO THE FINANCIAL STATEMENTS

9 CASH AND CASH EQUIVALENTS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Balance with Banks in Current Account (Refer Note i below)	97.39	118.29	270.25
Cash on Hand	7.94	19.17	19.82
TOTAL	**105.33**	**137.46**	**290.07**

i **Note -** Disclosure regarding the details of Specified Bank Notes (SBN) held and Transacted during the period from 8th November 2016 to 30th December 2016

(₹ in Lakhs)

PARTICULARS	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 8th November 2016	18.83	2.59	21.42
Add: Permitted Receipts	-	37.05	37.05
Less: Permitted Payments	-	(31.13)	(31.13)
Less: Amount deposited in Bank	(18.83)	-	(18.83)
Closing Cash in Hand as on 30th December 2016	-	8.51	8.51

10 OTHER BANK BALANCES

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Deposits For Margin Money With Banks	790.36	786.25	805.56
Earmarked balances For Unpaid Dividend	23.01	44.71	35.58
TOTAL	**813.37**	**830.96**	**841.14**

Notes

i Fixed Deposit with banks which is held as Margin Money or Security, Guarantee etc ₹ 37.34 Lakhs as at 31st March 2017 (Previous Year as at 31st March 2016 ₹ 34.74 Lakhs and as at 1st April 2015 ₹ 32.15 Lakhs) and Fixed Deposit ₹ 753.03 Lakhs as at 31st March 2017 (Previous Year as at 31st March 2016 ₹751.51 Lakhs and as at 1st April 2015 ₹ 773.41 Lakhs) as lien against Borrowings with Standard Chartered Bank.

ii The Current Account balance includes unpaid dividend of ₹ 23.01 Lakhs as at 31st March 2017 (Previous Year as at 31st March 2016 ₹ 44.71 Lakhs and as at 1st April 2015 ₹ 35.58 Lakhs) which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such accounts.

11 LOANS
Unsecured and Considered Good

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Unsecured Loan to Subsidiary Companies			
PT Meghmani Organics Indonesia	413.42	413.42	389.99
Less - Impairment Loss Written Off	(413.42)	-	-
TOTAL	**-**	**413.42**	**389.99**

Note

The Company had made assessment of Loan given to its Subsidiary PT Meghmani Organics Indonesia (Wholly Owned) and taken into account the past business performances and prevailing condition and as a matter of prudence has written off carrying value of Loan of ₹ 413.42 Lakhs as on 31st March 2017 as an impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

Loans and Advances, in the nature of loans to Subsidiary as per Listing Agreement are as under :-

PARTICULARS	(₹ in Lakhs)		
	Maximum Balance Outstanding 31st March 2017	Maximum Balance Outstanding 31st March 2016	Maximum Balance Outstanding 1st March 2015
Meghmani Europe BVBA, Belgium	-	-	683.62
PT Meghmani Organics Indonesia	413.42	426.99	390.18
TOTAL	**413.42**	**426.99**	**1,073.80**

12 OTHER CURRENT FINANCIAL ASSETS Unsecured and Considered Good

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Export Benefit Receivable	2,070.67	1,791.61	1,387.14
Insurance Claim Receivable	3,501.03	68.98	228.03
Derivative Assets	128.43	-	73.84
Advances to Employees	63.63	65.21	50.52
Others	23.56	41.19	-
TOTAL	**5,787.32**	**1,966.99**	**1,739.53**

13 CURRENT TAX ASSETS (NET)

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Advance payment of Income Tax (Net of Provision)	1,733.25	1,878.73	1,440.04
TOTAL	**1,733.25**	**1,878.73**	**1,440.04**

14 OTHER CURRENT ASSETS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Balance with Government Authorities	5,386.14	4,208.24	5,939.39
Advances to Suppliers	634.66	705.76	1,036.08
Prepaid Expenses	764.90	151.70	176.72
TOTAL	**6,785.70**	**5,065.70**	**7,152.19**

NOTES TO THE FINANCIAL STATEMENTS

15 SHARE CAPITAL

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
AUTHORISED			
37,00,00,000 Equity Shares (Previous Year 37,00,00,000) each share of Re.1/-	3,700.00	3,700.00	3,700.00
	3,700.00	**3,700.00**	**3,700.00**
ISSUED, SUBSCRIBED & PAID UP EQUITY SHARES 25,43,14,211,Equity Shares (Previous Year as at 31st March 2016 25,43,14,211 and as at 1st April 2015 25,43,14,211) each share of Re.1/- fully paid up	2,543.14	2,543.14	2,543.14
TOTAL	**2,543.14**	**2,543.14**	**2,543.14**

Reconciliation of Number of Shares

PARTICULARS	No. of Shares		
	31st March 2017	31st March 2016	1st April 2015
AUTHORISED			
As at beginning of the year	25,43,14,211	25,43,14,211	25,43,14,211
Add :			
Issued During the year	-	-	-
Less :			
Shares Bought Back / Redemption etc.	-	-	-
As at closing of the year	**25,43,14,211**	**25,43,14,211**	**25,43,14,211**

Reconciliation of Number of Shares

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
As at beginning of the year	2,543.14	2,543.14	2,543.14
Add :			
Issued During the year	-	-	-
Less :			
Shares Bought Back / Redemption etc.	-	-	-
As at closing of the year	**2,543.14**	**2,543.14**	**2,543.14**

NOTES TO THE FINANCIAL STATEMENTS

Details of Shareholding

PARTICULARS	No. of Shares		
	31st March 2017	31st March 2016	1st April 2015
Number of Shares held by Shareholders holding more than 5% Shares			
DBS Nominees (P) Ltd.	2,26,53,600	3,74,33,450	4,03,43,150
Mr. Jayanti Patel	1,85,60,390	1,85,60,390	1,85,60,390
Mr. Ashish Soparkar	2,45,85,628	2,59,28,128	2,46,17,948
Mr. Natwarlal Patel	2,57,12,130	2,59,10,477	2,59,10,477
Mr. Ramesh Patel	1,64,22,392	1,64,22,392	1,64,22,392
As at closing of the year	**10,79,34,140**	**12,42,54,837**	**12,58,54,357**

Details of Shareholding value

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Number of Shares held by Shareholders holding more than 5% Shares			
DBS Nominees (P) Ltd.	226.54	374.33	403.43
Mr. Jayanti Patel	185.60	185.60	185.60
Mr. Ashish Soparkar	245.86	259.28	246.18
Mr. Natwarlal Patel	257.12	259.10	259.10
Mr. Ramesh Patel	164.22	164.22	164.22
As at closing of the year	**1,079.34**	**1,242.53**	**1,258.53**

The Company has only one class of Equity Shares having face value of Re 1/- per share. Each Equity Shareholder has one voting right. All Equity Shareholders have equal dividend rights in proportion to their shareholding.

The Company has paid Interim dividend of ₹ Nil Per Equity Share amounting to ₹ Nil (Previous Year Interim dividend of ₹ 0.30 per Equity Share was paid amounting to ₹ 762.94 Lakhs on 25,43,14,211 Equity Shares of Re 1/- each. The Interim Dividend was considered as Final Dividend.)

NOTES TO THE FINANCIAL STATEMENTS

16 Other Equity

PARTICULARS		(₹ in Lakhs)		
		31st March 2017	31st March 2016	1st April 2015
(1)	**Securities Premium Account**			
	As per last year accounts	15,650.48	15,650.48	15,650.48
	Add : Addition during the year	-	-	-
		15,650.48	**15,650.48**	**15,650.48**
(2)	**Capital Reserve**			
	As per last year accounts	**31.22**	**31.22**	**31.22**
(3)	**General Reserve**			
	As per last year accounts	8,967.18	7,442.18	6,122.70
	Add :Transferred from Debenture Redemption Reserve	-	1,250.00	1,250.00
	Less : Effect of Transitional provisions as per Schedule II of the Companies Act, 2013	-	-	(205.52)
	Add : Transferred from Profit and Loss Account	-	275.00	275.00
		8,967.18	**8,967.18**	**7,442.18**
(4)	**Capital Redemption Reserve**			
	As per last year accounts	184.33	184.33	184.33
(5)	**Debenture Redemption Reserve**			
	As per last year accounts	-	1,116.51	1,949.81
	Add : Addition during the year	-	133.49	416.70
	Less : Transferred to General Reserve	-	(1,250.00)	(1,250.00)
		-	**-**	**1,116.51**
(6)	**Hedge Reserve**			
	As per last year accounts	-	(631.50)	(1,871.97)
	Add : (Addition) / Deduction during the year	-	631.50	1,240.47
		-	**-**	**(631.50)**
(7)	**Remeasurement Gains / (Losses) on Defined Benefit Plans**			
	As per last year accounts	4.69	-	-
	Add : Profit for the year	(19.65)	4.69	-
		(14.96)	**4.69**	**-**
(8)	**Retained Earning**			
	As per last year accounts	31,778.55	29,477.77	28,565.14
	Add : Surplus for the year	4,151.06	3,627.53	2,621.59
		35,929.61	33,105.30	31,186.73
	Less : Appropriation			
	Transfer to General Reserve	-	275.00	275.00
	Debenture Redemption Reserve	-	133.49	416.70
	Proposed Dividend / Interim Dividend Paid	-	762.94	1,017.26
	Dividend Distribution Tax (₹ Nil (Previous Year ₹ 155.32 Lakhs) being set off against Dividend Distribution Tax paid on dividend by Subsidiary Company	-	155.32	-
		-	1,326.75	1,708.96
		35,929.61	**31,778.55**	**29,477.77**
	TOTAL	**60,747.86**	**56,616.45**	**53,270.99**

NOTES TO THE FINANCIAL STATEMENTS

17 BORROWINGS - NON CURRENT

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
SECURED Term Loan Facilities from Banks : In Indian Currency (Refer Notes - 22 for Current Maturity of Term Loan ₹ 2611.06 Lakhs (Previous Year ₹ 2611.06 Lakhs)	7,698.11	10,334.45	13,216.97
TOTAL	**7,698.11**	**10,334.45**	**13,216.97**

Refer Note No - 39 For Liquidity Risk

Details of Security and Repayment Terms :

i Rupee Term Loan facility of ₹ 3000 Lakhs from HDFC Bank, Nr. Mithakhali Cross Road, Ahmedabad. The facility is Secured by First Pari Passu charge with ICICI Bank Limited on moveable and immoveable fixed assets held at Z-31 and Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch and repayable in 20 Quarterly installments of ₹1500 Lakhs each commencing from 30th April, 2016 and interest @ base rate plus 1.75% per annum with monthly rests. At present interst rate is 9.65% with moratorium of 2 years.

ii Rupee Term Loan facility of ₹ 4500 Lakhs from ICICI Bank Limited, JMC House, Ambawadi, Ahmedabad. The facility is Secured by First Pari Passu charge with HDFC Bank on moveable and immoveable fixed assets held at Z-31 and Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch and repayable in 24 Quarterly installments of ₹ 187.50 Lakhs each commencing from 30th June, 2016 and interest @ base rate plus 2.10% per annum with monthly rests. At present interst rate is 12.10% with moratorium of 2 years. **The Company has prepaid the said Term Loan on 29th December, 2015.**

iii Rupee Term Loan facility of ₹ 6500 Lakhs from Yes Bank Limited 4th Floor, Nehru Centre, Discovery of India Bldg, Dr. A. B. Road, Worli, Mumbai– 400018. The facility is secured by exclusive charge on leasehold admeasuring 50,000 Square Meter bearing Plot No. CH-1+2/A GIDC Industrial Estate Dahej, Taluka Vagra, District Bharuch, with all the buildings and structures standing thereon and all Plants, Machineries, Fixtures and Fittings attached to the earth and or permanently fastened to earth pertaining to Company's unit at Plot No. CH-1+2/A GIDC Dahej and repayable in 20 Equal QuarterlyInstallments of ₹ 325 Lakhs starting after a moratorium period of 1 year from the date of disbursement i.e. from 02.10.2015 The current applicable interest rate is 9.90% p.a. **The Company has prepaid the said Term Loan on 7th December, 2015.**

iv The Term Loan facility of ₹ 10675 Lakhs from State Bank of India, Corporate Accounts Group Branch, 58, Shrimali Society, Ahmedabad, is secured by Agreement of Hypothecation of Goods and Assets dated 30.11.2015. The facility is secured by first charge on all the Company's movable fixed assets at (a) Agro Division III Plant at Plot No. CH 1+2/A, GIDC Dahej, Taluka Vagra, District-Bharuch 392130 and (b) Pigment Blue Division at Plot No. Z-31, Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch The current effective rate is 9.90% p. a. on floating basis with monthly rests. The Term Loan will be repaid in 26 quarterly instalments starting from 31st December, 2015 and on 31st March, 2022. The details are as under.

1 Two Quarterly instalments of ₹ 325 Lakhs each starting from 31.12.2015

2 Seventeen Quarterly instalments of ₹ 512.50 Lakhs each starting from 30.06.2016

3 Seven Quarterly instalments of ₹ 187.50 Lakhs each starting from 30.09.2020

v. Rupee Term Loan facility of ₹ 6500.00 Lacs from Yes Bank Limited 4th Floor, Nehru Centre, Discovery of India Bldg, Dr. A. B. Road, Worli, Mumbai– 400018. The facility is secured by exclusive charge on leasehold admeasuring 50,000 Square Meter bearing Plot No. CH-1+2/A GIDC Industrial Estate Dahej, Taluka Vagra, District Bharuch, with all the buildings and structures standing thereon and all plants, machineries, fixtures and fittings attached to the earth and or permanently fasted to earth pertaining to Company's unit at Plot No. CH-1+2/A GIDC and repayable in 20 equal quarterly installments of ₹ 325.00 Lacs starting after a moratorium period of 1 year from the date of disbursement i.e. from 02.10.2015 The current applicable interest rate is 11.75% p.a.The Company has Prepaid the said Term Loan on 30th November 2015.

NOTES TO THE FINANCIAL STATEMENTS

18 PROVISIONS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Provision for Employee benefits (Refer Note No - 36)			
Gratuity	365.67	342.07	190.26
Compensated Absences	36.40	30.45	23.51
TOTAL	**402.07**	**372.52**	**213.77**

19 TAX EXPENSE

(a) Amounts recognised in Statement of Profit and Loss

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Current Income Tax	2,250.00	1,290.00
Excess provision of Income Tax in respect of earlier years	50.75	38.88
Deferred Income Tax Liability / (Asset), net	-	-
Origination and reversal of temporary differences	95.26	10.52
Reduction in Tax Rate	-	-
Recognition of previously unrecognised tax losses	-	-
Change in recognised deductible temporary differences	-	-
Deferred Tax Expense	**95.26**	**10.52**
Tax Expense for the year	**2,396.01**	**1,339.40**

(b) Amounts recognised in Other Comprehensive Income

PARTICULARS	(₹ in Lakhs)					
	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Before tax	Tax (expense) benefit	Tax (expense) benefit	Net of tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to Profit or Loss						
Remeasurements of the Defined Benefit Plans	(30.06)	10.40	(19.66)	7.17	(2.48)	4.69
Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
Total	**(30.06)**	**10.40**	**(19.66)**	**7.17**	**(2.48)**	**4.69**

NOTES TO THE FINANCIAL STATEMENTS

(c) Reconciliation of Effective Tax Rate

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit Before Tax	6,547.08	4,966.93
Tax using the Company's domestic tax rate (Current year 34.61% and Previous Year 34.61%)	2,265.81	1,718.96
Reduction in tax rate	-	-
Non-Deductible Tax Expenses		
Excess Depreciation Disallowed	216.98	92.65
Disallowance U/S - 43B	87.67	50.93
Investment Written Off	-	280.82
Other	61.64	0.19
Allowable Tax Expenditure		
Additional R & D Expenses U/S - 35(2AB)	(57.40)	(48.04)
Income exempt from income taxes U/S - 10 (A)	(94.46)	(103.29)
Others		
Unabsorded Depreciation A.Y.15-16	-	(331.70)
Adjustment for Tax of Prior Periods	50.75	38.88
Unrecognised MAT Credit Entitlement	-	(360.00)
Amortisation of upfront fees on straight-line basis	(4.73)	-
Defferment of Sales under Ind AS 18	(168.19)	
Recognising Selling & Distribution cost incurred on Sales reversed	21.53	-
Recognising Notional Income for Corporate Guarantee	6.01	-
Deferred Tax expense on Reclassification of Actuarial gain - Gratuity	10.40	-
Total	**2,396.01**	**1,339.40**
Effective Tax Rate	**36.60%**	**26.97%**

(d) Movement in Deferred Tax balances

(₹ in Lakhs)

					March 31, 2017		
	Net balance April 1, 2016	Recognised Profit or Loss	Recognised in OCI	Other	Net	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Asset							
Property, Plant and Equipment	(3,085.12)	(241.20)	-	-	(3,326.32)	-	(3,326.32)
Trade Payable	(72.68)	(21.53)	-	-	(94.21)	-	(94.21)
Inventories	408.21	168.19	-	-	576.40	576.40	-
Loans and Borrowings	(27.51)	4.73	-	-	(22.78)	-	(22.78)
Employee Benefits	125.73	0.56	10.40	-	136.69	136.69	-
Investment	(11.85)	(6.01)	-	-	(17.86)	-	(17.86)
Tax Credit (MAT)	275.00	-	-	(275.00)	-	-	-
Tax Assets/(Liabilities)	**(2,388.22)**	**(95.26)**	**10.40**	**(275.00)**	**(2,748.08)**	**713.09**	**(3,461.17)**
Set off Tax							**713.09**
Net Tax Assets							**(2,748.08)**

NOTES TO THE FINANCIAL STATEMENTS

(e) Movement in Deferred Tax Balances (₹ in Lakhs)

					March 31, 2017		
	Net balance April 1, 2015	**Recognised Profit or Loss**	**Recognised in OCI**	**Other**	**Net**	**Deferred Tax Asset**	**Deferred Tax Liability**
Deferred Tax Asset							
Property, Plant and Equipment	(2,877.46)	(207.66)	-	-	(3,085.12)	-	(3,085.12)
Trade Payable	(83.70)	11.02	-	-	(72.68)	-	(72.68)
Inventories	235.44	172.77	-	-	408.21	408.21	-
Loans and Borrowings	(55.53)	28.02	-	-	(27.51)	-	(27.51)
Employee Benefits	131.04	(2.83)	(2.48)	-	125.73	125.73	-
Investment	-	(11.85)	-	-	(11.85)	-	(11.85)
Tax Credit (MAT)	380.00	-	-	(105.00)	275.00	275.00	-
Tax Assets/(Liabilities)	**(2,270.21)**	**(10.53)**	**(2.48)**	**(105.00)**	**(2,388.22)**	**808.94**	**(3,197.16)**
Set off Tax							**808.94**
Net Tax Assets (Liabilities)							**(2,388.22)**

20 BORROWINGS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	**31st March 2016**	**1st April 2015**
Secured Loans			
Loans Repayable on Demand from Banks :			
In Indian Currency	22,329.36	25,866.54	18,728.45
In Foreign Currency	1,130.81	-	-
Unsecured Loans			
From Banks - In Indian Currency	-	-	1,000.00
TOTAL	**23,460.17**	**25,866.54**	**19,728.45**

i The interest rate on Working Capital facilities from State Bank of India, HDFC Bank Limited, Standard Chartered Bank and ICICI Bank Limited (Collectively known as Consortium Bankers) varies within the range of 8.15% to 10.45% (both inclusive) and are secured by :-

(a) First Pari Passu charge created on 9th October, 2003 for ₹ 7945 Lakhs was further extended on 28th May 2005 for ₹ 15535 Lakhs, on 23rd January, 2007 for ₹ 21865 Lakhs and on 28th August, 2009 for ₹ 34308 Lakhs in favour of State Bank of India and its Consortium Banks by way of hypothecation of the entire stock of raw materials, work in process, finished goods, stores and spares and receivables. The present consortium is lead by State Bank of India.

(b) First Pari Passu charge on immovable fixed assets to State Bank of India and its consortium bank as collateral security for the working capital facilities of ₹ 34308 Lakhs. The present consortium is lead by State Bank of India.

(c) The indenture of the mortgage created on immovable properties are located at :

(i) Plot No. 168,180,183 and 184 of GIDC Industrial Estate Vatva, Ahmedabad.

(ii) Block No. 402,403,404 and 452 at Village Chharodi, Taluka Sanand, District Ahmedabad.

(iii) Plot No. 21 & 21/1 of GIDC Industrial Estate Panoli, Taluka Ankleshwar, Bharuch.

(iv) Plot No.5001/B of GIDC Industrial Estate, Ankleshwar, Bharuch.

ii HDFC Bank Limited short term Unsecured loan of ₹ 1000 Lakhs has been **paid by the Company on 11.05 2015.**

NOTES TO THE FINANCIAL STATEMENTS

21 TRADE PAYABLE

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Micro, Small and Medium Enterprises	784.18	850.46	547.59
Others (Refer Notes below)	14,730.97	15,441.38	11,976.79
TOTAL	**15,515.15**	**16,291.84**	**12,524.38**

Notes : -

i The Company has called for balance confirmation of Creditors on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Creditors are subject to confirmation.

ii The Company has received certain intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 (MSMED) and accordingly the Company has provided for interest of ₹ 259.99 Lakhs (Previous Year ₹ 213.41 Lakhs) being payable as required under the said Act.

iii The Company has reversed Interest Accrued and remaining unpaid for a period exceeding 3 years at the end of accounting year. Accordingly the Company has reversed ₹ 41.93 Lakhs (Previous Year ₹ Nil)

iv Trade Payable includes amount due to Related Parties ₹ 1579.56 Lakhs as at 31st March 2017(Previous Year as at 31st March 2016 ₹ 1606.60 Lakhs and as at 1st April 2015 ₹ 443.69 Lakhs)

Details as required under MSMED Act are given in below:

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any Supplier as at the end of each accounting year :			
Principal Amount	784.18	850.46	547.59
Interest Amount	259.99	213.41	134.56
The amount of interest paid by the Buyer in terms of Section 18 of MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,	89.20	74.10	88.40
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	8.29	8.97	4.23
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	259.99	213.41	134.56

NOTES TO THE FINANCIAL STATEMENTS

22 OTHER CURRENT FINANCIAL LIABILITIES

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Current Maturities of long-term debt (Refer Note No -i)	2,611.06	2,611.06	5,622.58
Interest Accrued but not due on borrowings	144.85	172.80	108.74
Employee Benefit Payable	591.16	530.37	456.90
Unpaid Dividend	23.01	44.71	35.58
Payable for retention money	21.01	17.71	21.84
Trade Payable - Capital Goods	822.42	411.22	379.08
Derivative Liability	-	-	2,070.28
Deposit Received from Customer	95.98	57.83	-
Interest as per MSMED Act, 2006	259.99	213.41	134.56
TOTAL	**4,569.48**	**4,059.11**	**8,829.56**

Notes : -

Details of Security and Repayment Terms :

(i) Redemption of 10.40 % Non Convertible Debentures of ₹ 5000 Lakhs redeemed on 12.10.2015

(ii) There is no amount outstanding in respect of Unpaid Dividend to be transferred to Investor Education & Protection Fund Under Section 125 of the Companies Act, 2013.

(iii) Movement of Provision of Financial Derivatives

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Opening Balance	-	2,070.28	3,949.66
Utilised during the year	-	(2,070.28)	(1,879.38)
Closing Balance	**-**	**-**	**2,070.28**

23 OTHER CURRENT LIABILITIES

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Advance Received from Customer	247.68	178.61	258.62
Statutory Payments	632.14	1,001.61	753.88
TOTAL	**879.82**	**1,180.22**	**1,012.50**

24 PROVISIONS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Provisions for Employee Benefits			
Gratuity	-	-	119.13
Compensated Absences	9.72	4.97	2.81
TOTAL	**9.72**	**4.97**	**121.94**

NOTES TO THE FINANCIAL STATEMENTS

25 CURRENT TAX LIABILITIES (NET)

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Wealth Tax Provision	-	-	4.43
Current Tax Payable	543.83	49.21	68.31
TOTAL	**543.83**	**49.21**	**72.74**

26 REVENUE FROM OPERATIONS

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Sale of Products	1,09,428.48	1,01,134.90
Other Operating Revenue	2,318.09	1,881.66
TOTAL	**1,11,746.57**	**1,03,016.56**

Break up of Sale of Products

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Pigments	54,769.35	49,479.67
Agro Chemicals	51,085.22	47,129.45
Others	3,573.91	4,525.78
TOTAL	**1,09,428.48**	**1,01,134.90**

27 OTHER INCOME

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Interest Income	285.01	267.02
Gain on Derivatives	128.43	-
Gain/(Loss) on Foreign Currency transactions and translation	371.36	2,089.43
Rent Received	2.31	19.82
Liability No Longer Required	231.28	2.34
Other Non Operating Income	27.15	22.70
Insurance claims Received	50.81	-
TOTAL	**1,096.35**	**2,401.31**

28 COST OF RAW MATERIALS CONSUMED

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Pigments	28,059.31	25,884.77
Agro Chemicals	27,036.85	27,463.52
TOTAL	**55,096.16**	**53,348.29**

NOTES TO THE FINANCIAL STATEMENTS

29 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
(A) Opening Stock		
(i) Finished Goods	10,136.37	9,115.64
(ii) Trading Goods	84.66	190.76
(iii) Excise Duty on Finished Goods	1,147.76	836.58
(iv) Goods in Transit	8,577.68	7,041.94
(v) Work-in-Process	1,259.41	1,315.85
TOTAL (A)	**21,205.88**	**18,500.77**
(B) Closing Stock		
(i) Finished Goods	5,664.50	10,136.37
(ii) Trading Goods	38.75	84.66
(iii) Excise duty on Finished Goods	737.00	1,147.76
(iv) Goods in Transit	7,561.77	8,577.68
(v) Work-in-Process	1,205.50	1,259.41
TOTAL (B)	**15,207.52**	**21,205.88**
TOTAL (A - B)	**5,998.36**	**(2,705.11)**

30 EMPLOYEES BENEFIT EXPENSES

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Salary & Wages	3,880.02	3,517.54
Directors Remuneration	436.38	336.46
Contribution to Provident and Other Funds	171.86	157.16
Staff Welfare Expenses	356.37	309.95
TOTAL	**4,844.63**	**4,321.11**

31 FINANCE COST

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Interest	3,447.60	3,908.12
Other Financial Charges	194.06	222.73
TOTAL	**3,641.66**	**4,130.85**

NOTES TO THE FINANCIAL STATEMENTS

32 OTHER EXPENSES

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Consumption of Stores and Spare Parts	1,212.34	1,030.37
Power and Fuel	8,134.97	9,315.17
Repairs to Buildings	110.69	147.26
Repairs to Machinery	719.38	590.37
Pollution Control Expenses	1,157.04	1,095.83
Excise Duty Expenses (Refer Note - i below)	(470.12)	284.50
Labour Contract Charges	1,708.87	1,539.76
Rent (Refer Note - ii below)	188.69	67.89
Rates and Taxes	116.09	80.56
Insurance	343.36	327.82
Packing Material Consumption	2,810.26	2,339.25
(Profit) / Loss on Sale of Fixed Asset	5.34	11.53
Loss on Derivatives	-	837.43
Shipping / Air Lines Freight	1,903.18	2,038.29
Expenditure towards Corporate Social Responsibility (Refer Note - iv)	87.98	85.00
Bad Debts	72.98	1,744.82
Research & Development Expenses (Refer Note - v below)	157.13	138.80
Miscellaneous Expenses		
Other Manufacturing Expenses	644.43	627.89
Other Administration Expenses (Refer Note - iii below)	1,765.17	1,493.42
Other Selling & Distribution Expenses	1,606.42	1,647.35
Payments to the Auditors :		
(a) as Auditors	22.50	22.50
(b) for Taxation matters	3.50	3.25
(c) for Company law matters	2.75	2.00
(d) for Other services	4.00	4.00
TOTAL	**22,306.95**	**25,475.06**

Notes

i Excise Duty Expenses includes ₹ 410.76 Lakhs being decrease (Previous Year ₹ 311.18 Lakhs increase) pertains to variation in opening and closing stock of finished goods.

ii The Company has operating lease from various premises which are renewable on a periodic basis and cancellable at its option. Rental expenses for operating leases charged to Statement of Profit and Loss for the year ₹188.69 Lakhs (Previous Year: ₹ 67.89 Lakhs) pretains to not later than 1 year.

iii Other Administration expenses Includes ₹ 413.42 Lakhs being Impairment Loss written off Pertaining to Loan due from a Subsidiary Company - PT Meghmani Organics Indonesia.

iv Corporate Social Responsibility Expenditure - spent during the year is ₹ 87.98 Lakhs (Previous Year ₹ 85.00 Lakhs)

Details of Corporate Social Responsibility (CSR Expenditure)

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Amount Required to be spent as per Section 135 of the Act	92.45	58.51
Amount Spent during the year on :	87.98	85.00

NOTES TO THE FINANCIAL STATEMENTS

v Details of Research & Development expenses

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Salary & Wages	102.83	86.28
Raw Material Consumption	11.40	19.04
Consumables & Spares and Others	2.62	0.54
Electricity Expenses	11.46	12.17
Annual Maintenance Contract & Reparing	9.80	4.11
Advertisement - Recruitment	-	0.42
Computer Maintenance	0.16	0.10
Repairs to Other Asset	-	0.44
Stationery Expenses	0.25	0.49
Telephone,Mobile & Internet Expenses	1.84	2.45
Travelling Exepense	6.84	5.00
Vehicle Expenes	6.96	6.54
Conveyance Expense	1.92	0.77
Miscellaneous Expense	1.05	0.45
TOTAL	**157.13**	**138.80**

33 EXCEPTIONAL ITEMS

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Impairment in value of Investment	-	811.44
Loss due to Fire	381.06	-
TOTAL	**381.06**	**811.44**

Exceptional Item during the year pertains to estimated loss occured due to fire at Plot No. Z31, Z32, Dahej SEZ Limited, Dahej, Bharuch, Gujarat, (India). The Company has All Risk Insurance Policy (including Loss of Profit Policy) and is fully covered for insurance claim. The Surveyor is assessing the claim. (Previous Year Exceptional Item consists of Diminution of investment in Subsidiary Meghmani Europe BVBA (Refer Note - 3)

34 EARNING PER SHARE FROM CONTINUING OPERATIONS

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Net Profit After Tax attributable to Shareholders	4,151.06	3,627.53
Weighted Average number of Equity Shares at the end of year	2,543.14	2,543.14
Nominal Value of Share	1	1
Basic Earning Per Share	1.63	1.43
Diluted Earning Per Share	1.63	1.43

NOTES TO THE FINANCIAL STATEMENTS

35 CONTINGENT LIABILITIES and COMMITMENTS

A NOT PROVIDED FOR IN THE ACCOUNTS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
In respect of Bank Guarantee	1,043.66	1,330.60	1,256.61
In respect of Letter of Credit	2,161.42	1,558.31	3,265.19
In respect of Corporate Guarantee	2,500.00	5,339.50	10,535.71

Name of Statute	Nature of Dues	(₹ in Lakhs)			Forum where Dispute is pending
		31st March 2017	31st March 2016	1st April 2015	
Income Tax Act.	Income Tax / Penalty for Various Financial Year 2000-2001, 2002-2003 to 2008-2009	176.02	572.82	582.12	Commissioner of Income Tax (Appeal) / Income tax Appellate Tribunal / High Court
Central Excise Tariff Act.	Excise Duty/ Penalty/ Interest	2,926.79	2,916.79	387.27	Commissioner of Central Excise / Director General of Central Excise /Audit team of Central Excise / Central Excise Service tax Appellate Tribunal
Service Tax	Service Tax/ Penalty/ Interest	344.06	464.51	310.75	Commissioner of Central Excise / Deputy Commissioner of Central Excise / Central Excise Services Tax Appellate Tribunal
Labour Laws	Compensation Claims	63.88	187.66	176.45	Labour Court
Value Added Tax	Input Tax Credit	229.13	229.13	229.13	The Joint Commercial Tax Commissioner Appeal 1

B CAPITAL COMMITMENTS

The estimated amount of contracts remaining to be executed on capital accounts of ₹ 369.41 Lakhs as at 31st March 2017 (Previous Year:as at 31st March 2016 ₹170.50 Lakhs and as at 1st April 2015 ₹ 119.75 Lakhs) is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

36 EMPLOYEE BENEFITS OBLIGATIONS

(a) Retirement Benefits

As per Ind AS 19 the Company has recognized "Employees Benefits" ,in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2017

(A) Defined Benefit Plans

I. Components of Employer Expenses

PARTICULARS	(₹ in Lakhs)	
	Gratuity	
	31st March 2017	31st March 2016
Current Service Cost	69.93	58.50
Interest Cost	49.97	45.86
Expected Return on Plan Assets	(22.06)	(23.59)
Actuarial (Gain)/Loss	30.06	(7.17)
Total Expenses/(Gain) recognized in the Profit & Loss Account	127.90	73.60

II. Net Asset/ (Liability) recognized in Balance Sheet

PARTICULARS	(₹ in Lakhs)		
	Gratuity		
	31st March 2017	31st March 2016	1st April 2015
Present value of Funded Obligation	759.62	648.94	577.59
Fair Value of Plan Assets	(393.94)	(306.87)	(268.19)
Assets/(Liability) recognized in the Balance Sheet	(365.67)	(342.07)	(309.39)

III. Change in Defined Benefit Obligations (DBO)

PARTICULARS	(₹ in Lakhs)		
	Gratuity		
	31st March 2017	31st March 2016	1st April 2015
Opening Balance of Present Value of Obligation	648.94	577.59	435.16
Current Service Cost	69.93	58.50	34.31
Interest Cost	49.97	45.86	40.25
Actuarial (Gain)/Loss	34.59	(6.51)	88.92
Benefit Paid	(43.82)	(26.50)	(21.06)
Closing Balance of Present Value of Obligation	759.62	648.94	577.59

IV. Changes in the Fair Value of Plan Assets

PARTICULARS	(₹ in Lakhs)		
	Gratuity		
	31st March 2017	31st March 2016	1st April 2015
Opening Balance of Present Value of Plan Assets	306.87	268.19	226.83
Expected Return on Plan Assets	22.06	23.59	19.73
Actuarial Gain/(Loss)	4.53	0.66	2.32
Contribution by Employer	104.31	40.93	40.36
Benefit Paid	(43.82)	(26.50)	(21.06)
Fair Value of Plan Assets as at 31st March	393.94	306.87	268.19

NOTES TO THE FINANCIAL STATEMENTS

V. Actuarial Assumptions

PARTICULARS	Gratuity		
	31st March 2017	31st March 2016	1st April 2015
Discount Rate (Per Annum)	7.10%	7.70%	9.25%
Expected Rate of Return on Assets Per Annum	7.70%	7.94%	8.70%
Annual Increase in Salary Costs Per Annum	6.00%	6.00%	6.00%
Attrition Rate	8.00%	8.00%	2.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI. Major Categories of plan assets as a percentage of total plan assets

PARTICULARS	Gratuity		
	31st March 2017	31st March 2016	1st April 2015
Government of India Securities	0.00%	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%	0.00%
Equity Shares of listed companies	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%
Insurance Company	100.00%	100.00%	100.00%

VII. Movement in net liability recognized in Balance Sheet

PARTICULARS	(₹ in Lakhs)		
	Gratuity		
	31st March 2017	31st March 2016	1st April 2015
Net Opening Liability	342.08	309.39	208.33
P & L Charges	127.90	73.60	141.42
Contribution paid	(104.31)	(40.82)	(40.36)
Closing Net Liability	365.67	342.17	309.39

VIII. Gratuity - Sensitivity Analysis

PARTICULARS	(₹ in Lakhs)			
	31st March 2017		31st March 2016	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (0.5% movement)	34.43	(31.78)	29.00	(26.88)
Discount Rate (0.5% movement)	(31.18)	34.40	(26.23)	28.80
Withdrawal Rate (1.0% movement)	0.31	(0.45)	0.98	(1.16)

(B) Defined Contribution Plans

Amount recognised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss - ₹149.31 Lakhs (Previous year ₹135.18 Lakhs)

NOTES TO THE FINANCIAL STATEMENTS

37. SEGMENT REPORTING

As per Management Chief Operating Decision Maker (CODM) for purpose of resource allocation and assessment of segment performance focuses on, two major operating divisions – Pigments and Agro Chemicals. These divisions are the basis on which the Company reports its primary segment information.

Principal activities are as follows:

Pigment Business

Manufacture and Sales of Phthalocynine Green 7, Copper Pthalocynine Blue (CPC), Alpha Blue and Beta Blue.

Agrochemicals Business

Manufacture and Sales of Technical, Intermediates, Formulations of Insecticides and Herbicides.

(a) Analysis By Business Segment

Segment Revenue and Expense:

Segment Revenue and Expense are the operating revenue and expense reported in the Company's Statement of Profit and Loss that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment Assets and Liabilities:

Segment Assets include all operating assets used by a segment and consist principally of operating receivables, inventories and property, plant and equipment, net of allowances and provisions. Capital Expenditure includes the total cost incurred to acquire Property, Plant and Equipment directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of trade payables and accrued expenses.

Inter-segment transfers:

Segment Revenue and Expenses include transfers between business segments. Inter-segment sales are charged at prevailing market rates. These transfers are eliminated at the Company level.

Financial year ended on 31st March 2017:

(₹ in Lakhs)

Particulars	Pigments	Agro Chemicals	Others *	Elimination	Total
Revenue					
External Sales	54,769.35	51,085.22	3,573.91	-	1,09,428.48
Other Operating Revenue	986.83	1,204.16	127.10	-	2,318.09
Total Revenue	55,756.18	52,289.38	3,701.01	-	1,11,746.57
Results					
Segment Results	7,035.04	3,155.90	93.85	-	10,284.79
Un-allocable (Expenses)/Income					285.01
Profit from Operation					**10,569.80**
Finance Cost					(3,641.66)
Investments Income					-
Profit Before Exceptional Items					**6,928.14**
Exceptional Items					(381.06)
Profit Before Tax					**6,547.08**
Income tax Expenses					(2,300.76)
Deferred Tax					(95.26)
Profit After Tax					**4,151.06**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Other Information	Pigments	Agro Chemicals	Others	Unallocable	Total
Capital Addition	2,888.44	1,175.00	-	733.18	4,796.62
Depreciation	(1,950.54)	(1,890.59)	(5.85)	-	(3,846.98)
Non-Cash Items	(320.59)	(345.15)	(17.83)	-	(683.57)

(₹ in Lakhs)

Balance Sheet	Pigments	Agro Chemicals	Others	Elimination	Total
Assets					
Segment Assets	61,983.45	54,340.71	1,060.02	-	1,17,384.18
Un-Allocable Assets					1,733.24
Total Aassets					**1,19,117.42**
Liabilities					
Segment Liabilities	25,808.57	25,615.88	1,087.05	-	52,511.51
Unallocable Liabilities					566.83
Deferred Tax Liabilities					2,748.08
Total Liabilities					**55,826.42**

*Others includes Trading activity.

Financial year ended on 31st March 2016:

(₹ in Lakhs)

Particulars	Pigments	Agro Chemicals	Others *	Elimination	Total
Revenue					
External Sales	49,479.67	47,129.45	4,525.78	-	1,01,134.90
Other Operating Revenue	690.81	1,040.03	150.82	-	1,881.66
Total Revenue	50,170.48	48,169.48	4,676.60	-	1,03,016.56
Results					
Segment Results	5,409.62	4,266.06	(33.48)	-	9,642.20
Interest Income					
Un-allocable (Expenses)/Income					267.02
Profit from Operation					**9,909.22**
Finance Cost					(4,130.85)
Investments Income					-
Profit Before Exceptional Items					5,778.37
Exceptional Items					(811.44)
Profit Before Tax					**4,966.93**
Income tax Expenses					(1,328.88)
Deferred Tax					(10.52)
Profit After Tax					**3,627.53**

NOTES TO THE FINANCIAL STATEMENTS

Other information	Pigments	Agro Chemicals	Others	Unallocable	Total
Capital Addition	2,070.35	1,554.00	-	229.95	3,854.30
Depreciation	(1,884.75)	(1,727.28)	(6.64)	-	(3,618.67)
Non-Cash Items	603.46	330.87	61.81	-	996.14

Balance sheet	Pigments	Agro Chemicals	Others	Elimination	Total
Assets					
Segment Assets	55,700.60	60,319.30	1,808.03	-	1,17,827.93
Un-allocable Assets					1,878.73
Total Assets					**1,19,706.66**
Liabilities					
Segment Liabilities	25,741.07	30,665.49	1,658.37	-	58,064.93
Unallocable Liabilities					93.92
Deferred Tax Liabilities					2,388.22
Total Liabilities					**60,547.07**

*Others includes Trading Activity

(b) Analysis By Geographical Segment

Segment Revenue:

Segment revenue is analysed based on the location of customers regardless of where the goods are produced. The following provides an analysis of the Company's sales by geographical Markets:

PARTICULARS	(₹ in Lakhs)	
	2016-2017	2015-2016
Export Sales	68,665.48	68,486.18
Domestic Sales	40,763.00	32,648.72
Total	**1,09,428.48**	**1,01,134.90**

(c) Segment Assets and Capital expenditure :

Segment Assets and Capital expenditure are analysed based on the location of those asstes. Capital expenditure includes the total cost incurred to purchase Property, Plant and Equipment.

An analysis of the carrying amount of segment assets and capital expenditure by geographical locations is not presented, as the assets are all located in India.

NOTES TO THE FINANCIAL STATEMENTS

38 RELATED PARTIES DISCLOSURES :-

• Holding Company	:	Nil
• Subsidiaries of the company	:	Meghmani Organics USA, Inc.(MOL-USA)
		Meghmani Europe BVBA(MOL-EUROPE)
		PT Meghmani Organics Indonesia(MOL-INDONESIA)
		Meghmani Overseas FZE-Dubai
		Meghmani Finechem Limited (MFL)
• Associates	:	Latasha Exports Limited
• Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence	:	Meghmani Pigments
		Ashish Chemicals
		Tapsheel Enterprise
		Meghmani Infrastructures
		Meghmani Dyes & Intermediates LLP
		Meghmani Industries Limited
		Meghmani Chemicals Limited
		Vidhi Global Chemicals Limited
		Panchratna Corporation
		Meghmani LLP (Formerly Meghmani Unichem LLP)
		Matangi Industries LLP
		Diamond Engineering Co.
		Delta Electricals
		Navratna Specialty Chemicals LLP
		Uniworth Enterprises LLP
		Trent Chemicals
• Key Managerial Personnel	:	Mr. Jayanti M Patel
	:	Mr. Ashish N Soparkar
	:	Mr. Natwarlal M Patel
	:	Mr. Ramesh M Patel
	:	Mr. Anand I Patel
• Relatives of Key Managerial Personnel (Employee)	:	Ms. Deval Soparkar
	:	Mr. Maulik Patel
	:	Mr. Kaushal Soparkar
	:	Mr. Karana Patel
	:	Mr. Ankit Patel
	:	Mr. Darshan Patel
• Relative of Key Managerial Personnel	:	Taraben Patel
• Non Executive Directors	:	Chinubhai R Shah
	:	Balkrishna T Thakkar
	:	Jayaraman Vishwanathan
	:	Kantibhai H Patel
	:	Chander Kumar Sabharwal
	:	Ms. Urvashi Shah

NOTES TO THE FINANCIAL STATEMENTS

Note - 38

RELATED PARTIES DISCLOURES :-

(₹ in Lakhs)

Particulars	Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel		Relatives of Key Managerial		Total	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Purchase of Goods	3,859.46	4,045.59	3,267.22	4,506.38	-	-	-	-	7,126.68	8,551.97
Sale of Goods	2,544.04	5,635.09	2,236.13	3,654.15	-	-	-	-	4,780.17	9,289.24
Purchase of Service	-	-	146.09	-	8.00	-	-	1.94	154.09	1.94
Sitting Fees	-	-	-	-	13.00	12.00	-	-	13.00	12.00
Remuneration	-	-	-	-	436.38	336.46	48.61	25.94	484.99	362.40
Dividend Paid/(Received)	-	-	-	-	-	260.85	-	22.08	-	282.93
Total	**6,403.50**	**9,680.68**	**5,649.44**	**8,160.53**	**457.38**	**609.31**	**48.61**	**49.96**	**12,558.93**	**18,500.48**

Outstanding Balances with Related Parties

(₹ in Lakhs)

Particulars	Subsidiary			Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence			Key Managerial Personnel			Relatives of Key Managerial Personnel			Total		
	31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015
Debtors	1,139.95	2,459.04	4,563.10	463.10	548.93	78.62	-	-	-	-	-	-	1,603.05	3,007.97	4,641.72
Creditors	1,579.56	1,606.60	443.69	905.34	839.59	400.79	0.29	-	-	-	-	-	2,485.19	2,446.19	844.48
Salary,PF & Gratuity Payable	-	-	-	-	-	-	14.41	13.54	13.71	3.06	1.82	1.62	17.47	15.36	15.33
Loans and Advances	-	413.42	389.99	-	-	-	-	-	-	-	-	-	-	413.42	389.99
Total	**2,719.51**	**4,479.06**	**5,396.78**	**1,368.44**	**1,388.52**	**479.41**	**14.70**	**13.54**	**13.71**	**3.06**	**1.82**	**1.62**	**4,105.71**	**5,882.94**	**5,891.52**

Material Transactions with Related Parties

(₹ in Lakhs)

Name of Related Parties	Sale of Goods / Services		Purchase of Goods / Services	
Subsidiary / Joint Venture	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Meghmani Organics USA Inc.	2,518.57	5,627.95	-	-
Meghmani Finechem Limited	25.47	-	3,859.46	3,814.35
PT Meghmani Organics Indonesia	-	-	-	-
Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence				
Meghmani Pigments	2.14	-	1,300.72	1,029.10
Meghmani Pigments 100% EOU	-	-	-	-
Ashish Chemicals	234.30	-	5.94	-
Meghmani Pigments-I	-	-	-	-
Meghmani Industries Limited	164.62	-	-	-
Meghmani Dyes & Intermediate Ltd	76.11	-	15.87	-
Meghmani Chemicals Limited	63.80	-	1.94	-
Matangi Industries	-	-	79.79	-
Panchratna Corporation	-	-	144.15	-
Panchratna Corporation	-	-	-	-
Navratna Speciality Chemical LLP	97.97	-	3.58	-
Tapasheel Enterprise	1.46	-	0.08	-
Vidhi Global Chemicals Limited	1,595.74	3,079.77	1,405.18	3,060.25
Meghmani LLP	-	-	456.06	-
Key Managerial Personnel				
Jayanti Patel	-	-	-	-
Ashish Soparkar	-	-	-	-
Natwarlal Patel	-	-	-	-
Ramesh Patel	-	-	-	-
Anand Patel	-	-	-	-
Relatives of Key Managerial Personnel				
Taraben Patel	-	-	-	-
Deval Soparkar	-	-	-	-
Maulik Patel	-	-	-	-
Kaushal Soparkar	-	-	-	-
Karan Patel	-	-	-	1.94
Ankit Patel	-	-	-	-
Darshan Patel	-	-	-	-
Non Executive Directors				
Balkrishna T Thakkar	-	-	-	-
Chinubhai R Shah	-	-	-	-
Jayaraman Vishwanathan	-	-	-	-
Kantibhai H Patel	-	-	-	-
Chander Kumar Sabharwal	-	-	-	-
Ms. Urvashi Shah	-	-	-	-

Material Transactions with Related Parties

(₹ in Lakhs)

Name of Related Parties	Remuneration		Sitting Fees		Loan Impairment Loss Written Off		Dividend Paid / (Received)		Total	
Subsidiary / Joint Venture	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Meghmani Organics USA Inc.	-	-	-	-	-	-	-	-	2,518.57	5,627.95
Meghmani Finechem Limited	-	-	-	-	-	-	-	-	3,884.93	3,814.35
PT Meghmani Organics Indonesia	-	-	-	-	413.42	-	-	-	413.42	-
Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence										
Meghmani Pigments	-	-	-	-	-	-	-	-	1,302.86	1,029.10
Ashish Chemicals	-	-	-	-	-	-	-	-	240.24	-
Meghmani Industries Limited	-	-	-	-	-	-	-	-	164.62	-
Meghmani Dyes & Intermediate LLP	-	-	-	-	-	-	-	-	91.98	-
Meghmani Chemicals Limited	-	-	-	-	-	-	-	-	65.74	-
Matangi Industries	-	-	-	-	-	-	-	-	79.79	-
Panchratna Corporation	-	-	-	-	-	-	-	-	144.15	-
Tapasheel Enterprise	-	-	-	-	-	-	-	-	1.54	-
Vidhi Global Chemicals Limited	-	-	-	-	-	-	-	-	3,000.92	6,140.02
Meghmani LLP	-	-	-	-	-	-	-	-	456.06	-
Key Managerial Personnel										
Jayanti Patel	92.28	67.31	-	-	-	-	-	55.68	92.28	122.99
Ashish Soparkar	92.28	67.28	-	-	-	-	-	78.17	92.28	145.45
Natwarlal Patel	92.28	67.28	-	-	-	-	-	77.73	92.28	145.01
Ramesh Patel	82.28	67.31	-	-	-	-	-	49.27	82.28	116.58
Anand Patel	77.28	67.28	-	-	-	-	-	-	77.28	67.28
Relatives of Key Managerial Personnel										
Taraben Patel	-	-	-	-	-	-	-	22.08	-	22.08
Deval Soparkar	11.75	10.33	-	-	-	-	-	-	11.75	10.33
Maulik Patel	9.92	-	-	-	-	-	-	-	9.93	
Kaushal Soparkar	9.36	-	-	-	-	-	-	-	9.36	
Karan Patel	7.38	6.75	-	-	-	-	-	-	7.38	8.69
Ankit Patel	5.62	4.79	-	-	-	-	-	-	5.62	4.79
Darshan Patel	4.58	4.07	-	-	-	-	-	-	4.58	4.07
Non Executive Directors										
Balkrishna T Thakkar	-	-	4.00	4.00	-	-	-	-	4.00	4.00
Chinubhai R Shah	-	-	4.00	4.00	-	-	-	-	4.00	4.00
Jayaraman Vishwanathan	-	-	1.00	1.00	-	-	-	-	1.00	1.00
Kantibhai H Patel	-	-	1.50	1.25	-	-	-	-	1.50	1.25
Chander Kumar Sabharwal	-	-	1.25	0.75	-	-	-	-	1.25	0.75
Ms. Urvashi Shah	-	-	1.25	1.00	-	-	-	-	1.25	1.00

NOTES TO THE FINANCIAL STATEMENTS

Related Party Disclosure Under Ind AS 24 Outstanding Balance

(₹ in Lakhs)

PARTICULARS	31.3.2017	31.3.2016	01.04.2015
Payable			
Ashish Chemicals Eou Unit - II	-	-	1.38
Chander Kumar Sabharwal	0.29	-	-
Delta Electricals	-	0.27	-
Diamond Engineering Co.	-	0.12	0.12
Matangi Industries	15.46	1.18	11.12
Meghmani Chemicals Limited	4.12	2.28	0.43
Meghmani Dyes & Intermediate LLP	19.74	3.87	1.94
Meghmani Energy Lilmited	-	-	(120.14)
Meghmani Europe BUBA	-	-	335.64
Meghmani Finechem Ltd.	1,583.84	1,603.89	228.18
Meghmani Industries Ltd.	0.14	-	31.50
Meghmani LLP	186.42	138.74	-
Meghmani Overseas FZE	-	6.32	-
Meghmani Pigments	445.33	426.85	340.22
Meghmani Unichem LLP	-	-	14.08
Navratna Speciality Chemical LLP	1.59	0.26	-
Panchratna Corporation	11.39	-	-
Pt Meghmani Organics Indonesia	(4.29)	(3.61)	
Tapasheel Enterprise	-	0.01	-
Vidhi Global Chemicals Limited	221.16	266.01	-
Receivables			
Ashish Chemicals Eou Unit - II	0.01	130.09	24.68
Fidelity Exports Pvt. Ltd.	-	-	3.08
Meghmani Chemicals Limited	42.71	32.89	12.58
Meghmani Dyes & Intermediate LLP	1.02	-	-
Meghmani Dyes & Intermediate Ltd.	2.39	23.46	5.04
Meghmani Europe BUBA	-	-	2,068.70
Meghmani Finechem Ltd.	-	-	5.95
Meghmani Industries Ltd - SEZ	100.45	47.28	10.86
Meghmani Industries Ltd.	(35.49)	11.73	6.92
Meghmani LLP-SEZ	-	7.86	-
Meghmani Organics USA Inc	1,139.95	2,459.04	2,501.30
Meghmani Overseas FZE	-	-	(44.82)
Meghmani Unichem LLP	-	-	14.08
Navratan Speciality Chemical LLP	4.02	0.42	1.45
Pt Meghmani Organics Indonesia	-	-	30.53
Tapasheel Enterprise	-	-	1.38
Vidhi Global Chemicals Limited	348.00	295.20	-

NOTES TO THE FINANCIAL STATEMENTS

39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and Fair Values

The following table shows the carrying amounts and Fair Values of Financial Assets and Financial Liabilities, including their levels in the Fair Value hierarchy. It does not include Fair Value information for Financial Assets and Financial Liabilities not measured at Fair Value if the carrying amount is a reasonable approximation of Fair Value

(₹ in Lakhs)

	Carrying amount				Fair value			
March 31, 2017	Fair value through Profit and Loss	Fair value through Other Comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets measured at Amortised Cost								
Non-Current Investments	1.02	-	57.41	58.43	-	58.43	-	58.43
Other Financial Asset:-								
Non-Current	-	-	496.29	496.29	-	496.29	-	496.29
Current	-	-	5,787.32	5,787.32	-	-	-	-
Trade and Other Receivables	-	-	29,776.63	29,776.63	-	-	-	-
Cash and Cash Equivalents	-	-	105.33	105.33	-	-	-	-
Bank Balances (Other than above)	-	-	813.37	813.37	-	-	-	-
Loans	-	-	-	-	-	-	-	
Total Financial Assets	1.02	-	37,036.35	37,037.37	-	554.72	-	554.72
Financial Liabilities measured at Amortised Cost								
Borrowings:-								
Non-Current	-	-	7,698.11	7,698.11	-	7,698.11	-	7,698.11
Current	-	-	23,460.17	23,460.17	-	-	-	-
Trade and Other Payables	-	-	15,515.15	15,515.15	-	-	-	-
Other Financial Liabilities	-	-	4,569.48	4,569.48	-	-	-	-
Total Financial Liabilities	-	-	51,242.91	51,242.91	-	7,698.11	-	7,698.11

(₹ in Lakhs)

	Carrying amount				Fair value			
March 31, 2016	Fair value through Profit	Fair value through Other Comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets measured at Amortised Cost								
Non-Current Investments	1.02	-	57.41	58.43	-	58.43	-	58.43
Other Financial Asset:-								
Non-Current	-	-	418.20	418.20	-	418.20	-	418.20
Current	-	-	1,966.99	1,966.99	-	-	-	-
Trade and Other Receivables	-	-	29,486.37	29,486.37	-	-	-	-
Cash and Cash Equivalents	-	-	137.46	137.46	-	-	-	-
Bank Balances (Other than above)	-	-	830.96	830.96	-	-	-	-
Loans	-	-	413.42	413.42	-	-	-	-
Total Financial Assets	**1.02**	**-**	**33,310.81**	**33,311.83**	**-**	**476.63**	**-**	**476.63**
Financial Liabilities measured at Amortised Cost								
Borrowings:-								
Non-Current	-	-	10,334.45	10,334.45	-	10,334.45	-	10,334.45
Current	-	-	25,866.54	25,866.54	-	-	-	-
Trade and Other Payables	-	-	16,291.84	16,291.84	-	-	-	-
Other Financial Liabilities	-	-	4,059.11	4,059.11	-	-	-	-
Total Financial Liabilities	**-**	**-**	**56,551.94**	**56,551.94**	**-**	**10,334.45**	**-**	**10,334.45**

(₹ in Lakhs)

	Carrying amount				Fair value			
March 31, 2015	**Fair value through Profit and Loss**	**Fair value through Other Comprehensive income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets measured at Amortised Cost								
Non-Current Investments	1.02	-	54.91	55.93	-	55.93	-	55.93
Other Financial Asset:-								
Non-Current	-	-	552.82	552.82	-	552.82	-	552.82
Current	-	-	1,739.53	1,739.53	-	-	-	-
Trade and Other Receivables	-	-	23,605.63	23,605.63	-	-	-	-
Cash and Cash Equivalents	-	-	290.07	290.07	-	-	-	-
Bank Balances (Other than above)	-	-	841.14	841.14	-	-	-	-
Loans -	-		389.99	389.99	-	-	-	-
Total Financial Assets	**1.02**	**-**	**27,474.09**	**27,475.11**	**-**	**608.75**	**-**	**608.75**
Financial Liabilities measured at Amortised Cost								
Borrowings:-								
Non-Current	-	-	13,216.97	13,216.97	-	13,216.97	-	13,216.97
Current	-	-	19,728.45	19,728.45	-	-	-	-
Trade and Other Payables	-	-	12,524.38	12,524.38	-	-	-	-
Other Financial Liabilities	-	-	8,829.56	8,829.56	-	-	-	-
Total Financial Liabilities	**-**	**-**	**54,299.36**	**54,299.36**	**-**	**13,216.97**	**-**	**13,216.97**

"(1) Investment in Subsidiary/Associate carried at amortised cost. Fair Value of financial Assets and Liabilities are measured at Amortized cost is not materially different from the Amortized cost Furthers impact of time value of money is not Significant for the financial instrument classified as current. Accordingly fair value has not been disclosed seperately."

Types of inputs are as under:

Input Level I (Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an Equity Security on Security Exchanges

Input Level II (Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses etc.

Input Level III (Unobservable) which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.

B. Financial Risk Management:-

The Company has exposure to the following risks arising from financial instruments:

- Credit Risk ;
- Liquidity Risk ; and
- Market Risk

NOTES TO THE FINANCIAL STATEMENTS

Risk Management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's Risk Management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's Risk Management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Other Financial Assets

The Company maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.The derivatives are entered into with bank and financial institution counter parties, which are rated AA- to AA+, based on ratings

Trade Receivables

The Sales Department has established a Credit Policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. The Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Board of Directors.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Company may have a secured claim. The Company does not otherwise require collateral in respect of trade and other receivables.

Trade Receivables of the Company are typically unsecured ,except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collect ability of accounts receivables. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, as per management perceptions, loss on collection of receivable is not material hence no additional provision considered

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows:

(₹ in Lakhs)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Domestic	13,979.51	11,400.02	6,647.12
Other Region	15,797.12	18,086.35	16,958.51
Total	**29,776.63**	**29,486.37**	**23,605.63**

NOTES TO THE FINANCIAL STATEMENTS

Age of Receivables **(₹ in Lakhs)**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Neither due nor impaired	18,714.84	19,787.66	12,752.97
Past due 1–90 days	6,730.95	5,140.37	4,580.30
Past due 91–180 days	1,784.59	2,309.82	2,866.72
More than 180 days	2,546.25	2,248.52	3,405.64

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer Credit Risk, including underlying customers' Credit Ratings if they are available.

Management estimates that there are no instances of past due or impaired trade and other receivables.

ii. Liquidity Risk

Liquidity Risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in Lakhs)

31st March, 2017	Contractual Cash Flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from banks						
HDFC Bank Limited	2,400.00	2,400.00	600.00	600.00	1,200.00	-
SBI Limited	7,909.17	7,909.17	1,984.17	2,050.00	3,875.00	-
Working Capital Loans from Banks	23,460.17	23,460.17	23,460.17	-	-	-
Trade and Other Payables	15,515.15	15,515.15	15,515.15	-	-	-

(₹ in Lakhs)

31st March, 2016	Contractual Cash Flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from banks						
HDFC Bank Limited	3,000.00	3,000.00	600.00	600.00	1,800.00	-
SBI Limited	9,945.51	9,945.51	1,970.51	2,050.00	5,925.00	-
Working Capital Loans from Banks	25,866.54	25,866.54	25,866.54	-	-	-
Trade and Other Payables	16,291.84	16,291.84	16,291.84	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Derivative Financial Liabilities			
Forward exchange contracts used for hedging	**31.03.2017**	**31.03.2016**	**01.04.2015**
- Outflow - USD in Lakhs	37.50	-	122.50
- Inflow	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted Cash Flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels

Interest Rate Risk

Interest Rate Risk is the risk that the fair value or future Cash Flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Exposure to Interest Rate Risk

The Company's Interest Rate Risk arises from borrowings obligations. Borrowings issued exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:-

	(₹ in Lakhs)	
Variable-Rate Instruments	**31st March, 2017**	**31st March, 2016**
Non Current - Borrowings	7,698.11	10,334.45
Current portion of Long Term Borrowings	2,611.06	2,611.06
Total	**10,309.17**	**12,945.51**

Cash Flow Sensitivity Analysis For Variable-Rate Instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in Lakhs)

Particulars	Profit or Loss		Equity, Net of Tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31st March, 2017				
Non Current - Borrowings	(76.98)	76.98	(50.34)	50.34
Current portion of Long Term Borrowings	(26.11)	26.11	(17.07)	17.07
Total	(103.09)	103.09	(67.41)	67.41
31st March, 2016				
Non Current - Borrowings	(103.34)	103.34	(67.58)	67.58
Current portion of Long Term Borrowings	(26.11)	26.11	(17.07)	17.07
Total	(129.46)	129.46	(84.65)	84.65

NOTES TO THE FINANCIAL STATEMENTS

Financial instruments – Fair Values and Risk Management

iii. Market Risk

Market Risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency Risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The Company does not use derivative financial instruments for trading or speculative purposes.

Category	Instrument	Currency	Cross Currency in Lakhs	Amounts USD in Lakhs	Buy/Sell
Hedges of highly probable forecasted transactions	Forward contract	USD	INR 2431.88	USD 37.50	Sell

Exposure to Currency Risk

The currency profile of Financial Assets and Financial Liabilities with exposure to foreign currency risk at the end of the reporting period expressed in rupees, are as follows

(₹ in Lakhs)

	March 31, 2017 USD	March 31, 2017 EURO	March 31, 2017 SGD	March 31, 2017 AED
Financial Assets				
Non-Current Investments	263.00	-	-	4.56
Trade and Other Receivables	14,670.48	785.21	-	-
Less - Forward Contract For Selling Foreign Currency	(2,431.88)	-	-	-
Total	**12501.60**	**785.21**	**-**	**4.56**
Financial Liabilities				
Short Term Borrowings	1,130.81	-	-	-
Trade and Other Payables	811.67	41.46	-	-
Less - Forward Contract For Buying Foreign Currency	(158.06)	-	-	-
Total	**1,784.42**	**41.46**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	31st March, 2016 USD	31st March, 2016 EURO	31st March, 2016 SGD	31st March, 2016 AED
Financial Assets				
Non-Current Investments	263.00	-	-	4.56
Short-Term Loans and Advances	413.42	-	-	-
Trade and Other Receivables	17,007.76	847.99	-	-
Total	**17684.18**	**847.99**	**-**	**4.56**
Financial Liabilities				
Trade and Other Payables	993.91	8.85	4.43	-
Total	**993.91**	**8.85**	**4.43**	**-**

(₹ in Lakhs)

	1st April, 2015 USD	1st April, 2015 EURO	1st April, 2015 SGD	1st April, 2015 AED
Financial Assets				
Non-Current Investments	263.00	811.44 -	4.56	
Short-Term Loans and Advances	389.99	-	-	-
Trade and Other Receivables	14,350.32	2,399.41	-	-
Less - Forward Contract For Selling Foreign Currency	(7,656.25)	(134.38)	-	-
Total	**7347.06**	**3,076.47**	**-**	**4.56**
Financial Liabilities				
Trade and Other Payables	1,366.33	2.14	4.29	-
Total	**1,366.33**	**2.14**	**4.29**	**-**

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or (Loss)		Equity, Net of Tax	
Effect in (₹ in Lakhs)	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31st March, 2017				
3% movement				
USD	321.52	(321.52)	210.25	(210.25)
EUR	22.31	(22.31)	14.59	(14.59)
SGD	-	-	-	-
AED	0.14	(0.14)	0.09	(0.09)

NOTES TO THE FINANCIAL STATEMENTS

	Profit or (Loss)		Equity, Net of Tax	
Effect in (₹ in Lakhs)	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31st March, 2016				
3% movement				
USD	500.71	(500.71)	327.42	(327.42)
EUR	25.17	(25.17)	16.46	(16.46)
SGD	(0.13)	0.13	(0.09)	0.09
AED	0.14	(0.14)	0.09	(0.09)

40 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

PARTICULARS	(₹ in Lakhs)	
	As at 31st March, 2017	**As at March 31, 2016**
Total Interest bearing liabilities	33,769.34	38,812.05
Less : Cash and Cash Equivalent	105.33	137.46
Adjusted Net Debt	**33,664.01**	**38,674.59**
Total Equity	63,291.00	59,159.59
Adjusted Equity	**63,291**	**59159.59**
Adjusted Net Debt to adjusted Equity ratio	0.53	0.65

41 Transition to Ind AS:

"These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements for the year ended 31st March, 2016 and in the preparation of an opening Ind AS Balance Sheet at 1st April, 2015 (the Company's date of transition).

In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and Cash Flows is set out in the following tables and notes"

Exemption applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

NOTES TO THE FINANCIAL STATEMENTS

Optional exemption

(i) Deemed cost- Fair value of Property, Plant and Equipment (PPE)

The Company has elected to measure all the items of PPE, intangible assets and investment property at its Indian GAAP carrying values which shall be the deemed cost as at the date of transition. As per Frequently Asked Questions (FAQs) issued by Accounting Standards Board (ASB) by Ind AS Transition Facilitation Group of Ind AS (IFRS) Implementation Committee of ICAI, deemed cost, is the amount used as a surrogate for the cost or depreciated cost and for the purpose of subsequent depreciation or amortisation, deemed cost becomes the cost as the starting point. Information regarding gross block of assets, accumulated depreciation and provision for impairment under Indian GAAP has been disclosed by way of a note forming part of the financial statements.

(ii) Investments in Subsidiaries, Joint Ventures and Associates

"Under, Ind AS 101 an entity can determine the value of investment in a Subsidiary, Associate or Joint ventures as either of the below:- Cost determined in accordance with Ind AS 27 (i.e. retrospective application of Ind AS 27)- Fair value at the entity's date of transition to Ind AS- Previous GAAP carrying amount Accordingly, if an entity chooses to measure its investment at fair value at the date of transition then that is deemed to be cost of such investment for the Company and, therefore, it shall carry its investment at that amount (i.e. fair value at the date of transition) after the date of transition. The Company has elected to carry forward the previous GAAP amounts as the deemed cost for investment in equity shares of Subsidiary, Associates and Joint Ventures in the Standalone Financial Statements."

Mandatory Exemption

(i) Hedge Accounting

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Under Indian GAAP, there is no mandatory standard that deals comprehensively with hedge accounting, which has resulted in the adoption of varying practices. The Company has designated various economic hedges and applied economic hedge accounting principles to avoid profit or loss mismatch. All the hedges designated under Indian GAAP are of types which qualify for hedge accounting in accordance with Ind AS 109 also. Moreover, the Company, before the date of transition to Ind AS, has designated a transaction as hedge and also meets all the conditions for hedge accounting in Ind AS 109. Consequently, the Company continues to apply hedge accounting after the date of transition to Ind AS.

(ii) Estimates

On an assessment of the estimates made under Indian GAAP the Company has concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by Indian GAAP or the basis of measurement were different.

(iii) Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of Financial Assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of Equity as at 1st April, 2015

	(₹ in Lakhs)			
	Foot Note	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		38,558.50	-	38,558.50
Capital Work-in-Progress		486.96	-	486.96
Other Tangible Assets		230.59	-	230.59
Intangible Assets under development		1,072.07	-	1,072.07
Investments in Subsidiary / Associate	1	13,803.25	(600.00)	13,203.25
Financial Assets				
Non-Current Investments		55.93	-	55.93
Other Non Current Financial Assets	2	536.42	16.40	552.82
Other Non-Current Assets		129.28	-	129.28
Total Non Current Assets		**54,873.00**	**(583.60)**	**54,289.40**
Current Assets				
Inventories	3	18,082.20	5,974.46	24,056.66
Financial Assets				
Trade and Other Receivables	3	30,260.39	(6,654.76)	23,605.63
Cash and Cash Equivalents	2	278.90	11.17	290.07
Bank Balances other than above	2	841.84	(0.70)	841.14
Loans		389.99	-	389.99
Other Current Financial Assets	2,10	2,146.41	(406.88)	1,739.53
Current Tax Assets (Net)		1,440.04	-	1,440.04
Other Current Assets		7,152.19	-	7,152.19
Total Current Assets		**60,591.96**	**(1,076.71)**	**59,515.25**
TOTAL ASSETS		**1,15,464.96**	**(1,660.31)**	**1,13,804.65**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		2,543.14	-	2,543.14
Other Equity	11	54,052.78	(781.79)	53,270.99
Total Equity		**56,595.92**	**(781.79)**	**55,814.13**
Non Current Liabilities				
Financial Liabilities				
Long Term Borrowings	4	13,350.00	(133.03)	13,216.97
Long Term Provisions		213.77	-	213.77
Deferred Tax Liabilities(Net)	10	2,746.42	(476.21)	2,270.21
Total Non Current Liabilities		**16,310.19**	**(609.24)**	**15,700.95**
Current Liabilities				
Financial Liabilities				
Short Term Borrowings		19,728.45	-	19,728.45
Trade Payables	3	12,766.24	(241.86)	12,524.38
Other Financial Liabilities	4	8,856.98	(27.42)	8,829.56
Other Current Liabilities		1,012.50	-	1,012.50
Short Term Provisions		121.94	-	121.94
Current Tax Liabilities (Net)		72.74	-	72.74
Total Current Liabilities		**42,558.85**	**(269.28)**	**42,289.57**
Total Liabilities		**58,869.04**	**(878.52)**	**57,990.52**
TOTAL EQUITY AND LIABILITIES		**1,15,464.96**	**(1,660.31)**	**1,13,804.65**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of Equity as at 31st March, 2016

	(₹ in Lakhs)			
	Foot Note	**Amount as per previous GAAP***	**Effects of transition to Ind AS**	**Amount as per Ind AS**
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		37,098.02	-	37,098.02
Capital Work-in-Progress		1,532.69	-	1,532.69
Other Intangible Assets		1,203.75	-	1,203.75
Intangible Assets under development		718.21	-	718.21
Investments in Subsidiary /Associate	1,5	12,991.81	(565.76)	12,426.05
Financial Assets				
Non-Current Investments		58.43	-	58.43
Other Non Current Financial Assets	2	398.25	19.95	418.20
Other Non-Current Assets		84.52	-	84.52
Total Non Current Assets		54,085.68	(545.81)	53,539.87
Current Assets				
Inventories	3	19,001.80	7,385.37	26,387.17
Financial Assets:-				
Trade and Other Receivables	3	38,051.28	(8,564.91)	29,486.37
Cash and Cash Equivalents	2	137.46	-	137.46
Bank Balances other than above	2	830.96	-	830.96
Loans		413.42	-	413.42
Other Current Financial Assets	2,10	2,261.93	(294.94)	1,966.99
Current Tax Assets (Net)		1,878.73	-	1,878.73
Other Current Assets		5,065.70	-	5,065.70
Total Current Assets		67,641.28	(1,474.48)	66,166.80
TOTAL ASSETS		1,21,726.96	(2,020.29)	1,19,706.67
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		2,543.14	-	2,543.14
Other Equity	11	57,776.07	(1,159.62)	56,616.45
Total Equity		60,319.21	(1,159.62)	59,159.59
Non Current Liabilities				
Financial Liabilities				
Long Term Borrowings	4	10,375.00	(40.55)	10,334.45
Long Term Provisions		372.52	-	372.52
Deferred Tax Liabilities(Net)	10	2,959.39	(571.17)	2,388.22
Total Non Current Liabilities		**13,706.91**	**(611.72)**	**13,095.19**
Current Liabilities				
Financial Liabilities				
Short Term Borrowings		25,866.54	-	25,866.54
Trade Payables	3	16,501.85	(210.01)	16,291.84
Other Financial Liabilities	4	4,098.05	(38.94)	4,059.11
Other Current Liabilities		1,180.22	-	1,180.22
Short Term Provisions		4.97	-	4.97
Current Tax Liabilities (Net)		49.21	-	49.21
Total Current Liabilities		**47,700.84**	**(248.95)**	**47,451.89**
Total Liabilities		**61,407.75**	**(860.67)**	**60,547.08**
TOTAL EQUITY AND LIABILITIES		**1,21,726.96**	**(2,020.29)**	**1,19,706.67**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

Statement of Profit and Loss for the year ended on 31st March 2016

			(₹ in Lakhs)	
	Foot Note	**Amount as per previous GAAP***	**Effects of transition to Ind AS**	**Amount as per Ind AS**
Income				
Net Revenue from Operation	3,6	98,696.34	4,320.22	1,03,016.56
Other Income		2,401.31	-	2,401.31
Total Income		**1,01,097.65**	**4,320.22**	**1,05,417.87**
Expenditure				
Raw Materials Consumption		53,348.29	-	53,348.29
Trading Purchases		4,345.36	-	4,345.36
(Increase)/Decrease in Stock	3	(1,294.20)	(1,410.91)	(2,705.11)
Employees Emoluments	7	4,313.94	7.17	4,321.11
Financial Expenses	4,5	4,084.14	46.71	4,130.85
Depreciation		3,618.67	-	3,618.67
Excise Duty on Sales	6	-	7,105.27	7,105.27
Other Expenses	3,6	26,318.12	(843.06)	25,475.06
Total Expenditure		**94,734.32**	**4,905.18**	**99,639.50**
Profit Before Exceptional Items & Tax		**6,363.33**	**(584.96)**	**5,778.37**
Exceptional Items		811.44	-	811.44
Profit Before Tax		**5,551.89**	**(584.96)**	**4,966.93**
Current Tax (Net of MAT Credit)		1,290.00	-	1,290.00
Payment of tax of earlier years		38.88	-	38.88
Deferred Tax	10	212.96	(202.44)	10.52
Profit for the year from Continuing Operation		**4,010.05**	**(382.52)**	**3,627.53**
Share of Profit in Associate			**-**	**-**
Minority Interest			-	-
Less: Prior Period Expenses		**-**	**-**	
Profit Available for Appropriation		**4,010.05**	**(382.52)**	**3,627.53**
Other Comprehensive Income				
A (i) Items that will not be reclassified to Profit or Loss	8	-	7.17	7.17
(ii) Income Tax related items that will not be reclassified to Profit or Loss	8	-	(2.48)	(2.48)
B (i) Items that will be reclassified to Profit or Loss		-	-	-
(ii) Income Tax related items that will be reclassified to Profit or Loss		-	-	-
Total Comprehensive Income			4.69	4.69
Total Profit		**4,010.05**	**(377.83)**	**3,632.22**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Reconciliation:

1. **Impairment of Investment**

   The Company has shown investment in Latasha Exports Limited of ₹ 600 Lakhs However, the investments is fully impaired and hence, the Company has provided for the same. As a result of this the net worth of the Company decreased by ₹ 600 Lakhs as on 1st April 2015, with a corroesponding impact of the same amount on the value of investment.

2. **Interest Accrued but not due**

   Under Indian GAAP, the Company has invested in fixed deposits with the banks & the interest is accrued on the same at each reporting date. Under Ind AS Fixed Deposits are to be reported at amortised cost with reclassification of interest accrued but not due with fixed deposits. This has resulted in increase of non current financial assets by ₹ 15.00 Lakhs Cash and Cash Equivalent by ₹ 11.17 Lakhs and other bank balances by ₹ 0.70 Lakhs with a corresponding decrease in other current assets as on 1st April 2015. As on 31st March 2016 Other Current Assets increased by ₹ 1.51 Lakhs, Cash and cash equivalent increased by ₹ 15.22 Lakhs and other bank balances increased by ₹ 0.76 Lakhs with resultant decrease in other Current Assets by ₹ 17.49 Lakhs

3. **Deferral of Sales**

   Under Ind AS, revenue is recognised on transfer of significant risk and rewards to the customer with the seller retaining no continuing managerial involvement in the goods. This requires careful consideration of the sales delivery terms. On account of this, the sales made on CIF/DDU basis, which were recorded on bill of lading date under IGAAP, have been deferred with the corresponding inventory and sales deferral account being recognised. Also the related cost incurred for freight and ther purposes is to be reversed. This has resulted in increase in inventory by ₹ 738,537 Lakhs and 5974.46 Lakhs as on 31st March 2016 and 1st April 2015 respectively. The value of trade receiveables decreased by ₹ 8564.91 Lakhs and ₹ 6654.77 Lakhs as on 31st March 2016 and 1st April 2015 respectively. Due to reversal of related cost the trade paybles have reduced by ₹ 210.01 Lakhs and ₹ 241.86 Lakhs as on 31st march 2016 and 1st April 2015 respectively. Also Sales for the year ended 31st March 2016 has decresed by ₹ 1910.14 Lakhs.

4. **Interest bearing Loans and Borrowings**

   Under Indian GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are amortised upfront and charged to Profit or Loss for the period. Under Ind-AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. This has resulted in decrease in long term borrowing by ₹ 40.55 Lakhs and ₹133.03 Lakhs as on 31st March 2016 and 1st April 2015 respectively. Other Current Financial Liablities decreased by ₹ 38.94 Lakhs and ₹ 27.42 Lakhs as on 31st March 2016 and 1st April 2015 respectively. Also finance cost for the year ended 31st march 2016 has increased by ₹ 46.71 Lakhs.

5. **Financial Guarantee Contract**

   The Company had issued Corporate Guarantee for its subsidiary. Under IGAAP this was disclosed as a contigent liablility. Under Ind AS, issuer is required to recognise financial guarentee contract at fair value. As no payment from the subsidiary to the parent are agreed for such a guarantee, the Company has provided the guarantee in its capacity as a shareholder and has accounted for the issuance of the guarantee as a capital contribution to the Subsidiary. As the Company had opted for exemption under Ind AS 101 for value of investment in Subsidiaries, Joint Venture and Associates, there is no impact on the date of transition. For the year ending 31st March 2016, the Company has increased the value of investment in the subsidiary by ₹ 34.24 Lakhs with a corresponding decrease in the finance cost.

6. **Sale of Goods**

   Under Indian GAAP, Sale of Goods was presented as net of excise duty. However, under Ind AS, Sale of Goods includes excise duty. Excise duty on Sale of Goods is separately presented on the face of statement of Profit and Loss. Also under Indian GAAP cash incentives given to customer in the form of rebates and discount was accounted as other expense. Under Ind AS these are required to be netted off from revenue. Accordingly the rebates and cash discounts totalling to ₹ 874.91 Lakhs has been netted off from revenue. Also Excise duty on Sales of ₹ 7105.27 Lakhs is grossed up.

7. **Employee Benefits**

   Under Ind AS, the Company recognises all remeasurement gains and losses arising from defined benefit plans in Other Comprehensive Income in the period in which they occur. Under Indian GAAP the Company recognised actuarial gains and losses in the statement of profit or loss in the period in which they occur. this has resulted in the increase of employee emoluments by ₹ 7.17 Lakhs for the year ended 31st March 2016. Further, this reclassification has no impact on the total comprehensive income for the year ended 31 March 2016 and on Equity as at that date.

8. **Other Comprehensive Income**

   Under Indian GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled Indian GAAP Profit or Loss to Ind AS Profit or Loss. Further, Indian GAAP Profit or Loss is reconciled to total Comprehensive Income as per Ind AS.

NOTES TO THE FINANCIAL STATEMENTS

9. Statement of Cash Flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of Cash Flows.

10. Deferred Tax

Indian GAAP requires Deferred Tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Further, the Company has recognised MAT Credit entitlement as deferred tax assets.

Deferred Tax :

The above changes in Deferred Tax Liability is as follows:

	(₹ in Lakhs)		
Particulars	**Note**	**31st March, 2016**	**31st March, 2015**
For straightlining of processing fees paid	4	27.51	55.53
For reversal of Selling & Distribution cost incurred on Sales reversed	3	72.68	83.70
For deferment of Sales made on CIF/DDU basis	3	(408.21)	(235.44)
For reclassification of MAT Credit		(275.00)	(380.00)
For recognising notional income for Corporate Guarantee	5	11.85	-
Total		**(571.17)**	**(476.21)**

11. Reconciliation of Equity

The impact of the above Ind AS adjustment on the Equity is as below.

	(₹ in Lakhs)		
Particulars	**Note**	**31st March, 2016**	**31st March, 2015**
Indian GAAP Equity		**60,319.21**	**56,595.92**
For straightlining of processing fees paid	4	79.49	160.45
For impairing Investment in Latasha Exports Ltd	1	(600.00)	(600.00)
For reversal of Selling & Distribution cost incurred	4	210.01	241.86
For deferment of Sales made on CIF/DDU basis	3	(1,179.53)	(680.31)
For recognising notional income for Corporate Guarantee	5	34.24	-
For Deferred Tax on adjustments on above	10	296.17	96.21
Net Impact on Retained Earnings		**(1,159.62)**	**(781.79)**
Ind AS Equity		**59,159.59**	**55,814.13**

Signature to Notes 1 to 41

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN - 107647W
M. M. KHANDWALA
PARTNER
M. NO.: 32472

Raj Kumar Mehta
Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad
Date : 22nd May 2017

FOR AND ON BEHALF OF THE BOARD

J.M.PATEL - Executive Chairman (DIN - 00027224)
A.N.SOPARKAR - Managing Director (DIN - 00027480)
N.M.PATEL - Managing Director (DIN - 00027540)

Place : Ahmedabad
Date : 22nd May 2017

CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MEGHMANI ORGANICS LIMITED

Report on the Consolidated Indian Accounting Standard (IND AS) Financial Statements

We have audited the accompanying Consolidated Financial Statements of MEGHMANI ORGANICS LIMITED ("hereafter referred to as the Holding Company") and its Subsidiaries (collectively referred to as Group) and its jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss(including Other Comprehensive Income), the Consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records(hereafter referred to as " The Consolidated Financial Statement").

Management's Responsibility for the Consolidated IND AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group and Jointly controlled entities in accordance with the accounting principles Generally Accepted in India, including the Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015(as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by the Institute of Chartered Accountant of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

(a) Financial Statement of one subsidiary which reflect total assets of ₹ 52215.11 Lakhs as at 31st March, 2017, total revenue ₹ 39712.78 Lakhs and net Cash Flow amounting to (₹ 47.99 Lakhs) for the year ended as at 31st March, 2017, have been audited by us.

(b) We did not audit the financial statement of one subsidiary, whose financial statements reflects total asset of ₹ 1283.98 Lakhs as at 31st March, 2017, total revenue ₹ 4536.29 Lakhs and net Cash Flow amounting to ₹ 38.47 Lakhs for the year ended as at 31st March, 2017,as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries and our report in terms of sub Section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries , is based solely on the reports of the other auditors.

c) We did not audit the financial statements of three subsidiaries, whose financial statement reflects total assets of ₹ 920.69 Lakhs total revenue of ₹ 85.19 Lakhs and net Cash Flow amounting to (₹ 26.38 Lakhs) for the year ended as at 31st March, 2017, as considered in the consolidated financial statements. These financial statements are Unaudited and have been furnished to us by the Management as approved by the respective Board of Directors of these companies and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries and our report in terms of sub Section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

(d) The comparative financial information of the Company for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April 2015 included in these Consolidated Financial Statements, are based on the previously issued statutory financial statements for the years ended 31st March, 2016 and 31st March, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us , on which we expressed an unmodified opinion dated 28th May, 2016 and 22nd May, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition have been audited by us.

As required by Section 143(3) of the Act, we report, to the extent applicable that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

INDEPENDENT AUDITORS' REPORT

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India none of the directors of the Group companies is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2)of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations as at 31st March, 2017 on the Consolidated Financial position of the Group.

ii. Provisions has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at 31st March, 2017.

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies incorporated in India during the year ended March 31, 2017.

iv. In the Consolidated Financial Statements, holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 by the Holding Company and its Subsidiary companies in India has been requisitely disclosed, on the basis of information available with the Company. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and its Subsidiary Companies incorporated in India and as produced to us by the Management.

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN 107647W
M.M.KHANDWALA
PARTNER
M.NO.: 32472

Place: Ahmedabad
Date: 22nd May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

PARTICULARS	Note No.	(₹ in Lakhs)		
		31st March 2017	31st March 2016	1st April 2015
I. ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	2.1	76,885.05	72,326.34	77,875.84
(b) Capital Work-in-Progress	2.3	965.85	8,481.36	1,215.62
(c) Intangible Assets	2.2	928.62	1,210.06	262.88
(d) Intangible Assets under development	2.4	944.68	718.21	1,072.07
(e) Investments in Subsidiary /Associate	3	-	-	-
(f) Financial Assets				
(i) Investments	4	58.53	58.53	56.03
(ii) Financial Assets	5	1,034.85	1,438.65	2,232.06
(g) Other Assets	6	542.54	527.73	656.87
Total Non-Current Assets		**81,360.12**	**84,760.88**	**83,371.37**
(2) Current Assets				
(a) Inventories	7	24,168.07	31,257.74	26,794.39
(b) Financial Assets				
(i) Investments	8	2,852.70	-	1,760.00
(ii) Trade Receivables	9	33,091.02	32,693.37	25,843.08
(iii) Cash and Cash Equivalents	10	206.10	271.35	727.87
(iv) Bank Balances other than (ii) above	11	813.37	830.96	841.14
(v) Other Financial Assets	12	5,800.08	1,971.85	1,756.17
(c) Current Tax Assets (Net)	13	1,792.52	1,667.58	1,485.06
(d) Other Assets	14	7,802.38	5,899.70	7,844.59
Total Current Assets		**76,526.24**	**74,592.55**	**67,052.30**
TOTAL ASSETS		**1,57,886.36**	**1,59,353.43**	**1,50,423.67**
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	15	2,543.14	2,543.14	2,543.14
(b) Other Equity	16	69,302.30	60,580.86	51,533.64
Equity attributable to Equity Holders of the Parent Company		**71,845.44**	**63,124.00**	**54,076.78**
Non-controlling interests	16	15,474.01	12,629.50	9,752.58
Total Equity		**87,319.45**	**75,753.50**	**63,829.36**
(2) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	12,170.99	21,677.28	31,004.81
(ii) Other Financial Liabilities	18	15.55	83.75	215.78
(b) Provisions	19	438.81	397.48	220.17
(c) Deferred Tax Liabilities (Net)	20	2,851.42	2,666.76	2,326.30
Total Non-Current Liabilities		**15,476.77**	**24,825.27**	**33,767.06**
(3) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	24,961.21	26,778.99	19,728.45
(ii) Trade Payables	22	16,346.19	17,794.38	14,121.13
(iii) Other Financial Liabilities	23	11,921.63	12,495.34	17,475.59
(b) Other Current Liabilities	24	1,307.92	1,645.13	1,303.22
(c) Provisions	25	11.09	11.61	125.82
(d) Current Tax Liabilities (Net)	26	542.10	49.21	73.04
Total Current Liabilities		**55,090.14**	**58,774.66**	**52,827.25**
Total Liabilities		**70,566.91**	**83,599.93**	**86,594.31**
TOTAL EQUITY AND LIABILITIES		**1,57,886.36**	**1,59,353.43**	**1,50,423.67**
Significant Accounting Policies	1			
Notes forming part of accounts	1 to 44			

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN - 107647W
M. M. KHANDWALA
PARTNER
M. NO.: 32472

Raj Kumar Mehta
Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad
Date : 22nd May, 2017

FOR AND ON BEHALF OF THE BOARD

J.M.PATEL - Executive Chairman (DIN - 00027224)
A.N.SOPARKAR - Managing Director (DIN - 00027480)
N.M.PATEL - Managing Director (DIN - 00027540)

Place : Ahmedabad
Date : 22nd May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2017

PARTICULARS	Note No.	(₹ in Lakhs) 31st March 2017	31st March 2016
Income			
I Revenue From Operations	**27**	1,54,627.67	1,45,301.59
II Other Income	**28**	1,241.73	2,546.66
III Total Income (I+II)		**1,55,869.40**	**1,47,848.25**
IV Expenses			
Cost of Materials Consumed	**29**	70,009.71	68,650.31
Purchase of Traded Goods		2,929.09	5,049.21
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	**30**	6,457.67	(2,999.58)
Employee Benefits Expenses	**31**	6,479.36	5,790.18
Finance Costs	**32**	5,088.83	6,310.66
Depreciation and Amortization Expenses	**2**	9,072.37	7,676.00
Excise Duty on Sales		12,333.99	12,084.29
Other Expenses	**33**	27,541.13	30,646.43
Total Expenses (IV)		**1,39,912.15**	**1,33,207.50**
V Profit / (Loss) Before Exceptional Items & Tax (III-IV)		**15,957.25**	**14,640.75**
VI Exceptional Items	**34**	381.06	-
VII Profit / (Loss) Before Tax (V-VI)		15,576.19	14,640.75
VIII Tax Expenses	**35**		
1 Current Tax		3,976.93	3,214.87
2 Deferred Tax		(72.45)	243.34
3 Adjustment of Tax For Earlier Years		50.76	54.16
IX Profit / (Loss) for the period from Continuing Operations (VII-VIII)		**11,620.95**	**11,128.38**
X Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss - Reasurement of post employment benefit obligation		(51.67)	3.08
(ii) Income tax related to items that will not be reclassified to Profit or Loss		17.88	(1.07)
B (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax related to items that will be reclassified to Profit or Loss		-	-
XI Total Comprehensive Income		**(33.79)**	**2.01**
XII Total Comprehensive Income For The Year (X + XI) Comprising Profit (Loss) and other Comprehensive Income For The Year)		**11,587.16**	**11,130.39**
Profit Attributable to:			
Owners of the Company		8,770.38	8,250.32
Non-Controlling Interests		2,850.57	2,878.06
Other Comprehensive Income Attributable to:			
Owners of the Company		(27.74)	3.16
Non-Controlling Interests		(6.05)	(1.15)
Total Comprehensive Income Attributable to:			
Owners of The Company		8,742.64	8,253.48
Non-Controlling Interests		2,844.52	2,876.91
XIII Earnings Per Equity Share of Re 1 each			
1 Basic		3.45	3.24
2 Diluted		3.45	3.24
Significant Accounting Policies	**1**		
Notes forming part of Accounts	**1 to 44**		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN - 107647W
M. M. KHANDWALA
PARTNER
M. NO.: 32472

Raj Kumar Mehta
Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad
Date : 22nd May, 2017

FOR AND ON BEHALF OF THE BOARD

J.M.PATEL - Executive Chairman (DIN - 00027224)
A.N.SOPARKAR - Managing Director (DIN - 00027480)
N.M.PATEL - Managing Director (DIN - 00027540)

Place : Ahmedabad
Date : 22nd May, 2017

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
A. Cash Flow from Operating Activities		
Net Profit Before Tax	15,576.18	14,640.75
Adjustment for :		
Depreciation	9,072.37	7,676.00
Unrealised Foreign Exchange	965.35	(112.01)
Mark to Market Loss on Derivative	(128.43)	(1,364.94)
Liability no longer Required	(231.28)	(2.34)
Actuarial Valuation of Gratuity	(51.67)	3.08
Interest and Finance Charges	5,088.83	6,310.66
Interest Received	(309.51)	(297.10)
Bad Debts Written off	72.98	1,744.82
Loss Due to Fire	381.06	-
Sundry Balance Written off	20.81	-
(Profit) / Loss on Sale of Investment	(52.70)	(31.45)
(Profit) / Loss on Sale of Fixed Assets (Net)	5.34	13.98
Operating Profit Before Working Capital Changes	**30,409.33**	**28,581.45**
Adjustment for:		
Inventories	6,852.04	(4,463.35)
Trade Receivables	(470.63)	(8,595.10)
Short Term Loans and Advances	(3.26)	(1.81)
Other Current Financial Assets	(3,724.62)	(314.43)
Other Current Assets	(1,880.77)	1,970.63
Other Non-Current Financial Assets	(83.91)	130.44
Other Non-Current Assets	(8.65)	44.76
Trade Payables	(1,977.00)	4,637.38
Other Current Financial Liabilities	874.33	1,074.79
Other Current Liabilities	(337.21)	341.91
Provisions	41.14	63.09
Sub Total	**(718.54)**	**(5,111.69)**
Cash Generated from Operation	**29,690.79**	**23469.76**
Direct Taxes Paid (Net)	(3,359.47)	(3,381.73)
Net Cash from Operating Activities	**26,331.32**	**20,088.03**
B. Cash Flow from Investment Activities		
Purchase of Fixed Assets	(6,990.36)	(9,461.81)
Interest Received	259.92	299.91
Purchase of Mutual Fund	(2,800.00)	-
Sales of Mutual Fund	-	1,782.49
Investment in Others	-	(2.50)
Sale of Tangible Assets	47.94	116.34
Net Cash Used in Investing Activities	**(9,482.50)**	**(7,265.57)**

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
C. Cash Flow from Finance Activities		
Dividend & Interim Dividend paid	-	(762.94)
Dividend Distribution Tax	-	(155.32)
Interest and Finance Charges Paid	(5118.81)	(6,469.76)
Short Term Borrowings	(1,846.54)	(1,426.45)
Proceeds from Other Borrowing	30,000.00	19,699.00
Repayment of Other Borrowing	(29,977.00)	(11,222.00)
Repayment of Non Convertible Debentures	-	(5,000.00)
Proceeds from Bank Borrowing (Term Loan)	-	10,675.00
Repayment of Bank Borrowing (Term Loan)	(9,425.12)	(18,719.87)
Net Cash Used in Finanacing Activities	**(16,367,47)**	**(13,382.34)**
Net (Decrease)/ Increase in Cash and Cash Equivalent	**481.35**	**(559.88)**
Cash on Hand -Opening Balance	**271.35**	**727.87**
Cash on Hand -Closing Balance	**752.70**	**167.99**
Reconciliation of Cash and Cash Equivalent:-		
Total Cash & Bank Balance as per Balance Sheet	**206.10**	**271.35**
Cash and Cash Equivalent Comprises as under :		
Balance with Banks in Current Accounts	196.11	249.43
Cash on Hand	9.98	21.92
Cash and Cash Equivalents	206.09	271.35
Net effect of Unrealised Exchange Difference	546.61	(103.36)
Cash & Cash Equivalent at the end of the year	752.70	167.99

Notes to the Cash Flow statement for the year ended on 31.03.2017

(1) Figures in brackets indicate cash outgo.

(2) The previous year figures have been regrouped/restated where ever necessary to confirm to this year's classification.

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN - 107647W
M. M. KHANDWALA
PARTNER
M. NO.: 32472

Raj Kumar Mehta
Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad
Date : 22nd May, 2017

FOR AND ON BEHALF OF THE BOARD

J.M.PATEL - Executive Chairman (DIN - 00027224)
A.N.SOPARKAR - Managing Director (DIN - 00027480)
N.M.PATEL - Managing Director (DIN - 00027540)

Place : Ahmedabad
Date : 22nd May, 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 ST MARCH, 2017

(₹ in Lakhs)

(a) Equity Share Capital	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	25,43,14,211	2,543.14	25,43,14,211	2,543.14	25,43,14,211	2,543.14
Changes in Equity Share Capital during the year	-	-	-	-	-	-
Balance at the end of the reporting period	25,43,14,211	2,543.14	25,43,14,211	2,543.14	25,43,14,211	2,543.14

(₹ in Lakhs)

(b) Other Equity			Attributable to the Equity Holders of the parent					Items of Other Comprehensive Income	Total other Equity	Non-controlling interests	Total Equity
			Reserves & Surplus								
Particulars	Capital Reserve	Securities Premium Account	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective portion of Cash Flow Hedges			
Balance at April 1, 2015	35.18	15,650.48	184.33	1,116.51	7,430.58	26,992.58	748.65	(624.68)	51,533.64	9,752.58	61,286.22
Profit for the year	-	-	-	-	-	8,250.32	-	-	8,250.32	-	8,250.32
Other Comprehensive Income for the year	-	-	-	-	-	3.16	-	-	3.16	-	3.16
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**8,253.48**	**-**	**-**	**8,253.48**	**-**	**8,253.48**
								-	-	-	
Cash Dividends	-	-	-	-	-	(762.94)	-	-	(762.94)	-	(762.94)
Dividend Distribution Tax (DDT)	-	-	-	-	-	(155.32)	-	-	(155.32)	-	(155.32)
(Addition) / Deduction during the year	-	-	-	-	-	-	(7.36)	597.95	590.59	2,876.92	3,467.51
Receivable written off in Standalone and now accounted for Consolidation	-	-	-	-	-	1,121.41	-	-	1,121.41	-	1,121.41
Transfer from Retained Earning to Debenture Redemption Reserve	-	-	-	133.49	-	(133.49)	-	-	-	-	-
Transfer from Debenture Redemption Reserve to General Reserve	-	-	-	(1,250.00)	1,250.00	-	-	-	-	-	-
Transfer from Retained Earning to General Reserve	-	-	-	-	275.00	(275.00)	-	-	-	-	-
Balance at March 31, 2016	**35.18**	**15,650.48**	**184.33**	**-**	**8,955.58**	**35,040.72**	**741.29**	**(26.73)**	**60,580.86**	**12,629.50**	**73,210.36**
Changes in Accounting Policy / Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	**35.18**	**15,650.48**	**184.33**	**-**	**8,955.58**	**35,040.72**	**741.29**	**(26.73)**	**60,580.86**	**12,629.50**	**73,210.36**
Profit for the year	-	-	-	-	-	8,770.38	-	-	8,770.38	-	8,770.38
Other Comprehensive Income for the year	-	-	-	-	-	(27.73)	-	-	(27.73)	-	(27.73)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**8,742.65**	**-**	**-**	**8,742.65**	**-**	**8,742.65**
Acquisition of a Non-controlling Interest (NCI)	-	-	-	-	-	-	-	-	-	2,844.51	2,844.51
Currency Translation Reserve	-	-	-	-	-	-	(26.28)	5.07	(21.21)	-	(21.21)
Balance at March 31, 2017	**35.18**	**15,650.48**	**184.33**	**-**	**8,955.58**	**43,783.37**	**715.01**	**(21.66)**	**69,302.30**	**15,474.01**	**84,776.31**

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN - 107647W
M. M. KHANDWALA
PARTNER
M. NO.: 32472

Raj Kumar Mehta
Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad
Date : 22nd May, 2017

FOR AND ON BEHALF OF THE BOARD

J.M.PATEL - Executive Chairman (DIN - 00027224)
A.N.SOPARKAR - Managing Director (DIN - 00027480)
N.M.PATEL - Managing Director (DIN - 00027540)

Place : Ahmedabad
Date : 22nd May, 2017

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

BACKGROUND

Meghmani Organics Limited (the Company) is a public company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956. Its shares are listed on National Stock Exchange India Limited and BSE Limited in India. Its registered office is situated at Plot no 184 Phase II GIDC, Vatva Ahmedabad- 382 445, Gujarat India. The Company is engaged in manufacturing and selling of Pigment, Agrochemicals and Basic Chemical products.

Meghmani Organics Limited along with its Subsidiaries is collectively referred to as 'the Group'.

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the Significant Accounting Policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 BASIS FOR PREPARATION OF ACCOUNTS

a) Statement of Compliance with Ind AS

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Financial Statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial Statements for the year ended 31st March 2017 are the first financial statements of the Group under Ind AS. The date of transition to Ind AS is 1st April, 2015. Refer Note 44 for an explanation of how the transition from Indian GAAP (IGAAP) to Ind AS has affected the Group's financial position, financial performance and cash flows.

b) Current versus Non-Current Classification

All assets and liabilities have been classified as Current or Non Current as per the Group's normal operating cycle i.e. twelve months and other criteria set out in the schedule III to the act.

c) Historical Cost Convention

The Financial Statements are prepared on accrual basis of accounting under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for the following:

- Certain Financial Assets and Liabilities (including derivative instrument) measured at fair value;
- Defined benefit plans - plan assets measured at fair value

d) Principles of Consolidation

The Consolidated financial statement of the Group represents consolidation of financial statements with Subsidiary companies. The proportion of ownership interest in each Subsidiary is as follows:

Name of the Subsidiaries	Country of Domicile	Proportion of Ownership Interest
Meghmani Finechem Limited	India	57%
Meghmani Europe BVBA	Belgium	100%
Meghmani Organics USA Inc.	USA	100%
PT Meghmani Organics Indonesia	Indonesia	100%
Meghmani Overseas FZE	Dubai	100%

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the Financial Statements of the parent and its Subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of Subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Changes in Ownership Interests

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

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified in the Statement of Profit and Loss.

1.2 USE OF ESTIMATES

The presentation of the Financial Statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 20 - Current/Deferred Tax Expense

Note 38 - Measurement of Defined Benefit Obligations

Note 37 - Provisions and Contingencies

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1.3 REVENUE RECOGNITION

(i) Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts and volume rebates. It includes excise duty and subsidy and excludes value added tax/ sales tax.

(ii) Export Benefits

- Incomes in respect of Duty Drawback in related to exports made during the year are accounted on accrual basis.
- Focus Market License, Focus Product License and Merchandise Exports from India Scheme (MEIS) income is recognised on accrual basis when considering the related expenses to the same profit or losses on transfer of Licenses are accounted in year of the sales. Duty free imports of material under Advance License matched with the export made against the said licenses.

(iii) Dividend

Dividend income is recognised when the right to receive the same is established, which is generally when shareholders approve the dividend.

(iv) Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that these is no uncertainty in receiving the claims.

1.4 FOREIGN CURRENCY TRANSACTIONS

Functional and Presentation Currency

The Financial Statements are presented in Indian rupee (INR), which is Group's functional and presentation currency

Transactions and Balances

(i) Transactions in foreign currencies are recorded in Indian Rupee using the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, recorded monetary balance dare reported in Indian Rupee at the rates of exchange prevailing at the balance sheet date. All realised and unrealised exchange adjustment gains and losses are dealt with in the Statement of Profit and Loss.

(ii) In order to hedge exposure to foreign exchange risks arising from Export or Import foreign currency, bank borrowings and trade receivables, the Group enters into forward contracts. Any profit or loss arising on the cancellation or renewal of a forward exchange contract is recognised as income or expenses for the year.

(iii) Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/ (losses).

(iv) Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

1.5 PROPERTY, PLANT AND EQUIPMENTS

TANGIBLE ASSETS

(i) Freehold land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

(ii) The cost of self-constructed assets includes cost of materials plus any other directly attributable costs of bringing the assets to working condition for its intended use.

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

(iii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

(iv) An item of Property, Plant or Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

(v) Items of Fixed Assets that are retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are presented separately in the financial statements. Any expected loss is recognized immediately in the statement of profit and loss.

(vi) The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in statement of profit and loss for the relevant financial year.

(vii) Capital Work in Progress include expenditure directly related to construction and incidental thereto. The same is transferred or allocated to respective item Property, Plant, and Equipment on commissioning of the project

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at 1 April 2015 measured as per IGAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment. Hence regarded thereafter as historical cost.

1.6 INTANGIBLE ASSETS

Intangible Assets Acquired Separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-Generated Intangible Assets - Research and Development Expenditure

Assessment of whether an internally generated intangible asset meets the criteria for recognition, the expenditure on generation of the asset is classified into research phase and development phase. Expenses incurred during research phase are recognized immediately in the Statement of Profit and Loss. Expenditure during the development phase is recognized as an intangible asset under development on fulfillment of following conditions:-

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred

Derecognition of Intangible Assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an Intangible Asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its Intangible Assets recognised as at 1 April 2015 measured as per the IGAAP and use that carrying value as the deemed cost of the intangible assets

1.7 IMPAIRMENT OF NON- FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.8 DEPRECIATION AND AMORTISATION

Depreciation is calculated to systematically allocate the cost of Property, Plant and Equipment and Intangible Asset net of the estimated residual values over the estimated useful life. Freehold land is not depreciated. Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013, except for Plant and Machinery pertaining to Power Generating units which are based on independent technical evaluation, life has been estimated as 20 years (on Single Shift basis)which is different from that prescribed in Schedule II of the Act.

The residual values are not more than 5% of the original cost of the item of Property, Plant and Equipment. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Useful lives of the items of Property, Plant and Equipment are as follows:

Asset	Estimated Useful Life
Leasehold Land	99 years
Building	30 years
Plant & Machinery	15 years
Power Generating Units	20 years
Furniture and Fixtures	10 years
Vehicles	8 years
Computers	3 years
Other Equipment	5 years

Intangible Assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the Group for its intended use. The useful life so determined is as follows:

Assets	Amortisation Period
Software Licenses	5 years
Product Licenses	5 years
Usage Rights	5 years

Depreciation on items of Property, Plant and Equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Depreciation is not provided on Freehold Land. Leasehold land is amortized over the available balance lease period.

1.9 Non-derivative Financial Instruments

Financial Assets and Liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial Assets and Liabilities are initially measured at fair value. Transaction costs that are directly

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

attributable to the acquisition or issue of Financial Assets and Financial Liabilities (other than Financial Assets and Financial Liabilities at fair value through Profit or Loss) are added to or deducted from the fair value measured on initial recognition of Financial Asset or Financial Liability.

Cash and Cash Equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial Assets at Amortised Cost

Financial Assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial Assets are measured at fair value through other comprehensive income if these Financial Assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling Financial Assets.

The Group has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial Assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial Liabilities

Financial Liabilities are measured at amortised cost using the effective interest method.

Equity Investment

All Equity Investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

Loan and Borrowings

After initial recognition, interest-bearing Loans and Borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Trade and Other Payables

These amounts represent liability for good and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and Other Payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derivatives and Hedging Activities

The Group uses derivative financial instruments, to hedge its interest rate and foreign currency risk. Such derivative financial instruments are initially recognised at fair values on the date on which a derivative contract is entered into and are

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

subsequently re-measured at fair value. Any gains or losses arising from changes in fair value of derivatives are taken directly in the Statement of Profit and Loss.

The fair values of all such derivative financial instruments are recognized as assets or liabilities at the Balance Sheet date. Such derivative financial instruments are used as risk management tools only and not for speculative purposes.

Accordingly, the resultant gains and losses on fair valuation/ settlement of the derivative contracts covered under Ind AS 109 are recognized in the Statement of Profit and Loss or Balance Sheet as the case may be after applying the test of hedge effectiveness. Where the Cash Flow hedge is effective, the gains or losses are recognized in the “Hedge Reserve” which forms part of “Other Equity” in the Balance Sheet, while the same is recognized in the Statement of Profit and Loss where the hedge is ineffective. The amount recognized in the “Hedge Reserve” is transferred to the Statement of Profit and Loss in the period in which the underlying hedged item affects the Statement of Profit and Loss.

For derivative financial instruments designated as Fair Value hedges, the fair value of both the derivative financial instrument and the hedged item are recognized as the Profit or Loss till the period the relationship is found to be effective. If the hedging relationship ceases to be effective or it becomes probable that the expected transaction will no longer occur, future gains or losses on the derivative financial instruments are recognized in the Statement of Profit and Loss.

If no hedging relationship is designated, the fair value of the derivative financial instruments is marked to market through in the Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial Assets and Financial Liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Investments in Subsidiaries

A subsidiary is an entity that is controlled by the Group.

The Group accounts for the each category of investments in subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

Derivative Financial Instruments

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

Impairment

Financial Assets (other than at fair value)

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

For Trade Receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

1.10 INVENTORIES

Inventories are stated at the lower of cost and net realizable value.

Cost of Raw Material is determined on a monthly moving weighted average basis.

Stores and Consumables are valued at cost (net of CENVAT) or net realizable value whichever is lower.

Finished Goods are valued at cost or net realizable value whichever is lower. Cost comprises direct materials and where applicable, direct labour costs, those overheads that have been incurred in bringing the inventories to their present location and condition and excise duty payable on finished goods.

For Finished Goods of Special Economic Zone (SEZs) where prima facie finished goods of SEZs are meant for export and no excise duty is leviable, therefore no excise duty is added in finished goods valuation. Net realizable value represents the

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Work in Progress is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of Direct Labour costs, Manufacturing Overheads and Depreciation.

1.11 BORROWING COSTS

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. Such capitalisation is done only when it is probable that the asset will result in future economic benefits and the costs can be measured reliably. Capitalisation of borrowing costs commences when all the following conditions are satisfied:

i. Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;

ii. Borrowing costs are being incurred; and

iii. Activities that are necessary to prepare the asset for its intended use are in progress.

A qualifying asset is one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account. Capitalisation of borrowing cost is suspended when active development is interrupted.

1.12 EMPLOYEE BENEFITS

(i) Short Term Employee Benefit Obligations

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other Long Term Employee Benefit Obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of reporting period that have terms approximating to the terms of related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the Group does not have unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-Employment Obligations

The Group operates the following post-employment schemes:

A. Defined benefit plans such as Gratuity; and

B. Defined contribution plan such as Provident Fund

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government Bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

Defined Contribution Plans

The Group pays provident fund contributions to publicly administered funds as per the local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

1.13 EXCISE DUTY

Excise Duty (including Education Cess) on Finished Goods are shown separately in Manufacturing and Other Expenses and included in the valuation of Finished Goods.

1.14 CENVAT

CENVAT Credit of Raw Materials and Other Consumables is accounted at the time of purchase and the same is being adjusted to the cost of Raw Materials and Other Consumables.

1.15 ACCOUNTING FOR TAXES ON INCOME

Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred Taxes

Deferred Tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in standalone financial statements. Deferred tax amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred Income Tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related Deferred Income Tax asset is realised or the deferred income tax liability is settled.

Deferred Tax Assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred Tax Assets and liabilities are offset when there is a legally enforceable right to offset Current Tax Assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current Tax Assets and Liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

Current and Deferred Tax is Recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit including MAT Credit available is recognised as Deferred Tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit and loss and shown under the head Deferred Tax Asset.

The carrying amount of Deferred Tax Assets is reviewed at each reporting 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 Deferred Tax Asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the Deferred Tax Asset to be recovered.

1.16 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liability is disclosed in the case of:

i. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;

ii. A present obligation arising from the past events, when no reliable estimate is possible;

iii. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for and if material, are disclosed by way of notes to accounts. Contingent assets are not recognized in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

1.17 LEASE

Lease are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the Lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the Lessor are classified as operating leases.

(i) Operating Lease:

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the Lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

(ii) Finance Lease:

Assets held under Finance Leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the Lessor is included in the Balance Sheet as a finance lease obligation.

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

Assets held under Finance Leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group’s general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

1.18 EARNING PER SHARE

i. Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting Preference dividends, if any, and any attributable distribution tax thereto for the period.

ii. Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

1.19 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise cash and deposits with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of Cash to be Cash Equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.20 STATEMENT OF CASH FLOWS

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Cash Flows from operating, investing and financing activities of the Group are segregated.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

1.21 DIVIDEND

The Group recognises a liability for dividends to equity holders of the Group when the dividend is authorised and the dividend is no longer at the discretion of the Group. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

1.22 ROUNDING OFF

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees, unless otherwise stated.

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1.23 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM)

1.24 EVENTS OCCURING AFTER THE REPORTING DATE

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

1.25 EXCEPTIONAL ITEMS

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note - 2

Property, Plant and Equipment As on 31st March 2017

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block					Depreciation / Amortisation				Net Block	
		Opening	Addition	Deduction / Adjustment	Transfer & Exchange Rate Diff.	Closing	Opening	Provision For the Year	Transfer & Exchange Rate Diff.	Closing	Closing Balance 31-03-2017	Closing Balance 31-03-2016
2.1	Tangible Assets											
1	Freehold Land	558.39	-	-	-	558.39	-	-	-	-	558.39	558.39
2	Leasehold Land	3,758.39	-	-	-	3,758.39	44.26	44.26	-	88.52	3,669.87	3,714.13
3	Building	22,846.03	2,609.18	895.12	-	24,560.09	1,049.97	1,063.59	-	2,113.56	22,446.53	21,796.06
4	Plant & Machinery	51,460.63	10,597.55	539.78	480.57	61,998.97	6,211.75	7,446.09	-	13,657.84	48,341.13	45,248.88
5	Furniture & Fixtures	242.41	658.99	-	(0.21)	901.19	39.18	48.19	(0.20)	87.17	814.02	203.23
6	Vehicles	782.10	251.00	52.64	(0.49)	979.97	109.78	129.35	(0.26)	238.87	741.10	672.32
7	Computers	64.74	53.31	-	(0.11)	117.94	19.57	20.11	(0.11)	39.57	78.37	45.17
8	Other Equipments	115.96	179.09	-	(0.03)	295.02	27.82	31.59	(0.03)	59.38	235.64	88.14
	Sub Total	**79,828.65**	**14,349.12**	**1,487.54**	**479.73**	**93,169.96**	**7,502.33**	**8,783.18**	**(0.60)**	**16,284.91**	**76,885.05**	**72,326.32**
2.2	Intangible Assets											
1	Software Licences	62.59	7.91	-	-	70.50	28.18	26.27	-	54.45	16.05	34.41
2	Product Licences	1,088.01	-	-	(1.03)	1,086.98	87.15	215.14	(0.87)	301.42	785.56	1,000.86
3	Usage Rights	235.81	-	-	-	235.81	61.02	47.78	-	108.80	127.01	174.79
	Sub Total	**1,386.41**	**7.91**	**-**	**(1.03)**	**1,393.29**	**176.35**	**289.19**	**(0.87)**	**464.67**	**928.62**	**1,210.06**
	Capital WIP											
2.3	Tangible Assets	8,481.36	3,298.63	10,814.14	-	965.85	-	-	-	-	965.85	8,481.36
2.4	Intangible Assets	718.21	226.47	-	-	944.68	-	-	-	-	944.68	718.21
	Sub Total	**9,199.57**	**3,525.10**	**10,814.14**	**-**	**1,910.53**	**-**	**-**	**-**	**-**	**1,910.53**	**9,199.57**
	Total	**90,414.63**	**17,882.13**	**12,301.68**	**478.70**	**96,473.78**	**7,678.68**	**9,072.37**	**(1.47)**	**16,749.58**	**79,724.20**	**82,735.95**

i. Borrowing cost Capitalised during the year ₹ 77.61 Lakhs (Previous Year ₹ 581.95 Lakhs) to respective Qualifying Assets.

ii The management has technically reviewed the estimated useful life of Plant and Machinery related to Power Generating Unit as 20 years is different from those prescribed under paert C of Schedule II to the Companies Act 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes: - Addition to Research and Development assets during the year are as under

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation / Amortisation				Net Block	
		Opening	Addition	Deduction/ Adjustment	Closing	Opening	Provision For the Year	Deduction/ Adjustment	Closing	Closing Balance 31.03.2017	Closing Balance 01.04.2016
	Tangible Assets										
1	Building	9.49	-	-	9.49	0.16	0.16	-	0.32	9.17	9.33
2	Plant & Machinery	85.33	24.08	-	109.41	13.75	14.80	-	28.55	80.86	71.58
3	Furniture & Fixtures	15.76	-	-	15.76	3.32	3.33	-	6.65	9.11	12.44
4	Vehicles	0.17	-	0.17	-	-	-	-	-	-	0.17
5	Computers	1.21	2.12	-	3.33	0.24	0.49	-	0.73	2.60	0.97
6	Other Equipments	1.30	0.80	-	2.10	0.20	0.28	-	0.48	1.62	1.10
	Sub Total	**113.26**	**27.00**	**0.17**	**140.09**	**17.67**	**19.06**	**-**	**36.73**	**103.36**	**95.59**
	Intangible Assets										
1	Product Licences	52.96	-	-	52.96	40.89	10.47	-	51.36	1.60	12.07
	Sub Total	**52.96**	**-**	**-**	**52.96**	**40.89**	**10.47**	**-**	**51.36**	**1.60**	**12.07**
	Total	**166.22**	**27.00**	**0.17**	**193.05**	**58.56**	**29.53**	**-**	**88.09**	**104.96**	**107.66**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note - 2

Property, Plant and Equipment As on 31st March 2016

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block					Depreciation / Amortisation				Net Block	
		Opening	Addition	Deduction / Adjustment	Transfer & Exchange Rate Diff.	Closing	Opening	Provision For the Year	Transfer & Exchange Rate Diff.	Closing	Closing Balance 31-3-2016	Closing Balance 01-04-2015
2.1	Tangible Assets											
1	Freehold Land	458.99	113.85	14.45	-	558.39	-	-	-	-	558.39	458.99
2	Leasehold Land	3,758.39	-	-	-	3,758.39	-	44.26	-	44.26	3,714.13	3,758.39
3	Building	22,615.44	309.14	78.55	-	22,846.03	-	1,049.97	-	1,049.97	21,796.06	22,615.44
4	Plant & Machinery	50,154.60	998.58	16.53	323.98	51,460.63	-	6,211.75	-	6,211.75	45,248.88	50,154.60
5	Furniture & Fixtures	218.72	23.16	-	0.53	242.41	-	38.67	0.50	39.17	203.24	218.72
6	Vehicles	550.24	249.16	18.62	1.32	782.10	-	109.21	0.56	109.77	672.33	550.24
7	Computers	46.89	17.66	0.02	0.21	64.74	-	19.36	0.21	19.57	45.17	46.89
8	Other Equipments	72.57	45.50	2.17	0.06	115.96	-	27.76	0.06	27.82	88.14	72.57
	Sub Total	**77,875.84**	**1,757.05**	**130.34**	**326.10**	**79,828.65**	**-**	**7,500.98**	**1.33**	**7,502.31**	**72,326.34**	**77,875.84**
2.2	Intangible Assets											
1	Software Licences	60.33	2.26	-	-	62.59	-	28.18	-	28.18	34.41	60.33
2	Product Licences	118.97	967.19	-	1.85	1,088.01	-	85.82	1.33	87.15	1,000.86	118.97
3	Usage Rights	83.58	152.23	-	-	235.81	-	61.02	-	61.02	174.79	83.58
	Sub Total	**262.88**	**1,121.68**	**-**	**1.85**	**1,386.41**	**-**	**175.02**	**1.33**	**176.35**	**1,210.06**	**262.88**
	Capital WIP											
2.3	Tangible Assets	1,215.62	7,407.86	142.12	-	8,481.36	-	-	-	-	8,481.36	1,215.62
2.4	Intangible Assets	1,072.07	129.89	483.75	-	718.21	-	-	-	-	718.21	1,072.07
	Sub Total	**2,287.69**	**7,537.75**	**625.87**	**-**	**9,199.57**	**-**	**-**	**-**	**-**	**9,199.57**	**2,287.69**
	Total	**80,426.41**	**10,416.48**	**756.21**	**327.95**	**90,414.63**	**-**	**7,676.00**	**2.66**	**7,678.66**	**82,735.97**	**80,426.41**

i Borrowing cost Capitalised during the year ₹ 581.95 Lakhs (Previous Year ₹ 154.57 Lakhs) to respective Qualifying Assets.

ii The management has technically reviewed the estimated useful life of Plant and Machinery related to Power Generating Unit as 20 years which is different from those prescribed under Part C of Schedule II to the Companies Act 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes: - Addition to Research and Development assets during the year are as under

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation / Amortisation				Net Block	
		Opening	Addition	Deduction/ Adjustment	Closing	Opening	Provision For the Year	Deduction/ Adjustment	Closing	Closing Balance 31.03.2016	Closing Balance 01.04.2015
	Tangible Assets										
1	Building	9.49	-	-	9.49	-	0.16	-	0.16	9.33	9.49
2	Plant & Machinery	85.24	0.09	-	85.33	-	13.75	-	13.75	71.58	85.24
3	Furniture & Fixtures	15.71	0.05	-	15.76	-	3.32	-	3.32	12.44	15.71
4	Vehicles	0.17	-	-	0.17	-	-	-	-	0.17	0.17
5	Computers	0.16	1.05	-	1.21	-	0.24	-	0.24	0.97	0.16
6	Other Equipments	0.80	0.49	-	1.29	-	0.20	-	0.20	1.09	0.80
	Sub Total	**111.57**	**1.68**	**-**	**113.25**	**-**	**17.67**	**-**	**17.67**	**95.58**	**111.57**
	Intangible Assets										
1	Product Licences	52.96	-	-	52.96	-	40.89	-	40.89	12.07	52.96
	Sub Total	**52.96**	**-**	**-**	**52.96**	**-**	**40.89**	**-**	**40.89**	**12.07**	**52.96**
	Total	**164.53**	**1.68**	**-**	**166.21**	**-**	**58.56**	**-**	**58.56**	**107.65**	**164.53**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Fixed Assets As on 1st April 2015

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block					Depreciation / Amortisation					Net Block	
		Opening	Addition	Deduction / Adjustment	Transfer & Exchange Rate Diff.	Closing	Opening	Provision For the Year	Deduction / Adjustment	Transfer & Exchange Rate Diff.	Closing	Closing Balance 01.04.2015	Closing Balance 01.04.2015
2.1	Tangible Assets												
1	Freehold Land	458.99	-	-	-	458.99	-	-	-	-	-	458.99	458.99
2	Leasehold Land	3,758.39	-	-	-	3,758.39	-	-	-	-	-	3,758.39	3,758.39
3	Building	22,615.44	-	-	-	22,615.44	-	-	-	-	-	22,615.44	22,615.44
4	Plant & Machinery	50,154.60	-	-	-	50,154.60	-	-	-	-	-	50,154.60	50,154.60
5	Furniture & Fixtures	218.72	-	-	-	218.72	-	-	-	-	-	218.72	218.72
6	Vehicles	550.24	-	-	-	550.24	-	-	-	-	-	550.24	550.24
7	Computers	46.89	-	-	-	46.89	-	-	-	-	-	46.89	46.89
8	Other Equipments	72.57	-	-	-	72.57	-	-	-	-	-	72.57	72.57
	Sub Total	**77,875.84**	**-**	**-**	**-**	**77,875.84**	**-**	**-**	**-**	**-**	**-**	**77,875.84**	**77,875.84**
2.2	Intangible Assets												
1	Software Licences	60.33	-	-	-	60.33	-	-	-	-	-	60.33	60.33
2	Product Licences	118.97	-	-	-	118.97	-	-	-	-	-	118.97	118.97
3	Usage Rights	83.58	-	-	-	83.58	-	-	-	-	-	83.58	83.58
	Sub Total	**262.88**	**-**	**-**	**-**	**262.88**	**-**	**-**	**-**	**-**	**-**	**262.88**	**262.88**
	Capital WIP												
2.3	Tangible Assets	1,215.62	-	-	-	1,215.62	-	-	-	-	-	1,215.62	1,215.62
2.4	Intangible Assets	1,072.07	-	-	-	1,072.07	-	-	-	-	-	1,072.07	1,072.07
	Sub Total	**2,287.69**	**-**	**-**	**-**	**2,287.69**	**-**	**-**	**-**	**-**	**-**	**2,287.69**	**2,287.69**
	Total	**80,426.41**	**-**	**-**	**-**	**80,426.41**	**-**	**-**	**-**	**-**	**-**	**80,426.41**	**80,426.41**

i Capital WIP- Tangible Assets includes Expenses incurred during Construction Period ₹ 149.09 Lakhs (Previous Year ₹ 1995.26 Lakhs)

ii Borrowing Cost Capitalised during the year ₹ 154.57 Lakhs (Previous Year ₹1824.19 Lakhs)

iii Deduction in Depreciation includes ₹ Nil (Previous Year ₹ 6.17 Lakhs) being depreciation transfer to Capital WIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes: - Addition to Research and Development assets during the year are as under

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation / Amortisation				Net Block	
		Opening	Addition	Deduction/ Adjustment	Closing	Opening	Provision For the Year	Deduction/ Adjustment	Closing	Closing Balance 01.04.2015	Closing Balance 01.04.2015
	Tangible Assets										
1	Building	9.49	-	-	9.49	-	-	-	-	9.49	9.49
2	Plant & Machinery	85.24	-	-	85.24	-	-	-	-	85.24	85.24
3	Furniture & Fixtures	15.71	-	-	15.71	-	-	-	-	15.71	15.71
4	Vehicles	0.17	-	-	0.17	-	-	-	-	0.17	0.17
5	Computers	0.16	-	-	0.16	-	-	-	-	0.16	0.16
6	Other Equipments	0.80	-	-	0.80	-	-	-	-	0.80	0.80
	Sub Total	**111.57**	**-**	**-**	**111.57**	**-**	**-**	**-**	**-**	**111.57**	**111.57**
	Intangible Assets										
1	Product Licences	52.96	-	-	52.96	-	-	-	-	52.96	52.96
	Sub Total	**52.96**	**-**	**-**	**52.96**	**-**	**-**	**-**	**-**	**52.96**	**52.96**
	Total	**164.53**	**-**	**-**	**164.53**	**-**	**-**	**-**	**-**	**164.53**	**164.53**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2A Property Plant & Equipment - break up as on 1st April 2015

Particulars	(₹ in Lakhs)		
	Gross Carrying Value	Depreciation Fund	Carrying Net Value
Tangible Assets			
Freehold Land	458.99	-	458.99
Leasehold Land	4,043.95	285.56	3,758.39
Building	26,704.74	4,089.30	22,615.44
Plant & Machinery	93,504.82	43,350.22	50,154.60
Furniture & Fixtures	594.11	375.39	218.72
Vehicles	996.36	446.12	550.24
Computers	371.30	324.41	46.89
Other Equipments	322.21	249.64	72.57
Total	**1,26,996.48**	**49,120.64**	**77,875.84**
Intangible Assets			
Software Licences	380.08	319.75	60.33
Product Licences	1,152.32	1,033.35	118.97
Usage Rights	1,819.30	1,735.72	83.58
Total	**3,351.70**	**3,088.82**	**262.88**

i The Company has availed deemed cost exemption in relation to Property Plant and Equipment and also Intangible Assets on the date of transition ie. 1st April 2015 and hence net block carrying amount has been considered as the gross block carrying amount on that date. Refer Note 2A for the gross book value and accumulated depreciation as on 1st April 2015 under Previous GAAP.

ii Borrowing Cost Capitalised @ effective Rate of Interest 10.50% during the year ₹ 154.57 Lakhs to respective Qualifying Assets.

iii The management has technically reviewed the estimated useful life of Plant and Machinery related to Power Generating Unit as 20 years which is different from those prescribed under part C of Schedule II to the Companies Act 2013.

3 INVESTMENTS IN SUBSIDIARY / ASSOCIATE - NON CURRENT

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Investment in Equity Shares carried at amortised cost (fully paid) - Unquoted Equity Shares:			
In Subsidiaries (Unquoted and fully paid)			
In Associate Enterprise (Unquoted and fully paid)			
(I) 8,67,400 (Previous Year 8,67,400) Equity Shares of Latasha Exports Limited of ₹100/- each)	-	-	600.00
Less - Impairment in value of Investment	-	-	(600.00)
TOTAL	**-**	**-**	**-**

AGGREGATE VALUE OF UNQUOTED INVESTMENTS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Aggregate Value of Quoted Investments	-	-	-
Aggregate Value of Unquoted Investments			
Non-Current	-	-	600.00
Aggregate Value of Impairment In Value of Investment	-	-	(600.00)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes -

i The Company had made assessment of investment in its Subsidiary Latasha Exports Limited and Meghmani Europe BVBA (Wholly Owned) and taken into account the past business performances and prevailing condition and as a matter of prudence has written off diminution in carrying value of investments of ₹ 600 Lakhs as on 1st April 2015.

4 Non-Current Financial Assets : Investments

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
(I) Investment in Equity Shares carried at amortized Cost (Fully Paid) - Unquoted Equity Shares			
(i) 4 (Previous Year 4) Equity Shares of Alaukik Owners Association of ₹100/- each - unquoted#	0.00	0.00	0.00
(ii) 5,17,085 (Previous Year 5,17,085) Equity Shares of Bharuch Eco Aqua Infrastructure Ltd.of ₹10/- each	51.71	51.71	49.16
(iii) 14,000 (Previous Year 14,000) Equity Share of Bharuch Eco Enviro Infrastructure Ltd. of ₹10/- each	1.40	1.40	1.40
(iv) 500 (Previous Year 500) Equity Shares of Green Environment Services Co.Op.Soc. Ltd of ₹10/- each	0.05	0.05	0.05
(v) 30,000 (Previous Year 30,000) Equity Shares of Panoli Enviro Technology of ₹10/- each	3.00	3.00	3.00
(vi) 100 (Previous Year 100) Equity Shares of Sanand Eco Project Limited of ₹10/- each	0.01	0.01	0.01
(vii) 2,000 (Previous Year 2,000) Equity Shares of Suvikas Peoples Co. Op. Bank Limited of ₹ 50/- each	1.00	1.00	1.00
(viii) 10 (Previous Year 10) Equity Shares of Vellard View Premises Co. Op. Soc Ltd. of ₹50/- each	0.01	0.01	0.01
(II) Other Investment unquoted and Fully Paid			
Investments in Government or Trust Securities	0.33	0.33	0.38
National Savings Certificate			
Total (I + II)	**57.51**	**57.51**	**55.01**
(III) Investment in Equity Shares accounted through Statement of Profit Loss			
(i) 2,000 (Previous Year 2,000) Equity Shares of Saket Project Ltd. of ₹100/- each - Quoted	0.20	0.20	0.20
(ii) 8,200 (Previous Year 8,200) Equity Shares of Lanzorate Finance Limited of ₹10/- each - Unquoted	0.82	0.82	0.82
Total (III)	**1.02**	**1.02**	**1.02**
TOTAL(I+II+III)	**58.53**	**58.53**	**56.03**

Note # Amt. is less than ₹ 0.01 Lakhs.

AGGREGATE VALUE OF QUOTED INVESTMENTS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Non-Current: Equity Shares of Saket Project Ltd- Carrying Amount	0.20	0.20	0.20
Market Value	Not Available	Not Available	Not Available

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AGGREGATE VALUE OF UNQUOTED INVESTMENTS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Non-Current	58.33	58.33	55.83
Current	-	-	-
Aggregate Value of dimination In Value of Investment	-	-	-

5 OTHER NON-CURRENT FINANCIAL ASSETS
Unsecured and Considered Good

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Security Deposits	675.31	572.29	696.64
Deposits for Margin Money with Banks exceeding one year	273.92	272.84	265.93
Derivative Assets	85.62	593.52	1,269.49
TOTAL	**1,034.85**	**1,438.65**	**2,232.06**

i Term Deposit held as margin money ₹ 273.92 Lakhs (Previous Year as at 31st March 2016 ₹ 272.84 Lakhs and as at 1st April 2015 ₹ 265.92 Lakhs) that are restricted for use pertains to lien against Bank Guarantee with State Bank of India.

6 OTHER NON CURRENT ASSETS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Capital Advances	474.51	470.17	615.56
Balances with Government Authorities	68.03	57.56	41.31
TOTAL	**542.54**	**527.73**	**656.87**

7 INVENTORIES

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Raw Materials	5,396.27	6,447.82	5,419.09
Raw Materials in Transit	14.38	7.73	-
Work In Process	1,205.50	1,259.41	1,315.85
Finished Goods	6,934.20	11,529.87	10,267.87
Finished Goods in Transit	7,561.77	7,980.18	7,041.94
Trading Goods	507.52	1,897.19	1,041.42
Stores & Spares	1,666.73	1,554.55	1,259.76
Others (Packing Material & Fuel)	881.70	580.99	448.46
(Refer Note Below)			
TOTAL	**24,168.07**	**31,257.74**	**26,794.39**

Note : -
i Stock of Finished Goods includes Excise Duty of ₹ 813.18 Lakhs (Previous Year ₹1202.17 Lakhs)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 INVESTMENTS - CURRENT

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Other Investments (Quoted) Investments in Mutual Funds (Fair Value through Profit & Loss)	2,852.70	-	1,760.00
TOTAL	**2,852.70**	**-**	**1,760.00**

AGGREGATE VALUE OF INVESTMENTS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Aggregate Value of Quoted Investments	2,852.70	-	1,760.00
Aggregate Value of Unquoted Investments	-	-	-
Aggregate Value of Impairment In Value of Investment	-	-	-

9 TRADE RECEIVABLES
(Unsecured and Considered Good)

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
(Secured and considered good)			
Exceeding Six Months	-	-	-
Others	-	-	-
(Unsecured and considered good)			
Exceeding Six Months (Refer Note - i)	2,486.48	2,139.92	3,143.11
Others (Refer Note - ii)	30,604.54	30,553.45	22,699.97
	33,091.02	**32,693.37**	**25,843.08**
Less : Provision for Doubtful Debts	-	-	-
TOTAL	**33,091.02**	**32,693.37**	**25,843.08**

Notes

i Trade Receivables Exceeding Six months includes ₹15.95 Lakhs (Previous Year : as at 31st March 2016 ₹ 10.19 Lakhs as at 1st April 2015 ₹ Nil) due from Firm or a Company in which some of the Directors are interested.

ii Trade Receivables Others Includes ₹1399.56 Lakhs (Previous Year as at 31st March 2016 ₹ 1152.25 Lakhs and as at 1st April 2015 ₹ 418.96 Lakhs) due from Firm or a Company in which some of the Directors are interested.

iii The Company has called for balance confirmation of Trade Receivables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Trade Receivables are subject to confirmation.

iv Refer Note No. 41 For Information about Credit Riks and Market Risk of Trade Receivables.

10 CASH AND CASH EQUIVALENTS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Balance with Banks (Refer Note i below)	196.12	249.43	698.38
Cash on hand	9.98	21.92	29.49
TOTAL	**206.10**	**271.35**	**727.87**

Note - (i) Disclosure regarding the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PARTICULARS	(₹ in Lakhs)		
	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 8th November 2016	20.20	2.79	22.98
Add: Permitted Receipts	-	42.18	42.18
Less: Permitted Payments	-	(34.36)	(34.36)
Less: Amount Deposited in Bank	(20.20)	-	(20.20)
Closing Cash in Hand as on 30th December 2016	-	10.61	10.61

11 OTHER BANK BALANCES

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Deposits For Margin Money With Banks	790.37	786.25	805.56
Earmarked balances For Unpaid Dividend in Current Account	23.00	44.71	35.58
TOTAL	**813.37**	**830.96**	**841.14**

Notes

i Fixed Deposit with banks which is held as Margin Money or Security, Guarantee etc ₹ 37.34 Lakhs as at 31st March, 2017 (Previous Year as at 31st March, 2016 ₹ 34.74 Lakhs and as at 1st April 2015 ₹ 32.15 Lakhs) and Fixed Deposit ₹ 753.03 Lakhs as at 31st March, 2017 (Previous Year as at 31st March, 2016 ₹ 751.51 Lakhs and as at 1st April 2015 ₹ 773.41 Lakhs) as lien against Borrowings with Standard Chartered Bank.

12 OTHER CURRENT FINANCIAL ASSETS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Export Benefit Receivable	2,076.99	1,793.26	1,387.54
Insurance Claim Receivable	3,501.03	68.98	228.03
Derivative Assets	128.43	-	73.84
Advances to Employees	70.07	68.42	66.76
Others	23.56	41.19	-
TOTAL	**5,800.08**	**1,971.85**	**1,756.17**

13 CURRENT TAX ASSETS (NET)

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Advance payment of Income Tax (Net of Provision)	1,792.52	1,667.58	1,485.06
TOTAL	**1,792.52**	**1,667.58**	**1,485.06**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 OTHER CURRENT ASSETS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Balance with Government Authorities	5,899.89	4,821.93	6,290.79
Advances to Suppliers	1,081.95	888.63	1,326.22
Prepaid Expenses	820.54	189.14	227.58
TOTAL	**7,802.38**	**5,899.70**	**7,844.59**

15 SHARE CAPITAL

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
AUTHORISED			
37,00,00,000 Equity Shares (As at 31st March 2016 and As at 1st April 2015 : 37,00,00,000) each Share of Re.1/-	3,700.00	3,700.00	3,700.00
	3,700.00	**3,700.00**	**3,700.00**
ISSUED, SUBSCRIBED & PAID UP EQUITY SHARES			
25,43,14,211,Equity Shares ((As at 31st March 2016 and As at 1st April 2015 : 25,43,14,211) each Share of Re.1/- Fully Paid up	2,543.14	2,543.14	2,543.14
TOTAL	**2,543.14**	**2,543.14**	**2,543.14**

Reconciliation of Number of Shares

PARTICULARS	No. of Shares		
	31st March 2017	31st March 2016	1st April 2015
As at beginning of the year	25,43,14,211	25,43,14,211	25,43,14,211
Add :			
Issued During the year	-	-	-
Less :			
Shares Bought back / Redemption etc.	-	-	-
As at closing of the year	**25,43,14,211**	**25,43,14,211**	**25,43,14,211**

Reconciliation of Value

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
As at beginning of the year	2,543.14	2,543.14	2,543.14
Add :			
Issued During the year	-	-	-
Less :			
Shares Bought back / Redemption etc.	-	-	-
As at closing of the year	**2,543.14**	**2,543.14**	**2,543.14**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Details of Shareholding

PARTICULARS	No. of Shares		
	31st March 2017	31st March 2016	1st April 2015
Number of Shares held by Shareholders holding more than 5% Shares			
DBS Nominees (P) Ltd.	2,26,53,600	3,74,33,450	4,03,43,150
Mr. Jayanti Patel	1,85,60,390	1,85,60,390	1,85,60,390
Mr. Ashish Soparkar	2,45,85,628	2,59,28,128	2,46,17,948
Mr. Natwarlal Patel	2,57,12,130	2,59,10,477	2,59,10,477
Mr. Ramesh Patel	1,64,22,392	1,64,22,392	1,64,22,392
As at closing of the year	**10,79,34,140**	**12,42,54,837**	**12,58,54,357**

Details of Shareholding value

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Number of Shares held by Shareholders holding more than 5% Shares			
DBS Nominees (P) Ltd.	226.54	374.33	403.43
Mr. Jayanti Patel	185.60	185.60	185.60
Mr. Ashish Soparkar	245.86	259.28	246.18
Mr. Natwarlal Patel	257.12	259.10	259.10
Mr. Ramesh Patel	164.22	164.22	164.22
As at closing of the year	**1,079.34**	**1,242.53**	**1,258.53**

The Company has only one class of Equity Shares having face value of Re 1/- per share. Each Equity Shareholder has 1 voting right. All Equity Shareholders have equal dividend rights in proportion to their shareholding.

The Company has paid Interim dividend of ₹ Nil Per Equity Share amounting to ₹ Nil (Previous Year Interim dividend of ₹30 Paisa per Equity Share was paid amounting to ₹ 762.94 Lakhs on 25,43,14,211 Equity Shares of Re 1/- each. The Interim dividend was considered as Final Dividend.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 Other Equity

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
(1) Securities Premium Reserve			
As per last year accounts	15,650.48	15,650.48	15,650.48
Add - Addition during the year	-	-	-
	15,650.48	**15,650.48**	**15,650.48**
(2) Capital Reserve			
As per last year accounts	35.18	35.18	198.71
Less : Disposal of Subsidiary	-	-	(163.53)
	35.18	**35.18**	**35.18**
(3) General Reserve			
As per last year accounts	8,955.58	7,430.58	6,122.70
Add : Transferred from Debenture Redemption Reserve	-	1,250.00	1,250.00
Less : Effect of Transitional provisions as per Schedule II of the Companies Act 2013 (net of deferred tax ₹ 119.51 Lakhs)	-	-	(217.12)
Add : Transferred from Profit and Loss Account	-	275.00	275.00
	8,955.58	**8,955.58**	**7,430.58**
(4) Capital Redemption Reserve			
As per last year accounts	184.33	184.33	184.33
(5) Debenture Redemption Reserve			
As per last year accounts	-	1,116.51	1,949.81
Add : Transferred from Profit and Loss Account	-	133.49	416.70
Less : Transferred to General Reserve	-	(1,250.00)	(1,250.00)
	-	**-**	**1,116.51**
(6) Hedge Reserve			
As per last year accounts	(26.73)	(624.68)	(1,612.18)
Add : (Addition) / Deduction during the year	5.07	597.95	987.50
	(21.66)	**(26.73)**	**(624.68)**
(7) Currency Translation Reserve			
As per last year accounts	741.30	748.66	425.95
Add : Addition during the year	(26.28)	(7.36)	322.71
	715.02	**741.30**	**748.66**
(8) Remeasurement Gains/(Losses) on Define Benefit Plans			
As per last year accounts	3.16	-	-
Add : Profit for the year	(27.73)	3.16	-
	(24.57)	**3.16**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 Other Equity (Continued.....)

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
(9) Surplus in Profit & Loss Account			
As per last year accounts	35,037.56	26,992.58	25,272.81
Add : Receivable written off in standalone and now accounted for Consolidation	-	1,121.41	-
Add : Disposal of Subsidiary	-	-	563.96
Add : Profit for the year	8,770.38	8,250.32	4,388.96
	43,807.94	36,364.31	30,225.73
Less : Appropriation			
Transfer to General Reserve	-	275.00	275.00
Debenture Redemption Reserve	-	133.49	416.70
Interim Dividend Paid (Previous Year Proposed Dividend)	-	762.94	2,108.53
Dividend Distribution Tax	-	155.32	432.92
	-	1,326.75	3,233.15
	43,807.94	35,037.56	26,992.58
TOTAL	**69,302.30**	**60,580.86**	**51,533.64**

17 BORROWINGS - NON CURRENT

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
SECURED			
Term Loan Facilities from Banks and Financial Institutions:			
In Indian Currency	11,244.56	18,837.78	25,145.42
In Foreign Currency	926.43	2,839.50	5,859.39
(Refer Notes - for Current Maturity of Term Loan & Debenture ₹ 8963.18 Lakhs (Previous Year as at 31st March 2016 ₹ 9348.92 Lakhs and 1st April 2015 ₹13243.46 Lakhs)			
TOTAL	**12,170.99**	**21,677.28**	**31,004.81**

Details of Security and Repayment Terms :

i Rupee Term Loan facility of ₹ 3000 Lakhs from HDFC Bank, Nr. Mithakhali Cross Road, Ahmedabad. The facility is Secured by First Pari Passu charge with ICICI Bank Limited on moveable and immoveable fixed assets held at Z-31 and Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch and repayable in 20 Quarterly installments of ₹150 Lakhs each commencing from 30th April, 2016 and interest @ base rate plus 1.75% per annum with monthly rest. At present interst rate is 9.65% with moratorium of 2 years.

ii Rupee Term loan facility of ₹ 4500 Lakhs from ICICI Bank Limited, JMC House, Ambawadi, Ahmedabad. The facility is Secured by First Pari Passu charge with HDFC Bank on moveable and immoveable fixed assets held at Z-31 and Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch and repayable in 24 Quarterly installments of ₹ 187.50 Lakhs each commencing from 30th June, 2016 and interest @ base rate plus 2.10% per annum with monthly rests. At present interst rate is 12.10% with moratorium of 2 years. The Company has Prepaid the said Term Loan on 29th December 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

iii Rupee Term Loan facility of ₹ 6500 Lakhs from Yes Bank Limited 4th Floor, Nehru Centre, Discovery of India Bldg, Dr. A. B. Road, Worli, Mumbai– 400018. The facility is secured by exclusive charge on leasehold admeasuring 50,000 Square Meter bearing Plot No. CH-1+2/A GIDC Industrial Estate Dahej, Taluka Vagra, District Bharuch, with all the buildings and structures standing thereon and all plants, machineries, fixtures and fittings attached to the earth and or permanently fastened to earth pertaining to Company's unit at Plot No. CH-1+2/A GIDC Dahej and repayable in 20 equal quarterly installments of ₹ 325 Lakhs starting after a moratorium period of 1 year from the date of disbursement i.e. from 02.10.2015 The current applicable interest rate is 9.90% p.a. The Company has Prepaid the said Term Loan on 7th December 2015.

iv The Term Loan facility of ₹ 10675 Lakhs from State Bank of India, Corporate Accounts Group Branch, 58, Shrimali Society, Ahmedabad, is secured by Agreement of Hypothecation of Goods and Assets dated 30.11.2015. The facility is secured by first charge on all the Company's movable fixed assets at (a) Agro Division III plant at Plot No. CH 1+2/A, GIDC Dahej, Taluka Vagra, District-Bharuch 392130 and (b) Pigment Blue Division at Plot No. Z-31, Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch The current effective rate is 9.90% p. a. on floating basis with monthly rests. The Term Loan will be repaid in 26 quarterly instalments starting from 31st December, 2015 and ending on 31st March, 2022. The details are as under.

1 Two Quarterly instalments of ₹ 325 Lakhs each starting from 31.12.2015

2 Seventeen Quarterly instalments of ₹ 512.50 Lakhs each starting from 30.06.2016

3 Seven Quarterly instalments of ₹ 187.50 Lakhs each starting from 30.09.2020

v The Group Company Meghmani Finechem Limited has availed term loan from ICICI Bank Limited, The Bank has refinanced term loan of ₹ 22000 Lakhs. The entire facility of ₹ 22000 Lakhs has been secured by Deed of Hyothecation dated 30th January, 2012 the whole of movable properties of the Company, including its movable plant & machinery, machinery spares, tools and accessories other movables both present and future where ever situate including Raw Material, Stock in process, Finished Goods, Book Debts, Bills situated any where.

The rate of interest of term loan from ICICI Bank Limited is 1 Year MCLR +1.42% (i.e. 8.90%+1.42%) p.a.The repayment of this loan has started from March 2012.

This charge is jointly held with (1) First pari passu charge on movable fixed assets for (1) US $ 200 Lakhs to International Finance Corporation (IFC) Washington USA (2) US $ 150 Lakhs to Standard Chartered Bank (SCB), London and Second Pari Passu charge on all the Current Assets of the Company along with other term lenders.

vi The Group Company Meghmani Finechem Limited has availed a Foreign Currency Term Loan by way of External Commercial Borrowing (ECB) of US $ 200 Lakhs (₹ 8645.49 Lakhs) from International Finance Corporation (IFC), Washington, USA. The Company has executed Unattested Memorandum of Hypothecation on 11th December, 2008 in favour of International Finance Corporation (IFC), Washington, USA represented by State Bank of India in its capacity as Security Trustee to secure Foreign Currency Term Loan of External Commercial Borrowing of US $ 200 Lakhs by way of creating First Pari Passu charge on movable fixed assets and Second Pari Passu Charge on all Current Assets of the Company along with other term lenders.

The rate of interest for Foreign Currency Term Loan by way of External Commercial Borrowing of US $ 200 Lakhs from International Finance Corporation (IFC) is 1.80% per annum above 6 month LIBOR. The repayment started from October 2011 in 14 half yearly equal installments.

vii The Group Company Meghmani Finechem Limited has availed US $ 150 Lakhs (₹ 7650 Lakhs) ECB from Standard Chartered Bank (SCB), United Kingdom by executing Memorandum of Hypothecation dated 16th February, 2012. The entire facility has been secured by First pari passu charge on all present and future movable fixed assets of the company including movable Plant and Machinery etc. and Second Pari Passu Charge on all Current Assets of the Company along with other term lenders. During the year the Company has paid the ECB Loan.

The rate of interest for Foreign Currency Term Loan by way of External Commercial Borrowing of US $ 150.00 Lakhs from Standard Chartered Bank (SCB) is 2.80% per annum above 3 month LIBOR. The repayment of this loan has started from May 2013 has been paid in 14 quarterly equal installments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

viii The indenture of mortgage on immovable properties of the Company situated at Plot No. CH 1 and CH 2 has been created on 18th October, 2012 to secure term loan of ₹ 22000 Lakhs of ICICI Bank and ECB of US$ 150 Lakhs of Standard Charterd Bank, London. Alongwith this the indenture of mortgage created to secure term loan by way of ECB availed from IFC of US$ 200 Lakhs exists.

18 Other Financial Liabilities

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Fair Value of Financial Derivatives	15.55	83.75	215.78
TOTAL	**15.55**	**83.75**	**215.78**

19 PROVISIONS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Provision for Employee Benefits (Refer Note No - 38)			
Gratuity	387.46	357.04	190.26
Compensated Absences	51.35	40.44	29.91
TOTAL	**438.81**	**397.48**	**220.17**

20 Tax Expense / Benefit

(a) Amounts recognised in Statement of Profit and Loss

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Current Income Tax	3,976.93	3,214.87
Excess provision of Income Tax in respect of earlier years	50.76	54.16
Deferred Income Tax Liability / (Asset), Net		
Origination and reversal of temporary differences	2,264.55	785.30
MAT Credit Entitlement	(2,337.00)	(541.96)
Deferred Tax Expense	**(72.45)**	**243.34**
Tax Expense for the year	**3,955.24**	**3,512.37**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Amounts recognised in Other Comprehensive Income

PARTICULARS	For the year ended March 31, 2017			For the year ended March 31, 2016 (₹ in Lakhs)		
	Before tax	Tax (expense) benefit	Tax (expense) benefit	Net of tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to Profit or Loss						
Remeasurements of the Defined Benefit Plans	(51.67)	17.88	(33.79)	3.08	(1.07)	2.01
Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
Total	**(51.67)**	**17.88**	**(33.79)**	**3.08**	**(1.07)**	**2.01**

(c) Reconciliation of Effective Tax Rate

(₹ in Lakhs)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit Before Tax	**15,576.19**	**14,640.75**
Tax using the Company's domestic tax rate (Current year 34.61% and Previous Year 34.61%)	5,390.61	5,066.87
Reduction in tax rate	-	-
Non-Deductible Tax Expenses		
Excess Depreciation Disallowed	2313.98	1147.97
Disallowance U/S - 43B	108.74	62.06
Investment Written Off	-	280.82
Allowable Tax Expenditure		
Additional R & D Expenses U/S - 35(2AB)	(57.40)	(48.04)
Income exempt from Income Taxes (U/S 80IA & 10(A))	(1,737.41)	(1,063.02)
Investment Allowance (U/s 32 AC)	(456.39)	-
Others	(360.90)	(314.17)
Unabsorded Depreciation A.Y.15-16	-	(1,314.27)
Adjustment for Tax of Prior Periods	50.75	54.15
Unrecognised MAT Credit Entitlement	(1,161.66)	(360.00)
Amortisation of Upfront Fees on Straight-Line basis	(4.73)	-
Deferment of Sales under Ind AS 18	(168.19)	-
Reversal of Selling & Distribution Expense	21.53	-
Recognising Notional Income for Corporate Guarantee	6.01	-
Deferred Tax Expense on Reclassification of Actuarial gain - Gratuity	10.40	-
Total	**3,955.24**	**3,512.37**
Effective Tax Rate	**25.39%**	**23.99%**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(d) Movement in Deferred Tax Balances

(₹ in Lakhs)

					March 31, 2017		
	Net Balance April 1, 2016	Recognised Profit or Loss	Recognised in OCI	Other	Net	Deferred Tax Asset	Deferred Tax liability
Deferred Tax Asset							
Property, Plant and Equipment	(5,810.42)	(2,319.64)	-	-	(8,130.06)	-	(8,130.06)
M2M Gain on Derivative	-	(205.41)	-	-	(205.41)	-	(205.41)
Loans and Borrowings	(25.85)	22.78	-	-	(3.07)	-	(3.07)
Trade Payable	-	(21.53)	-	-	(21.53)	-	(21.53)
Inventories	460.85	279.83	-	-	740.68	740.68	-
Loans and Borrowings	(55.53)	4.73	-	-	(50.80)	-	(50.80)
Employee Benefits	157.23	(7.07)	17.88	-	168.04	168.04	-
Investment	-	(18.24)	-	-	(18.24)	-	(18.24)
Tax Credit (MAT)	2,606.96	2,337.00	-	(274.99)	4,668.97	4,668.97	-
Tax Assets /(Liabilities)	**(2,666.76)**	**72.45**	**17.88**	**(274.99)**	**(2,851.42)**	**5,591.19**	**(8,442.61)**
Set off Tax							**5,591.19**
Net Tax Assets /(Liabilities)							**(2,851.42)**

(e) Movement in Deferred Tax Balances

(₹ in Lakhs)

					March 31, 2016		
	Net Balance April 1, 2015	Recognised Profit or Loss	Recognised in OCI	Other	Net	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Asset							
Property, Plant and Equipment	(4,732.27)	(1,078.15)	-	-	(5,810.42)	-	(5,810.42)
Loans and Borrowings	(76.65)	50.80	-	-	(25.85)	-	(25.85)
Trade Payable	(83.70)	83.70	-	-	-	-	-
Inventories	305.63	155.22	-	-	460.85	460.85	-
Loans and Borrowings	(55.53)	-	-	-	(55.53)	-	(55.53)
Employee Benefits	155.17	3.13	(1.07)	-	157.23	157.23	-
Investment	(8.96)	-	-	8.96	-	-	-
Tax Credit (MAT)	2,170.00	541.96	-	(105.00)	2,606.96	2,606.96	-
Tax Assets /(Liabilities)	**(2,326.31)**	**(243.34)**	**(1.07)**	**(96.04)**	**(2,666.76)**	**3,233.87**	**(5,900.63)**
Set off Tax							3,233.87
Net Tax Assets /(Liabilities)							**(2,666.76)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 CURRENT BORROWINGS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Secured Loans			
Working Capital Facilities from Banks :			
In Indian Currency	23,830.40	26,778.99	18,728.45
In Foreign Currency	1,130.81	-	-
Unsecured Loans			
From Banks - In Indian Currency	-	-	1,000.00
TOTAL	**24,961.21**	**26,778.99**	**19,728.45**

Details of Security and Repayment Terms :

i The interest rate on Working Capital facilities from State Bank of India, HDFC Bank Limited, Standard Chartered Bank and ICICI Bank Limited (Collectively known as Consortium Bankers) varies within the range of 8.15% to 10.50% (both inclusive) and are secured by :-

(a) First Pari Passu charge created on 9th october, 2003 for ₹ 7945 Lakhs was further extended on 28th May 2005 for ₹ 15535 Lakhs, on 23rd January, 2007 for ₹ 21865 Lakhs and on 28th August, 2009 for ₹ 34308 Lakhs in favour of State Bank of India and its Consortium Bank by way of hypothecation of the entire Stock of raw materials, work in process, finished goods, Stores and Spares and Receivables. The present consortium is lead by State Bank of India.

(b) First Pari Passu charge on Immovable Fixed Assets to State Bank of India and its consortium bank as collateral security for the working capital facilities of ₹ 34308 Lakhs. The present consortium is lead by State Bank of India.

(c) The indenture of the Mortgage created on immovable properties are located at :

(i) Plot No. 168,180,183 and 184 of GIDC Industrial Estate Vatva, Ahmedabad.

(ii) Block No. 402,403,404 and 452 at Village Chharodi, Taluka Sanand, District Ahmedabad.

(iii) Plot No. 21 & 21/1 of GIDC Industrial Estate Panoli, Taluka Ankleshwar, Bharuch.

(iv) Plot No.5001/B of GIDC Industrial Estate, Ankleshwar, Bharuch.

ii Unsecured outstanding Short Term loan of ₹ 1000 Lakhs of HDFC Bank Limited has been paid by the Company on 11.05 2015.

iii The Company has availed working capital facility of ₹ 2000 Lakhs from ICICI Bank Ltd and ₹ 1400 Lakhs from Standard Chartered Bank aggregating to ₹ 3400 Lakhs. The entire facility of ₹ 3400 Lakhs has been Secured by First charge on all the company's Current Assets ranking pari-passu basis on both present and future Current Assets of the Company.

The Rate of interest stipulated by ICICI bank is sum of I-base and "spread" per annum, subject to minimum rate of 6 Month MCLR +15% (i.e. 8.15%+1.55% = 9.70%) p.a. plus applicable interest taxes or other Statutory levy, if any, on the principal amount remains outstanding each day. The Rate of interest stipulated by Standred Charted Bank is Base Rate + Margin.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 TRADE PAYABLE

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Micro, Small and Medium Enterprises	852.18	928.95	576.38
Others (Refer Notes below)	15,494.01	16,865.43	13,544.75
TOTAL	**16,346.19**	**17,794.38**	**14,121.13**

Notes : -

i The Company has called for balance confirmation of Creditors on random basis. Out of which the Company has received response from some of the parties, which are Subject to reconciliation with Company's account. The other balances of Creditors are subject to confirmation.

ii The Company has received certain intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 (MSMED) and accordingly the Company has provided for interest of ₹ 269.27 Lakhs (Previous Year ₹ 221.72 Lakhs) being payable as required under the said act.

iii The Group Company Meghmani Finechem Limited has entered into a contract for High Sea Purchase of Coal with supplier. However, as per the terms of contract the company get piecemeal delivery of the goods. Therefore the Company is accounting for the purchase on delivery basis of the goods. This accounting treatment does not affect the Profit or Loss of the Company.

iv The Company has reversed Interest Accrued and remaining unpaid for a period exceeding 3 years at the end of accounting year. Accordingly The Company has Reversed ₹ 42.87 Lakhs (Previous Year ₹ Nil)

v Trade Payable includes amount due to related party ₹ 905.64 Lakhs as at 31 March, 2017 (Previous Year as at 31 March, 2016 ₹ 789.59 Lakhs and as at 1st April, 2015 ₹ 100.79 Lakhs)

Details required under MSMED Act are given below

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;			
Principal Amount	852.19	928.95	612.33
Interest Amount	269.27	221.72	138.28
the amount of interest paid by the buyer in terms of Section 18 of MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL	NIL
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,	90.27	78.96	90.35
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	9.25	13.88	6.70
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	269.27	221.72	138.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 OTHER CURRENT FINANCIAL LIABILITIES

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Current maturities of long-term debt (Refer Note No - I)	8,963.18	9,348.92	13,243.46
Interest accrued but not due on borrowings	212.72	296.91	286.12
Employee Benefit Payable	764.83	686.04	588.74
Unpaid Dividend	23.01	44.71	35.58
Payable for retention money	21.02	17.71	27.41
Trade Payable - Capital Goods	1,221.62	1,551.50	758.90
Provisions for Option Derivative	-	-	2,132.10
Deposit Received from Customer	445.98	327.83	265.00
Interest as per MSMEDA, 2006	269.27	221.72	138.28
TOTAL	**11,921.63**	**12,495.34**	**17,475.59**

Notes : -

Details of Security and Repayment Terms :

i Redemption of 10.40 % Non Convertible Debentures ₹ 5000 Lakhs redeemed on 12-10-2015.

ii There is no amount of outstanding in respect of unpaid Dividend to be transferred to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013.

24 OTHER CURRENT LIABILITIES

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Advance Received from Customer	342.66	401.73	294.27
Statutory Payments	965.26	1,243.40	1,008.95
TOTAL	**1,307.92**	**1,645.13**	**1,303.22**

25 PROVISIONS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Provisions for Employee Benefits			
Gratuity	-	5.00	121.90
Compensated Absences	11.09	6.61	3.92
TOTAL	**11.09**	**11.61**	**125.82**

26 CURRENT TAX LIABILITIES (NET)

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Wealth Tax Payable	-	-	4.73
Current Tax Payable	542.10	49.21	68.31
TOTAL	**542.10**	**49.21**	**73.04**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 REVENUE FROM OPERATIONS

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Sale of Products	1,52,295.91	1,43,409.61
Other Operating Revenue	2,331.76	1,891.98
TOTAL	**1,54,627.67**	**1,45,301.59**

Break up of Sale of Products

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Pigments	51,617.51	43,814.87
Agro Chemicals	51,085.22	47,129.45
Basic Chemical	41,527.81	41,568.40
Others	8,065.37	10,896.89
TOTAL	**1,52,295.91**	**1,43,409.61**

28 OTHER INCOME

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Interest Income	309.51	297.10
Gain on Derivatives	128.43	-
Gain/(Loss) on Foreign Currency Transactions and Translation	439.54	2,170.76
Rent Received	2.31	19.82
Liability No Longer Required	231.28	2.34
Other Non Operating Income	27.15	56.64
Fair Value Gain on Investment	52.70	-
Insurance Claims Received	50.81	-
TOTAL	**1,241.73**	**2,546.66**

29 COST OF MATERIALS CONSUMED

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Pigments	28,059.31	25,884.77
Agro Chemicals	27,036.85	27,463.52
Basic Chemical	14,913.55	15,302.02
TOTAL	**70,009.71**	**68,650.31**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 CHANGE IN INVENTORIES OF FINISHED GOODS,WIP & STOCK IN TRADE

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
(A) Opening Stock		
(i) Finished Goods	10,327.70	9,375.72
(ii) Trading Goods	1,897.19	1,991.10
(iii) Excise duty on Finished Goods	1,202.17	892.14
(iv) Goods in Transit	7,980.18	6,092.26
(v) Work-in-Process	1,259.41	1,315.85
TOTAL (A)	**22,666.65**	**19,667.07**
(B) Closing Stock		
(i) Finished Goods	6,121.02	10,327.70
(ii) Trading Goods	507.51	1,897.19
(iii) Excise duty on Finished Goods	813.18	1,202.17
(iv) Goods in Transit	7,561.77	7,980.18
(v) Work-in-Process	1,205.50	1,259.41
TOTAL (B)	**16,208.98**	**22,666.65**
TOTAL (A - B)	**6,457.67**	**(2,999.58)**

31 EMPLOYEES BENEFIT EXPENSES

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Salary & Wages	5,353.16	4,840.63
Directors Remuneration	436.38	336.46
Statutory Contribution	225.81	206.28
Staff Welfare Expenses	464.01	406.81
TOTAL	**6,479.36**	**5,790.18**

32 FINANCE COST

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Interest	4,793.78	6,129.28
Other Financial Charges	295.05	181.38
TOTAL	**5,088.83**	**6,310.66**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 OTHER EXPENSES

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Consumption of Stores and Spare Parts	2,040.84	1,619.06
Power and Fuel	9,602.95	10,767.74
Repairs to Buildings	137.28	212.65
Repairs to Machinery	935.16	740.52
Pollution Control Expenses	1,163.44	1,098.36
Excise Duty Expenses (Refer Note - i below)	(419.35)	327.99
Labour Contract Charges	2,308.60	2,120.64
Rent (Refer Note - ii below)	268.25	69.28
Rates and Taxes	138.30	104.38
Insurance	469.41	438.35
Packing Material Consumption	3,099.23	2,604.51
Loss on Sale of Fixed Asset	5.34	13.98
(Prodit) / Loss on Derivatives	-	837.43
Shipping / Air Lines Freight	1,983.52	2,077.67
Expenditure towards Corporate Social Responsibility (Refer Note - iii)	88.23	116.25
Bad Debts	72.98	1,744.82
Research & Development Expenses (Refer Note - iv below)	157.13	138.80
Miscellaneous Expenses:-		
Other Manufacturing Expenses	1,575.08	1,454.93
Other Administration Expenses	1,750.88	1,954.04
Other Selling & Distribution Expenses	2,112.29	2,152.74
Payments to the Auditor :		
As Auditor	38.32	38.29
For Taxation Matters	4.50	5.50
For Company Law Matters	2.75	2.50
For Other Services	6.00	6.00
TOTAL	**27,541.13**	**30,646.43**

Notes

i Excise duty Expenses Includes ₹ 388.98 Lakhs being increase (Previous Year ₹ 310.02 Lakhs decrease) Pertains to variation in opening and closing stock of finished goods.

ii The Company has operating lease from various premises which are renewable on a periodic basis and cancellable at its option. Rental expenses for operating leases charged to Statement of Profit and Loss for the year ₹268.25 Lakhs (Previous Year: ₹ 69.28 Lakhs) pretains to not later than 1 year.

iii. Corporate Social Responsibility Expenditure - spent during the year is ₹ 88.23 Lakhs (Previous Year ₹ 116.25 Lakhs)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Details of Corporate Social Responsibility (CSR Expenditure)

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Amount required to be spent as per Section 135 of the Act	230.26	175.78
Amount spent during the year on :	88.23	116.25

iv Research & Development Expenses

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Salary & Wages	102.83	86.28
Raw Material Consumption	11.40	19.04
Consumables & Spares and Others	2.62	0.54
Electricity Expenses	11.46	12.17
Annual Maintenance Contract & Reparing	9.80	4.11
Advertisement - Recruitment	-	0.42
Computer Maintenance	0.16	0.10
Repairs to Other Asset	-	0.44
Stationery Expenses	0.25	0.49
Telephone,Mobile & Internet Expenses	1.84	2.45
Travelling Exepense	6.84	5.00
Vehicle Expenes	6.96	6.54
Conveyance Expense	1.92	0.77
Miscellaneous Expense	1.05	0.45
TOTAL	**157.13**	**138.80**

34 EXCEPTIONAL ITEMS

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Loss due to Fire	381.06	-
TOTAL	**381.06**	**-**

Exceptional Item during the year pertains to estimated loss occured due to fire at Plot No. Z31, Z32, Dahej SEZ Limited, Dahej, Bharuch, Gujarat, (India). The Company has All Risk Insurance Policy (including Loss of Profit Policy) and is fully covered for insurance claim. The Surveyor is assessing the claim.

35 TAX EXPENSES

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Current Tax Expenses for the year	3,976.94	3,214.88
Adjustment of Income Tax For earlier years	50.75	54.15
Total Current Tax	**4,027.69**	**3,269.03**
Deferred Tax for the year	2,264.55	785.30
Less - MAT Credit Entitlement	(2,337.00)	(541.96)
Total Deferred Tax	**(72.45)**	**243.34**
Total Tax Expenses for the year	**3,955.24**	**3,512.37**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 EARNING PER SHARE

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Net Profit After Tax attributable to Shareholders	8,770.38	8,250.32
Weighted average number of Equity Shares at the end of year	2,543.14	2,543.14
Face Value of Share	1	1
Basic / Diluted Earning Per Share	3.45	3.24

37 CONTINGENT LIABILITIES and COMMITMENTS

A NOT PROVIDED FOR IN THE ACCOUNTS

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
IIn respect of Bank Guarantee	1,250.80	1,763.34	1,496.26
In respect of Letter of Credit	2,587.29	2,277.41	3,786.44
In respect of Corporate Guarantee	2,500.00	5,339.50	10,535.71

Name of Statute	Nature of Dues	(₹ in Lakhs)			Forum where Dispute is pending
		31st March 2017	31st March 2016	1st April 2015	
Income Tax Act.	Income Tax / Penalty for Various Financial Year 2000-2001, 2002-2003 to 2008-2009	176.02	572.82	582.12	Commissioner of Income Tax (Appeal) / Income tax Appellate Tribunal / High Court
Central Excise Tariff Act.	Excise Duty/ Penalty/ Interest	3,548.62	3,538.62	387.27	Commissioner of Central Excise / Director General of Central Excise /Audit team of Central Excise / Central Excise Service tax Appellate Tribunal
Service Tax	Service Tax/ Penalty/ Interest	479.68	592.69	356.07	Commissioner of Central Excise / Deputy Commissioner of Central Excise / Central Excise Services Tax Appellate Tribunal
Labour Laws	Compensation Claims	63.88	187.66	176.45	Labour Court
Value Added Tax	Input Tax Credit	229.13	229.13	229.13	The Joint Commercial Tax Commissioner Appeal 1

B The estimated amount of contracts remaining to be executed on capital accounts of ₹ 2793.37 Lakhs (Previous Year: ₹1888.06 Lakhs 31st March, 2016 and as at 1st April, 2015 ₹ 2348.39 Lakhs) is not provided for.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 EMPLOYEE BENEFITS OBLIGATIONS

(a) Retirement Benefits

As per IND AS 19 “Employees Benefits” , the Company has recognized in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2017.

(A) Defined Benefit Plans

I. Components of Employer Expenses

PARTICULARS	(₹ in Lakhs) Gratuity	
	31st March 2017	31st March 2016
Current Service Cost	89.67	72.13
Interest Cost	55.28	49.87
Expected Return on Plan Assets	(25.86)	(27.25)
Actuarial (Gain)/Loss	51.67	(3.08)
Total Expenses/(Gain) recognized in the Profit & Loss Account	170.76	91.67

II. Net Asset/ (Liability) recognized in Balance Sheet

PARTICULARS	(₹ in Lakhs) Gratuity		
	31st March 2017	31st March 2016	1st April 2015
Present value of Funded Obligation	868.23	717.00	628.00
Fair Value of Plan Assets	(480.77)	(354.96)	(315.83)
Assets/(Liability) recognized in the Balance Sheet	(387.46)	(362.04)	(312.16)

III. Change in Defined Benefit Obligations (DBO)

PARTICULARS	(₹ in Lakhs) Gratuity		
	31st March 2017	31st March 2016	1st April 2015
Opening balance of Present Value of Obligation	717.00	628.00	465.27
Current Service Cost	89.67	72.13	41.82
Interest Cost	55.28	49.87	43.05
Actuarial (Gain)/Loss	55.16	(3.03)	105.66
Benefit Paid	(48.89)	(29.97)	(27.81)
Closing Balance of Present Value of Obligation	868.23	717.00	628.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

IV. Changes in the Fair value of Plan Assets

PARTICULARS	(₹ in Lakhs)		
	Gratuity		
	31st March 2017	31st March 2016	1st April 2015
Opening Balance of Present Value of Plan Assets	354.96	315.83	276.97
Expected Return on Plan Assets	25.86	27.25	24.09
Actuarial Gain/(Loss)	3.50	0.05	2.21
Contribution by Employer	145.35	41.80	40.36
Benefit Paid	(48.89)	(29.97)	(27.81)
Fair Value of Plan Assets as at 31st March	480.77	354.96	315.83

V. Actuarial Assumptions

PARTICULARS	Gratuity		
	31st March 2017	31st March 2016	1st April 2015
Discount Rate (Per Annum)	7.10%	7.70%	9.25%
Expected Rate of Return on Assets Per Annum	7.70%	7.94%	8.70%
Annual Increase in Salary Costs Per Annum	6.00%	6.00%	6.00%
Attrition Rate	8.00%	8.00%	2.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI. Major Categories of plan assets as a percentage of total plan assets

PARTICULARS	Gratuity		
	31st March 2017	31st March 2016	1st April 2015
Government of India Securities	0.00%	0.00%	0.00%
High quality Corporate Bonds	0.00%	0.00%	0.00%
Equity Shares of listed companies	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%
Insurance Company	100.00%	100.00%	100.00%

VII. Movement in net liability recognized in Balance Sheet

PARTICULARS	(₹ in Lakhs)		
	Gratuity		
	31st March 2017	31st March 2016	1st April 2015
Net Opening Liability	362.05	312.16	189.20
P & L Charges	170.76	91.67	163.32
Contribution Paid	(145.35)	(41.69)	(40.36)
Closing Net Liability	387.46	362.14	312.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VIII. Gratuity Sensitivity Analysis **(₹ in Lakhs)**

PARTICULARS	31st March 2017		31st March 2016	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (0.5% movement)	46.30	(41.94)	37.39	(34.02)
Discount Rate (0.5% movement)	(41.15)	46.23	(33.21)	37.12
Withdrawal Rate (1.0% movement)	1.08	(1.39)	1.89	(2.24)

(B) Defined Contribution Plans

Amount recognised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss - ₹ 203.15 Lakhs (Previous year ₹184.07 Lakhs)

39 SEGMENT REPORTING

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and Gross Profit as the performance indicator for all of the operating segments and does not review the total assets and liabilities of an operating segment.

For Management purpose, the Group is currently organised into three major operating divisions – Pigments. Agro Chemicals and Basic Chemicals. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Pigments Division

To Manufacture and Distribute Phthalocynine Green 7, Copper Phthalocynine Blue (CPC), Alpha Blue and Beta Blue.

Agrochemicals Division

To Manufacture and Distribute Technical, Intermediates and Formulations of Insecticides and Herbicides.

Basic Chemical

Basic Chemicals undergo processing in many stages before being converted into downstream Chemicals which are used by the Agriculture sector, industry and also directly by the consumers. The Caustic – Chlorine and Caustic Potash to be manufactured fall under the category of Basic Chemicals.

(A) Analysis By Business Segment

Segment Revenue and Expense:

Segment revenue and expense are the operating revenue and expense reported in the Group's profit and loss statement that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment Assets and Liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and Property, Plant and Equipment, net of allowances and provisions. Capital expenditure includes the total cost incurred to acquire Property, Plant and Equipment directly attributable to the segment. Segment Liabilities include all operating liabilities and consist principally of trade payables and accrued expenses.

Inter-Segment Transfers:

Segment Revenue and expenses include transfers between business segments. Inter-segment sales are charged at prevailing market rates. These transfers are eliminated at the Group level.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended on March 31, 2017 :

(₹ in Lakhs)

PARTICULARS	Pigments	Agro Chemicals	Basic Chemical	Others *	Elimination	Total
Revenue						
External Sales	51,617.51	51,085.22	41,527.81	8,065.37	-	1,52,295.91
Other Operating Revenue	986.83	1,204.17	13.66	127.10	-	2,331.76
Inter-Segment Sales	3,151.84	-	3,205.83	106.82	(6,464.49)	
Total Revenue	**55,756.18**	**52,289.39**	**44,747.30**	**8,299.29**	**(6,464.49)**	**1,54,627.67**
Results						
Segment Results	7,035.04	3,155.90	8,925.07	643.82	976.74	20,736.57
Un-Allocable (Expenses)/Income						309.51
Profit from Operation						**21,046.08**
Finance Cost						(5,088.83)
Investments Income						-
Profit Before Exceptional Items						**15,957.25**
Exceptional Items						(381.06)
Profit Before Tax						**15,576.19**
Income tax Expenses						(4,027.69)
Deferred Tax (Expenses)/Income						72.45
Profit After Tax						**11,620.95**

(₹ in Lakhs)

	Pigments	Agro Chemicals	Basic Chemicals	Others*	Elimination	Total
Other Information						
Capital Addition	2,888.44	1,175.00	2,271.33	733.18	-	7,067.95
Depreciation	(1,950.54)	(1,890.59)	(5,543.01)	(10.50)	322.27	(9,072.37)
Non-Cash Items	(320.59)	(345.15)	489.95	10.99	-	(164.80)

(₹ in Lakhs)

	Pigments	Agro Chemicals	Basic Chemicals	Others*	Elimination	Total
Balance Sheet						
Assets						
Segment Assets	61,983.45	54,340.71	52,114.93	3,305.58	(15,650.83)	1,56,093.84
Un-allocable Assets						1,792.52
Total Assets						**1,57,886.36**
Liabilities						
Segment Liabilities	25,808.57	25,615.88	16,567.00	3,027.85	11,605.09	82,624.39
Unallocable Liabilities						565.11
Deferred Tax Liabilities						2,851.42
Total Liabilities						**86,040.92**

*Others includes Trading Activity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended on March 31, 2016 :

(₹ in Lakhs)

PARTICULARS	Pigments	Agro Chemicals	Basic Chemical	Others *	Elimination	Total
Revenue						
External Sales	43,814.87	47,129.45	41,568.40	10,896.89	-	1,43,409.61
Other Operating Revenue	690.81	1,040.03	10.32	150.82	-	1,891.98
Inter-segment Sales	5,664.80	-	3,217.12	254.77	(9,136.69)	-
Total Revenue	**50,170.48**	**48,169.48**	**44,795.84**	**11,302.48**	**(9,136.69)**	**1,45,301.59**
Results						
Segment Results	5,409.62	4,266.06	10,627.33	(101.83)	453.13	20,654.31
Un-Allocable (Expenses)/Income						297.10
Profit from Operation						**20,951.41**
Finance Cost						(6,310.66)
Investments Income						-
Profit before exceptional Items						**14,640.75**
Exceptional Items						-
Profit Before Tax						**14,640.75**
Income tax Expenses						(3,269.03)
Deferred Tax (Expenses)/Income						(243.34)
Profit After Tax						**11,128.38**

(₹ in Lakhs)

	Pigments	Agro Chemicals	Basic Chemicals	Others*	Elimination	Total
Other Information						
Capital Addition	2,070.35	1,554.00	5,936.32	229.95	-	9,790.62
Depreciation	(1,884.75)	(1,727.28)	(4,405.10)	(14.95)	356.08	(7,676.00)
Non-Cash Items	(823.15)	(611.54)	(106.89)	(82.10)	23.43	(1,600.25)

(₹ in Lakhs)

	Pigments	Agro Chemicals	Basic Chemicals	Others*	Elimination	Total
Balance Sheet						
Assets						
Segment Assets	55,700.60	60,319.30	53,989.35	6,086.80	(18,410.20)	1,57,685.85
Un-allocable Assets						1,667.58
Total Assets						**1,59,353.43**
Liabilities						
Segment Liabilities	25,741.07	30,665.49	23,966.68	6,129.87	6,965.64	93,468.75
Unallocable Liabilities						93.92
Deferred Tax Liabilities						2,666.76
Total Liabilities						**96,229.43**

*Others includes Trading Activity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(B) Analysis By Geographical Segment

(i) Segment Revenue

Segment revenue is analysed based on the location of customers regardless of where the goods are produced. The following provides an analysis of the Group Sales by Geographical Markets

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Export	72,035.85	70,175.42
Domestic	80,260.06	73,234.19
TOTAL	**1,52,295.91**	**1,43,409.61**

Segment Assets, Liability and Capital Expenditure are analysed based on location of those Assets. Capital Expenditure includes the total cost incurred to purchase Property, Plant and Equipment.

(ii) Segment Assets

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Outside India	27,269.99	30,930.04
Within India	1,28,823.85	1,26,755.81
TOTAL	**1,56,093.84**	**1,57,685.85**

(iii) Segment Liability

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Outside India	6,224.66	14,352.74
Within India	76,399.73	79,116.01
TOTAL	**82,624.39**	**93,468.75**

(iv) Segment Capital Expenditure

PARTICULARS	(₹ in Lakhs)	
	31st March 2017	31st March 2016
Outside India	-	-
Within India	7,067.95	9,790.62
TOTAL	**7,067.95**	**9,790.62**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40 RELATED PARTIES DISCLOSURES :-

• Associates	:	Latasha Exports Limited
• Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence	:	Meghmani Pigments Ashish Chemicals Tapsheel Enterprise Meghmani Infrastructures Meghmani Dyes & Intermediates LLP Meghmani Industries Limited Meghmani Chemicals Limited Vidhi Global Chemicals Limited Panchratna Corporation Meghmani LLP (Formerly known as Meghmani Unichem LLP) Matangi Industries LLP Diamond Engineering Co. Delta Electricals Navratna Specialty Chemicals LLP Uniworth Enterprises LLP Meghmani Unichem LLP Trent Chemicals
• Key Managerial Personnel	:	Mr. Jayanti M Patel Mr. Ashish N Soparkar Mr. Natwarlal M Patel Mr. Ramesh M Patel Mr. Anand I Patel
• Relatives of Key Managerial Personnel (Employee)	:	Ms. Deval Soparkar Mr. Maulik Patel Mr. Kaushal Soparkar Mr. Karna Patel Mr. Ankit Patel Mr. Darshan Patel
• Relative of Key Managerial Personnel	:	Taraben Patel
• Non Executive Directors	:	Chinubhai R Shah Balkrishna T Thakkar Jayaraman Vishwanathan Kantibhai H Patel Chander Kumar Sabharwal Ms. Urvashi Shah Ms. Nirali Parikh

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

RELATED PARTIES DISCLOURES :-

(₹ in Lakhs)

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel [KMP]		Relatives of Key Managerial Personnel		Total	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Purchase of Goods	3,263.98	4,504.23	-	-	-	-	3,263.98	4,504.23
Sale of Goods	5,751.88	6,145.68	-	-	-	-	5,751.88	6,145.68
Purchase of Service	239.86	2.15	8.00	-	-	1.94	247.86	4.09
Sitting Fees	-	-	18.90	15.45	-	-	18.90	15.45
Remuneration	-	-	436.38	336.46	48.61	46.10	484.99	382.56
Dividend	-	-	-	260.85	-	22.08	-	282.93
Total	**9,255.72**	**10,652.06**	**463.28**	**612.76**	**48.61**	**70.12**	**9767.61**	**11334.94**

Outstanding Balances with Related Parties

(₹ in Lakhs)

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence			Key Managerial Personnel [KMP]			Relatives of Key Managerial Personnel			Total		
	31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015
Debtors	1,415.52	1,162.44	418.96	-	-	-	-	-	-	1,415.52	1,162.44	418.96
Creditors	905.34	839.59	400.79	0.29	-	-	-	-	-	905.34	839.59	400.79
Advance for Capital Expenditure	-	50.00	300.00	-	-	-	-	-	-	-	50.00	300.00
Salary, PF & Gratuity Payable	-	-	-	14.41	13.54	13.71	3.06	5.09	4.45	17.47	18.63	18.16
Total	**2,320.86**	**2,052.03**	**1,119.75**	**14.70**	**13.54**	**13.71**	**3.06**	**5.09**	**4.45**	**2,338.33**	**2,070.66**	**1,137.91**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DISCLOSURE IN RESPECT OF MATERIAL TRANSACTION WITH RELATED PARTY DURING THE YEAR:

(₹ In Lakhs)

Party Name	Relationship	Nature of Transaction	2016-2017	2015-2016
Ashish Chemicals EOU Unit - II	Enterprises in which Directors & KMP have significant influence	Sale of Goods	234.30	240.86
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Sale of Goods	216.43	210.28
Meghmani Industries Limited -SEZ	Enterprises in which Directors & KMP have significant influence	Sale of Goods	379.87	221.57
Meghmani Dyes & Intermediate LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	442.01	345.80
Meghmani Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Sale of Goods	63.80	49.81
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Sale of Goods	126.68	99.46
Meghmani Pigment 100% EOU	Enterprises in which Directors & KMP have significant influence	Sale of Goods	23.70	64.13
Vidhi Global Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Sale of Goods	1,595.74	3,079.77
Tapsheel Enterprises	Enterprises in which Directors & KMP have significant influence	Sale of Goods	15.73	39.49
Meghmani LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	1,621.40
Meghmani LLP-SEZ	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	38.98
Meghmani Unichem LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	1,875.64	134.15
Navratna Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	97.97	-
Trent Chemicals	Enterprises in which Directors & KMP have significant influence	Sale of Goods	680.01	-
		Total	**5,751.88**	**6,145.70**
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1,297.43	1,029.10
Meghmani Pigment 100% EOU	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	3.29	-
Ashish Chemical	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	5.94	(0.01)
Matangi Industries	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	79.79	71.40
Vidhi Global Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1,405.18	3,060.25
Navratna Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	0.34	-
Meghmani Dyes & Intermediate LLP	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	15.87	1.94
Tapasheel Enterprise	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	0.08	0.03
Delta Electricals	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	-	0.27
Meghmani LLP	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	456.06	341.25
		Total	**3,263.98**	**4,504.23**
Panchratna Corporation	Enterprises in which Directors & KMP have significant influence	Purchase of Service	234.68	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DISCLOSURE IN RESPECT OF MATERIAL TRANSACTION WITH RELATED PARTY DURING THE YEAR:

(₹ In Lakhs)

Party Name	Relationship	Nature of Transaction	2016-2017	2015-2016
Navratan Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Purchase of Service	3.24	-
Meghmani Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Service	1.94	2.15
		Total	**239.86**	**2.15**
Mr. Karana Patel	Relatives of Key Manaerial Personnel	Purchase of Service	-	1.94
		Total	**-**	**1.94**
Ms. Taraben Patel	Relatives of Key Manaerial Personnel	Dividend	-	22.08
		Total	**-**	**22.08**
Mr. Jayanti Patel	Key Managerial Personnel	Dividend	-	55.68
Mr. Ashish Soparkar	Key Managerial Personnel	Dividend	-	78.17
Mr.Natwarlal Patel	Key Managerial Personnel	Dividend	-	77.73
Mr.Ramesh Patel	Key Managerial Personnel	Dividend	-	49.27
		Total	**-**	**260.85**
Mr. Jayanti Patel	Key Managerial Personnel	Managerial Remuneration	2.28	67.31
Mr. Ashish Soparkar	Key Managerial Personnel	Managerial Remuneration	2.28	67.28
Mr.Natwarlal Patel	Key Managerial Personnel	Managerial Remuneration	2.28	67.28
Mr.Ramesh Patel	Key Managerial Personnel	Managerial Remuneration	2.28	67.31
Mr. Anand Patel	Key Managerial Personnel	Managerial Remuneration	7.28	67.28
		Total	**436.40**	**336.46**
Ms. Deval Soparkar	Relatives of Key Manaerial Personnel	Salary	11.75	10.33
Mr. Karana Patel	Relatives of Key Manaerial Personnel	Salary	7.38	6.75
Mr. Ankit N Patel	Relatives of Key Manaerial Personnel	Salary	5.62	4.79
Mr. Darshan I Patel	Relatives of Key Manaerial Personnel	Salary	4.58	4.07
Mr. Maulik J Patel	Relatives of Key Manaerial Personnel	Salary	9.92	10.66
Mr. Kaushal A Soparkar	Relatives of Key Manaerial Personnel	Salary	9.36	9.49
		Total	**48.61**	**46.09**
Mr. Balkrishna T Thakkar	Non Executive Directors	Sitting Fees	6.05	5.20
Mr. Chinubhai R Shah	Non Executive Directors	Sitting Fees	6.05	5.20
Mr. Jayaraman Vishwanathan	Non Executive Directors	Sitting Fees	1.00	1.00
Mr. Kantibhai H Patel	Non Executive Directors	Sitting Fees	1.50	1.25
Mr. Chander Kumar Sabharwal	Non Executive Directors	Sitting Fees	1.25	0.75
Ms. Urvashi Shah	Non Executive Directors	Sitting Fees	1.25	1.00
Mr. Arvind K Patel	Non Executive Directors	Sitting Fees	0.65	0.45
Ms. Nirali Parikh	Non Executive Directors	Sitting Fees	1.15	0.60
		Total	**18.90**	**15.45**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Related Party Disclosure Under IND AS 24

Outstanding Balance (₹ in Lakhs)

Particular	31.3.2017	31.3.2016	01.04.2015
Payable			
Ashish Chemicals EOU Unit - II	-	-	1.38
Chander Kumar Sabharwal	0.29	-	-
Delta Electricals	-	0.27	-
Diamond Engineering Co.	-	0.12	0.12
Matangi Industries	15.46	1.18	11.12
Meghmani Chemicals Limited	4.12	2.28	0.43
Meghmani Dyes & Intermediate LLP	19.74	3.87	1.94
Meghmani Industries Ltd.	0.14	-	31.50
Meghmani LLP	186.42	138.74	-
Meghmani Pigments	445.33	426.85	340.22
Meghmani Unichem LLP	-	-	14.08
Navratna Speciality Chemical LLP	1.59	0.26	-
Panchratna Corporation	11.39	(50.00)	(300.00)
Tapasheel Enterprise	-	0.01	-
Vidhi Global Chemicals Limited	221.16	266.01	-
Receivables			
Ashish Chemicals EOU Unit - II	0.01	130.09	24.68
Meghmani Chemicals Limited	42.71	32.89	12.58
Meghmani Dyes & Intermediate LLP	76.52	5.24	-
Meghmani Dyes & Intermediate Ltd.	3.72	51.78	28.13
Meghmani Industries Ltd - SEZ	128.05	83.16	50.85
Meghmani Industries LLP	(14.62)	22.59	10.35
Meghmani LLP	568.31	484.99	-
Meghmani LLP-SEZ	23.05	17.65	-
Meghmani Pigments	38.09	31.31	26.32
Meghmani Pigments 100% EOU	-	10.63	6.79
Meghmani Unichem LLP	-	-	264.57
Navratna Speciality Chemical LLP	4.02	0.42	1.45
Tapasheel Enterprise	1.67	4.32	1.31
Trent Chemical Industries	196.00	47.58	-
Vidhi Global Chemicals Limited	348.00	295.20	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41 - Financial Consolidated instruments – Fair Values and Risk Management

A. Accounting Classification and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value

(₹ in Lakhs)

	Carrying Amount				Fair Value			
March 31, 2017	**Fair Value through Profit and Loss**	**Fair Value through Other Comprehensive Income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets measured at Amortised Cost								
Non-current investments	1.02	-	57.51	58.53	-	58.53	-	58.53
Other Financial Asset								
Current investments	-	-	2,852.70	2,852.70	-	2,852.70	-	2,852.70
Non-Current	-	-	1,034.85	1,034.85	-	1,034.85	-	1,034.85
Current	-	-	5,800.08	5,800.08	-	-	-	-
Trade and Other Receivables	-	-	33,091.02	33,091.02	-	-	-	-
Cash and Cash Equivalents	-	-	206.10	206.10	-	-	-	-
Bank Balances (Other than above)	-	-	813.37	813.37	-	-	-	-
Total Financial Assets	**1.02**	**-**	**43,855.63**	**43,856.65**	**-**	**3,946.08**	**-**	**3,946.08**
Financial Liabilities measured at Amortised Cost								
Borrowings								
Non-Current	-	-	12,170.99	12,170.99	-	12,170.99	-	12,170.99
Fair Value of Financial Derivatives	-	-	15.55	15.55	-	15.55	-	15.55
Current	-	-	24,961.21	24,961.21	-	-	-	-
Trade and Other Payables	-	-	16,346.19	16,346.19	-	-	-	-
Other Financial Liabilities	-	-	11,921.63	11,921.63	-	-	-	-
Total Financial Liabilities	**-**	**-**	**65,415.57**	**65,415.57**	**-**	**12,186.54**	**-**	**12,186.54**

	Carrying Amount				Fair Value			
March 31, 2016	**Fair Value through Profit and Loss**	**Fair Value through Other Comprehensive Income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets measured at Amortised Cost								
Non-Current Investments	1.02	-	57.51	58.53	-	58.53	-	58.53
Other financial asset								
Non-Current	-	-	1,438.65	1,438.65	-	1,438.65	-	1,438.65
Current	-	-	1,971.85	1,971.85	-	-	-	-
Trade and Other Receivables	-	-	32,693.37	32,693.37	-	-	-	-
Cash and Cash Equivalents	-	-	271.35	271.35	-	-	-	-
Bank Balances (Other than above)	-	-	830.96	830.96	-	-	-	-
Total Financial Assets	**1.02**	**-**	**37,263.69**	**37,264.71**	**-**	**1,497.18**	**-**	**1,497.18**
Financial Liabilities measured at Amortised Cost								
Borrowings								
Non-Current	-	-	21,677.28	21,677.28	-	21,677.28	-	21,677.28
Fair Value of Financial Derivatives	-	-	83.75	83.75	-	83.75	-	83.75
Current	-	-	26,778.99	26,778.99	-	-	-	-
Trade and Other Payables	-	-	17,794.38	17,794.38	-	-	-	-
Other Financial Liabilities	-	-	12,495.34	12,495.34	-	-	-	-
Total Financial Liabilities	**-**	**-**	**78,829.74**	**78,829.74**	**-**	**21,761.03**	**-**	**21,761.03**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	Carrying Amount				Fair Value			
April 1, 2015	Fair Value through Profit and Loss	Fair Value through Other Comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets measured at Amortised cost								
Non-Current Investments	1.02	-	55.01	56.03	-	56.03	-	56.03
Other Financial Asset								
Current Investments	-	-	1,760.00	1,760.00	-	1,760.00	-	1,760.00
Non-Current	-	-	2,232.06	2,232.06	-	2,232.06	-	2,232.06
Current	-	-	1,756.17	1,756.17	-	-	-	-
Trade and Other Receivables	-	-	25,843.08	25,843.08	-	-	-	-
Cash and Cash Equivalents	-	-	727.87	727.87	-	-	-	-
Bank Balances (Other than above)	-	-	841.14	841.14	-	-	-	-
Total Financial Assets	**1.02**	**-**	**33,215.33**	**33,216.35**	**-**	**4,048.09**	**-**	**4,048.09**
Financial Liabilities measured at Amortised cost								
Borrowings								
Non-Current	-	-	31,004.81	31,004.81	-	31,004.81	-	31,004.81
Fair Value of Financial Derivatives	-	-	215.78	215.78	-	215.78	-	215.78
Current	-	-	19,728.45	19,728.45	-	-	-	-
Trade and Other Payables	-	-	14,121.13	14,121.13	-	-	-	-
Other Financial Liabilities	-	-	17,475.59	17,475.59	-	-	-	-
Total Financial Liabilities	**-**	**-**	**82,545.76**	**82,545.76**	**-**	**31,220.59**	**-**	**31,220.59**

Investment in Subsidiary/Associate carried at Amortised Cost.

Types of inputs are as under:

Input Level I (Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges

Input Level II (Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses etc.

Input Level III (Unobservable) which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.

B. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity Risk ; and
- Market Risk

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Risk Management Framework

The Group Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The Treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies and ensuring compliance with market risk limits and policies.

The Group risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. **Credit Risk**

Credit Risk is the Risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group receivables from customers and investments in debt securities.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Other Financial Assets

The Group maintains its Cash and Cash Equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis. The derivatives are entered into with bank and financial institution counter parties, which are rated AA- to AA+, based on ratings

Trade Receivables

The Revenue Department has established a Credit Policy under which each new customer is analysed individually for creditworthiness before the Group standard payment and delivery terms and conditions are offered. The Group review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Board of Directors.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not otherwise require collateral in respect of trade and other receivables.

Trade receivables of the Group are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which Group grants credit terms in the normal course of business. The Group performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade Receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. The Group has no concentration of Credit Risk as the customer base is geographically distributed in India.

The maximum exposure to Credit Risk for Trade Receivables by Geographic region are as follows:

(₹ in Lakhs)

	31-Mar-17	31-Mar-16	01-Apr-15
Domestic	16,834.43	14,389.19	10,698.76
Other Regions	16,256.59	18,304.18	15,144.32
	33,091.02	**32,693.37**	**25,843.08**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Age of Receivables **(₹ in Lakhs)**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Neither due nor impaired	20,516.15	21,424.18	13,901.78
Past due 1–90 days	7,702.09	6,414.23	5,912.43
Past due 91–180 days	2,386.30	2,715.04	2,885.76
More than 180 days	2,486.48	2,139.92	3,143.11

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Management estimates that there are no instances of past due or impaired trade and other receivables.

ii. Liquidity Risk

Liquidity Risk is the Risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation.

Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

March 31, 2017	Contractual Cash Flows					
	Carrying Amount	Total	Less than 1 Year	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from banks						
HDFC Bank Limited	2,400.00	2,400.00	600.00	600.00	1,200.00	-
SBI Limited	7,909.17	7,909.17	1,984.17	2,050.00	3,875.00	-
ICICI Bank Limited	8,045.72	8,045.72	4,475.29	3,570.43	-	-
International Finance Corporation	2,779.29	2,779.29	1,852.86	926.43	-	-
Working Capital Loans from Banks	24,961.21	24,961.21	24,961.21	-	-	-
Trade and Other Payables	16,346.19	16,346.19	16,346.19	-	-	-

(₹ in Lakhs)

March 31, 2016	Contractual cash flows					
	Carrying amount	Total	Less than 1 Year	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from Banks						
HDFC Bank Limited	3,000.00	3,000.00	600.00	600.00	1,800.00	-
SBI Limited	9,945.51	9,945.51	1,970.51	2,050.00	5,925.00	-
ICICI Bank Limited	11,928.45	11,928.45	3,335.32	4,565.10	4,028.03	-
Standard Chartered Bank	1,419.75	1,419.75	1,419.75	-	-	-
International Finance Corporation	4,732.50	4,732.51	1,893.00	1,893.00	946.50	-
Working Capital Loans from Banks	26,778.99	26,778.99	26,778.99	-	-	-
Trade and Other Payables	17,794.38	17,794.38	17,794.38	-	-	-

Derivative Financial Liabilities

Forward exchange contracts used for hedging	**31.03.2017**	**31.03.2016**	**01.04.2015**
- Outflow - USD - Lakhs	37.50	-	122.50
- Inflow	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographical region or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels

Interest Rate Risk

"Interest Rate Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates."

Exposure to Interest Rate Risk

Group Interest rate risk arises from borrowings obligations. Borrowings issued exposes to fair value interest rate risk. The interest rate profile of the Group interest-bearing financial instruments as reported to the management of the Group is as follows.

(₹ in Lakhs)

Variable-Rate Instruments	31st March 2017	31st March 2016
Non Current - Borrowings	12,170.99	21,677.28
Current portion of Long Term Borrowings	8,963.18	9,348.92
Total	**21,134.17**	**31,026.20**

Cash Flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) Equity and Profit or Loss by the amounts shown below. This analysis assumes that all other variables in particular foreign currency exchange rates remain constant.

(₹ in Lakhs)

	Profit or Loss		Equity, Net of Tax	
Particulars	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31st March 2017				
Non Current - Borrowings	(121.71)	121.71	(79.59)	79.59
Current portion of Long Term Borrowings	(89.63)	89.63	(58.61)	58.61
Total	**(211.34)**	**211.34**	**(138.20)**	**138.20**
31st March 2016				
Non Current - Borrowings	(216.77)	216.77	(141.75)	141.75
Current portion of Long term borrowings	(93.49)	93.49	(61.13)	61.13
Total	**(310.26)**	**310.26**	**(202.89)**	**202.89**

iii. Market Risk

Market Risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Currency Risk

The Group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The Group does not use derivative financial instruments for trading or speculative purposes.

Exposure to Currency Risk

The currency profile of Financial Assets and Financial Liabilities with exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows

(₹ in Lakhs)

	March 31, 2017 USD	March 31, 2017 EURO	March 31, 2017 SGD	March 31, 2017 AED	March 31, 2017 IDR
Financial Assets					
Cash and Cash Equivalents	56.99	-	-	35.02	0.19
Trade and Other Receivables	14,736.30	785.21	-	60.11	77.57
Other Non-Current Financial Assets	-	-	-	-	0.24
Other Current Financial Assets	-	-	-	-	-
Less - Forward Contract For Selling Foreign Currency	(2,431.88)	-	-	-	-
Total	**12,361.41**	**785.21**	**-**	**95.13**	**78.00**
Financial Liabilities					
Long Term Borrowings	926.43	-	-	-	-
Short Term Borrowings	1,130.81	-	-	-	-
Trade and Other Payables	829.52	41.46	-	57.08	74.05
Other Current Financial Liabilities	2,299.38	-	-	-	-
Less-Forward Contract For Buying Foreign Currency (Term Loan)	(397.16)	-	-	-	-
Less - Forward Contract For Buying Foreign Currency	(158.06)	-	-	-	-
Total	**4,630.92**	**41.46**	**-**	**57.08**	**74.05**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Exposure to Currency Risk (contd.)

(₹ in Lakhs)

	31st March, 2016 USD	31st March, 2016 EURO	31st March, 2016 SGD	31st March, 2016 AED	31st March, 2016 IDR
Financial Assets					
Cash and Cash Equivalents	34.70	-	-	41.95	0.69
Trade and Other Receivables	15,324.26	847.99	-	224.54	168.57
Other Non-Current Financial Assets	-	-	-	-	0.25
Other Current Financial Assets	-	-	-	-	-
Total	**15,358.96**	**847.99**	**-**	**266.49**	**169.51**
Financial Liabilities					
Long Term Borrowings	2,839.50	-	-	-	-
Short Term Borrowings	-	-	-	-	-
Trade and Other Payables	1,036.98	8.85	4.43	1.80	183.69
Other Non-Current Financial Liabilities	-	-	-	-	-
Other Current Financial Liabilities	4,063.85	-	-	-	-
Less-Forward Contract For Buying Foreign Currency (Term Loan)	(2,096.02)	-	-	-	-
Total	**5,844.31**	**8.85**	**4.43**	**1.80**	**183.69**

(₹ in Lakhs)

	1st April, 2015 USD	1st April, 2015 EURO	1st April, 2015 SGD	1st April, 2015 AED	1st April, 2015 IDR
Financial Assets					
Cash and Cash Equivalents	75.28	-	-	19.65	2.08
Trade and Other Receivables	13,041.25	2,399.41	-	103.97	159.75
Other Non-Current Financial Assets	-	-	-	-	0.24
Other Current Financial Assets	68.03	5.81	-	-	-
Less - Forward Contract For Selling Foreign Currency	(7,656.25)	(134.38)	-	-	-
Total	**5,528.31**	**2,270.84**	**-**	**123.62**	**162.07**
Financial Liabilities					
Long Term Borrowings	5,803.57	-	-	-	-
Trade and Other Payables	1,391.87	2.14	4.29	282.74	170.20
Other Current Financial Liabilities	4,486.63	-	-	-	-
Less-Forward Contract For Buying Foreign Currency (Term Loan)	(4,910.98)	-	-	-	-
Total	**6,771.09**	**2.14**	**4.29**	**282.74**	**170.20**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Sensitivity analysis

A reasonably possible strengthening weakening of the Indian Rupee against US Dollars at March 31 would have affected the measurement of financial instruments denominated in US Dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or (Loss)		Equity, Net of Tax	
Effect in INR - ₹ in Lakhs	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
March 31, 2017				
3% movement				
USD	231.91	(231.91)	151.65	(151.65)
EUR1	22.31	(22.31)	14.59	(14.59)
SGD	-	-	-	-
AED	1.14	(1.14)	0.75	(0.75)
IDR	0.12	(0.12)	0.08	(0.08)

	Profit or (Loss)		Equity, Net of Tax	
Effect in INR - ₹ in Lakhs	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
March 31, 2016				
3% movement				
USD	285.44	(285.44)	186.65	(186.65)
EUR	25.17	(25.17)	16.46	(16.46)
SGD	(0.13)	0.13	(0.09)	0.09
AED	7.94	(7.94)	5.19	(5.19)
IDR	(0.43)	0.43	(0.28)	0.28

42 Capital Management

The Group policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

PARTICULARS	(₹ in Lakhs)	
	As at 31st March, 2017	As at 31st March, 2016
Total Interest bearing liabilities	46,095.38	57,805.20
Less : Cash and Cash Equivalent	206.10	271.35
Adjusted net debt	**45,889.28**	**57,533.85**
Total Equity	71,845.44	63,124.00
Adjusted Equity	71,845.44	63,124.00
Adjusted net Debt to Adjusted Equity Ratio	0.64	0.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43 - ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(₹ in Lakhs)

Name of the entity in the group	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or Loss	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
A. Parent								
Meghmani Organics Limited								
31 March 2017	72.48%	63,291.00	47.33%	4,151.07	70.86%	(19.65)	47.26%	4,131.42
31 March 2016	78.09%	59,159.59	43.97%	3,627.53	147.95%	4.69	44.01%	3,632.22
B. Subsidiaries								
(I) Indian								
Meghmani Finechem Limited								
31 March 2017	41.42%	36,172.07	75.87%	6,653.98	50.96%	(14.13)	75.95%	6,639.85
31 March 2016	38.96%	29,514.87	81.43%	6,718.17	-84.23%	(2.67)	81.37%	6,715.50
(ii) Foreign								
Meghmani Organics USA INC								
31 March 2017	0.68%	595.72	1.12%	97.93	-	-	1.12%	97.93
31 March 2016	0.68%	514.20	0.89%	73.84	-	-	0.89%	73.84
PT Meghmani Organics Indonesia								
31 March 2017	0.01%	8.39	4.99%	437.87	-	-	5.01%	437.87
31 March 2016	-0.55%	(420.38)	-0.21%	(17.19)	-	-	-0.21%	(17.19)
Meghmani Erope BVBA Belgiam								
31 March 2017	-0.44%	(381.60)	0.00%	-	-	-	0.00%	-
31 March 2016	-0.50%	(381.60)	-1.37%	(112.81)	-	-	-1.37%	(112.81)
Meghmani Overseas FZE Dubai								
31 March 2017	0.05%	41.36	-0.16%	(14.01)	-	-	-0.16%	(14.01)
31 March 2016	0.07%	56.13	-0.36%	(29.83)	-	-	-0.36%	(29.83)
Non-controlling interest in all Subsidiaries								
31 March 2017	17.72%	15,474.01	-32.50%	(2,850.57)	-21.82%	6.05	-32.54%	(2,844.52)
31 March 2016	16.67%	12,629.50	-34.88%	(2,878.06)	36.28%	1.15	-34.86%	(2,876.91)
C. Associates (Investments as per the equity method)								
(i) Indian	0.00%	-	0.00%	-	-	-	0.00%	-
(ii) Foreign	0.00%	-	0.00%	-	-	-	0.00%	-
D. Joint Ventures (Investments as per the equity method)								
(i) Indian	0.00%	-	0.00%	-	-	-	0.00%	-
(ii) Foreign	0.00%	-	0.00%	-	-	-	0.00%	-
Total								
31 March 2017	**131.93%**	**1,15,200.95**	**96.65%**	**8,476.27**	**100.00%**	**(27.73)**	**96.64%**	**8,448.54**
31 March 2016	**133.42%**	**1,01,072.31**	**89.47%**	**7,381.65**	**100.00%**	**3.17**	**89.48%**	**7,384.82**
Intercompany Elimination & Consolidation Adjustments								
31 March 2017	-31.93%	(27,881.49)	3.35%	294.11	0.00%	-	3.36%	294.11
31 March 2016	-33.42%	(25,318.80)	10.53%	868.67	0.00%	-	10.52%	868.67
Total								
31 March 2017	**100.00%**	**87,319.46**	**100.00%**	**8,770.38**	**100.00%**	**(27.73)**	**100.00%**	**8,742.65**
31 March 2016	**100.00%**	**75,753.51**	**100.00%**	**8,250.32**	**100.00%**	**3.17**	**100.00%**	**8,253.49**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 43. Cont.....

INTEREST IN OTHER ENTITIES

Subsidiaries

The group's subsidiaries at 31 March 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of business / Country of incorporation	Profit or (Loss)			Equity, Net of Tax			Principal Activities
		31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015	
Meghmani Finechem Limited	India	57.16%	57.16%	57.16%	42.84%	42.84%	42.84%	Manufacturing of Basic Chemical
Meghmani Organics USA INC	USA	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	Trading of Pigment & Chemicals
PT Meghmani Organics	Indonesia	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	Trading of Pigment & Chemicals
Meghmani Europe BVBA,	Belgium	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	Trading of Pigment & Chemicals
Meghmani Overseas FZE	Dubai	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	Trading of Pigment & Chemicals

b) Non Controlling interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet

PARTICULARS	(₹ in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
Current Assets	11,230.38	8,978.88	8,489.35
Non-current assets	40,984.73	44,838.26	44,056.13
Current liabilities	12,041.14	12,451.76	11,139.44
Non-current liabilities	4,001.90	11,850.51	18,640.91
Net Assets	36,172.07	29,514.87	22,765.13
Accumulated NCI	15,496.11	12,644.17	9,752.58

(₹ in Lakhs)

Particulars	Meghmani Finechem Limited	
	31st March, 2017	31st March, 2016
Revenue	44,747.30	44,795.84
Profit for the year	6,653.98	6,718.17
Other comprehensive income	(14.13)	(2.67)
Total comprehensive income	6,639.85	6,715.50
Profit allocated to NCI	2,844.52	2,876.91
Dividends paid to NCI	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 43. Cont.....

Summarised cash flows

Particulars	Meghmani Finechem Limited	
	31st March, 2017	31st March, 2016
Cash flows from operating activities	13,845.20	12,343.79
Cash flows from investing activities	(6,288.67)	(4,050.84)
Cash flows from financing activities	(7,604.51)	(8,304.33)
Net increase/ (decrease) in cash and cash equivalents	(47.98)	(11.38)

44. Transition to Ind AS:

These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Group's date of transition).

In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes

Exemption Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

Optional Exemption

1. **Deemed cost- Fair Value of Property, Plant and Equipment (PPE)**

   The Group has elected to measure all the items of PPE, intangible assets and investment property at its Indian GAAP carrying values which shall be the deemed cost as at the date of transition. As per Frequently Asked Questions (FAQs) issued by Accounting Standards Board (ASB) by Ind AS Transition Facilitation Group of Ind AS (IFRS) Implementation Committee of ICAI, deemed cost, is the amount used as a surrogate for the cost or depreciated cost and for the purpose of subsequent depreciation or amortisation, deemed cost becomes the cost as the starting point. Information regarding gross block of assets, accumulated depreciation and provision for impairment under Indian GAAP has been disclosed by way of a note forming part of the financial statements. (Refer Note No 2A)

Mandatory exemption

1. **Hedge Accounting**

   The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Under Indian GAAP, there is no mandatory standard that deals comprehensively with hedge accounting, which has resulted in the adoption of varying practices. The Group has designated various economic hedges and applied economic hedge accounting principles to avoid profit or loss mismatch. All the hedges designated under Indian GAAP are of types which qualify for hedge accounting in accordance with Ind AS 109 also. Moreover, the Group, before the date of transition to Ind AS, has designated a transaction as hedge and also meets all the conditions for hedge accounting in Ind AS 109. Consequently, the Group continues to apply hedge accounting after the date of transition to Ind AS.

2. **Estimates**

   On an assessment of the estimates made under Indian GAAP the Group has concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by Indian GAAP or the basis of measurement were different.

3. **Classification and Measurement of Financial Assets**

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

   The remaining mandatory exceptions either do not apply or are not relevant to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of Equity as at April 01, 2015

	(₹ in Lakhs)			
	Foot Note	**Amount as per previous GAAP***	**Effects of transition to Ind AS**	**Amount as per Ind AS**
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		77,875.84	-	77,875.84
Capital Work-in-Progress		1,215.62	-	1,215.62
Other Intangible Assets		262.88	-	262.88
Intangible Assets under Development		1,072.07	-	1,072.07
Investments in Subsidiary / Associate	1	600.00	(600.00)	-
Financial Assets				
Non-Current Investments		56.03	-	56.03
Other Non-Current Financial Assets	2	2,175.86	56.20	2,232.06
Other Non-Current Assets	3	1,039.82	(382.95)	656.87
Total Non-Current Assets		**84,298.12**	**(926.75)**	**83,371.37**
Current Assets				
Inventories	4	21,578.17	5,216.22	26,794.39
Financial Assets				
Investments	5	1,734.12	25.88	1,760.00
Trade and Other Receivables	4	31,670.09	(5,827.01)	25,843.08
Cash and Cash Equivalents	2	716.69	11.18	727.87
Bank balances other than above	2	841.84	(0.70)	841.14
Loans	-	-	-	
Other Current Assets	2,10	3,992.85	(2,236.68)	1,756.17
Current Tax Assets (Net)		1,485.06	-	1,485.06
Other Current Assets		7,844.59	-	7,844.59
Total Current Assets		**69,863.41**	**(2,811.11)**	**67,052.30**
TOTAL ASSETS		**1,54,161.53**	**(3,737.86)**	**1,50,423.67**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		2,543.14	-	2,543.14
Other Equity	11	52,609.79	(1,076.15)	51,533.64
Equity Attributable to Equity Holders of the Parent		**55,152.93**	**(1,076.15)**	**54,076.78**
Non-Controlling Interests		9,434.93	317.65	9,752.58
Total Equity	11	**64,587.86**	**(758.50)**	**63,829.36**
Non Current Liabilities				
Financial Liabilities				
Long Term Borrowings	3	31,293.47	(288.66)	31,004.81
Other Financial Liabilities		215.78	-	215.78
Long Term Provisions		220.17	-	220.17
Deferred Tax Liabilities(Net)	10	4,709.62	(2,383.32)	2,326.30
Total Non-Current Liabilities		**36,439.04**	**(2,671.98)**	**33,767.06**
Current Liabilities				
Financial Liabilities				
Short Term Borrowings		19,728.45	-	19,728.45
Trade Payables	4	14,335.25	(214.12)	14,121.13
Other Financial Liabilities	3	17,568.85	(93.26)	17,475.59
Other Current Liabilities		1,303.22	-	1,303.22
Short Term Provisions		125.82	-	125.82
Current Tax Liabilities (Net)		73.04	-	73.04
Total Current Liabilities		**53,134.63**	**(307.38)**	**52,827.25**
Total Liabilities		**89,573.67**	**(2,979.36)**	**86,594.31**
Total Equity and Liabilities		**1,54,161.53**	**(3,737.86)**	**1,50,423.67**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of Equity as at 31 March, 2016

				(₹ in Lakhs)
	Foot Note	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		72,326.34	-	72,326.34
Capital Work-In-Progress		8,481.36	-	8,481.36
Other Intangible Assets		1,210.06	-	1,210.06
Intangible Assets under Development		718.21	-	718.21
Investments in Subsidiary / Associate	1	600.00	(600.00)	-
Financial Assets				
Non-Current Investments		58.53	-	58.53
Other Non-Current Financial Assets	2	1,370.63	68.02	1,438.65
Other Non-Current Assets	3	708.88	(181.15)	527.73
Total Non-Current Assets		**85,474.01**	**(713.13)**	**84,760.88**
Current Assets				
Inventories	4	24,469.86	6,787.88	31,257.74
Financial Assets				
Trade and Other Receivables	4	40,518.19	(7,824.82)	32,693.37
Cash and Cash Equivalents	2	271.35	-	271.35
Bank Balances other than above	2	828.69	2.27	830.96
Other Current Financial Assets	2,10	4,649.10	(2,677.25)	1,971.85
Current Tax Assets (Net)		1,667.58	-	1,667.58
Other Current Assets		5,899.70	-	5,899.70
Total Current Assets		**78,304.47**	**(3,711.92)**	**74,592.55**
TOTAL ASSETS		**1,63,778.48**	**(4,425.05)**	**1,59,353.43**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		2,543.14	-	2,543.14
Other Equity	11	61,661.18	(1,080.32)	60,580.86
Equity attributable to equity holders of the parent		**64,204.32**	**(1,080.32)**	**63,124.00**
Non-controlling interests		12,479.97	149.53	12,629.50
Total Equity	11	**76,684.29**	**(930.79)**	**75,753.50**
Non-Current Liabilities				
Financial Liabilities				
Long Term Borrowings	3	21,807.64	(130.36)	21,677.28
Other Financial Liabilities		83.75	-	83.75
Long Term Provisions		397.48	-	397.48
Deferred Tax Liabilities(net)	10	5,715.87	(3,049.11)	2,666.76
Total Non-Current Liabilities		**28,004.74**	**(3,179.47)**	**24,825.27**
Current Liabilities				
Financial Liabilities				
Short Term Borrowings		26,778.99	-	26,778.99
Trade and Other Payables	4	18,004.39	(210.01)	17,794.38
Other Financial Liabilities	3	12,600.12	(104.78)	12,495.34
Other Current Liabilities		1,645.13	-	1,645.13
Short Term Provisions		11.61	-	11.61
Current Tax Liabilities (Net)		49.21	-	49.21
Total Current Liabilities		**59,089.45**	**(314.79)**	**58,774.66**
Total Liabilities		**87,094.19**	**(3,494.26)**	**83,599.93**
Total Equity and Liabilities		**1,63,778.48**	**(4,425.05)**	**1,59,353.43**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Statement of Profit and Loss for the year ended on 31st March 2016

	(₹ in Lakhs)			
	Foot Note	**Amount as per previous GAAP***	**Effects of transition to Ind AS**	**Amount as per Ind AS**
Income				
Net Revenue from Operation	4,6	1,36,218.98	9,082.61	1,45,301.59
Other Income	5	2,563.58	(16.92)	2,546.66
Total Income		**1,38,782.56**	**9,065.69**	**1,47,848.25**
Expenditure				
Raw Materials Consumption		68,650.31	-	68,650.31
Trading Purchases		5,049.21	-	5,049.21
(Increase)/Decrease in Stock	4	(1,427.91)	(1,571.67)	(2,999.58)
Employees Emoluments	7	5,787.10	3.08	5,790.18
Financial Expenses	3	6,365.66	(55.00)	6,310.66
Depreciation		7,676.00	-	7,676.00
Excise Duty on Sales	6	-	12,084.29	12,084.29
Other Expenses	4,6	31,646.19	(999.76)	30,646.43
Total Expenditure		**1,23,746.56**	**9,460.94**	**1,33,207.50**
Profit Before Exceptional Items & Tax		**15,036.00**	**(395.25)**	**14,640.75**
Exceptional Items	-	-	-	-
Profit Before Tax		**15,036.00**	**(395.25)**	**14,640.75**
Current Tax (Net of MAT Credit)		3,251.88	(37.01)	3,214.87
MAT Credit Entitlement		(578.96)	578.96	-
Payment of tax of earlier years		54.16	-	54.16
Deferred Tax	10	1,006.24	(762.90)	243.34
Profit for the year from continuing operation		**11,302.68**	**(174.30)**	**11,128.38**
Share of Profit in Associate		**-**	**-**	**-**
Less: Prior period Expenses		**-**	**-**	**-**
Profit Available for Appropriation		**11,302.68**	**(174.30)**	**11,128.38**
X. Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss	8	-	3.08	3.08
(ii) Income tax related to items that will not be reclassified to profit or loss	8	-	(1.07)	(1.07)
B (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax related to items that will be reclassified to profit or loss		-	-	-
Total Comprehensive Income for the period (comprising Profit / Loss and Other Comprehensive Income for the period)		**11,302.68**	**(172.29)**	**11,130.39**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes to the reconciliation:

1 **Impairment of Investment**

The Group has shown investment in Latasha exports limited of ₹ 600 Lakhs. However, the investments is fully impaired and hence, Group has provided for the same. As a result of this the net worth of the Group decreased by ₹ 600 Lakhs as on 1st April 2015, with a corroesponding impact of the same amount on the value of investment.

2 **Interest accrued but not due**

Under Indian GAAP, Group has invested in fixed deposits with the banks & the interest is accrued on the same at each reporting date. Under Ind AS Fixed deposits are to be reported at amortised cost with reclassification of interest accrued but not due with fixed deposits. This has resulted in increase of non current financial assets by ₹ 54.79 Lakhs Cash and Cash Equivalent by ₹ 11.17 Lakhs and other bank balances decrease by ₹ 0.70 Lakhs with a corresponding decrease in other current Assets as on 1st April 2015. As on 31st March 2016 Other current assets increased by ₹ 68.02 Lakhs Cash and Cash Equivalent increased by ₹ Nil and other bank balances increased by ₹ 2.27 Lakhs with resultant decrease in other current assts by ₹ 66.67 Lakhs.

3 **Interest bearing loans and borrowings**

Under Indian GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are amortised upfront and charged to Profit or Loss for the period while part was also carried as unamortised cost . Under Ind-AS, transaction costs are included in the initial recognition amount of financial liability and charged to Profit or Loss using the effective interest method. This has resulted in decrease in long term borrowing by ₹130.36 Lakhs and ₹ 288.67 Lakhs as on 31st March 2016 and 1st April 2015 respectively. Other current financial liabilities decreased by ₹ 104.77 Lakhs and 93.25 Lakhs as on 31st March 2016 and 1st April 2015 respectively. Also finance cost for the year ended 31st march 2016 has increased by ₹ 55.01 Lakhs.

4 **Deferral of Sales**

Under Ind AS, revenue is recognised on transfer of significant risk and rewards to the customer with the seller retaining no continuing managerial involvement in the goods. This requires careful consideration of the sales delivery terms. On account of this, the sales made on CIF/DDU basis, which were recorded on bill of lading date under IGAAP, have been deferred with the corresponding inventory and sales deferral account being recognised. Also the related cost incurred for freight and other purposes is to be reversed. This has resulted in increase in inventory by ₹ 6787.88 Lakhs and 5216.21 Lakhs as on 31st March 2016 and 1st April 2015 respectively. The value of Trade Receiveables decreased by ₹ 7824.83 Lakhs and ₹ 5827.01 Lakhs as on 31st March 2016 and 1st April 2015 respectively. Due to reversal of related cost the Trade paybles have reduced by ₹ 210.01 Lakhs and ₹ 214.12 Lakhs as on 31st march 2016 and 1st April 2015 respectively. Also sales for the year ended 31st March 2016 has decresed by ₹ 1857.87 Lakhs.

5 **Fair valuation of Investments in Mutual Funds:**

Under Indian GAAP, the company accounted for short term investments in mutual funds at cost . Under Ind AS, the company has designated such investments as FVTPL investments. Consequently the value of investment on the transition date has increased by ₹ 25.88 Lakhs. Consequently a loss of ₹ 16.92 Lakhs has been recognised on the sale of investment.

6 **Sale of Goods**

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss. Also under IGAAP cash incentives given to customer in the form of rebates and discount was accounted as other expense. Under Ind AS these are required to be netted off from revenue. Accordingly the rebates and cash discounts totalling to ₹ 1003.87 Lakhs has been netted off from revenue. Also Excise duty on sales of ₹12084.30 Lakhs is grossed up.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 Employee Benefits

Under Ind AS, the Group recognises all remeasurement gains and losses arising from defined benefit plans in other comprehensive income in the period in which they occur. Under IGAAP the Group recognised actuarial gains and losses in the statement of profit or loss in the period in which they occur. This has resulted in the increase of employee emoluments by ₹ 3.08 Lakhs for the year ended 31st March 2016. Further, this reclassification has no impact on the total comprehensive income for the year ended 31 March 2016 and on equity as at that date.

8 Other Comprehensive Income

Under Indian GAAP, the Group has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

9 Statement of Cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of Cash Flows.

10 Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Further, Group has recognised MAT Credit Entitlement as Deferred Tax Assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Deferred Tax :

The above changes in Deferred Tax Liability is as follows:

Particulars	Note	31st March 2016	01st April 2015
		(₹ in Lakhs)	
For straightlining of processing fees paid	3	24.75	52.76
For reversal of Selling & Distribution cost incurred on sales reversed	4	-	83.70
For deferment of sales made on CIF/DDU basis	4	(286.19)	(220.99)
Fair valuation of investments in Mutual Funds	5	-	8.97
For amortisation of upfront fees on straight-line basis	3	(6.06)	(53.12)
For DTA on Stock reserve for the year 2014-15		(174.65)	(84.64)
For reclassification of MAT Credit	10	(2,606.96)	(2,170.00)
Total		**(3,049.11)**	**(2,383.32)**

11. Reconciliation of Equity

The impact of the above Ind AS adjustment on the Equity is as below.

Particulars	Note	31st March 2016	01st April 2015
		(₹ in Lakhs)	
IGAAP Equity		**64,204.32**	**55,152.93**
For straightlining of processing fees paid	3	71.51	152.46
For impairing in investment of Latasha exports Ltd.	1	(600.00)	(600.00)
For reversal of Selling & Distribution cost incurred on Sales reversed	4	210.01	214.12
For deferment of Sales made on CIF/DDU basis	4	(1,036.94)	(610.80)
For Fair valuation of investments in Mutual Funds		-	25.88
For expensing the unamotised prepayment charges on borrowing	3	(17.53)	(153.49)
For transferring the share on Ind AS adjustments to Non-controlling interest		(149.53)	(317.65)
For Deferred Tax on adjustments on above	10	442.16	213.33
Net Impact on retained earnings		**(1,080.32)**	**(1,076.15)**
Ind AS Equity		**63,124.00**	**54,076.78**

Signature to Notes 1 to 43

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
FRN - 107647W
M. M. KHANDWALA
PARTNER
M. NO.: 32472

Raj Kumar Mehta
Chief Financial Officer

K D Mehta
Company Secretary

Place : Ahmedabad
Date : 22nd May 2017

FOR AND ON BEHALF OF THE BOARD

J.M.PATEL - Executive Chairman (DIN - 00027224)
A.N.SOPARKAR - Managing Director (DIN - 00027480)
N.M.PATEL - Managing Director (DIN - 00027540)

Place : Ahmedabad
Date : 22nd May 2017

Statement of Sailent features of Financial Statement of Subsidiaries / Associates / Joint ventures as per Section 129(3) of the Companies Act 2013

Part - "A" : Subsidiaries

Details of Subsidiary Companies as on 31.03.2017 (₹ in Lakhs)

Sr. No.	Name of Subsidiary	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	PBT	Provision for Tax	PAT	Proposed Dividend
1	Meghmani Finechem Limited	7,076.00	29,096.07	52,215.11	16,043.04	2,852.80	44,919.29	7,504.63	850.65	6,653.98	-
2	Meghmani Europe BVBA	811.44	(1,193.04)	739.80	1,121.41	-	-	-	-	-	-
3	Meghmani USA INC	139.70	456.02	1,283.98	688.26	-	4,536.29	123.87	25.94	97.93	-
4	P T Meghmani Indonesia	123.30	(114.91)	82.44	74.05	-	28.97	437.87	-	437.87	-
5	Meghmani Overseas FZE	4.56	36.80	98.44	57.08	-	56.22	(14.01)	-	(14.01)	-

RECONCILIATION STATEMENT OF BALANCE SHEET BETWEEN IND AS AND IFRS AS AT 31 MARCH 2017

PARTICULARS	(₹ in Lakhs)		
	Ind AS	Adjustments	IFRS
I. Assets			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	76,885.05	(758.96)	76,126.09
(b) Capital Work-in-Progress	965.85	469.66	1,435.51
(c) Other Intangible Assets	928.62	-	928.62
(d) Intangible Assets Under Development	944.68	(27.66)	917.02
(e) Financial Assets			
(i) Non-Current Investments	58.53	-	58.53
(ii) Other Non-Current Financial Assets	1,034.85	-	1,034.85
(f) Non-Current Tax Assets (Net)	-	1,844.66	1,844.66
(g) Other Non-Current Assets	542.54	(424.68)	117.86
Total Non-Current Assets	**81,360.12**	**1,103.02**	**82,463.14**
(2) Current Assets			
(a) Inventories	24,168.07	-	24,168.07
(b) Financial Assets			
(i) Investments	2,852.70	-	2,852.70
(ii) Trade Receivables	33,091.02	-	33,091.02
(iii) Cash and Cash Equivalents	206.10	-	206.10
(iv) Bank Balances other than (iii) above	813.37	-	813.37
(v) Other Current Financial Assets	5,800.08	-	5,800.08
(c) Current Tax Assets (Net)	1,792.52	(1,790.79)	1.73
(d) Other Current Assets	7,802.38	10.01	7,812.39
Total Current Assets	**76,526.24**	**(1,780.78)**	**74,745.46**
Total Assets	**1,57,886.36**	**(677.76)**	**1,57,208.60**
II. Equity and Liabilities			
(1) Equity			
(a) Equity Share Capital	2,543.14	-	2,543.14
(b) Other Equity	69,302.30	(657.25)	68,645.05
Equity attributable to Equity holders of the Parent	71,845.44	(657.25)	71,188.19
Non-Controlling Interests	15,474.01	35.31	15,509.32
Total Equity	**87,319.45**	**(621.94)**	**86,697.51**
(2) Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12,170.99	-	12,170.99
(ii) Other Financial Liabilities	15.55	-	15.55
(b) Provisions	438.81	-	438.81
(c) Deferred Tax Liabilities (Net)	2,851.42	(109.69)	2,741.73
(d) Non-Current Tax Liabilities (Net)	-	41.22	41.22
Total Non-Current Liabilities	**15,476.77**	**(68.47)**	**15,408.30**
Current Liabilities			
(a) Financial Liabilities			
(I) Borrowings	24,961.21	-	24,961.21
(ii) Trade Payables	16,346.19	-	16,346.19
(iii) Other Financial Liabilities	11,921.63	-	11,921.63
(b) Other Current Liabilities	1,307.92	-	1,307.92
(c) Provisions	11.09	-	11.09
(d) Current Tax Liabilities (Net)	542.10	12.65	554.75
Total Current Liabilities	**55,090.14**	**12.65**	**55,102.79**
Total Liabilities	**70,566.91**	**(55.82)**	**70,511.09**
Total Equity and Liabilities	**1,57,886.36**	**(677.76)**	**1,57,208.60**

Place : Ahmedabad
Date: 22nd May, 2017

RECONCILIATION OF INCOME STATEMENT BETWEEN IND AS AND IFRS FOR YEAR ENDED ON 31 MARCH 2017

PARTICULARS	(₹ in Lakhs)		
	Ind AS	Adjustments	IFRS
Income			
Revenue from Operations	1,54,627.67	-	1,54,627.67
Other Income	1,241.73	-	1,241.73
Total Income	**1,55,869.40**	**-**	**1,55,869.40**
Expense			
Cost of Materials Consumed	70,009.71	-	70,009.71
Purchase of Stock in Trade	2,929.09	-	2,929.09
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	6,457.67	-	6,457.67
Excise Duty on Sales	12,333.99	-	12,333.99
Employee Benefits Expense	6,479.36	-	6,479.36
Finance Costs	5,088.83	41.45	5,130.28
Depreciation and Amortization Expenses	9,072.37	(57.11)	9,015.26
Other Expenses	27,541.13	-	27,541.13
Total Expense	**1,39,912.15**	**(15.66)**	**1,39,896.49**
Profit Before Exceptional Items & Tax	**15,957.25**	**15.66**	**15,972.91**
Exceptional Items	(381.06)	-	(381.06)
Profit Before Tax	**15,576.19**	**15.66**	**15,591.85**
Tax Expenses:			
Current Tax	4,027.69	-	4,027.69
Deferred Tax	(72.45)	5.42	(67.03)
Profit for the Year	**11,620.95**	**10.24**	**11,631.19**
Other Comprehensive Income			
(i) Items that will not be reclassified to Profit or Loss - remeasurement of post employment benefit obligation	(51.67)	-	(51.67)
(ii) Income tax related to items that will not be reclassified to Profit or Loss	17.88	-	17.88
Net other Comprehensive Income	**(33.79)**	**-**	**(33.79)**
Total Comprehensive Income for the Year	**11,587.16**	**10.24**	**11,597.40**
Profit Attributable to:			
Owners of the Company	8,770.38	13.14	8,783.52
Non-Controlling Interests	2,850.57	(2.90)	2,847.67
Other Comprehensive Income Attributable to:	**11,620.95**	**10.24**	**11,631.19**
Owners of the Company	(27.74)	-	(27.74)
Non-Controlling interests	(6.05)	-	(6.05)
Total Comprehensive Income Attributable to:	**(33.79)**	**-**	**(33.79)**
Owners of the Company	8,742.64	13.14	8,755.78
Non-Controlling Interests	2,844.52	(2.90)	2,841.62
	11,587.16	**10.24**	**11,597.40**

Place : Ahmedabad
Date: 22nd May, 2017

MEGHMANI ORGANICS LIMITED

CIN L24110GJ1995PLC024052

Registered Office: Plot No. 184, (Phase II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad - 382 445.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS hereby given that **Twenty Third Annual General Meeting** of the Company will be held on **Thursday, 27th July, 2017 at 10.00 a.m.** at H T Parekh Convention Center, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad -380 015 to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider, and adopt:
   (i) the Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2017 together with report of the Board of Directors and Auditors thereon and
   (ii) the Audited Consolidated Financial Statement of the Company for the financial year ended on 31st March, 2017 together with report of Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Natwarlal Patel (DIN 00027540), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ramesh Patel (DIN 00027637), who retires by rotation and being eligible offers himself for re-appointment.
5. To consider and if thought fit to pass the following resolution with or without modification, if any, as an **Ordinary Resolution:-**

APPOINTMENT OF AUDITORS AND JOINT AUDITORS AND FIX THEIR REMUNERATION:-

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, **M/s S R B C & CO LLP, Chartered Accountants** (ICAI Firm Registration No. 324982E/E300003) be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s Khandwala & Khandwala, Chartered Accountants, the retiring Auditors) for a term of five years commencing from the Company's Financial Year 2017 to hold office from the conclusion of the 23rd Annual General Meeting of the Company till the conclusion of the 28th Annual General Meeting to be held in 2022 (subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting) on such remuneration plus service tax, out-of-pocket expenses etc. as may be mutually agreed upon and fix by the Board of Directors and the Auditors."

"**RESOLVED FURTHER THAT Ernst & Young LLP, Chartered Accountants, Singapore,** be and is hereby appointed as Joint auditors of the Company under the International Financial Reporting Standards (IFRS) (For Singapore Stock Exchange Listing Requirements) to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at such remuneration as may be mutually agreed upon and fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:-

6. To consider and if thought fit to pass the following resolution, with or without modifications, as **Special Resolution:**

RECLASSIFICATION OF THE PROMOTER – PROMOTER GROUP

"**RESOLVED THAT** pursuant to regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws and subject to the necessary approval from Securities and Exchange Board of India(SEBI), Stock Exchanges and other appropriate Statutory authorities as may be required, the consent of the members of the Company be accorded to reclassify the following members of Promoters/ Promoter group to the "Public" category, in the shareholding pattern being filed by the Company with the Stock Exchanges with effect from the date of this Special Resolution."

NOTICE OF ANNUAL GENERAL MEETING

Sr. No.	Name	No. of Shares	%	Relationship
1	Kiran M Patel	790180	0.31	Brother's Son
2	Lalitbhai Kantibhai Patel	700000	0.28	Brother's Son
3	Amitaben Kantibhai Patel	500000	0.20	Brother's wife
4	Gauriben Haribhai Patel	420000	0.17	Brother's wife
5	Praful Ganpatbhai Patel	440355	0.17	Brother's Son
6	Lalitbhai Kantibhai Patel (HUF)	393836	0.15	Brother's Son
7	Alpa Praful Patel	398801	0.16	Brother's Son's wife
8	Heta Kirankumar Patel	282500	0.11	Brother's Son's wife
9	Lilaben Ganpatbhai Patel	330101	0.13	Brother's wife
10	Hemlataben Mansukhbhai Patel	300000	0.12	Brother's wife
11	Anil Popatbhai Patel	270000	0.11	Brother's Son
12	Kavita Gaurang Patel	270000	0.11	Brother's Son's wife
13	Prashant Popatbhai Patel	270000	0.11	Brother's Son
14	Pinal Anilbhai Patel	270000	0.11	Brother's Son's wife
15	Kiran Mansukhbhai Patel (HUF)	256000	0.10	Brother's Son
16	Ravi Haribhai Patel	200000	0.08	Brother's Son
17	Nikunj Haribhai Patel	214000	0.08	Brother's Son
18	Jagrutiben Lalitbhai Patel	145542	0.06	Brother's Son's wife
19	Chandrika Balwantbhai Patel	50000	0.02	Brother's Married Daughter
	Total	**6501315**	**2.58**	

"RESOLVED FURTHER THAT the aforementioned shareholders have fulfilled all the following necessary requirements for reclassification as required under Regulation 31 A of the SEBI (LODR) Regulations, 2015:

- ⇨ that none of the aforementioned shareholders have any special rights through formal or informal agreements;
- ⇨ that none of the aforementioned shareholders hold, individually or in aggregate, more than 10% of the paid-up Equity capital of the Company; and
- ⇨ that none of the aforementioned shareholders or any person nominated by them, shall act as Key Managerial Personnel for a period of more than 3 years from the date of shareholders' approval.

"RESOLVED FURTHER THAT after such reclassification following shall be the Promoters of the Company:-

Sr. No.	Name	No. of Shares	%	Relationship
1.	Jayantibhai Meghjibhai Patel	17824390	7.01	Promoter
2.	Jayantibhai Meghjibhai Patel	736000	0.29	Promoter
3.	Taraben Jayantilal Patel	7360000	2.89	Wife of Promoter
4.	Maulik Jayantibhai Patel	1270000	0.50	Son of Promoter
5.	Kruti Adesh Patel	380000	0.15	Daughter of Promoter
6.	Ashishbhai Natawarlal Soparkar	24585628	9.67	Promoter
7.	Ashishbhai N. Soparkar (HUF)	127320	0.05	Promoter
8.	Deval A Soparkar	410710	0.16	Daughter of Promoter
9.	Ruchi Ashishbhai Soparkar	410710	0.16	Daughter of Promoter
10.	Kaushal Ashishbhai Soparkar	1350800	0.53	Son of Promoter
11.	Natwarlal Meghjibhai Patel	20539850	8.08	Promoter
12.	Natubhai Meghjibhai Patel	5172280	2.03	Promoter
13.	Bhartiben Natubhai Patel	2000000	0.79	Wife of Promoter

NOTICE OF ANNUAL GENERAL MEETING

Sr. No.	Name	No. of Shares	%	Relationship
14.	Ankit Natubhai Patel	3020865	1.19	Son of Promoter
15.	Disha Natubhai Patel	1500000	0.59	Daughter of Promoter
16.	Rameshbhai Meghjibhai Patel	15402392	6.06	Promoter
17.	Rameshbhai Meghjibhai Patel	1020000	0.40	Promoter
18.	Kalpana Rameshbhai Patel	1000000	0.39	Wife of Promoter
19.	Karana Rameshbhai Patel	1932168	0.76	Son of Promoter
20.	Vaishakhi Rameshbhai Patel	1000000	0.39	Daughter of Promoter
21.	Anandbhai Ishwarbhai Patel	7750200	3.05	Promoter
22.	Anand Ishwarbhai Patel	380000	0.15	Promoter
23.	Naynaben Anandbhai Patel	2300000	0.90	Wife of Promoter
24.	Darshan Anandbhai Patel	150000	0.06	Son of Promoter
25.	Ishwarbhai Meghjibhai Patel	300000	0.12	Father of Promoter
26.	Kunverben Ishwarbhai Patel	200000	0.08	Mother of Promoter
27.	Damini Narendra Patel	91500	0.04	Sister of Promoter
28.	Hansaben Amrutbhai Patel	81400	0.03	Sister of Promoter
29.	Kantibhai Meghjibhai Patel	700000	0.28	Brother of Promoter
30.	Kantibhai Meghjibhai Patel	780000	0.31	Brother of Promoter
31.	Haribhai Meghjibhai Patel	435000	0.17	Brother of Promoter
32.	Ganpatbhai Meghjibhai Patel	350000	0.14	Brother of Promoter
33.	Popatbhai Meghjibhai Patel (HUF)	270000	0.11	Brother of Promoter
34.	Popatbhai Meghjibhai Patel	225000	0.09	Brother of Promoter
	Total	**121056213**	**47.62**	

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director, or Company Secretary of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution including filing of necessary forms / returns with the Ministry of Corporate Affairs / Stock Exchanges / other authorities concerned."

7. To Consider and if thought fit to pass the following resolution with or without modification as an **Ordinary Resolution:-**

APPOINTMENT OF COST AUDITOR OF THE COMPANY FOR FY 2017-18

"**RESOLVED THAT** in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 M/s. Kiran J Mehta & Co. Cost Accountants Ahmedabad (having Firm's Registration No. 000025), be and is hereby appointed as Cost Auditor of the Company for conducting the audit of the cost records of the Company for the Financial Year 2017-2018 at a remuneration of ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) per annum (apart from reimbursement of pocket expenses incurred for the purpose of Audit)."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof), be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

NOTICE OF ANNUAL GENERAL MEETING

8. To Consider and if thought fit to pass the following resolution with or without modification as an **Ordinary Resolution:-**

GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS:-

"RESOLVED THAT:

1. approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("Chapter 9") of the Singapore Exchange Securities Trading Limited (SGX ST), for the Company, its subsidiaries and its associated companies that are not listed on SGX-ST, or an approved exchange, over which the Company, its subsidiaries and/or its interested person(s), have control, or any of them, to enter into any of the transactions falling within the category of Interested Person Transactions, particulars of which are set out in Appendix to explanatory statement, with any party who is of the classes of Interested Persons described in the Appendix to explanatory statement, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for Interested Person Transactions (the "IPT Mandate");
2. IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or for a period of 3 years from the date of this Annual General Meeting, whichever is later and
3. the Directors of the Company be and are hereby authorized to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution

Registered Office:
184, PHASE II, GIDC INDUSTRIAL ESTATE,
VATVA, AHMEDABAD 382 445
Date: 22.05.2017

By Order of the Board
K D MEHTA
COMPANY SECRETARY
FCS - 2051

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.
3. As per Section 105 of the Companies Act, 2013 and Rules 7.17 thereof a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% percent of the total share capital of the Company.
4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from **20th July, 2017 to 27th July, 2017** (both days inclusive) for the purpose of Annual General Meeting.
6. If a dividend is declared at the Annual General Meeting, the payment of such dividend will be made to those Members of the Company whose names stand on the Register of Members of the Company on July 27, 2017. The dividend in respect of shares held in dematerialized form in the Depository System will be paid to the beneficial owners of shares as on July 19, 2017, as per the list provided by the Depositories for this purpose. The dividend will be payable on and from August 07, 2017.
7. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
8. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend, if any. **The Company or its Registrars cannot act on any request received directly from Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.**

   Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios are requested to write to the Registrar and Share Transfer Agent.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
10. **The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.**
11. Details in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
12. Electronic copy of the Annual Report for 2016- 17 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 is being sent in the permitted mode.

NOTICE OF ANNUAL GENERAL MEETING

13. Electronic copy of the Notice of the 23rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 23rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
14. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website **www.meghmani.com** for their download. The physical copies of the relevant documents mentioned in accompanying notice will be available at the Company's Registered Office in Ahmedabad for inspection during normal business hours on all working days except Saturdays till the date of Annual General Meeting.
15. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email ID: **helpdesk@meghmani.com**
16. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
17. Members are requested to provide their client ID and DP ID numbers at the meeting for easy identification.
18. **Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 (Seven) days before the date of the Meeting so that the information required may be made available at the Meeting.**
19. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with **Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company.**
20. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be, transferred to the Investor Education and Protection Fund as per Section 125 of the Companies Act, 2013.

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NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 6- RECLASSIFICATION OF PROMOTER AND PROMOTER'S GROUP

The Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, persons who are no longer desirous of being classified as Promoters of the Company, must submit a request to the Company stating the same, which has to be accepted by the Board of Directors and their request will then be acceded subject to the approval of the shareholders of the Company. The acceptance of the Board and the approval of the shareholders shall thereafter be sent to the Stock Exchange for their clearance in order to reclassify the shareholding pattern of the Company.

Meghamani Organics Limited when listed in 2007 has considered "Promoter and Promoter Group" on the basis of, Relatives as defined under Section 6 of the Companies Act, 1956, as under:-

List of Relative	
(1) Father	(12) Son's daughter
(2) Mother (including step-mother)	(13) Son's daughter's husband
(3) Son (including step-son)	(14) Daughter's husband
(4) Son's wife	(15) Daughter's son
(5) Daughter (including step-daughter)	(16) Daughter's son's wife
(6) Father's father	(17) Daughter's daughter
(7) Father's mother	(18) Daughter's daughter's husband
(8) Mother's mother	(19) Brother (including step-brother)
(9) Mother's father	(20) Brother's wife
(10) Son's son	(21) Sister (including step sister)
(11) Son's son's wife	(22) Sister's husband

The new Companies Act 2013 has revised the definition of relatives as under:-

(1)	Members of HUF
(2)	Husband & Wife
(3)	Father (provided that the term Father includes Step- Father)
(4)	Mother (provided that the term Mother includes Step- Mother)
(5)	Son (Provided that the term "Son" includes the step-Son)
(6)	Son's wife
(7)	Daughter
(8)	Daughter's husband
(9)	Brother (Provided that the term "Brother" includes the step-brother)
(10)	Sister (Provided that the term "Sister" includes the step-sister

The Board at their meeting on 22nd May, 2017, deliberated on the aforesaid matter and noted that the following shareholders were included in the "Promoter Category" because they were relatives of Promoters at the time of IPO in 2007 and also noted that they have never participated in the day to day management of the Company and have not held any position as a director or a KMP in the Company.

Therefore, considering the aforementioned grounds, the Board decided to accept the request of the following shareholders in order to declassify/remove them from the Promoter and Promoter group and consider under the category of Public.

NOTICE OF ANNUAL GENERAL MEETING

Sr. No.	Name	Sr. No.	Name
1	Kiran M Patel	11	Anil Popatbhai Patel
2	Lalitbhai Kantibhai Patel	12	Kavita Gaurang Patel
3	Amitaben Kantibhai Patel	13	Prashant Popatbhai Patel
4	Gauriben Haribhai Patel	14	Pinal Anilbhai Patel
5	Praful Ganpatbhai Patel	15	Kiran Mansukhbhai Patel (HUF)
6	Lalitbhai Kantibhai Patel (HUF)	16	Ravi Haribhai Patel
7	Alpa Praful Patel	17	Nikunj Haribhai Patel
8	Heta Kirankumar Patel	18	Jagrutiben Lalitbhai Patel
9	Lilaben Ganpatbhai Patel	19	Chandrika Balwantbhai Patel
10	Hemlataben Mansukhbhai Patel		_____

In accordance with Regulation 31 A of the SEBI Listing Regulations, the said reclassification requires the approval of the Stock Exchanges, where the shares of the Company are listed. In terms of the procedure adopted by the Stock Exchanges for granting such approval, the Stock Exchanges, inter alia, require that the Company obtains the consent of the shareholders of the Company, for the reclassification.

Accordingly, the Board recommends the resolution set out at Item No. 6 for the approval of the shareholders of the Company by way of Special Resolution.

None of the KMP, Directors except Mr. Jayanti Patel, Mr. Natwarlal Patel, Mr. Ramesh Patel and their relatives is concerned or interested in the resolution set out at Item No. 6.

ITEM NO. 7 - APPOINTMENT OF COST AUDITOR

In accordance with the provisions of Section 148(2) and 148(3) of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor for audit of Cost Records of Certain Pigment and Agrochemicals products manufactured by the Company.

Based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of M/s Kiran J Mehta & Co., Cost Accountants (Firm's Registration No. 000025) as a Cost Auditor for Cost Audit of certain Pigment and Agrochemicals Products manufactured by the Company for the year 1st April, 2017 to 31st March, 2018 on a remuneration of ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) (apart from reimbursement of out-of pocket expenses incurred for the purpose of Audit) subject to approval of remuneration by the Members.

The Board of Directors recommend passing of the Ordinary Resolution at item Number 7 of the Notice. None of the Directors, Key Managerial Personnel and/or their relatives is concerned or interested in the Resolution.

ITEM NO.8

The ordinary resolution proposed in item 8 above, if passed, will be effective until the conclusion of the next Annual General Meeting, or for a period of three years from the date of this AGM whichever is later. The IPT Mandate to enable the Company, its subsidiaries and associated companies which are considered "entities at risk" to enter in the ordinary course of business into certain types of interested person transactions with specific classes of the Company's interested persons. Particulars of the IPT Mandate are set out in the Appendix to this Notice of 23rd Annual General Meeting. This resolution is specifically placed only for approval of Singapore Depository Share holders to comply with the requirements of Singapore Stock Exchange Listing requirements.

None of the KMP, Directors except Mr. Jayanti Patel, Mr. Natwarlal Patel, Mr. Ramesh Patel and their relatives is concerned or interested in the resolution set out at Item No. 8.

Registered Office:
184, PHASE II, GIDC INDUSTRIAL ESTATE,
VATVA, AHMEDABAD 382 445
Date: 22nd May, 2017

By Order of the Board
K D MEHTA
COMPANY SECRETARY
FCS - 2051

STATEMENT AS PER LISTING AGREEMENT WITH REGARD TO THE DIRECTORS PROPOSED FOR APPOINTMENT- REAPPOINTMENT:-

(1) Mr. Natwarlal Patel: - DIN 00027540

Name	Mr. Natwarlal Meghjibhai Patel
Age	63 years
Designation	Managing Director
Qualification	Master of Science (Msc)
Brief Profile	Mr. Natwarlal Meghjibhai Patel currently oversees the technical matters of the Agrochemicals divisions, as well as the International and Domestic marketing of Agrochemical products. Mr. Natwarlal Patel has more than 39 years of experience in the Dyes and Pigments industry and more than 24 years of experience in the Agrochemicals industry.
Interest in Other Entities	1) Meghmani Industries Limited 2) Meghmani Chemicals Limited 3) John Energy Limited 4) Gujarat State Export Corporation Limited 5) Meghmani Overseas FZE – Sharjah 6) Tapsheel Enterprises 7) Navratan Specialty Chemicals LLP 8) Uniworth Enterprises LLP

(2) Mr. Ramesh Patel: - DIN 00027637

Name	Mr. Ramesh Meghjibhai Patel
Age	60 years
Designation	Executive Director
Qualification	Bachelors of Arts (BA)
Brief Profile	Mr. Ramesh Patel is currently in charge of overseeing purchases made by our Company (including Domestic purchases and Global imports) and is responsible for all liaisons between our company and government authorities or other regulatory bodies. Mr. Ramesh Patel has more than 32 years of experience in the Pigments Industry and more than 21 years of experience in the Agrochemicals Industry.
Interest in Other Entities	1) Meghmani Industries Limited 2) Meghmani Chemicals Limited 3) Uniworth Enterprises LLP

Registered Office:
184, PHASE II, GIDC INDUSTRIAL ESTATE,
VATVA, AHMEDABAD 382 445
Date: 22nd May, 2017

By Order of the Board
K D MEHTA
COMPANY SECRETARY
FCS - 2051

Meghmani Organics Limited

(Incorporated in India)

(Company Registration Number: L24110GJ1995PLC024052)

NOTICE OF ANNUAL GENERAL MEETING

APPENDIX

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents herein or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

If you have sold or transferred all your Singapore Depository Shares in the capital of Meghmani Organics Limited (the "Company"), please forward this Appendix with the Notice of Annual General Meeting and the enclosed proxy form immediately to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Notice of the Annual General Meeting and Voting Instruction Form are enclosed with the Annual Report.

The Singapore Exchange Securities Trading Limited (the "SGX-ST") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

IMPORTANT DATES AND TIMES

Date and time of Annual General Meeting :	27 July, 2017 at 10.00 a.m.
Place of Annual General Meeting :	H T Parekh Convention Center, Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad -380 015

APPENDIX

in relation to:

THE PROPOSED ADOPTION OF THE IPT MANDATE

DEFINITIONS

In this Appendix hereto the following definitions apply throughout except where the context otherwise requires or it is otherwise stated:

"AGM"	The Annual General Meeting of the Company to be convened on 27 July 2017 at 10:00 a.m. at H T Parekh Convention Center, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad -380 015 notice of which is given in the Annual Report
"Appendix":	This appendix circulated to the Shareholders together with the Annual Report for the Financial Year ended 31 March, 2017
"Audit and Risk Management	The Audit Committee of the Company comprises of Mr. Balkrishna Thakkar, Mr. Chinubhai Shah and Mr. Jayaraman Vishwanathan
"Board":	The Board of Directors of the Company as at the date of this Appendix
"CDP":	The Central Depository (Pte) Limited
"Companies Act":	The Companies Act, Chapter 50 of Singapore, as amended or Modified from time to time
"Company":	Meghmani Organics Limited
"Constitution":	The Constitution of the Company
"Control":	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
"Controlling Shareholder":	In relation to a listed company, a person who :- (a) holds directly or indirectly 15% or more of the total number of issued shares in the Company excluding treasury shares. SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder; or (b) in fact exercises Control over the Company
"Director":	A director of the Company as at the date of this Appendix
"FY":	Financial year ended or ending 31 March, 2017
"Group":	The Company, its subsidiaries and associated companies
"Independent Directors" :	The Directors who are considered independent for the purpose of making a recommendation to the Shareholders in relation to IPT Mandate FY 2018, namely, Mr. Chinubhai Shah, Mr. Balkrishna Thakkar, Mr. Jayaraman Vishwanathan, Mr. Chander Sabharwal, Mr. Kantibhai Patel and Ms. Urvashi Shah
"Independent Shareholders":	The Shareholders other than Directors and its associates.
"Interested Person Transactions":	Transactions proposed to be entered into between the Group and the Interested Persons
"Interested Persons":	Meghmani Group and their respective associates (as defined in the Listing Manual), and "Interested Person" means any one of them
"Internal Auditors":	The Internal Auditors of the Company
"IPT Mandate":	A Shareholders' general mandate pursuant to Chapter 9 of the Listing Manual permitting the Company, its Subsidiaries and Associated companies or any of them, to enter into Interested Persons Transactions with the Interested Persons

APPENDIX

DEFINITIONS

"2017-18 IPT Mandate":	IPT Mandate tabled for the consideration and approval of the Shareholders at the AGM
"Listing Manual":	The listing manual of the SGX-ST, as amended, modified or Supplemented from time to time
"Meghmani Family"	Meghmani family means Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel
"Securities Account":	A securities account maintained by a Depositor with CDP but not including a securities sub-account
"Securities and Futures Act":	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
"Senior Executives" :	The Senior Executives of the Company (with no interest, direct or indirect, in the relevant Interested Person Transaction), for the purposes of the review procedures described in Section 2.5 (Review Procedures for Interested Person Transactions) below, consisting of the Executive Director of the Company/ and General Manager of the Group
"SGX-ST":	Singapore Exchange Securities Trading Limited
"Share Registrar":	Tricor Barbinder Share Registration Services
"SDS Shareholders":	The registered holders of Singapore Depository Shares, except that where the registered holder is CDP, the term "SDS Shareholders" shall, in relation to those Shares, mean the Depositors whose Securities Accounts are credited with Shares
"Singapore Depository Shares":	Singapore Depository Shares represented by underline capital of the Company
"Subsidiaries":	Has the meaning as ascribed to it in Section 5 of the Companies Act
"Substantial Shareholder":	Has the meaning as ascribed it in Section 81 of the Companies Act
"Meghmani":	Meghmani Organics Limited
"Meghmani Group":	Meghmani, its subsidiaries and associated companies
"%" :	Per centum or percentage
"S$" and "cents":	Singapore dollars and cents, respectively
"US$" and "cents" :	United State dollars and cents, respectively

The terms "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine gender and vice versa. References to persons shall include corporations.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act or the Listing Manual or any modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Companies Act or the Listing Manual or such modification thereof, as the case may be, unless otherwise provided.

APPENDIX

Meghmani Organics Limited

(Incorporated in India)

(Company Registration Number: L24110GJ1995PLC024052)

Registered Office: Plot No. 184, Phase II, G.I.D.C. Vatva, Ahmedabad -382 445,GUJARAT India

Board of Directors:-

Jayanti M Patel	Executive Chairman
Ashish N Soparkar	Managing Director
Natwarlal M Patel	Managing Director
Ramesh M Patel	Executive Director
Anand I Patel	Executive Director
Balkrishna T Thakkar	Independent Director
Chinubhai R Shah	Independent Director
Jayaraman Vishwanathan	Independent Director
Kantibhai H Patel	Independent Director
Chander Kumar Sabharwal	Independent Director
Ms. Urvashi Shah	Independent Director

To:

The Shareholders of Meghmani Organics Limited

Dear Sir/Madam

THE PROPOSED ADOPTION OF THE IPT MANDATE

1. INTRODUCTION

1.1 The Directors are proposing to seek Shareholders' approval in respect of the proposed adoption of the IPT Mandate.

1.2 The purpose of this Appendix is to explain the reasons for, and provide the Shareholders with, relevant information pertaining to the aforesaid proposal to be tabled at the AGM and to seek Shareholders' approval for the resolution relating to the same.

1.3 The Directors propose to convene an AGM to be held at 10.00 a.m. on 27 July 2017 at H T Parekh Convention Center, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad -380 015 the notice of which is set out on Annual Report.

1.4 The Singapore Exchange Securities Trading Limited (the **"SGX-ST"**) assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this Appendix.

2. THE PROPOSED ADOPTION OF THE IPT MANDATE

2.1 Chapter 9 of the Listing Manual

2.1.1 Chapter 9 of the Listing Manual applies to transactions between a party that is an entity at risk and a counter party that is an interested person. The objective of Chapter 9 (as stated in Rule 901 of the Listing Manual) is to guard against the risk that interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

APPENDIX

In particular, an immediate announcement is required for an interested person transaction of a value equal to, or exceeding:

(a) 3.0% of the Group's latest audited consolidated NTA; or

(b) 3.0% of the Group's latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the same interested person (as construed under Chapter 9 of the Listing Manual) during the same financial year.

Under Chapter 9 of the Listing Manual, Shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

(a) 5.0% of the Group's latest audited consolidated NTA; or

(b) 5.0% of the Group's latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the same interested person (as construed under Chapter 9 of the Listing Manual) during the same financial year.

However, a transaction which has been approved by the Shareholders, or is the subject of aggregation with another transaction that has been approved by Shareholders, need not be included in any subsequent aggregation.

The above requirements for immediate announcement and/or for the Shareholders' approval do not apply to any transaction below S$100,000.

2.1.2 For illustrative purposes, based on the latest audited consolidated financial statements of the Company and its subsidiaries, for the financial year ended 31 March 2017, the consolidated NTA of the Group was S$150.70 million.

Accordingly, for the purpose of Chapter 9 thresholds detailed in Section 2.1.1, in the current financial year, 3% of the latest audited consolidated NTA of the Group is S$04.52 million and 5% of the latest audited consolidated NTA of the Group is S$07.54 million.

2.1.3 For the purposes of Chapter 9 of the Listing Manual:

(a) an **"entity at risk"** means:

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on the SGX-ST or on an approved exchange; or

(iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the **"listed group"**), or the listed group and its interested person(s), has control over the associated company;

(b) an **"interested person"** means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;

(c) an **"associate"** means:

(i) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:

(a) his immediate family;

(b) the trustees of any trust of which he or his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object; and

(c) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;

(ii) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

(d) an **"associated company"** means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;

APPENDIX

(e) an **"approved exchange"** means a stock exchange that has rules which safeguard the interest of shareholders against interested person transactions according to similar principles as Chapter 9;

(f) an **"interested person transaction"** means a transaction between an entity at risk and an interested person; and

(g) a **"transaction"** includes the sale and purchase of Pigment, Agro Chemicals, Basic Chemicals and Other Chemicals (goods) provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly.

2.2 Shareholders' General Mandate

Chapter 9 allows a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company's interested persons.

2.3 Scope of the IPT Mandate

The IPT Mandate will cover transactions arising in the normal course of business operations of the Company, its subsidiaries that are not listed on the SGX-ST or an approved exchange, and its associated companies that are not listed on the SGX-ST or an approved exchange, provided that the Group, or the Group and its interested person(s), has control over the associated company.

The IPT Mandate does not cover any transaction with an interested person (i) which has a value below S$100,000 as the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual would not apply to such transactions; or (ii) that is equal to or exceeds S$100,000 in value, but qualifies as an exempted transaction for the purposes of Chapter 9 of the Listing Manual and is thus exempted from the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual.

Transactions with Interested Persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual and/or the Companies Act. Transactions conducted under the IPT Mandate are not separately subject to Rules 905 and 906 of Chapter 9 of the Listing Manual pertaining to threshold and aggregation requirements.

Sr. No.	Name of Related Parties	Nature of Interest / Relationship	Transaction Limit (₹ In Crores Per Annum)
1	Meghmani Organics USA Inc.	Wholly owned Subsidiary	75
2	Meghmani Overseas FZE	Wholly owned Subsidiary	10
3	Meghmani Finechem Limited	Subsidiary Company	60
4	Vidhi Global Chemicals Limited	Associate	75
5	Meghmani Chemicals Limited	Associate	2
6	Meghmani Industries Limited	Associate	5
7	Meghmani LLP	Associate	5
8	Meghmani LLP SEZ	Associate	5
9	Meghmani Dyes & Intermediates LLP	Associate	5
10	Tapsheel Enterprise (Partnership Firm)	Partners / Relatives hold more than 20%	5
11	Meghmani Pigment (Partnership Firm)	Partners / Relatives hold more than 20%	20
12	Ashish Chemicals (Partnership Firm)	Partners / Relatives hold more than 20%	10
13	Matangi Industries (Partnership Firm)	Partners / Relatives hold more than 20%	5
14	Panchratna Corporation (Partnership Firm)	Partners / Relatives hold more than 20%	5

APPENDIX

2.4 The Interested Persons

The IPT Mandate will apply

Meghmani Orgnics Limited ("MOL") has been listed on the SGXST since 2004 and Indian Stock Exchanges Viz., National Stock Exchange India Limited (NSE) and BSE Limited (BSE) in2007. MOL is governed by Indian Companies Act. MOL is India's leading Pigment and Agrochemical manufacturing company. Over the years, MOL Group has grown from a company with a single focus in Pigment Manufacturere into a Agrochemical and Basic Manufacturing company.

As at the Latest Practicable Date, the Promoters (viz., Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel) Family and their relative holds approximately 50.2% of the issued and paid-up share capital of MOL. As their shareholding in MOL amounts to 30% or more, the Meghmani Group is deemed to be an interested person for the purposes of Chapter 9 of the Listing Manual.

Thus, to ensure compliance with Chapter 9 of the Listing Manual, the Company has elected to deem, as far as a transaction involving the Meghmani Group and any member of the Group is concerned, an Interested Person Transaction in the IPT Mandate.

The value of the IPTs with the Meghmani Group in FY 2017 was approximately S$ 11.47 million, and comprised of (i) sale of goods and services to the Interested Persons, rental of premises and (ii) purchase of goods and services from the Interested Shareholders may refer to the corporate governance section of the Company's Annual Report for FY 2017 for further details on the IPTs with the Meghmani Group.

2.5 Categories of Interested Person Transactions

The types of transactions with the Interested Persons specified in Section 2.4 above to which the IPT Mandate applies are broadly categorized as follows:

2.5.1 Sale of goods and services to the Interested Persons:

(a) Sale of Agrochemicals, Technical, Formulation and Intermediates;

(b) Sale of Pigments, Basic Chemicals and other products manufactured by company

(c) Hiring or Leasing premises on rental basis;

(d) Availing services as subcontractor, agency and other services in relation to Pigment and Agrochemicals

2.5.2 Purchase of goods and services from the Interested Persons

(a) Purchase of Agrochemicals, Technical, Formulation and Intermediates;

(b) Purchase of Pigments, Basic Chemicals and other products manufactured by company

(c) Hiring or Leasing premises on rental basis;

(d) Availing services as subcontractor, agency and other services in relation to Pigment and Agrochemicals

(e) provision of management consultancy services; and

(f) rental of premises, (including related goods and services incidental to the rental).

2.5.3 Entry into cooperation and collaboration agreements or sub-contracts to jointly bid, pitch or tender for sale or purchase of Pigments and Agrochemicals and other products in conjunction with the Interested Persons.

2.6 Rationale for and Benefits of the IPT Mandate

The IPT Mandate (and its subsequent renewal thereafter on an annual basis) is intended to facilitate the Interested Person Transactions in the ordinary course of business of the Group as described in Section 2.5 above, which the Directors envisage are likely to be transacted with some frequency and from time to time with the Interested Persons, provided that they are carried out on the Group's normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The IPT Mandate will enhance the ability of companies in the Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' approval for the entry by the relevant company in the Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channeled towards attaining other corporate objectives.

APPENDIX

3. GUIDELINES AND REVIEW PROCEDURES FOR THE INTERESTED PERSON TRANSACTIONS

3.1 To ensure that the Interested Person Transactions described in Section 2.5 of this Circular are undertaken on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices, and on terms which are either not more favourable than the usual commercial terms extended to unrelated third parties or not less favourable than the usual commercial terms offered by unrelated third parties, the Company has adopted and/or will adopt the following procedures for the review and approval of Interested Person Transactions under the IPT Mandate to ensure that the interests of the Company and minority Shareholders are not Disadvantaged:

3.1.1 Sale of goods and services to the Interested Persons

(a) Pigment, Agro Chemicals and Basic Chemicals

The transaction prices and terms will be determined based on the prevailing market rates which will, in turn, be determined by market forces, demand and supply, specifications and other factors.

The transaction price will also be determined with reference to publicly-available information including industry databases.

The transaction price and terms will be no more favourable to the Interested Persons than what is available in the market.

(b) Rental of premises

The review of the charter and/or rental rates, the revision of rates, or the revised terms upon which the charter and/or rental agreements are to be entered/renewed (as the case may be) will be determined by the senior management staff of the relevant company of the Group (who has no interest, direct or indirect, in the transaction) who will ensure that they are on normal commercial terms. This will be done by comparing the rates of similar premises to the Interested Persons against those granted to at least two (2) unrelated third parties (where possible or available) undertaken by the Group.

(c) Leasing of premises

Comparison of rates shall be made taking into account the independent valuation of the leased property rental rates and/or prevailing market rental rates of at least one (1) other property within the vicinity of similar or comparable standing and facilities, taking into account the tenure of the lease, the area of the leased premises and any other factor which may affect the rental rates or terms of the lease.

(d) Provision of other goods and services

Comparison will be made with reference to at least two (2) latest transactions between the Group and unrelated third parties, for the same or substantially similar type of contract or transaction.

(e) Where the prevailing market rates or prices are not available (for instance, due to the nature of services or products to be sold, or due to the prevailing business conditions) the senior management staff of the relevant company of the Group (who has no interest, direct or indirect, in the transaction) will determine the price in accordance with the Group's usual business practices, consistent with the usual profit margin to be obtained by the Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by the Interested Persons for such services or products, factors such as, but not limited to, quantity, track record, customer requirements, specifications, duration of contract, potential for future repeat business and strategic purposes of the transaction will be taken into account.

3.1.2 Purchase of goods and services from the Interested Persons

(a) In the case of purchasing Pigment, Agrochemicals, Basic Chemicals etc. or obtaining the services from the Interested Persons, comparison will be made with reference to two other quotations from unrelated third parties for the same or substantially similar type of services or products.

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The Group will only enter into transactions with such Interested Persons provided the purchase price and terms obtained from the Interested Persons are not less favourable to the Group than what is available in the market. In determining the most competitive price or fee, all pertinent factors such as, but not limited to, quality, delivery schedule, standard of services, specification compliance, track record, experience and expertise, will be taken into consideration.

(b) Where it is impractical or unfeasible to obtain competitive quotations from unrelated third parties of similar services or products (for instance, if the service or product is proprietary, if there are confidentiality issues or timing constraints over the provision of services or products by unrelated third party vendors or if the prevailing market rates or prices are not available due to the nature of the services or products to be provided or due to the prevailing business conditions), the senior management staff of the relevant company of the Group (who has no interest, direct or indirect, in the transaction) will determine whether the price and terms offered by the Interested Persons are fair and reasonable and in accordance with industry norms and the Group's usual business practices. Factors such as, but not limited to, quantity, requirements and specifications will also be taken into account.

3.2 Threshold Limits

In addition to the review procedures set out above, the Group will monitor the Interested Person Transactions covered by the IPT Mandate by categorising the transactions as follows:

(a) a Category 1 Interested Person Transaction is one where the value thereof is in excess of 3% of the latest audited consolidated NTA of the Company; and

(b) a Category 2 Interested Person Transaction is one where the value is less than or equal to 3% of the latest audited consolidated NTA of the Company.

Category 1 Interested Person Transactions must be approved by the Audit Committee prior to entry.

Category 2 Interested Person Transactions do not require the prior approval of the Audit Committee; Senior management will be responsible for approving such transactions instead.

Quarterly reviews shall be performed by the Audit Committee to ensure that the Interested Person Transactions are carried out on normal commercial terms, in accordance with the procedures outlined above. All relevant non-quantitative factors such as the nature of services provided and prevailing market conditions will also be taken into account and recorded accordingly.

In addition, where the aggregate value of all Category 2 Interested Person Transactions with the same Interested Person (as defined in Rule 908 of the Listing Manual) in the current financial year is equal to or exceeds 3% of the Group's latest audited NTA, the latest and all future Category 2 Interested Person Transactions with the same Interested Person (so defined) equal to or above S$100,000 must be approved by the Audit Committee prior to entry.

Any person who has an interest in any Interested Person Transactions (including any person related to the Interested Persons) shall abstain from participating in the review and approval process in relation to that transaction.

3.3 General administration procedures for all Interested Person Transactions

The Group has the following procedures in place for the identification of Interested Persons and the record of all Interested Person Transactions (including non-mandated Interested Person Transactions):-

(a) The Company Secretary will maintain a register of the Interested Persons which comprise the Group's Directors and controlling Shareholders and their respective associates (which is to be updated immediately if there is any changes), and disclose the list to relevant personnel (such as the Board, the human resource manager, the procurement manager, the marketing manager and the finance manager) to enable the identification of interested persons (as defined in Chapter 9 of the Listing Manual). This register of Interested Persons will be reviewed by the Audit Committee on an annual basis.

(b) Designated persons of the respective subsidiaries and associated companies of the Group are required to inform the Company Secretary of any upcoming transaction with the Interested Persons. Prior approval of the Audit Committee or Shareholders is to be obtained where necessary.

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(c) For monitoring purposes, the company secretary or an officer so assigned will maintain a register of all Interested Person Transactions (recording the basis and the factors that have been taken into account for entry into the transactions, including the quotations, valuation guidance and other evidence obtained to support such basis), which will be updated quarterly based on submissions by the designated persons.

(d) Save for the Interested Person Transactions for which approval of the Audit Committee is required prior to the entry thereof, the Interested Person Transactions set out in the quarterly report will be reviewed by the Audit Committee at quarterly meetings. The Audit Committee will review all Interested Person Transactions (including those Interested Person Transactions which have a value below S$100,000) quarterly to ensure that they are carried on normal commercial terms, that the guidelines and procedures established to monitor Interested Person Transactions have been complied with and the relevant approvals obtained.

(e) The annual internal audit plan of the Group shall incorporate a half-yearly review of all transactions entered into in the relevant financial year pursuant to the IPT Mandate. The Audit Committee shall review the internal audit report (including the register) on the Interested Person Transactions to ascertain if the established guidelines and procedures to monitor the Interested Person Transactions have been complied with and the relevant approvals obtained.

If during the course of their review, the Audit Committee is of the view that the internal control procedures for Interested Person Transactions (including the methods or procedures for determining transaction prices) have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, the Company will seek the Shareholders' approval for a fresh general mandate based on new guidelines and review procedures to ensure that the Interested Person Transactions are conducted on normal commercial terms.

During the period prior to obtaining a fresh general mandate from the Shareholders, all Interested Person Transactions will be subject to prior review and approval by the Audit Committee.

(f) Further, the Audit Committee will review the threshold limits (be it in absolute INR or equivalent to Singapore dollar amount or as a percentage of the latest prevailing audited consolidated NTA of the Group) annually to assure that they are not prejudicial to the interests of the Group and the minority Shareholders.

(g) The Board will ensure that all disclosure, approval and other requirements on Interested Person Transactions, including those required by prevailing legislation, the SGX-ST Listing Manual and accounting standards are complied with.

(h) The Audit Committee shall have overall responsibility for the determination of the review procedures and shall have the authority to delegate such responsibility to individuals or committees within the Company as they deem appropriate.

(i) The Audit Committee shall, if it deems necessary, require the appointment of auditors or any independent professional to review all matters relating to the Interested Person Transactions entered into pursuant to the IPT Mandate recorded in the register.

The Audit Committee is of the view that the above guidelines and procedures are sufficient to ensure that these Interested Person Transactions will be on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

4. VALIDITY PERIOD OF THE IPT MANDATE

The IPT Mandate will take effect from the date of the passing of the ordinary resolution relating thereto at the AGM, and will (unless revoked or varied by the Company in general meeting) continue in force until the next three financial years of the Company.

5. DISCLOSURE OF INTERESTED PERSON TRANSACTIONS PURSUANT TO THE IPT MANDATE

The Company will announce the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate for the quarterly financial periods which the Company is required to report on pursuant to Rule 705 of the Listing Manual and within the time required for the announcement of such report.

The Company is required, in accordance with the requirement of Chapter 9 of the Listing Manual, to disclose in its annual report the aggregate value of transactions conducted pursuant to the IPT Mandate during the financial year, as well as in the annual reports for the subsequent financial years during which the IPT Mandate is in force.

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6. **APPOINTMENT OF IFA IN RESPECT OF THE IPT MANDATE**

The IFA will be appointed to opine on whether the methods and procedures for determining the transaction prices of the Interested Person Transactions under the IPT Mandate are sufficient to ensure that the Group's transactions with the Interested Persons will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

7. **STATEMENT OF THE AUDIT COMMITTEE**

The Audit Committee, having reviewed, inter alia, the rationale for and the terms of the IPT Mandate as well as the benefits to the Group that may be obtained there from, the review procedures of the Company, confirms that the methods and procedures set up by the Company for determining the transaction prices of Interested Person Transactions, if always adhered to, are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

8. **DIRECTOR'S DIRECT AND DEEMED INTEREST**

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Jayanti Patel	18,560,390	7.30%	0	0	18,560,390	7.30%
Ashish Soparkar	24,585,628	9.67%	0	0	24,585,628	9.67%
Natwarlal Patel	25,712,130	10.11%	0	0	25,712,130	10.11%
Ramesh Patel	16,422,392	6.46%	0	0	16,422,392	6.46%
Anand Patel	8,130,200	3.20%	0	0	8,130,200	3.20%
Chinubhai Shah	1,000	0.00%	0	0	1,000	0.00%
Total	**93,411,740**	**36.74%**	**0**	**0**	**93,411,740**	**36.74%**

Note: The percentage is calculated on 254,314,211 issued ordinary shares of the Company (No treasury shares issued) as at the Latest Practicable Date.

DIRECTOR'S RELATIONSHIP

Name of Shareholder	Relationship with any Directors and substantial shareholders	No. of Shares	% of Holding
Patel Nayanaben Anandbhai	Wife of Director Anand Patel	2,300,000	0.90%
Taraben Jayantibhai Patel	Wife of Director Jayanti Patel	7,360,000	2.89%
Bhartiben Natwarlal Patel	Wife of Director Natwarlal Patel	2,000,000	0.79%
Patel Kalpana Rameshbhai	Wife of Director Ramesh Patel	1,000,000	0.39%
Chintan Anandbhai Patel & Darshan Anandbhai Patel	Sons of Director Anand Patel	300,000	0.12%
Maulik Jayantibhai Patel & Kruti Adesh Patel	Son & Daughter of Director Jayanti Patel	1,650,000	0.65%
Ankit Natwarlal Patel & Disha Natwarlal Patel	Son & Daughter of Director Natwarlal Patel	4,520,865	1.78%
Karan Rameshbhai Patel & Vaishakhi Rameshbhai Patel	Son & Daughter of Director Ramesh Patel	2,932,168	1.15%
Deval Soparkar, Ruchi Soparkar & Kaushal Soparkar	Son & Daughter of Director Ashish Soparkar	2,172,220	0.85%

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Name of Shareholder	Relationship with any Directors and substantial shareholders	No. of Shares	% of Holding
Ganpatbhai Meghjibhai Patel, Haribhai Meghjibhai Patel, Ishwerbhai Meghjibhai Patel, Kantibhai Meghjibhai Patel, and Popatbhai Meghjibhai Patel	Brothers of Directors Jayanti Patel, Natwarlal Patel and Ramesh Patel	3,060,000	1.20%
Amitaben Kantibhai Patel , Gauriben Haribhai Patel, & Hemlataben Mansukhbhai Patel	Sisters-in-law of Directors Jayanti Patel, Natwarlal Patel and Ramesh Patel	1,220,000	0.48%
Daminiben Patel & Hansaben Patel	Sisters of Director Anand Patel	172,900	0.07%
Kunverben Ishwarbhai Patel	Mother of Director Anand Patel	200,000	0.08%
Anil Popatbhai Patel, Kiran Manshukhbhai Patel, Lalitbhai Kantibhai Patel, Lilaben Ganpatbhai Patel, Nikunj Haribhai Patel, Praful Ganpatbhai Patel, Prashant Popatbhai Patel and Ravi Haribhai Patel	Nephews of our Directors Jayanti Patel, Natwarlal Patel and Ramesh Patel	3,864,472	1.52%
Chandrikaben B. Patel,	Niece of Directors Jayanti Patel, Natwarlal Patel and Ramesh Patel	50,000	0.02%
Hetaben Kiranbhai Patel, Jagrutiben Lalitbhai Patel, Kavita Gaurangbhai Patel and Pinal Anilbhai Patel	Wives of the nephew of Directors Jayanti Patel, Natwarlal Patel and Ramesh Patel	9,68,042	0.38%
	Total	**33,770,667**	**13.24%**

(1) Jayanti Meghjibhai Patel's deemed interest relates to the Shares held by Taraben Patel, Kruti Patel and Maulik Patel.

(2) Ashish Natwarlal Soparkar's deemed interest relates to the Shares held by Deval Soparkar, Ruchi Soparkar and Kaushal Soparkar.

(3) Natwarlal Meghjibhai Patel's deemed interest relates to the Shares held by Bharti Natwarlal Patel, Ankit Patel and Disha Patel.

(4) Ramesh Meghjibhai Patel's deemed interest relates to the Shares held by Kalpanaben Patel, Karan Patel and Vaishakhi Patel.

(5) Anand Ishwerbhai Patel's deemed interest relates to the Shares held by Ishwerbhai Meghajibhai Patel, Kunverben Patel, Nayanaben Patel, Chintan Patel and Darshan Patel.

(6) The Shares held by our Directors and substantial shareholders do not carry different voting rights from the Shares represented by the SDSs.

9. ABSTENTION FROM VOTING

In accordance with the requirements of the Listing Manual, the Interested Persons (as described in Section 2.4 of this Circular) and their associates, which for the avoidance of doubt, shall include Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel Family, shall abstain from voting on resolutions approving Interested Person Transactions involving themselves with the Group. The Interested Persons and their associates will also refrain from accepting nominations as proxy or otherwise vote at the AGM in respect of the ordinary resolution to be proposed unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast for the said resolution.

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10. DIRECTORS' RECOMMENDATION

Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel shall abstain from making any recommendations on the approval of the IPT Mandate to be proposed at the AGM to be held on 27 July, 2017.

Save as disclosed above and for their respective interests in Shares, none of the other Directors have any interest, direct and indirect, in the IPT Mandate.

Having reviewed and considered the guidelines and review procedures in relation to the IPT Mandate, the rationale for and benefits of the IPT Mandate, the Directors, save for Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel, are of the view that the IPT Mandate is in the best interests of the Company and recommend that the Shareholders vote in favour of the ordinary resolution approving the adoption of the IPT Mandate as set out in the notice of AGM.

11. ANNUAL GENERAL MEETING (AGM)

The notice of AGM is sent along with Annual Report FY 2016 -17. The AGM will be held at H T Parekh Convention Center, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad -380 015 for the purpose of considering and, if thought fit, passing (with or without any modification) the ordinary resolution set out in the notice of AGM.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Voting Instruction Form ("VIF") is attached to the notice of AGM.

Voting Instruction Form ("VIF") duly completed and executed, is to be returned by the Direct Account Holder or Depository Agent to Meghmani Organics Limited c/o The Central Depository (Pte) Limited, Robinson Road Post Office P.O. Box 1597 Singapore 903147 by 5.00 p.m. on 14 July 2017 (the "Specified Date") only if the Direct Account Holder or Depository Agent wishes to exercise its voting rights with respect to the Singapore Depository Shares ("SDS"). You do not have to return this VIF if you do not wish to exercise voting rights with respect to the SDSs or attend the AGM as an observer.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the IPT Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Circular up to and including the date of the AGM:-

(a) The Constitution of the Company;

(b) The audited consolidated financial statements of the Group for the financial year ended 31 March, 2017;

(c) The annual report of the Company for the financial year ended 31 March, 2017; and

(d) Circular

Registered Office:
184, PHASE II, GIDC INDUSTRIAL ESTATE,
VATVA, AHMEDABAD 382 445
Date: 22.05.2017

By Order of the Board
K D MEHTA
COMPANY SECRETARY
FCS - 2051

Actual Images of Meghmani Finechem Plant

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