ANNUAL REPORT

2018-2019 SGX

MEGHMANI ORGANICS LIMITED

Chemistry of success at work

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Jayantilal Patel	Executive Chairman
	Mr. Ashish Soparkar	Managing Director
	Mr. Natwarlal Patel	Managing Director
	Mr. Ramesh Patel	Executive Director
	Mr. Anand Patel	Executive Director
	Mr. BalkrishnaThakkar	Independent Director
	Mr. Chander Kumar Sabharwal	Independent Director
	Ms. Urvashi Shah	Independent Director
	Mr. Manubhai Patel	Independent Director
	Mr. Bhaskar Rao	Independent Director
	Mr. C. S. Liew	Independent Director
AUDIT COMMITTEE	Mr. Manubhai Patel	Chairman
	Mr. Balkrishna Thakkar	Member
	Mr. Chander Kumar Sabharwal	Member
NOMINATION COMMITTEE	Mr. Balkrishna Thakkar	Chairman
	Mr. Manubhai Patel	Member
	Ms. Urvashi Shah	Member
REMUNERATION COMMITTEE	Mr. Balkrishna Thakkar	Chairman
	Mr. Manubhai Patel	Member
	Ms. Urvashi Shah	Member
THE SHAREHOLDERS' / INVESTORS' GRIEVANCE, SHARE ALLOTMENT AND SHARE TRANSFER COMMITTEE	Mr. Balkrishna Thakkar	Chairman
	Mr. Manubhai Patel	Member
	Mr. Ashish Soparkar	Member
CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	Mr. Balkrishna Thakkar	Chairman
	Mr. Ashish Soparkar	Member
	Mr. Jayantilal Patel	Member
	Mr. Natwarlal Patel	Member
CHIEF EXECUTIVE OFFICER	Mr. Ankit Patel	
COMPANY SECRETARY	Mr. Kamlesh Mehta	
CHIEF FINANCIAL OFFICER	Mr. Gurjant Singh Chahal	
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, Prahalad Nagar, 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 – 400 057 Telephone No. 91 22 2612 2640
PERMANENT OFFICE (BUILDING UNDER RECONSTRUCTION)	Flat No. 22/23, Vellard View Co.op. Housing Society, Tardeo Road, Mumbai.

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CORPORATE INFORMATION

PLANT LOCATION

1. Pigment Green Division	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 Blue Division	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 Blue – Division	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**, CCG 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
	Axis Bank Limited, Corporate Banking Branch, 3rd Eye One, 2nd Floor, Nr. Panchawati Circle, C. G. Road, Ahmedabad – 380 009.
STATUTORY AUDITOR	**S R B C & CO LLP** Assurance Services 2nd Floor, Shivalik Ishan, Near C.N. Vidhyalaya, Ambawadi, Ahmedabad – 380 015,
INTERNAL AUDITOR	**C N K Khandwala & Associates** Chartered Accountants, 2nd Floor, “HRISHIKESH”, Vasantbaug Society, Opposite Water Tank, Gulbai Tekra, Ahmedabad – 380006

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CHAIRMAN'S STATEMENT

Dear Shareholders,

The financial year 2018-19 was another year of positive progress for Meghmani Organics Limited with the strong performance across all three businesses i.e. Pigments, Agro Chemicals and Basic Chemicals. We will continue to build a strong position as a leading Indian Chemical Company by diversifying the geographical presence as well as the product portfolio. In Agro Chemicals, the Company is doubling the capacity of 2,4D (Herbicides) and expanding the share of value-added products (Branded products). In Pigments, the Company is planning to add new pigments and in case of Basic Chemicals, the Company is expanding the capacity of Caustic Soda, Captive Power Plant (CPP) and adding new products.

Fire Incident during the year :

The accidental fire broke out in one of the manufacturing section of Agro Chemicals Plant at GIDC Dahej, District – Bharuch, Gujarat, (India) on 26th March, 2019. The Company is taking all the appropriate safety measures to avoid recurrence of any such eventuality in future. The Company has All Risk Insurance Policy (including Loss of Profit Policy) and is fully covered as far as insurance is concerned.

Strategic investments to drive future growth :

Meghmani's planned capex of INR 6.4 billion involving 3 projects for Basic Chemical business will be commissioned in FY 2020. The first is the CMS project of 40,000 MTPA, which will result in captive consumption of Chlorine (co-product of company's Caustic Soda production). This will help the Company to improve the margins. This project is expected to be commissioned by Q1 FY 2020. The Second project involves the capacity expansion of Caustic Soda to 2,71,600 MTPA and expansion of Captive Power Plant (CPP) Capacity to 96 MW. The Third project is to set up a Hydrogen Peroxide plant with the capacity of 30,000 MTPA, which is used in pharma and Agro Chemicals industry. The expansion of Caustic Soda capacity along with Captive Power Plant (CPP) and Hydrogen Peroxide projects expected to be commissioned by early Q3 FY 2020. The Company is also planning for the capex of INR 1.27 billion in Agro Chemicals segment to increase the capacity of 2,4D by 10,800 MTPA, which is expected to be commissioned by June 2020.

Significant improvement in profitability, led by better operational performance and revenue mix

Consolidated revenue increased by 16% YoY to INR 20880 million in FY 2019 on the back of strong growth in Agro Chemicals and Basic Chemicals segment while Pigment business remained stable. EBITDA for the period increased by 26% YoY to INR 5445 million,on the back of improved operational performance, product mix and better realization. This resulted in expansion of EBITDA margin by 220 bps to 26.1%. Profit After Tax increased by 47% to INR 2513 million with the margin of 12%. The company reported strong return ratios with Return on Equity of 26.3% and Return on Capital Employed of 29.2%.

Segmental Performance :

Agro Chemicals- Delivering strong revenue growth, led by improvement in realisation

Meghmani reported a strong performance in FY2019 and the net sales grew by 23%, to INR 7707 million from INR 6,273 million in FY 2018.This was driven by robust growth of 36% in exports, favorable market conditions and better price realization. Volumes for the year stood at 16430 MT. EBITDA was significantly increased by 83%, from INR 981 million in FY 2018 to INR 1796 million in FY 2019, On the back of our vertically integrated business model, we effectively managed fluctuating raw material costs in the market and boosted our profitability. EBITDA margin has been improved by 760 bps to 22.7%.

Pigments- Continued market leadership with growth momentum

Net sales in Pigments for the year were up 2.5% at INR 5893 million. Export sales stood at 81% in FY 2019. Sales volume were at 15999 MT in FY 2019 compared to 16,090 MT in FY 2018. Utilization levels remain robust at 77% in FY 2019. EBITDA during FY 2019 stood marginally declined to INR 818 million on the back of higher input cost. EBITDA margin slightly declined by 90 bps to 13.5% in FY 2019.

CHAIRMAN'S STATEMENT

Basic Chemicals - Delivering superior profitability

Our Basic Chemicals net sales for the year grew by 19% to reach INR 710.4 million on the back of strong demand in domestic. Sales volumes remain stable at 156,298 MTPA, while realization improved by 14% to INR 41,702 per tonne. EBITDA for the period grew by 22% to INR 3117 million and EBITDA margin was at 43.9% on account of better price realisations. Utilization levels stood at 86%

Industry Outlook :

The global pigment market was valued at $29 billion in 2017 and is expected to grow at 4.5% CAGR to reach $43 billion by 2026. The global pigment market is driven by the rise in demand for packaging ink, paints & coatings and plastic industry.

Global chemical-based crop protection sales increased by 4.2%, from $54.2 billion in 2017 to $56.5 billion 2018. Rising demand for pesticides and increasing consumption of Agro Chemicals in liquid form are some of the key factors expected to boost the demand for Agro Chemicals in the global market. Growing population, declining arable land and increasing pest concerns in the face of a growing population are driving the Agro Chemicals market.

Globally, Chlor-Alkali market represents one of the largest chemical industries. Chlor-Alkali market is expected to reach $124.6 billion by 2022, growing at CAGR of 6.8% between 2016-2022. Major consuming industries are soaps & detergents, pulp & paper and textile processing. The fact that products of Chlor-Alkali industry find increasing use in daily products shows the potential for growth of this industry.

Company Outlook: Strong FY 2020 expected as all our businesses are on a promising path

Meghmani Organics is one of the largest producers for the Copper Phthalocyanine Pigment. Going forward the Company is looking to diversify by adding new kinds and colours of Pigments.

In Agro Chemicals, we are expecting more share in the domestic market in FY2020 as our backward integration can prove to be a major competitive edge for pricing and margins. This will help in avoiding the drastic price increments of raw materials coming from China. Going forward, the Company plans to double the capacity of 2, 4D by adding 10,800 MTPA with capex of ~ INR 1.27 billion and it is expected to be operational by Q1 FY 2021.

Basic Chemicals delivered a strong FY 2019 on the back of increasing demand for Caustic Soda and Chlorine which has led to improvement in realization. The INR 6.4 billion on-going capex plan gives strong revenue visibility over coming year in Basic Chemicals business.

Government's emphasis on 'Make in India' initiative in the Indian Chemicals sector and its support from PMFAI (Pesticides Manufacturers & Formulators Association of India), promises to curb the imports and boost domestic demand across all the three segments in the future.

Acknowledgement

On behalf of the Board,

I take the opportunity to thank our customers, suppliers, bankers, business partners/associates, financial institutions and government for their consistent support, faith and encouragement to the Company. I convey my sincere appreciation to the employees and staff of the Company for their hard work and commitment. Their dedication and competence has ensured the continued growth of the Company. I am also grateful to my fellow directors for their guidance, foresight and efforts that helped steer the group's business through an increasingly competitive industry landscape.

Thank you and best wishes.

Jayantilal Patel
Executive Chairman

DIRECTORS' REPORT

To,
The Members,
Meghmani Organics Limited

Your Directors have pleasure in presenting Twenty Fifth Annual Report and Audited Statement of Accounts of the Company for the Financial Year ended on 31st March, 2019.

1. FINANCIAL RESULTS

(₹ in Lakhs)

PARTICULARS	YEAR ENDED ON 31st MARCH, 2019	YEAR ENDED ON 31st MARCH, 2018
Revenue from Operations (excluding excise duty)	137513.63	120978.18
Other Operating Revenue	3528.37	2822.01
Revenue from Operations	**141042.00**	**123800.19**
Other Income	3882.19	2610.59
Total Revenue	**144924.19**	**126410.78**
Profit Before Finance Cost and Depreciation	27108.85	19729.76
Finance Cost	4589.20	3087.17
Depreciation	4629.04	4261.95
Profit Before Extra Ordinary Item & Tax	**17890.61**	**12380.64**
Exceptional item	(4328.51)	235.82
Profit Before Tax	**22219.12**	**12144.82**
Payment and Provision of Current Tax	5390.00	3050.00
Deferred Tax Expenses/(Income)	33.84	1349.86
(Excess)/Short provision of tax for earlier year	(73.79)	51.80
Profit After Tax	**16869.07**	**7693.16**

2. COMPANY'S PERFORMANCE REVIEW

Sales:-

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

The Sales increased by **Rs. 16,535.45 Lakhs** (13.67%) i.e. from **Rs. 1,20,978.18 Lakhs** in FY 2018 to **Rs. 1,37,513.63 Lakhs** in FY 2019.

The Sales of Pigment Division increased by **Rs. 1,467.94 Lakhs** (2.55%) i.e. from **Rs. 58,247.16 Lakhs** in FY 2018 to **Rs. 58,934.91 Lakhs** in FY 2019.

The Sales of Agrochemical Division has increased by **Rs. 14,341.10 Lakhs** (22.86%) i.e. from **Rs. 64,192.07 Lakhs** in FY 2018 to **Rs. 77,066.25 Lakhs** in FY 2019.

1) DOMESTIC SALES:-

The Domestic Sales decreased by **Rs. 1,259.00 Lakhs** (-3.93%) i.e. from **Rs. 32,016.77 Lakhs** in FY 2018 to **Rs. 30,757.78 Lakhs** in FY 2019.

The Domestic Sales of Pigment Division decreased by **Rs. (713.11) Lakhs** (-6.34%) i.e. from **Rs. 11,241.68 Lakhs** in FY 2018 to **Rs. 10,528.57 Lakhs** in FY 2019.

The Domestic Sales of Agro Division decreased by **Rs. (759.74) Lakhs** (-3.66%) i.e. from **Rs. 20,783.50 Lakhs** in FY 2018 to **Rs. 20,023.77 Lakhs** in FY 2019.

DIRECTORS' REPORT

2) **EXPORT SALES :-**

The Export Sales increased by **Rs. 17,794.45 Lakhs** (20.00%) i.e. from **Rs. 88,961.42 Lakhs** in FY 2018 to **Rs.1,06,755.85 Lakhs** in FY 2019.

The Export Sales of Pigment Division increased by **Rs. 2,181.05 Lakhs** (4.72 %) i.e. from **Rs. 46,225.29 Lakhs** in FY 2018 to **Rs. 48,406.34 Lakhs** in FY 2019.

The Export Sales of Agro Division increased by **Rs. 15,100.84 Lakhs** (36.00%) i.e. from **Rs. 41,941.64 Lakhs** in FY 2018 to **Rs. 57,042.48 Lakhs** in FY 2019.

3) **OTHER INCOME :-**

Other income increased by **Rs. 1,271.60 Lakhs** mainly due to Dividend income from Subsidiary Company.

4) **PROFIT :-**

Profit Before Tax (PBT) increased by **Rs. 10,074.30 Lakhs** i.e. by (82.95%) while

Profit After Tax (PAT) increased by **Rs. 9,175.91 Lakhs** i.e. by (119.27 %)

3. **DIVIDEND:-**

The Board of Directors on 08th March, 2019 declared an interim dividend of Rs. 0.60 (60%) per equity share of face value of Rs. 1/- each for the Financial year 2018-19. The above dividend was paid to the Shareholders on March 25, 2019. The Members are requested to approve the interim dividend paid by the Company.

Further, your Directors have also recommended, a final dividend of Rs. 0.40 (40%) per equity share of face value of Rs 1/- each, for the Financial Year ended March 31, 2019 subject to approval of Shareholders at the Annual General Meeting. The final dividend, if approved, will be paid on or before August, 05th August, 2019.

The dividend payout amount for the current year is **Rs. 2,543.14 Lakhs** as compared to **Rs. 1,224.35 Lakhs** in the previous year.

During the year, unclaimed dividend amount of **Rs. 6,00,921.00** pertaining to financial year 2010-11 were transferred to Investor Education & Protection Fund (IEPF) established by the Central Government, while Unclaimed Dividend relating to Financial Year 2011-12 is due for transfer on 10.08.2019 to IEPF.

Transfer of Shares in favor of Investor Education and Protection Fund (IEPF) Authority

Pursuant to the applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares on which dividends have not been claimed for 7 consecutive years were required to be transferred in favor of IEPF authority. Accordingly, the Company has transferred 36128 Equity shares in favor of IEPF Authority during the Financial Year 2018-19 with this total 102874 Equity shares have been transferred till FY 2018-19.

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, 2019.

5. **SHARE CAPITAL :-**

The Paid up Equity Share Capital as on March 31, 2019 was Rs. 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.

DIRECTORS' REPORT

6. **FINANCIAL LIQUIDITY :-**

Cash and Cash equivalent as at 31 March, 2019 was Rs. 177.16 Lakhs (Previous year Rs. 122.51 Lakhs). The Company's working capital management is based on a well-organized process of continuous monitoring and controls on Receivables, Inventories and other parameters.

7. **CREDIT RATING:-**

CRISIL has reaffirmed Long Term Rating CRISIL A +/ Stable and Short Term Rating CRISIL A1 (Reaffirmed) to its total Bank facility of Rs. 70700 Lakhs vide its letter MEGORGN/206873/BLR/ 091800842 dated September, 24, 2018.

8. **PURCHASE OF IFC STAKE: -**

As per the Share Subscription agreement executed in 2008 between Meghmani Organics Limited (the Company or MOL) with International Finance Corporation (IFC) Washington, USA, Meghmani Finechem Limited and its Promoters, MOL was under obligation to purchase stake of IFC in MFL.

MOL Board decided not to increase its stake in MFL beyond 57.16%. Therefore, MOL purchased IFC stake through its Wholly Owned Subsidiary (WOS) viz., Meghmani Agrochemicals Private Limited (MACPL).

MOL funded Rs. 22,170.89 Lakhs to MACPL for purchase of IFC stake.

9. **MERGERS AND AMALGAMATIONS: -**

During the year on 11th February, 2019, the Hon'ble National Company Law Tribunal ("Hon'ble NCLT"), Ahmedabad Bench approved Scheme of Arrangement in the nature of Amalgamation of its two step down subsidiary Viz., Meghmani Agrochemicals Private Limited with Meghmani Finechem Limited and Restructure of share capital of Meghmani Finechem Limited.

The Order was taken on record by the Registrar of Companies on March 08, 2019, which being the effective date of Amalgamation.

Consequent upon Scheme of Amalgamation, MFL issued the Preference shares as under:

(I) Rs. 21,091.99 Lakhs in the form of 8% Optionally Convertible Redeemable Preference Shares ('OCRPS') against equity investment.

(ii) Rs. 22,170.89 Lakhs in the form of 8% Non-Convertible Compulsorily Redeemable Preference Shares (NCRPS). The said NCRPS has been reedemed on 8th March, 2019.

10. **UPDATES ON FIRE AT AGRO – III – DAHEJ ON 26TH MARCH,2019: -**

The Agrochemical Division – III situated at Plot No - Ch-1+2/A, GIDC Dahej, Dahej, Taluka – Vagra, District – Bharuch - 392130, Gujarat, (India) has three Manufacturing Sections supported by other sub-sections. The accidental Fire broke out in one of the manufacturing Section B viz; Cypermethrin plant on Friday, 26th March, 2019.

The Management is in the process of submitting requisite information to Surveyor. Hence, preliminary assessment / claim report is not received from Surveyor. Accordingly, the loss on fire including Inventory, Property Plant and Equipment and other ancillary expenses of Rs 1,586.78 Lakhs as assessed by management is charged to statement of Profit and Loss for the quarter and year ended March 31, 2019 inline with requirements of Ind AS 16.

The Company has All Risk Insurance Policy (including Loss of Profit Policy) and is fully covered as far as insurance is concerned.

The other two manufacturing Sections, A and C have not been affected and has started Production from 30th April 2019.

The works to remove the debris and Plant & Machineries have been completed. The Surveyor has completed the assessment of loss of Raw Material Stock, Finished Goods and Work in Process. The Technical Inspection of Plant & Machineries to ascertain the condition (repairable/replaceable) is under process. The Structural Engineer report for damage to Civil construction is awaited. The Company is taking all appropriate safety measures to avoid recurrence of any such eventuality in future.

DIRECTORS' REPORT

11. **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”.

12. **MEETINGS: -**

BOARD MEETINGS: -

During the year, Five Board Meetings (26.05.2018,08.08.2018,29.10.2018,11.02.2019 and 08.03.2019) 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 (26.05.2018,08.08.2018,29.10.2018 and 11.02.2019) were convened and held, the details of which are given in the Corporate Governance Report.

13. **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.

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

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

The Company had also taken members’ approval at its Annual General Meeting held on 27th July, 2018 for entering into the transactions with Related Parties from 01/04/2018 till decided otherwise.

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 policy on Related Party Transactions as approved by the Board is uploaded on the Company’s website may be accessed on the Company’s website.

15. **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.

16. **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.

17. **SUBSIDIARY COMPANIES: -**

As provided in Section 136 of the Act, the Balance Sheet, Statement of Profit and Loss and other documents of the Subsidiary companies are not being attached with the Balance Sheet of the Company.

The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

The Financial Statements of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company.

DIRECTORS' REPORT

The Company has following Five Subsidiaries.

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

* Pursuant to the Order of National Company Law Tribunal, Ahmedabad Bench, Meghmani Agrochemicals Private Limited has been dissolved by operation of law.

The Company will make available physical copies of these documents upon written request by any Shareholder of the Company.

As provided under Section 129[3] of the Act and Rules made thereunder a statement containing the salient features of the financial statements of its subsidiaries in the **Form AOC-1** is attached to the financial statements in **ANNEXURE-1**.

The policy relating to material subsidiaries as approved by the Board may be accessed on the Company's website.

18. CONSOLIDATED FINANCIAL STATEMENT:-

In accordance with the Ind AS–110 on Consolidation of Financial Statements read with Ind AS–28 on Accounting for Investments in Associates and Joint Ventures and as provided under the provisions of the Companies Act, 2013 [hereinafter referred to as “Act”] read with Schedule III to the Act and Rules made thereunder and Accounting Standards and regulation as prescribed by Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Audited Consolidated Financial Statements are provided in the Annual Report, which show the financial resources, assets, liabilities, income, profits and other details of the Company, its associate companies and its subsidiaries after elimination of minority interest, as a single entity.

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.

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

APPOINTMENT OF DIRECTORS:-

The terms of appointment of Mr. Jayantilal Patel - Executive Chairman, Mr. Ashish Soparkar and Mr. Natwarlal Patel- Managing Directors, Mr. Rameshbhai Patel and Mr. Ananad Patel – Executive Directors of the Company expired on 31st March, 2019. The Remuneration Committee at its meeting held on 01st April, 2019 has considered and approved re-appointment and terms of remuneration for a period of 5 years beginning from 01st April, 2019 to 31st March, 2024. The Board of Directors accepting the recommendation of Remuneration Committee approved the reappointment and terms of remuneration on 24th May, 2019 subject to approval of Share holders.

The statutory period of appointment of Mr. Chander Sabharwal and Mr. B T Thakkar as Independent Director is expiring at this Annual General Meeting to be held on 25th July, 2019.

DIRECTORS' REPORT

KEY MANAGERIAL PERSONNEL:-

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

1. Mr. Ankit Patel – Chief Executive Officer (CEO)
2. Mr. Kamlesh Mehta – Company Secretary
3. Mr. Gurjant Singh Chahal – Chief Financial Officer (CFO)

20. 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. C N K Khandwala & Associates, Chartered Accountants has been reappointed as Internal Auditor for the Financial Year 2019-20.

21. FIXED DEPOSITS:-

During the year, 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.

22. INDEPENDENT DIRECTORS- DECLARATION OF INDEPENDENCE:-

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 Companies Act 2013, 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 Companies Act, 2013 and SEBI Regulations.

23. 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 in compliant with Companies Act 2013.

During Financial Year 2018-19, the Company has spent an amount of **Rs. 245.88 Lakhs** (Previous year Rs. 26.22 Lakhs) towards the CSR activities. CSR amount to be spent for Financial Year 2018-19 works out to **Rs. 165.65 Lakhs** and with previous year figures of **Rs. 82.93 Lakhs** the Company has to spent **Rs. 250.22** Lakhs. The balance amount now to be spent is **Rs. 4.34 Lakhs**.

24. 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.

25. 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.

26. 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.

27. CORPORATE GOVERNANCE:-

A Separate Section on Corporate Governance practices followed by the Company, together with a certificate confirming compliance forms an integral part of this report, as per SEBI Regulations. This report also forms part of Singapore Stock Exchange listing requirements.

DIRECTORS' REPORT

28. AUDITORS:-

(A) STATUTORY AUDITORS:-

M/s. SRBC & Co LLP Chartered Accountants, Ahmedabad (Firm Regn. No. 324982E / E 300003) was appointed as Statutory Auditors at 23rd Annual General Meeting held on 27th July, 2017 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).

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 Standard. The Company has therefore decided to appoint E&Y LLP Singapore as Joint Auditor for FY 2019-20 to comply with IFRS requirements of Singapore Listing Rules.

(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 2018-19. 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 2019-20.

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.

29. 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.

30. 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.

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

The Consortium Bank Members viz., State Bank of India, ICICI Bank Limited, HDFC Bank Limited and Standard Chartered Bank has renewed Fund Based and Non Fund Based Working Capital Credit facilities up to Rs. 30000 Lakhs. The Company has executed Security Documents.

During the year the Company has repaid term loan of Rs. 12500 Lakhs to ICICI Bank Limited.

32. REDEMPTION OF NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES (NCRPS).

During the year MFL redeemed 8% Non-Convertible Redeemable Preference Shares (NCRPS) of Rs. 22170 Lakhs immediately on the Scheme of Arrangement being approved by NCLT.

The Company on receipt of Rs. 22170 Lakhs has fully re-paid outstanding ICICI Bank term loan of Rs. 10938 Lakhs and is using the balance amount of Rs. 11232 Lakhs as Working Capital requirements.

During the Financial Year 2018-19 the Company has paid total term loan (including regular installment) of Rs. 16683 Lakhs from its internal accruals. After this repayment the outstanding term loan of the Company is Rs. 12746.60 Lakhs as on 31st March, 2019.

DIRECTORS' REPORT

33. AGROCHEMICAL REGISTRATION:-

To date, we have 274 export registrations including Co-partner Registrations world wide. The Company has 348 registrations of Central Insecticides Board (CIB), Faridabad, 35 registered Trade Marks and 238 Export registrations are in pipe line.

34. RESEARCH & DEVELOPMENT:-

The laboratory facility situated at Village Chharodi, Ahmedabad has been granted Certificate of GLP Compliance from National Good Laboratory Practice (GLP) Compliance Monitoring Authority (NGCMA), Department of Science and Technology, Government of India vide certificate No. GLP/C-106/2017 dated 18th October, 2017, for a period five years up to 17.10.2020.

Research and Development (R & D) Center of the Company 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 **Rs. 209.65 Lakhs** (Previous year **Rs. 191.29 Lakhs**) as R & D expenses.

35. ANNUAL LISTING FEE:-

The Company has paid the Annual Listing Fees for the Financial Year 2019-20 to National Stock Exchange of India Limited, BSE Limited and Singapore Exchange.

36. ENVIRONMENT: -

As a responsible corporate citizen and as a chemicals manufacturer, environmental safety has been one of the key concern 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 **Rs. 2165.87 Lakhs** (Previous year **Rs. 2084.08 Lakhs**).

37. INDUSTRIAL RELATIONS:-

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

38. 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 **31.25**

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	82%
2	Mr. Ashish Soparkar	Managing Director & CEO	81%
3	Mr. Natwarlal Patel	Managing Director	81%
4	Mr. Ramesh Patel	Executive Director	55%
5	Mr. Anand Patel	Executive Director	39%
6	Mr. Kamlesh Mehta	Company Secretary	7%

iii. The percentage increase in the median remuneration of employees is **11.57%.**

iv. The number of permanent employees on the rolls of Company is **1542.**

DIRECTORS' REPORT

v. The Sales turnover of the Company has increased by **13.67%** while the Net Profit by **119.27%**. 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 **13.67%** while the Net Profit by **119.27%**. There is no direct relationship between average increase in remuneration of KMP and Company performance.

vii. The Price earning ratio as at 31.03.2019 is **27.70** and 31.03.2018 was **27.89**.

The Market Capitalisation as on 31.03.2019 was **Rs. 155895 Lakhs** (Share Price **Rs. 61.30** per Equity Share) while on 31.03.2018 was Rs. 214895 Lakhs (Share Price Rs. 84.50 per Equity Share)

The Company had made its IPO in 2007 at Rs. 19 /- per Equity Share of Rs. 1/- each. The Share price as on 31 March, 2019 was **Rs. 61.30** per Equity Share of Rs. 1/- each. The percentage increase in the market quotation was **222.63%**.

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.

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

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

Sr. No.	Name	Salary Per Annum in Rs.	Perquisites Per Annum in Rs.	Performance Bonus Rs.	Total Rs.
1	Mr. Jayantilal Patel	6000000	788038	15000000	21788038
2	Mr. Ashish Soparkar	6000000	778692	15000000	21778692
3	Mr. Natwarlal Patel	6000000	767240	15000000	21767240
4	Mr. Ramesh Patel	6000000	774859	9000000	15774859
5	Mr. Anand Patel	6000000	737204	6000000	12737204
	Total	**30000000**	**3846033**	**60000000**	**93846033**

xi. No Employee was employed for a part of the financial year at an aggregate salary of not less than Rs. 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.

39. 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, 2019** and of the profit of the Company for the period ended on **31st March, 2019**.

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;

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

DIRECTORS' REPORT

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.

ACKNOWLEDGEMENT: -

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
Jayantilal Patel
Executive Chairman
DIN - 0007224

Date: 24 May, 2019
Place: Ahmedabad

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-A

1. CONSERVATION OF ENERGY:

A	Energy conservation measures taken	**MOL - Ankleshwar** 1. Installation of raw water pump for plant & cooling tower raw water pumping system. 2. Installation of new cooling water pumpset for 185 TR Voltas (Brine chiller) cooling water pumping system. 3. Installation of new cooling water pump for plant B+C cooling water pumping system. 4. Refurbishment of existing raw water pump of boiler raw water pumping system. 5. Cable Loss Reduction by PF Improvement at Identified MCC's. 6. Application of Auto Delta Star Convertor for Under Loaded Motors. 7. Application of Energy Efficient IE3 Motors against Rewound Standard Motors. 8. Application of Auto voltage Regulator for Lighting MLDB. 9. Installation of VFD in cooling water pump for 100x2 TR brine chiller.
		MOL - Dahej 1. Installation of new cooling water pumpset & change of pipeline from 4" to 6" for ejector circulation CW pump(Plant Cyper) As per Energy Audit Report 2. Installation of new primary chilled water pumpset for 101 TR Mcquay water chiller (Plant : Cyper) As per Energy Audit Report 3. Insulation over VAM & SFD (Plant:2-4-D) condensate storage tank. As per Energy Audit Report. 4. Installation of new raw water pumpset for 2-4-D section & ETP raw water transfer pump. As per Energy Audit Report. 5. Stoppage of cooling water pump during stoppage of CW requirement in R-204 & R-206 reactors (Plant : MPB). As per Energy Audit Report.
		PIGMENT - Panoli 1) Cable Loss Reduction by PF Improvement at Identified MCC's 0.995 to 0.999 lagging 2) Installed of Auto voltage Regulator for Lighting MLDB 3) Installed of Delta Star Convertor for Under Loaded Motors - 11 Nos 4) Replaced Energy Efficient IE3 Motors against Rewound IE1 Motors 74 nos 5) Replaced of 74 Nos. 250W HPMV Fixtures by 100W LED Fixtures

ANNEXURE TO THE DIRECTORS' REPORT

A	Energy conservation measures taken	6) Replaced 33 Nos. 150W HPMV Fixtures by 65W LED Fixtures 7) Energy saving through performance improvement in Alpha, New CPC, Old CPC, Warehouse & Gypsum air compressors 8) Replacement of existing pump with new higher efficiency pump for old Beta plant Ball mill cooling water system 9) Replaced small impeller in existing pump of Old CPC GLV cooling water system 10) Replaced of existing pump with new higher efficiency pump for Alfa plant ball mill cooling water system 11) Replaced of existing pump with new higher efficiency pump for Alfa plant GLV cooling water system 12) Replaced of existing pump with new higher efficiency pump for NCPC plant GLV cooling water system 13) Replaced of existing pumps with new higher efficiency pumps for NCPC plant RVD cooling water system 14) Performance improvement of Boiler-1 through excess air control 15) Reduction of ID fan power consumption through excess air control – Boiler:1
B	Additional investments and proposals if any being implemented for reduction of consumption of energy	**MOL - Dahej** Total No of Proposals : 24 Nos. (Includes above 5) Implemented : 22 Nos. Investment : Rs. 26.37 Lacs
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.	Savings:- per Annum **Agro MOL - Dahej** : Rs. 17.49 Lacs **MOL - Ankleshwar** : Rs. 6.92 Lacs **Pigment Panoli Plant** : Rs. 58.95 Lakhs **Pigment Panoli Plant :** Unit Saved 740529 KWH/ Annum
D	Total energy consumption and energy consumption per unit of production	As per Form – A

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ANNEXURE TO THE DIRECTORS' REPORT

FORM A

Form for disclosure of particulars with respect to conservation of Energy

Particulars				2018-19	2017-18
A	Power Consumption				
	1	Electricity Consumption			
	(a)	Purchase			
		Unit	KWH	7,38,77,811	7,63,73,315
		Total Amount	₹	35,55,35,372	47,48,64,455
		Rate/Unit	₹/ KWH	4.81	6.22
	(b)	Own Generation through Diesel Generator			
		Unit	KWH	-	-
		Total Amount	KWH	-	-
		Cost/Unit	₹/ KWH	-	-
	(c)	Own Generation through steam Turbine/Generator			
		Unit	KWH	1,15,152	2,80,574
		Total Amount	₹	14,02,217	32.36,525
		Cost / Unit	₹/ KWH	12.18	11.54
	2	Coal (Specify Quality and Used)			
		Stem Generated	(MT)	3,03,063	2,74,750
		Consumption of Coal /Lignite /Others	(MT)	77,397	55,014
		Gas Consumption	(In 1000 Cubic Meter)	348	191
		Cost per Unit	(KG)	1.27	1.05
	3	Others/Internal Generations			
B	Consumption per unit of				
	Production in		(MT)	43,892	44,413
	Electricity		(₹/MT)	8,132	10,765

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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.	**Agrochemicals:-** 1. Improvement in existing manufacturing Process of Agrochemical Products 2. GLP Study – Generating Data
2	Benefits derived as a result of the above R & D.	**Agrochemicals:-** 1. Reduction in cost of production as a result of process improvement 2. GLP Study data helps reduces the cost of overseas export registration.
3	Future Plan of Action	To Reduce the Filter Pressure value of Alpha
4	Expenditure on R & D	Rs. 209.65 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: - **Rs. 105779.63 Lakhs**

Foreign Exchange Outgo: - **Rs. 19651.44 Lakhs**

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 24.05.2019

(Jayantilal Patel)
Executive Chairman
DIN-00027224

ANNEXURE- B

EXTRACT OF ANNUAL RETURN

(As on the financial year ended 31.03.2019)

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

FORM NO. MGT - 9

I.	**Registration and other details**	
	CIN	L24110GJ1995PLC024052
	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	20114	42.86
	Agro Chemicals	20211	56.04
	Other	-	01.10

III. Particulars of Holding, Subsidiary & Associate Companies

Sr. No.	Name & Address of the Company	CIN/GIN	Holding/ Subsidiary/	% of shares held	Applicable Section
1	Meghmani Organics USA, Inc.	Foreign Company	Subsidiary	100	2(87)
2	PT Meghmani Organics Indonesia	Foreign Company	Subsidiary	100	2(87)
3	Meghmani Overseas FZE	Foreign Company	Subsidiary	100	2(87)
4	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 2018				Shareholding at the end of the year 2019				% 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	121281164	-	121281164	47.69	122350917	-	122350917	48.11	0.42
(b)	CENTRAL / STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-	-
(c)	BODIES CORPORATE	-	-	-	-	-	-	-	-	-
(d)	FINANCIAL INSTITUTIONS / BANKS	-	-	-	-	-	-	-	-	-
(e)	ANY OTHER (SPECIFY)	-	-	-	-	-	-	-	-	-
	SUB TOTAL : (A) 1	**121281164**	**-**	**121281164**	**47.69**	**122350917**	**-**	**122350917**	**48.11**	**0.42**
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**	**121281164**	**-**	**121281164**	**47.69**	**122350917**	**-**	**122350917**	**48.11**	**0.42**

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 2018				Shareholding at the end of the year 2019				% 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	428298	-	428298	0.17	81	-	81	0.00	-0.17
(b)	FINANCIAL INSTITUTIONS / BANKS	1029379	-	1029379	0.40	415259	-	415259	0.16	-0.24
(c)	ALTERNATE INVESTMENT FUND	120000	-	120000	0.05	-	-	-	-	-
(d)	FORIGN PORTFOLIO INVESTOR	8649768	-	8649768	3.40	4444675	-	4444675	1.73	-1.67
(e)	INSURANCE COMPANIES	-	-	-	-	-	-	-	-	-
(f)	FOREIGN INSTUTIONAL INVESTORS	-	-	-	-	105000	-	105000	0.04	0.04
(g)	FOREIGN PORTFOLIO INVESTOR	-	-	-	-	-	-	-	-	-
(h)	QUALIFIED FOREIGN INVESTOR - CORPORATE		-	-	-	-	-	-	-	-
(i)	ANY OTHER (SPECIFY)	-	-	-	-	-	-	-	-	-
	SUB TOTAL : (B) 1	**10227445**	**-**	**10227445**	**4.02%**	**4965015**		**4965015**	**1.93**	
2	**NON-INSTITUTIONS**									
(a)	BODIES CORPORATE	17035562	-	17035562	6.70	15022177	-	15022177	5.91	-0.79
(b)	INDIVIDUAL (CAPITAL < Rs. 2 LAKH)	68422052	100976	68523028	26.94	70747150	100251	70847401	27.86	0.92
(b)	INDIVIDUAL (CAPITAL > Rs. 2 LAKH)	11871283	-	11871283	4.67	12390582	-	12390582	4.87	0.20
(d)	CLEARING MEMBER	2062742	-	2062742	0.81	2247528	-	2247528	0.88	0.07
(g)	NON RESIDENT INDIANS (REPAT)	3451134	-	3451134	1.36	6714799	-	6714799	2.64	1.28
(h)	NON RESIDENT INDIANS (NON REPAT)	874769	-	874769	0.34	790200	-	790200	0.33	-0.01
(i)	FOREIGN COMPANIES	-	-	-	-	303500	-	303500	0.12	0.12
(j)	OVERSEAS BODIES CORPORATES	-	-	-	-	-	-	-	-	-
(j)	QUALIFIED FOREIGN INVESTOR - CORPORATE	-	-	-	-	-	-	-	-	-
(k)	TRUSTS	1000	-	1000	-	500	-	500	0.00	0.00
(l)	ANY OTHERS (HUF & IEPF)	5362544	-	5362544	2.11	5789402	-	5789402	2.28	0.17
	SUB TOTAL : :(B) 2	**109081086**	**100976**	**109182062**	**42.93**	**114005838**		**114106089**	**44.89**	**1.96**

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 2018				Shareholding at the end of the year 2019				% 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)**	**119308531**	**100251**	**119409507**	**46.95**	**118970853**	**100976**	**119071104**	**46.82**	**-0.13**
	TOTAL (A)+(B)	**240589695**	**100251**	**240690671**	**94.64**	**241321770**	**100976**	**241422021**	**94.93**	**0.29**
(C)	NON PROMOTER NON PUBLIC	-	-	-	-	-	-	-	-	-
1	CUSTODIAN/ DR HOLDER	13623540	-	13623540	5.36	12892190	-	12892190	5.07	0.29
2	EMPLOYEE BENEFIT TRUST	-	-	-	-	-	-	-	-	-
(C)	**SUB TOTAL : (C)**	**13623540**	**-**	**13623540**	**5.36**	**12892190**	**-**	**12892190**	**5.07**	**0.29**
	GRAND TOTAL (A)+(B)+ (C)	**254213235**	**100251**	**254314211**	**-**	**254213960**	**100976**	**254314211**	**100**	**-**

ii) **Shareholdings of Promoters**

Shareholders Name	Shareholding at the beginning of the year (April 01, 2018)			Shareholding at the end of the year (March 31, 2019)			% 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	
Jayatilal Patel	17824390	7.01%	-	18024390	7.09%	-	0.08
Ashish Soparkar	24585628	9.67%	-	24785628	9.75%	-	0.08
Natwarlal Patel	20539850	8.08%	-	20739850	8.16%	-	0.08
Rameshbhai Patel	15402392	6.06%	-	15660689	6.16%	-	0.10
Anandbhai Patel	7768081	3.05%	-	7843200	3.08%	-	0.03

(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 – April 01, 2018		Cumulative Shareholding at the end of the year- March 31, 2019	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1) DBS Nominees (Pvt.) Limited	13623540	5.36	12892190	5.07
2) VLS Finance Limited	6230000	2.23	6040000	2.38
3) Gadia Naveen Vishwanath	3140100	1.23	3170200	1.25
4) Emerging Markets Core Equity Portfolio	1502232	0.59	1262302	0.50
5) Dimensional Emerging Markets Value Fund	-	-	950917	0.37
6) VLS Capital Limited	790611	0.31	790611	0.31
7) Adesh Ventures LLP	-	-	644382	0.25
8) Progressive Global Finance Pvt. Ltd	-	-	618100	0.24
9) Dolly Khanna	939652	0.37	600187	0.24
10) ICICI Bank Limited	892656	0.35	415259	0.16

(v) Shareholding of Directors and Key Managerial Personnel

For each of Directors and KMP	Shareholding at the beginning of the year April 01, 2018		Cumulative Shareholding at end of the year March 31, 2019	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. Jayantilal Meghjibhai Patel	17824390	7.01%	18024390	7.09%
Mr. Ashish Natwarlal Soparkar	24585628	9.67%	24785628	9.75%
Mr. Natubhai Meghjibhai Patel	20539850	8.08%	20739850	8.16%
Mr. Rameshbhai Meghjibhai Patel	15402392	6.06%	15660689	6.16%
Mr. Anandbhai Ishwarbhai Patel	7768081	3.05%	7843200	3.08%
Mr. Balkrishna Thakkar	-	-	-	-
Mr. Manubhai Patel	-	-	-	-
Mr. Bhaskar Rao	-	-	-	-
Mr. Chander Kumar Sabharwal	-	-	-	-
Ms Urvashi Dhirubhai Shah	-	-	-	-
Mr. C. S. Liew	-	-	-	-
Mr. G. S. Chahal	-	-	-	-
Mr. Kamlesh D. Mehta	-	-	-	-
	86120341	**33.87%**	**87053757**	**34.24%**

V. Indebtedness

Indebtedness of the Company Including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits (₹ In Lakhs)	Unsecured Loans (₹ In Lakhs)	Deposits (₹ In Lakhs)	Total Indebtedness (₹ In Lakhs)
Indebtedness at the beginning of FY				
i) Principal Amount	31179.00	-	-	31179.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	72.00	-	-	72.00
Total (i+ii+iii)	**31251.00**	**-**	**-**	**31251.00**
Change in Indebtedness during FY				
Addition	18150.84	-	-	18150.84
Reduction	(16676.88)	-	-	(16676.88)
Net Change	**1473.96**	**-**	**-**	**1473.96**
Indebtedness at the end of the FY				
i) Principal Amount	32652.96	-	-	32652.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	112.31	-	-	112.31
Total (i+ii+iii)	**32765.27**	**-**	**-**	**32765.27**

VI.Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Directors, Whole-time Directors and/or Manager

Particulars of Remuneration	Mr. Jayantilal 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 (₹ In Lakhs)
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	7.89	7.79	7.67	7.75	7.37	38.46
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)	150.00	150.00	150.00	90.00	60.00	600
Total (A)	**217.89**	**217.79**	**217.67**	**157.75**	**127.36**	**938.46**

B. Remuneration to other Non –Executive Independent Directors

Particulars of Remuneration	Name of Directors						Total Amount (₹ In Lakhs)
	Mr. Manubhai Patel	Mr. B. T. Thakkar	Mr. C. S. Liew	Mr. Bhaskar Rao	Mr. Chander. Sabharwal	Ms. Urvashi Shah	
Fees for attending Board/ Committee Meetings	3.00	3.50	0.00	0.00	1.50	1.00	**9.00**
Commission	-	-	-	-	-	-	**-**
Others, Please Specify	-	-	-	-	-	-	**-**
Total (B)	3.00	3.50	0.00	0.00	1.50	1.00	**9.00**

C. Remuneration to Key Managerial Personnel other than MDs/EDs			
Particulars of Remuneration	**Key Managerial Personnel (KMP)**		
	Mr. K. D. Mehta (CEO)	**Mr. G. S. Chahal, Chief Financial Officer (CFO)**	**Total Amount (Rs. in Lakhs)**
Gross Salary	0.00	0.00	0.00
Salary as per provisions of Section 17(1) of the Income Tax Act, 1961	21.72	36.22	57.94
Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0.22	0.00	0.22
Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
Stock Options	0.00	0.00	0.00
Sweat Equity	0.00	0.00	0.00
Commission (as % of Profit)	0.00	0.00	0.00
Others	0.00	0.00	0.00
Total (C)	**21.94**	**36.22**	**58.16**

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					

****

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31.03.2019

[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, 2019 ("Audit Period"),** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the **financial year ended on 31st March, 2019** according to the provisions of:

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 (BSE).

   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. (As noted below)
4. Merger / Amalgamation / Reconstruction etc.
5. Foreign Technical Collaborations.

It is further to report that the "Company" has promoted Meghmani Agrochemicals Private Limited as Wholly owned subsidiary on 23rd August, 2017 and the said Company was merged with Meghmani Finechem Limited, and the said Wholly owned subsidiary of the "Company" was dissolved vide order dated 11th February, 2019 by NCLT, Ahmedabad Bench.

Date: 18th May, 2019
Place: Ahmedabad

For, SHAHS & ASSOCIATES
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No-1414

ANNEXURE - 1

(1) INSECTICIDES ACT , 1968
(2) ENVIRONMENT PROTECTION ACT, 1986
(3) THE GOODS AND SERVICES TAX ACT, 2016
(4) INDIAN EXPLOSIVE ACT, 1952 – POISON ACT, 1884
(5) INCOME TAX ACT, 1961
(6) PROFESSIONAL TAX, 1976
(7) NEGOTIABLE INSTRUMENT ACT, 1938
(8) THE FACTORIES ACT, 1948
(9) THE APPRENTICE ACT, 1961
(10) THE INDUSTRIAL DISPUTE ACT, 1947
(11) EMPLOYEES PROVIDENT FUND & MISC. PROVISIONS ACT
(12) THE PAYMENT WAGES ACT, 1965
(13) THE PAYMENT OF BONUS ACT, 1965
(14) THE PAYMENT OF GRATUITY ACT, 1972
(15) THE MINIMUM WAGES ACT, 1946
(16) THE TRADE UNION ACT, 1926
(17) THE EMPLOYMENT EXCHANGE ACT 1952
(18) INDIAN STAMP ACT, 1899
(19) THE TRADE MARKS ACT, 1999
(20) FOREIGN TRADE (DEVELOPMENT AND REGULATION)ACT, 1992
(21) ESSENTIAL COMMODITIES ACT 1955
(22) CUSTOMS ACT 1962
(23) INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951
(24) COMPETITION ACT, 2002

Place: Ahmedabad
Date: 18th May, 2019

For, SHAHS & ASSOCIATES
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No-1414

ANNEXURE“A”
SECRETARIAL COMPLIANCE REPORT OF MEGHMANI ORGANICS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2019

To,

The Board of Directors,
Meghmani Organics Limited
Plot No. 184, Phase II,
GIDC Vatva, Ahmedabad - 382 445.

I, **KAUSHIK JAYANTILAL SHAH**, a partner of **SHAHS & ASSOCIATES, COMPANY SECRETARIES,** 305, Hrishikesh-II, Near Navrangpura Bus-Stop, Ahmedabad-380 009 have examined:

(a) all the documents and records made available to us and explanation provided by **MEGHMANI ORGANICS LIMITED**, Plot No. 184, Phase II, GIDC Vatva, Ahmedabad-382 445 (“the listed entity”)

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this clarification,

for the year ended 31st March, 2019 (“Review Period”) in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued there under; and

(b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period);**

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period);**

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period);**

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

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not Applicable to the Company during the Audit Period);**

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(I) Other regulations as applicable and circulars/ guidelines issued there under;

And based on the above examination, **I KAUSHIK JAYANTILAL SHAH,** a partner of **SHAHS & ASSOCIATES, COMPANY SECRETARIES** hereby report that, during the said Review Period:

(a) The **MEGHMANI ORGANICS LIMITED** has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/circulars/ guidelines including	Deviations	Observations / Remarks of Practicing Company Secretary
1	Nil	Nil	Nil

(b) **MEGHMANI ORGANICS LIMITED** has maintained proper records under the provisions of the above regulations and circulars/ guidelines issued there under in so far as it appears from my/our examination of those records.

(c) The following are the details of actions taken against **MEGHMANI ORGANICS LIMITED** / its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/guidelines issued there under:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, Warning later, debarment	Observations / remarks of the Practicing Company Secretary
1	Not Applicable	Nil	Nil	Nil

(d) The **MEGHMANI ORGANICS LIMITED** has taken the following actions to comply with the observations made in our previous reports:

Sr. No.	Observations of the Practicing Company Secretary in Previous reports	Observation made in the Secretarial compliance report for the Year ended 31/3/2019	Action taken by the listed entity, if any	Comments of the Practicing Company Secretary on the action taken by Meghmani Organics Limited
1	Not Applicable	Nil	Not Applicable	Nil

Date: 18th May, 2019
Place: Ahmedabad

For, SHAHS & ASSOCIATES
Company Secretaries

Kaushik Shah
Partner
FCS No 2420 CP No-1414

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

After a strong growth in 2017 and early 2018, the second half of 2018 experienced a slowdown. Global economic growth softened to 3.6% in 2018 and it is projected to decline further to 3.3% in 2019. International trade and investments are moderating, trade tensions remain elevated, and financing conditions are tightening. Amid recent episodes of financial stress, growth in emerging markets and developing economies have lost momentum, with a weaker-than-expected rebound in commodity exporters accompanied by deceleration in commodity importers. Downside risks have become more acute. Financial market pressures and trade tensions could escalate, denting global activity.

However, growth is expected to pick up in the second half of 2019, driven by the absence of inflationary pressure and monetary policy accommodations by major economies. Moreover, the fiscal and monetary policy stimulus by China has helped to counter the looming negative effects of imposed trade tariffs, improving the outlook for US – China trade tensions.

Indian Economy

India's GDP growth for FY2019 is expected at 7.2%. The Index of Industrial Production (IIP) grew by 3.6% in FY2019 and was majorly driven by growth in Infrastructure/Construction goods sector. Furthermore, inflation has remained well in control. The Wholesale Price Index (WPI) and Consumer Price Index (CPI) based inflation was at 3.18% and 3.41% respectively in FY2019. Additionally, the Reserve Bank of India (RBI) announced multiple rate cuts to ease the liquidity tightening. The Repo rate now stands at 6%.

The Indian economy grew steadily on account of various reforms like recapitalisation of public sector banks, amendments to goods and service tax, clean-up of Non-performing assets through National Company Law Tribunal (NCLT), implementation of Insolvency and bankruptcy code.

Company Overview

Meghmani Organics is a leading diversified chemical company poised for growth across its three (Pigment, Agro Chemicals and Chlor- Alkali & Derivatives) high potential business. Across the three sectors, the Company is one of the leading global pigment players along with a vertically – integrated Agro Chemical player and a leading low cost Caustic-Chlorine player in India. The Company operates 7 facilities in Gujarat, including 3 major facilities for Pigments, Agro Chemicals and Chlor- Alkali & Derivatives in Dahej, the chemicals zone of Gujarat. Over the years, the Company has built an extensive pan-India and global footprint with presence in more than 75 countries and a portfolio of over 400 clients.

Meghmani Organics delivered another year of strong performance with the consolidated growth of 16% YoY to INR 20880 million. Sale of high margin products and favourable demand supply situation has resulted in expansion of 220 bps in the EBITDA margin reaching 26.1%. EBITDA for the period increased by 26% to INR 5445 million. The company reported the highest ever PAT of INR 2513 million, increased by 47%. It is continuing to enjoy the strong return ratio, with Return on Equity of 26.3% and Return on Capital Employed of 29.2%.

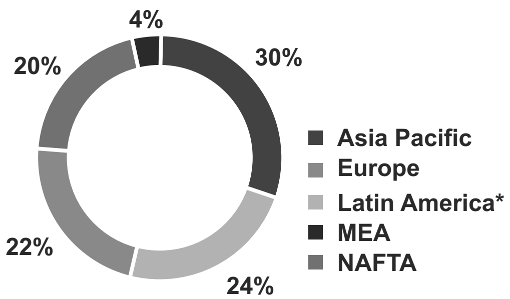
Agro Chemical Market

Global chemical-based crop protection sales increased by 4.2%, from $54.2 billion in 2017 to $56.5 billion 2018. Rising demand for pesticides and increasing consumption of Agro Chemicals in liquid form are some of the key factors expected to boost the demand for Agro Chemicals in the global market.

Recovery in the Brazilian market (one of the largest Agro Chemical consumers in the world), is the major driver of growth in 2018. The excessive crop protection inventories, which resulted in the 2017 decline have been addressed and are no longer such an issue.

High crop protection prices are mainly on the account of supply shortages, particularly higher prices of products originating from China as a result of the environmental pressures from government, consolidation in the national industry and shifting of all chemical production in chemical zone/parks. Higher prices have also driven higher tariffs imposed by the US on some Chinese chemical products. As a result, industry has passed on the higher price to consumers.

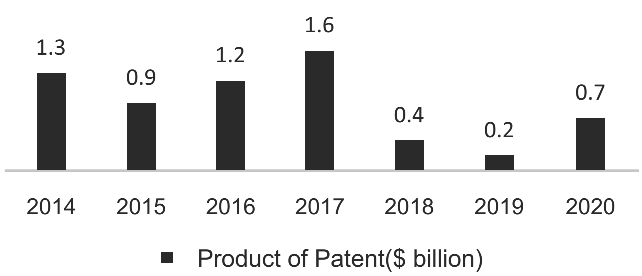
MANAGEMENT DISCUSSION AND ANALYSIS



Region	2017	% change	2018
Asia Pacific	16,300	4.6%	17,050
Latin America	12,665	6.0%	13,425
Europe	12,374	3.2%	12,770
NAFTA	10,761	3.2%	11,105
Middle East/Africa	2,110	1.9%	2,150
Total (World)	**54,210**	**4.2%**	**56,500**

Huge opportunity for Generic Pesticides players:

Agro Chemical worth $6.3 billion are going off patent between 2014-2020 and more Agro Chemical active ingredients (AIs) will lose patent protection between 2019- 2026. With so many products coming off patent, industry players have the opportunity to choose the right off-patent/generic AIs for their product development strategies.



India Agro Chemical Industry:

Indian pesticides market valued at INR 197 billion in 2018 and expected to reach INR 316 billion by 2024, growing at CAGR of 8.1% between 2019-2024. The significance of pesticides has been rising over the last few decades catalysed by the requirement to enhance the overall agricultural production and the need to safeguard adequate food availability for the continuously growing population in the country. In India, pests and diseases, on an average eat away around 20-25% of the total food produced.

Key growth driver of pesticides:

- Due to increasing urbanisation levels, per capita arable land has been reducing in recent years and expected to reduce further in coming years. Driven by rising population levels, food demand is expected to continue increasing in the coming years and pesticides to play a key role in increasing the average crop yields.
- Government initiatives to provide credit facilities to farmers is expected to provide a strong boost to the pesticides industry. Increasing availability, low interest rates on farm loan and farm loans waivers are expected to encourage farmers to use more pesticides in order to improve yields.
- Increasing awareness of pesticides among farmers.
- The penetration levels of pesticides in India are significantly lower than other major countries such as the US and China and world average. This indicates that the market for pesticides is still un-penetrated India.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

Meghmani Organics is a leading vertically-integrated Agro Chemicals player with the presence in 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 Agro Chemicals industry is highly regulated, and the Company enjoys competitive advantage via presence in entire value chain (less dependent on raw material) and 268 export registrations, 238 registrations in pipeline, 348 CIB registrations, and 35 registered trademarks. The Company has a strong global client base with exports accounting for 74% of its Agro Chemical sales. The Company exports Technical as well as Formulation (bulk and branded) products to Africa, Brazil, Latam, the US and European countries.

Major products include 2,4D, Cypermethrin, Bifenthrin, Permethrin, Chlorpyrifos and Profenophos. In branded formulations, the Company has established a strong pan-India presence with about 3000 stockists, agents, distributors, and dealers spread across pan India. Key brands include Megastar, Megacyper, Megaban, Synergy, Courage, Correct and Mega Claim.

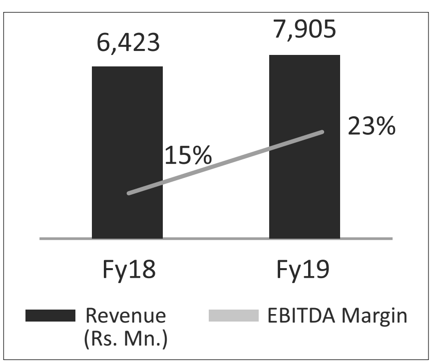
The Company has three state-of-the-art manufacturing facilities where capacities have been increased via debottlenecking. These are located at:

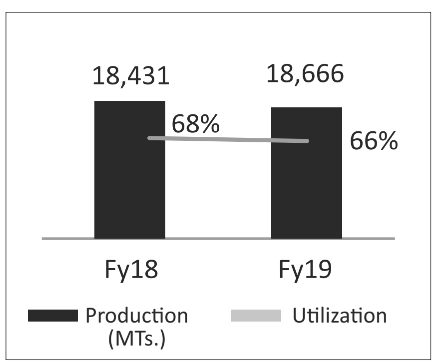
- GIDC Ankleshwar, (6,420 MTPA)
- GIDC Panoli, (7,200 MTPA)
- GIDC Dahej, (14,640 MTPA)

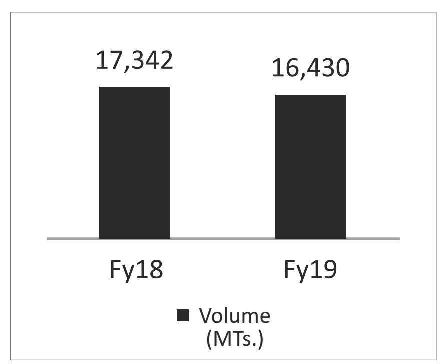
Performance of Agro Chemical Segment:

Meghmani reported a strong performance in FY2019 and the net sales grew by 23%, to INR 7707 million from INR 6,273 million in FY 2018. This was driven by robust growth of 36% in exports. Volumes for the year stood at 16430 MT. EBITDA was significantly increased by 83%, from INR 981 million in FY 2018 to INR 1796 million in FY 2019, on the back of positive market conditions and better price realisations. EBITDA margin for the period also increased to 22.7% from 15.3% in FY 2018. Utilisation level for the year stood at 66%. FY 2019 was a strong year on account of favourable market condition, better realisation and product mix.

Revenue up by 23%







Outlook and Strategy :

FY 2019 was a strong year for the Agro Chemicals segment on the back of favourable market conditions. FY 2020 shall also sustain the same growth levels as the raw material prices from China has increased significantly affecting the margins, but, Meghmani's backwards integration facilities put it in an advantageous position and thus, we are constantly improving the margins. Going forward, the Company plans to double the capacity of 2,4D by adding 10,800 MTPA with capex of ~INR 1.27 billion and it is expected to be operational by Q1 FY 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Risks, Concerns and Threats

Despite strong growth drivers, the Indian Agro Chemicals industry faces challenges in terms of dependenance on the monsoon. Erratic rainfall affects crop acreages, pest application and overall productivity, directly impacting the Company's sales performance.

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.

Pigment:

Industry Overview :

The global pigment market was valued at $29 billion (organic as well as inorganic Pigments) in 2017 and is expected to grow at 4.5% CAGR to reach $43 billion by 2026.

The global pigment market is driven by the rise in demand for packaging ink, paints & coatings and plastic industry. Paints and coatings are used in various end-user industries such as aerospace, automotive, architectural & refinishing and building & construction. Rise in population coupled with increase in per capita income has boosted the consumption of paints and coatings in decorative and industrial paints, automotive, and consumer goods industries over the last few years. This, in turn, generated considerable demand for pigments in the paints & coatings segment, making it the leading end-user segment.

Plastics are one of the major consumers of pigments. It imparts unique appearance and styling effect to plastic products. Hence, rise in the production of plastics plays a key role in driving the demand for pigments. Consumption of plastics has increased substantially in both developed and developing countries over the last few years. Factors such as economic growth, rise in disposable income, and rapid urbanisation in developing countries such as China, India, Brazil, and South Africa are expected to drive the demand for plastics.

In recent years, due to the rise of the Internet, global publications with organic pigments show a downward trend, but high-performance pigments and packaging ink pigments are growing year by year. Global packaging and printing market are expected to grow by 4.9% CAGR to reach $19.27 billion in 2026. Asia-Pacific region, such as China and India and other emerging economies are the key drivers for the development of packaging and printing market.

Business Overview

Meghmani Organics is amongst the top 3 (capacity wise) global pigment manufacturers of Phthalocyanine-based Pigments. The Company has vertically integrated facilities manufacturing CPC Blue (an upstream product, which too is sold to other Pigments manufacturers) and end products — Pigment Green and Pigment Blue. These Pigments 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 82% of net sales. The Company's relationship with its clients is consistent, with 90% business arising from repeat customers. The Company has global presence in more than 65 countries with subsidiary in the US which helps in maintaining a front-end presence along with the ability to work closely with end – user customers.

Meghmani Organics has three dedicated manufacturing facilities for Pigments products. These are located at:

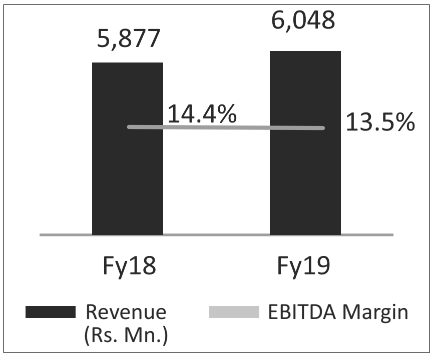
- GIDC Vatva, Ahmedabad, (2,940 MTPA) where Pigment Green is manufactured
- GIDC Panoli, near Ankleshwar, (17,400 MTPA), where CPC Blue, Alpha and Beta Blue are manufactured
- Dahej SEZ Ltd, (12,600 MTPA) where CPC Blue, Alpha and Beta Blue are manufactured

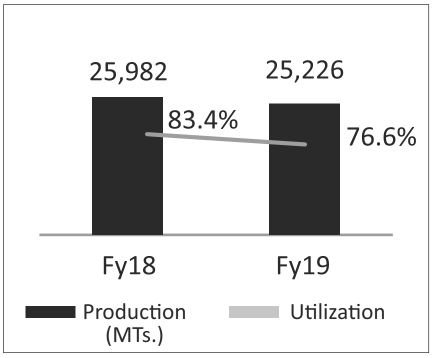
MANAGEMENT DISCUSSION AND ANALYSIS

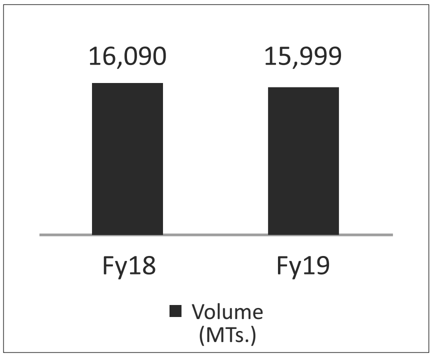
Performance of Pigments Segment :

Pigments business delivered net sales growth of 2.5% in FY 2019 and reached at INR 5893 million in FY 2019 from INR 5,747 million in FY 2018. Export sales stood at 81% in FY 2019. Sales volumes were at 15999 MT in FY 2019 compared to 16,090 MT in FY 2018. Utilisation levels remain at 76.6% in FY 2019. EBITDA during FY 2019 stood at INR 818 million. EBITDA margin slightly declined by 90 bps to 13.5% in FY 2019, primarily on account of higher prices of raw materials and competitive pressure from industry, company was not able to fully transfer higher prices to end consumer.

Revenue up by 2.9%







Outlook and Strategy :

Meghmani Organics currently is one of the largest producers for the Copper Phthalocyanine Pigment and going forward, the Company is looking to diversify by adding new Pigments. The Company continues to focus on increasing its domestic presence and increase the market share, given the significant market opportunities.

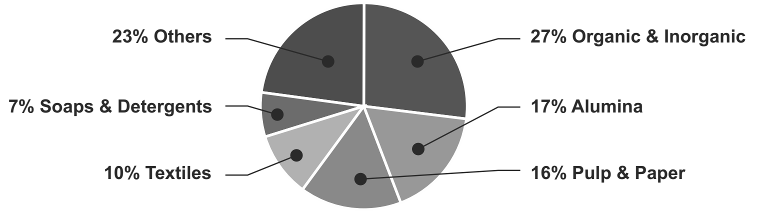
Risks, Concerns and Threats

Drastic changes and continuous fluctuations in the prices of key raw materials are critical challenges to the growth of this industry. As the Company's revenue comprises a significant portion of business from exports, volatility of the rupees vis-à-vis the Dollar and the Euro may affect realisations. The Company is engaged in a business involving different areas such as procurement, backward and forward integration, quality, technical competence, logistics facilities, after-sales service and customer relationship. Changing competitive landscape and emergence of new technologies may impact the Company's business and prospects.

Chlor Alkali Industry

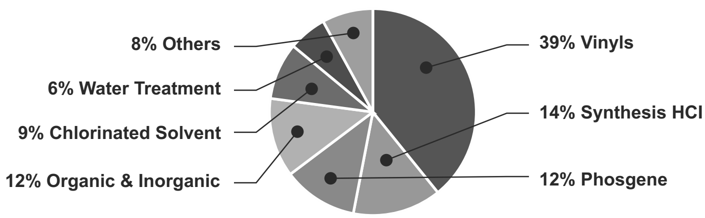
Globally, Chlor- Alkali market represents one of the largest chemical industries. Chlor- Alkali market is expected to reach $124.6 billion by 2022, growing at CAGR of 6.8% between 2016-2022. The market is broadly categorised into three segments namely Caustic Soda (NaOH), Chlorine & Soda Ash, which are collectively known as Chlor- Alkali chemicals. The main application areas of Chlor- Alkali chemicals are in soap & detergent industry, paper and pulp, textiles, water treatment, plastic industry, industrial solvents, alumina, pharmaceuticals etc.

Sector wise Global Caustic Soda Consumption (FY 2018)



MANAGEMENT DISCUSSION AND ANALYSIS

Sector wise Global Chlorine Consumption (FY 2018)



Indian Chlor- Alkali Industry:

The Indian alkali industry is regarded by global peers as among the most efficient, eco-friendly and progressive industries. It is to the industry's credit that its constituent units had taken a unified stand to move ahead of other countries in phasing out mercury and adopting the latest energy-efficient and eco-friendly membrane cell technology for producing caustic soda.

During financial year 2018, caustic soda capacity stood at 3.8 MMTPA (Million Metric Tonne Per Annum) with capacity utilisation of 84%. Over last 5 years, despite increase in capacity from 3.3 MMTPA to 3.9 MMTPA between FY 2014-2018, industry continuously operating above 80% and demand remains higher than the production. Caustic soda capacity expected to increase by 329,450 MTPA (up by 8.5%) and 205,950 MTPA (up by 4.9%) during FY19 and FY20 respectively.

Significant growth potential for Alkali and Chlor-Vinyl industry in next 5 years as the alkalis are the basic building blocks that find application in product of everyday use including aluminium, paper, textile and plastic. With growing aspirations of a rising middle class, higher disposable income and currently low level of penetration, demand for these products is bound to grow. There is a vast untapped market, which will significantly drive demand. India has one of the lowest per capita consumption of 1.9 kg caustic soda, 2.3 kg soda ash and 2.0 kg PVC compared to 32.0 kg, 28.0 kg and 12.7 kg in the US and 12.0 kg, 11.0 kg and 10.0 kg in China for caustic soda, soda ash and PVC respectively.

Business Overview

Meghmani Organics is one of the most efficient manufacturers of Caustic Soda with the Caustic soda capacity of 166,600 MTPA and Caustic Potash capacity of 21,000 MTPA. The Company has its own integrated captive power plant of 60MW and expanding it to 96MW. It is strategically located with proximity to the ports (importing coal) and customers (Caustic Soda and Chlorine supplied via pipeline), leading to lower logistic cost. 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 Soda production, Captive Power Plant provides power at lower cost resulting in high margins.

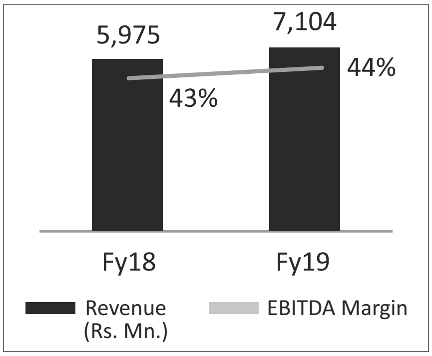
The Company's planned capex of INR 6.4 billion involving 3 projects are in-line with its strategic intent of expanding the chemicals business. The first is the CMS project of 40,000 MTPA, which will produce MDC, Chloroform and Carbon Tetra Chloride. This is expected to be commissioned by Q1 FY 2020. The second project expand capacity of Caustic Soda plant to 2,71,600 MTPA and increase the Captive Power Plant capacity to 96MW from 60 MW and is expected to get operational by Q3 FY 2020. The third project is to set up a Hydrogen Peroxide capacity of 60,000 MTPA which will also be commissioned by Q3 FY 2020

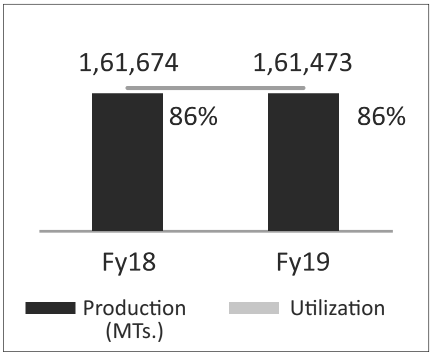
Performance of Basic Chemicals

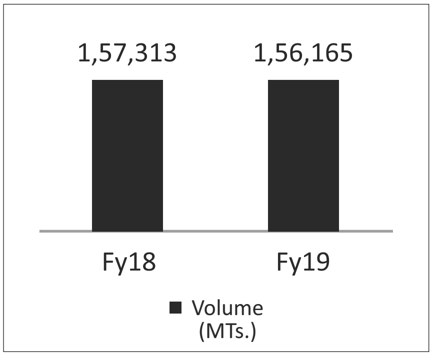
FY 2019 proved to be a much better year than FY 2018 with net sales of Basic Chemicals growing at 19% to INR 710.4 million in FY 2019 from INR 5,975 million in FY 2018, driven by favourable demand and supply scenario, which has led to improvement in ECU prices. Sales volumes for the year stood at 156298 MT. EBITDA increased by 22% YoY from INR 2,554 million in FY 2018 to INR 3117million in FY 2019. EBITDA margin also increased by 120bps to 43.9% in FY 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue up by 19%







Outlook and Strategy

The Company's strategic investment in three projects are progressing as per plan. CMS project is expected to be operational in Q1 FY 2020. The basic advantage of CMS plant at Dahej facility is in-house availability of Chlorine, which will help to reduce the cost of production and improve the profitability. Caustic soda capacity expansion and Hydrogen peroxide projects are expected to be operational by Q3 FY 2020. Successful operation of all three projects and coupled with continued strong performance by Caustic Soda, will be the key drivers for profitable growth of the Basic Chemicals.

Risks, Concerns and Threats

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. New Capacity additions and dumping of Caustic Soda from neighbouring countries might impact realisations of the Electrochemical Unit (ECU).

Internal Control System

The Company has a proper and adequate system of Internal Controls 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 (Rs mn)	**FY 2018**	**FY 2019**
Net Sales	18,034	20,880
EBITDA	4,312	5,445
PBT	3,257	4,086
PAT before Minority Interest	2,379	2,943
PAT after Minority Interest	1,713	2,513
Key Ratios		
Net Sales Growth	27%	16%
EBITDA Margin	24%	26%
ROE	24%	26%
ROCE	24%	29%
D/E ratio	0.35	0.62

CORPORATE GOVERNANCE

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 Holders.

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) and the requirements of the Corporate Governance in terms of Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") for the Financial Year ended on **31st March, 2019**.

This report outlines the Company's corporate governance practices with reference to the principles and guidelines of the Singapore Code of Corporate Governance 2012 (the "Code") for the financial year ended on 31st March, 2019 and the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual of the SGX-ST"). The Company has complied in all material aspects with the principles and guidelines of the Code, and where there were deviations from the Code, appropriate explanations are provided.

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

2. BOARD OF DIRECTORS

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.

(a) BOARD COMPOSITION : SINGAPORE CORPORATE GOVERNANCE CODE PRINCIPLE : 2

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

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

Singapore Exchange: - Guide Line 2.2

The Composition of Board of the Company is also complying with the requirements of Singapore Exchange – Code of Corporate Governance Guide Line 2.2. The Company has appointed two director's Viz., **Mr. Bhaskar Rao** and **Mr. C. S. Liew** as Director resident in Singapore to comply with the code.

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

The Board conducts regular scheduled meetings prescribed under the Companies Act on a quarterly basis. Ad-hoc meetings will be convened when circumstances require. Details relating to the number of Board and Committee meetings and the attendance of the Directors are disclosed in this Report.

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 are normally held at Corporate Office of the Company situated at Meghmani House, B/h Safal Profitaire, Corporate Road, Prahlad Nagar, Ahmedabad – 380 015.

CORPORATE GOVERNANCE

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. Jayantilal Patel	Executive Chairman	4	Yes
Mr. Ashish Soparkar	Managing Director	5	Yes
Mr. Natwarlal Patel	Managing Director	4	Yes
Mr. Ramesh Patel	Executive Director	4	Yes
Mr. Anand Patel	Executive Director	4	No
Mr. Balkrishna Thakkar	Independent Director	4	Yes
Mr. Manubhai Patel	Independent Director	5	No
Mr. Chander Sabharwal	Independent Director	3	No
Ms. Urvashi Shah	Independent Director	3	Yes
Mr. Bhaskar Rao	Independent Director	2	No
Mr. C. S. Liew	Independent Director	1	No

(c) 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.

Name of Director	Designation	Category	Directorship in other Public Limited Companies *	Committee Membership of other Companies**
Mr. Jayantilal Patel	Executive Chairman	Executive	1	Nil
Mr. Ashish Soparkar	Managing Director	Executive	1	Nil
Mr. Natwarlal Patel	Managing Director	Executive	3	Nil
Mr. Ramesh Patel	Executive Director	Executive	1	Nil
Mr. Anand Patel	Executive Director	Executive	Nil	Nil
Mr. Balkrishna Thakkar	Independent Director	Non – Executive	1	1
Mr. Chander Sabharwal	Independent Director	Non - Executive	1	Nil
Ms. Urvashi Shah	Independent Director	Non - Executive	1	Nil
Mr. Manubhai Patel	Independent Director	Non - Executive	5	1
Mr. Bhaskar Rao	Independent Director	Non - Executive	Nil	Nil
Mr. C. S. Liew	Independent Director	Non - Executive	Nil	Nil

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

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

All the Directors are in compliant with the provisions of the Companies Act, 2013 and "SEBI Regulations" in this regard.

CORPORATE GOVERNANCE

(d) NUMBER OF BOARD MEETINGS HELD :-

SINGAPORE EXCHANGE – CODE OF CORPORATE GOVERNANCE GUIDE LINE 1.4

During the financial year ended on 31st March, 2019, 5 (five) 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 **26.05.2018, 08.08.2018, 29.10.2018, 11.02.2019** and **08.03.2019**.

The last Annual General Meeting of the Company was held on **27th July, 2018**.

(e) 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 the 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.

(f) INDEPENDENT DIRECTOR:-

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.

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.

(g) 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, Singapore List Rules and other relevant regulations including amendments thereof from time to time and their affirmations are taken with respect to the same.

The Group has a director training policy that requires any newly appointed directors with no prior experience as a listed company's director to attend relevant directorship courses, such as directorship courses from the Singapore Institute of Directors within 1 year from date of appointment. The Company would also provide existing directors to attend seminars and trainings to enable them to keep pace with changes of regulatory and financial reporting standards that have a material bearing on the Company and its industry. In **FY 2018 -19, Mr. C S Liew and Mr. Bhaskar Rao Independent Directors resident of Singapore attended directorship courses from the Singapore Institute.**

(h) SEPARATE MEETING OF INDEPENDENT DIRECTOR:-

The Independent Directors had met on **10th February, 2019**, without the attendance of Non-Independent Directors and members of management to discuss the followings:-

i. Review the performance of Non-Independent Directors and the Board as a whole;

ii. Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

iii. 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.

CORPORATE GOVERNANCE

(I) ISSUANCE OF LETTER OF APPOINTMENT:-

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

All newly appointed directors would be provided an induction program on his duties as a director and how to discharge those duties. Briefings would also be provided by management on the Group's history, business operations and corporate governance practices.

(j) PERFORMANCE EVALUATION OF THE BOARD & INDIVIDUAL DIRECTORS:- PRINCIPLE 5

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.

(k) BOARD'S ROLE:- SINGAPORE EXCHANGE CORPORATE GOVERNANCE -PRINCIPLE 1

The Board's role is to:

(1) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;

(2) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;

(3) identify the key stakeholder groups and recognize that their perceptions affect the Company's reputation;

(4) set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;

(5) Consider sustainability issues, e.g. environmental, governance and social factors, as part of its strategic formulations

(6) review and approve the recommended remuneration framework and packages for the Board and key management personnel;

(7) review the performance of the Board, set the criteria for selection of directors and to nominate directors for shareholders' approval; and

(8) ensure communication with shareholders are accurate, adequate and timely.

To assist the Board in the execution of its responsibilities, the Board has constituted various Board committees, namely the Audit Committee, Remuneration Committee, Nominating Committee and the Executive Committee.

The role and function of each committee is described in subsequent sections in this report. While these committees are delegated with certain responsibilities, the ultimate responsibility for the final decision lies with the entire Board.

All Board Committees are constituted with clear Terms of Reference to assist the Board in discharging its functions and responsibilities.

CORPORATE GOVERNANCE

(I) CHAIRMAN AND CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR - SINGAPORE CORPORATE GOVERNANCE PRINCIPLE -3

Of the view that accountability and independence have not been compromised despite the Chairman and Managing Director not being the same person. The Chairman and Managing Director have defined responsibilities which, during his tenure so far, have not conflicted with each other. Major business proposals are discussed at Board meetings before decisions are made. The Board believes there is sufficient element of independence and adequate safeguards against a concentration of power in one single person.

The Chairman is responsible to, among others:–

(a) lead the Board to ensure its effectiveness on all aspects of its role;

(b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

(c) promote a culture of openness and debate at the Board;

(d) ensure that the directors receive complete, adequate and timely information;

(e) ensure effective communication with shareholders;

(f) encourage constructive relations within the Board and between the Board and management;

(g) facilitate the effective contribution of non-executive directors in particular; and

(h) promote high standards of corporate governance.

(9) AGENDA FOR BOARD MEETING:-

SINGAPORE EXCHANGE – CODE OF CORPORATE GOVERNANCE GUIDE LINE 1.5

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.

CORPORATE GOVERNANCE

- The Board works with management to achieve this objective and the management remains accountable to the Board.

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) RELATIONSHIP BETWEEN DIRECTORS:-

Mr. Jayantilal Patel, Mr. Natwarlal Patel and Mr. Ramesh Patel are related as brothers. No other Directors are related to each other. Mr. Anand Patel is the cousin of Mr. Jayantilal Patel, Mr. Natwarlal Patel and Mr. Ramesh Patel.

(r) CHAIRMAN AND GROUP CEO- SINGAPORE CORPORATE GOVERNANCE PRINCIPLE 3:

There should be a clear division of responsibilities between the leadership of the Board and the Executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.

There is a clear separation of the roles and responsibilities of the Chairman and the CEO to ensure a balance of power and authority, increased accountability and greater capacity of the Board for independent decision-making.

Mr. Jayantilal Patel - Executive Chairman, leads the Board to ensure effectiveness of all aspects of its role. The Chairman sets the meeting agenda and ensures that the Directors are provided with complete, adequate and timely information. The Chairman ensures that discussions and deliberations are effective and promote a culture of openness and debate at Board meetings. The Chairman encourages constructive relations within the Board and between the Board and Management. The Chairman also facilitates the effective contribution of the Non-Executive Directors and promotes high standards of Corporate Governance.

Mr. Ankit Patel - CEO, is responsible for the day-to-day management affairs. He also executes the strategic plans set by the Board and ensures that the Directors are regularly kept updated and informed of the Group's business. The members of the RC and NC are independent directors. Therefore, the Board believes that there are adequate safeguards for checks which ensure a balance of power and authority such that no one individual represents a considerable concentration of power.

CORPORATE GOVERNANCE

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

Particulars of Equity Shareholding of Independent Directors: - 31.03.2019:

Name of Independent Director	No. of Equity Shares of Rs. 1/- each
Mr. Balkrishna Thakkar	Nil
Mr. Chander Sabharwal	Nil
Ms. Urvashi Shah	Nil
Mr. Manubhai Patel	Nil
Mr. Bhaskar Rao	Nil
Mr. C. S. Liew	Nil

3. COMMITTEES OF THE BOARD OF DIRECTORS

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. It is applicable to top 100 listed entities on the basis of market Capitalisation as on 31.03.2018.

The terms of reference of the Committees are determined by the Board from time to time. The respective Chairman of the Committees, also informs 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 :-

SINGAPORE EXCHANGE – CODE OF CORPORATE GOVERNANCE GUIDE LINE 11.8

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 (Act) and Regulation 18 of SEBI (LODR) 2015. The Committee has full access to financial information.

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 statutory 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 Statutory Auditors and Internal Auditors during the process of audit;
- to discuss nature and scope of audit before audit commences with statutory auditors;
- to review the scope of internal audit procedures;
- to nominate Statutory Auditors for re-appointment;

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- 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 discuss with internal auditors of any significant findings and follow up action 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 AUDIT COMMITTEE:-

SINGAPORE EXCHANGE CODE OF CORPORATE GOVERNANCE GUIDE LINE 11.8

The Audit Committee comprises of three Independent Non Executive Directors. Mr. Manubhai Patel 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 26.05.2018, 08.08.2018, 29.10.2018 and 11.02.2019.

Name of the Director	Category of directorship	Qualification	No. of meetings attended
Mr. Manubhai Patel	Chairman - Independent Director	FCA - Institute of Chartered Accountant of India (ICAI)	4
Mr. Balkrishna Thakkar	Member - Independent Director	FCA - Institute of Chartered Accountant of India (ICAI)	4
Mr. Chander Sabharwal	Member - Independent Director	BA Honors (Economics)	3

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

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 **C N K Khandwala & Associates**, Chartered Accountants, Ahmedabad, Gujarat. The Internal Auditor reports directly to the Chairman of the Audit Committee ("AC") on internal audit matters.

CORPORATE GOVERNANCE

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 :-

SINGAPORE EXCHANGE CODE OF CORPORATE GOVERNANCE GUIDE LINE 4.1

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**;

(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.

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(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 Singapore Exchange Corporate Governance Code Guideline 2.1 and any other salient factors.

GUIDELINE 5.1 :-

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 **Mr. Balkrishna Thakkar - Independent Director** and considers that he is independent even though he has 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.

(6) 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 NOMINATION COMMITTEE:-

The Nomination Committee comprises of three Independent – Non Executive Directors. Mr. B T Thakkar is the Chairman of the Committee. Mr. K. D. Mehta, Company Secretary acts as the Secretary of the Committee.

4.4 MEETINGS AND ATTENDANCE DURING THE YEAR:-

The Committee met on 26.05.2018. The particulars of meeting attended by members of the Committee are given below:

Name of the Director	Status	No. of Meetings held
Mr. Balkrishan Thakkar	Chairman - Independent Director	1
Ms. Urvashi Shah	Member – Independent Director	0
Mr. M K Patel	Member – Independent Director	1

CORPORATE GOVERNANCE

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 Senior Management Personnel;

(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:- SINGAPORE CORPORATE GOVERNANCE PRINCIPLE - 7

The Remuneration Committee comprises of three Independent Non Executive Directors. Mr. Balkrishna Thakkar 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 26.05.2018 particulars of meeting attended by members of the Committee are given below:

Name of the Director	Status	No. of Meetings held
Mr. Balkrishna Thakkar	Chairman – Independent Director	1
Ms. Urvashi Shah	Member – Independent Director	0
Mr. M K 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 EXECUTIVE DIRECTORS:-

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

5.5 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.

REMUMERATION 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. Jayantilal Patel Executive Chairman, Mr. Ashish Soparkar and Mr. Natwarlal Patel Managing Directors, Mr. Ramesh Patel and Mr. Anand Patel – Executive Directors (Collectively referred as a working Director) for period of 5 years from 01 April, 2014, which has expired on 1st April, 2019.

The Remuneration committee at it's meeting held on 01.04.2019 approved the reappointment and terms of remuneration payable to working directors for period of 5 years from 01 April, 2019.

CORPORATE GOVERNANCE

In FY 2018-19, the Company has paid remuneration of Rs. 5,00,000/- per month (Rs. 60,00,000/- 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 to Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel for the financial year FY 2017-18.

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

5.6 SITTING FEES PAID TO INDEPENDENT DIRECTORS DURING FY 2018-19:-

Name of Independent Director	Sitting Fees (Rs.)
Mr. Balkrishna Thakkar	350000
Mr. Manubhai Patel	300000
Mr. Chander Sabharwal	150000
Ms. Urvashi Shah	100000
Total	**900000**

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

5.7 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 2018-19 to Working Directors are:-

Name of Director	Salary, Perquisites & Performance Bonus (Rs.)
Mr. Jayantilal Patel	21788038
Mr. Ashish Soparkar	21778692
Mr. Natwarlal Patel	21767240
Mr. Ramesh Patel	15774859
Mr. Anand Patel	12737204
Total	**93846033**

5.8 SGX CORPORATE GOVERNANCE CODE - GUIDELINE 9.3

The Company is providing minimum 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 more than $ 250,000

Name of Director	Directors Fees	Salary	Performance Bonus	Other benefits	Total
Mr. Jayantilal Patel	Nil	28%	69%	3%	100%
Mr. Ashish Soparkar	Nil	28%	69%	3%	100%
Mr. Natwarlal Patel	Nil	28%	69%	3%	100%
Mr. Ramesh Patel	Nil	38%	53%	7%	100%
Mr. Anand Patel	Nil	47%	47%	6%	100%

CORPORATE GOVERNANCE

5.9 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 2019 is S$ 1,15,552 (Rs. 47.71 = S$1)

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

Name	Designation	Salary	Allowances	Other Benefits	Total
GOPAL ICHHANATH BHATT	VICE PRESIDENT-STRATEGIC SOURCING	45%	30%	25%	100%
VASANT G PATEL	VICE PRESIDENT (OPERATION)	45%	30%	25%	100%
GURJANT SINGH CHAHAL	CHIEF FINANCIAL OFFICER	45%	30%	25%	100%
AMISH JAYESHKUMAR TRIVEDI	HEAD-CORP. AFFAIRS	45%	30%	25%	100%
JAYESHKUMAR RAMANLAL TRIVEDI	GENERAL MANAGER (AGRO MKTG)	45%	30%	25%	100%

5.10 CORPORATE GOVERNANCE GUIDELINE 9.4 – CODE OF - SINGAPORE STOCK EXCHANGE-

No employee of immediate family members of a Director or CEO has drawn remuneration exceeding S$ 50,000 during financial year 2018-19.

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 SGS COMMITTEE:-

The Shareholders'/Investors' Grievances, Share Allotment, Share Transfer and Stake holder Relationship Committee comprises of two Independent Non-Executive Directors and one Executive Director. Mr. Balkrishna Thakkar 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 26.05.2018, 08.08.2018, 29.10.2018 and 11.02.2019.

Name of the Director	Status	No. of Meetings
Mr. Balkrishna Thakkar	Chairman - Independent Director	4
Mr. Manubhai Patel	Member - Independent Director	3
Mr. Ashish Soparkar	Member – Executive Director	4

6.4 DETAILS OF SHAREHOLDERS' COMPLAINTS :-

Detail of Complaints received	Nos.
Number of Complaints received from Shareholders' 01.04.2018 to 31.03.2019	0
Number of Complaints not solved to the satisfaction of shareholder	0
Number of Pending Complaints on 31.03.2019	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, 2019 are as under:

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

During the year the Company has spent **Rs. 245.88 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
2015-16	Annual General Meeting 26 July, 2016	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	1. To Authorize Directors to Convert Financial assistance into Fully Paid up Equity Shares of the Company
2016-17	Annual General Meeting 27 July, 2017 at 10.00 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	1. Reclassification of Promoter and Promoter Group
2017-18	Annual General Meeting 27 July, 2018 at 10.00 a.m.	J B Auditorium Ahmedabad Management Association, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad.	1. Appointment of Mr. Manubhai Patel as Independent Director. 2. Appointment of Mr. Bhaskar Rao as Independent Director. 3. Appointment of Mr. C S Liew as Independent Director. 4. Authority for Related Party transactions.

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

9 **OTHER DISCLOSURES :-**

9.1 **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 arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable Disclosure as required by the Accounting Standards (AS18) 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.

9.2 **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.

9.3 **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

9.4 CORPORATE GOVERNANCE OF SUBSIDIARIES :-

Meghmani Finechem Limited (MFL) is the material subsidiary of the Company and needs to have on its Board two Directors of Meghmani Organics Limited (MOL) who are independent. Mr. Balkrishna Thakkar and Mr. Manubhai Patel, Independent Directors 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 tabled at the subsequent Board Meetings. The Companies policy on 'Material Subsidiary" is placed on the Company's website.

9.5 CERTIFICATE ON CORPORATE GOVERNANCE:-

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

9.6 SHAREHOLDER'S INFORMATION:-

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

9.7 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.

9.8 MANAGEMENT DISCUSSION AND ANALYSIS REPORT:-

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

9.9 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 time to time.

9.10 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. All the Working Directors retiring by rotation will be reappointed at this Annual General Meeting.

There is no Alternate Director being appointed to the Board.

9.11 TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) :-

Pursuant to provision of Section 124(6) of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, Company has transferred 102874 Equity Shares to IEPF Suspense account, who has not claimed dividend for seven consecutive years.

CORPORATE GOVERNANCE

9.12 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.

9.13 APPOINTMENT & REMOVAL OF COMPANY SECRETARY:-

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

9.14 REMINDERS TO UNPAID DIVIDEND:-

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

9.15 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".

25,784,380 SDSs each of Rs. 0.50 paise representing **12,892,190 Equity Shares** of Rs. 1/-each is outstanding as on 31st March, 2019. The conversion of SDSs in to Equity shares will not have any impact on paid up capital or cash position of the Company.

9.16 PARTICULARS OF INTERESTED PERSON TRANSACTIONS UNDER RULE 920 OF SINGAPORE LISTING MANUAL FOR THE YEAR ENDED 31ST MARCH, 2019 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 Rs. 5,148,000) 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$100,000 (equivalent to approximately Rs. 5,148,000)	
	Amount in Rs.	Amount in S$,000	Amount in Rs.	Amount in S$,000
Meghmani Industries Ltd	10465200	203	-	-
Meghmani Dyes & Intermediates LLP	6324800	123	-	-
Meghmani Pigments	157775536	3065	-	-
Ashish Chemicals (EOU)	29470500	572	-	-
Meghmani LLP	69259540	1345	-	-
Pancharatna Corporation	16142400	314	-	-
Total	**289437976**	**5622**	-	-

Note: (1) Rs 51.48=SS1 (Average Rate of Financial Year 2018-19)
(2) IPT Transaction are within threshold limit of 3% of the latest audited Consolidated NTA.

9.17 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.

CORPORATE GOVERNANCE

10 MEANS OF COMMUNICATION:-

10.1 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.

10.2 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 24th May, 2019.

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

10.3 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.

10.4 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 will sent the soft copies of Annual Report 2018-19 to those members whose Email IDs were registered with the Depository Participants (DP) after informing them suitably.

11 GENERAL SHAREHOLDER INFORMATION :-

I. Annual General Meeting :-

Date	25th July, 2019
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 23 July, 2019 (before 10.00. a.m.)
Posting of Annual Report	On or before 01st July, 2019

CORPORATE GOVERNANCE

II. 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, 2019 were held on the following dates:-

Financial Calendar 2018-19:-

First Quarter Results	8th August, 2018
Second Quarter and Half yearly results	29th October, 2018
Third Quarter Results	11th February, 2019
Fourth Quarter & Annual Results	24th May, 2019

Financial Calendar 2018-19:-

First Quarter Results - 30.06.2019	Within 45 days from the close of quarter
Second Quarter Result - 30.09.2019	Within 45 days from the close of quarter
Third Quarter Results - 31.12.2019	Within 45 days from the close of quarter
Fourth Quarter - 31.03.2020	Within 60 days from the close of quarter

Date of Book Closure:-

Book Closure	**Friday, 19 July, 2019 to Thursday, 25 July, 2019**

III. Dividend payment :-

The Board of Directors at their meeting held on 24th May, 2019 recommended a final dividend of Rs. 0.40 (40%) per Equity Shares of the face value of Rs. 1/- each for the financial year 2018-19, subject to approval of the shareholders. The information of unclaimed dividend is as under:-

Particulars	Dividend %	31/03/2019 Rs.	Payment Date	Transfer Due date
Un paid Dividend - 2012	10%	222986.16	11.08.2012	10.08.2019
Un paid Dividend - 2013	10%	209732.20	07.08.2013	06.08.2020
Un paid Dividend - 2014	10%	196765.40	11.08.2014	10.08.2021
Un paid Dividend - 2015	40%	617659.20	27.02.2015	26.02.2022
Un- paid dividend – 2016	30%	628115.13	23.03.2016	22.02.2023
Un- paid dividend – 2017	40%	584429.50	07.08.2017	06.08.2024
Un- paid dividend – 2018	40%	669472.29	11.08.2018	10.08.2025
Un- paid dividend – 2019 (Interim)	60%	9167034.40	25.03.2019	24.03.2026
Total		**12296194.28**		

IV. Stock Code :-

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

CORPORATE GOVERNANCE

V. 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 31st March, 2019 are as under :-

National Stock Exchange of India Limited: - 31.03.2019

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	Total Turnover (Rs. In Lakhs)
Apr-18	85.10	107.40	84.50	103.50	34218937	3411243629
May-18	104.05	114.35	93.00	93.75	31078952	3209219372
Jun-18	93.95	96.50	75.05	82.05	24566103	2127331162
Jul-18	82.55	98.35	78.45	89.35	31137559	2732956704
Aug-18	89.70	99.00	86.06	89.25	34107284	3172222385
Sep-18	89.85	90.90	74.15	75.45	18445155	1563643861
Oct-18	77.55	83.50	69.30	72.15	18292688	1382242692
Nov-18	70.00	71.20	56.60	59.35	41258812	8663700553
Dec-18	59.50	63.90	52.30	60.10	11162176	6641041867
Jan-19	60.30	64.00	51.10	54.70	11105084	645998238
Feb-19	55.50	57.20	42.15	51.75	19204496	982979838
Mar-19	52.10	67.45	51.95	61.10	32469079	2031357523

BSE Limited: - 31.03.2019

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	Total Turnover (Rs.)
Apr-18	85.85	107.40	84.80	103.45	4793896	477032306
May-18	103.80	114.40	93.10	93.55	4643048	478462249
Jun-18	94.50	96.75	74.65	82.10	3928294	340075057
Jul-18	82.50	98.20	78.00	89.35	4750645	416502616
Aug-18	90.00	99.05	86.70	89.25	4960484	461486581
Sep-18	90.00	91.00	74.35	75.75	3139564	266626756
Oct-18	75.85	83.40	69.45	72.35	3373030	255210434
Nov-18	70.00	71.30	55.00	59.45	7157652	464169538
Dec-18	60.00	63.85	52.35	60.20	2007161	119389689
Jan-19	59.90	63.90	51.70	54.80	2435246	141174317
Feb-19	55.60	56.90	42.10	51.80	4441139	225864748
Mar-19	51.90	67.55	51.90	61.30	6002537	374810222

CORPORATE GOVERNANCE

VI. 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 Financial Year 2019-20 has been paid to Stock Exchanges.

VII. 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.

VIII. Dematerialization of Shares: 31.03.2019:-

Share Capital	No. of shares	%
Listed Capital	254314211	100.00
Held in Dematerialized form :-		
National Securities Depository Limited **(NSDL)**	206836171	81.33
Central Depository Services (India) Limited **(CDSL)**	47377789	18.63
Held in Physical Form	100251	0.04
Total	**254314211**	**100.00**

CORPORATE GOVERNANCE

IX. Shareholding Pattern - 31.03.2019:-

Category	No. of shares	%
Clearing Member	2377391	0.93
Financial Institutions	415259	0.16
Foreign Company	303500	0.12
Foreign Inst. Investor	105000	0.04
Foreign Portfolio Investors (Corporate)	4444675	1.75
Singapore Depository Receipts	12892190	5.07
Hindu Undivided Family	5384353	2.12
Investor Education & Protection Fund	102874	0.04
Mutual Fund	81	0.00
NBFC Registered with RBI	90061	0.04
Non Nationalized Banks	205270	0.08
Non Resident (Non Repatriable)	784413	0.31
Non Resident Indians	6714049	2.64
Other Bodies Corporate	15063909	5.92
Promoters	95269357	37.46
Public	83079769	32.67
Relatives Of Director	27081560	10.65
Trusts	500	0.00
Total	254314211	100.00

VI. Listing details of Equity shares:-

Category	Shareholders		Total Shares of Rs. 1/- each	
	Number	Percent	Number	Percent
1-500	91026	78.84	15391089	6.05
501-1000	11954	10.35	9924469	3.90
1001-2000	6113	5.29	9526111	3.75
2001-3000	2098	1.82	5436111	2.14
3001- 4000	1002	0.87	3651637	1.44
4001- 5000	855	0.74	4096325	1.61
5001-10000	1274	1.10	9518469	3.74
10001- & ABOVE	1145	0.99	196770000	77.37
Total	115467	100.00	254314211	100.00

CORPORATE GOVERNANCE

Twenty Largest Singapore Depository Shares ("SDS") Holders 12.06.2019 (As per Singapore rules):-

S.N.	NAME OF SDS HOLDER	NO. OF SDS	%
1	WATERWORTH PTE LTD	95,00,000	36.84
2	TEO CHIANG SONG	12,00,000	4.65
3	WU CHUNG SHOU	9,10,000	3.53
4	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	8,30,000	3.22
5	INDIA INTERNATIONAL INSURANCE PTE LTD - SIF	8,00,000	3.10
6	SEE BENG LIAN JANICE	8,00,000	3.10
7	ANG LAY TENG OR TAN CHOON HUI	7,44,000	2.89
8	LIM LENG CHYE	7,00,000	2.71
9	CHAN SIEW LIAN ANGELINE	6,14,000	2.38
10	PHILLIP SECURITIES PTE LTD	5,41,800	2.10
11	RAFFLES NOMINEES (PTE) LIMITED	4,53,10	1.76
12	SOH DOLLY	4,41,000	1.71
13	WONG TZE CHYUAN	4,35,000	1.69
14	DBS NOMINEES PTE LTD	2,25,000	0.87
15	CHONG MUI KHIM	2,13,700	0.83
16	CHUA BENG CHENG	2,00,000	0.78
17	ONG YONG HWEE	2,00,00	0.78
18	UOB KAY HIAN PTE LTD	2,00,000	0.78
19	TAN HAK YONG	1,90,000	0.74
20	LIM SIEW HWA	1,50,000	0.58
	TOTAL	**1,93,47,600**	**75.04**

Distribution of Shareholding: 12.06.2019 (As per Singapore rules):-

Size of SDS	SDS Shareholders		No. of SDS of Re. 0.50/- each	
	Number	Percent	Number	Percent
1 - 99	4	1.27	78	0.00
100 - 1,000	38	12.10	30,904	0.12
1,001 - 10,000	121	38.54	8,13,500	3.15
10,001 - 1,000,000	149	47.45	1,42,39,898	55.23
1,000,001 AND ABOVE	2	0.64	1,07,00,000	41.50
TOTAL	**314**	**100.00**	**2,57,84,380**	**100.00**

CORPORATE GOVERNANCE

I. 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	36.84%	Direct

SDSs held by the public are 63.16%. The Company has not issued any Treasury Shares. No subsidiary of the Company is holding any Singapore Depository Shares.

II. 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 Rs. 0.50 paisa on Singapore Stock Exchange.

As on 31st March, 2018 the number of SDS outstanding are 25,784,380 which represents **12,892,190 Equity Shares**.

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.

III. 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.

IV. 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.

V. 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

VI. 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.

VII. 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 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

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DIRECTORS' PROFILE

(1) Mr. Jayantilal Patel :- DIN 00027224

Mr. Jayantilal Meghjibhai Patel, 67 years, is the Executive Chairman of the Company. Mr. Jayantilal 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. Jayantilal Patel has more than 41 years experience in the Dyes and Pigments industry and more than 24 years experience in the Agrochemicals industry.

Mr. Jayantilal 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
6)	Alkali Manufacturer Association of India	Director
7)	Arjan Owner LLP	Partner

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

(2) Mr. Ashish Soparkar:- DIN 00027480

Mr. Ashish Natwarlal Soparkar, 66 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 41 years experience in the Dyes and Pigments Industry, and more than 24 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
6)	Arjan Owner LLP	Partner

(3) Mr. Natwarlal Patel :- DIN 00027540

Mr. Natwarlal Meghjibhai Patel, 66 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 40 years experience in the Dyes and Pigments Industry, and more than 25 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)	GSEC Limited	Director
5)	Meghmani Overseas FZE – Sharjah	Director
6)	Tapsheel Enterprises	Partner
7)	Uniworth Enterprises LLP	Partner

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

DIRECTORS' PROFILE

(4) Mr. Ramesh Patel :- DIN 00027637

Mr. Ramesh Meghjibhai Patel, 63 years, is the Executive Director of the Company. Mr. Ramesh Patel holds a Bachelor of Arts degree from Saurashtra University. Mr. Ramesh Patel has 33 years of experience in the Pigments Industry and 22 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 Dyes and Intermediates LLP	Partner
3)	Uniworth Enterprises LLP	Partner

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

(5) Mr. Anand Patel :- DIN 00027836

Mr. Anand Ishwarbhai Patel, 57 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 31 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)	Uniworth Enterprises LLP	Director
2)	Meghmani Dyes and Intermediated LLP	Partner
3)	Novol Spent Acid Management	Partner
4)	Matangi Specialition LLP	Partner
5)	Matangi Industries LLP	Partner

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

(6) Mr. Balkrishna Thakkar :- DIN 00430220

Mr. Balkrishna Thakkar, 72 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 Member of Audit Committee and Chairman of Remuneration Committee, Nomination, Shareholders / Investors Grievances and Share Transfer Committee and Corporate Social Responsibility (CSR) Committee of the Company.

DIRECTORS' PROFILE

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

Mr. Chander Kumar Sabharwal 69 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
- 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.

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

Ms. Urvashi Dhirubhai Shah, 62 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.

(9) MR. MANUBHAI KHODIDAS PATEL (DIN 00132045)

Mr. Manubhai Patel (DIN 00132045), 68 years is a member of the Institute of Chartered Accountants of India (ICAI) since 1976.

Mr. Manubhai Patel has more than 36 years' of association with Zydus group of Companies. During the tenure, Mr. Manubhai Patel was heading Finance and Taxation. Mr. Manubhai Patel also has very rich experience, expertise and in-depth insights in the field of Forex, Treasury and Credit Management.

Mr. Manubhai Patel was Managing Director of Zydus Technologies Limited and also held the position of Nominee Director of Zydus Wellness Limited and Violio Pharma Private Limited.

Mr. Manubhai Patel is Director in GVFL Trustee Company Private Limited, Meghmani Industries Limited, Paryavaran Edutech, Zydus BSV Pharma Private Limited, Dial for Health Unity Limited, ACME Diet Care Private Limited and Meghmani Finechem Limited.

DIRECTORS' PROFILE

(10) MR. BHASKAR RAO (DIN 08058946)

Mr. Bhaskar Rao, 61 years, is resident in Singapore. Mr Rao has done his BA and Post Graduate Diploma in Management (Indian Institute of Management, Calcutta).

Presently, Mr. Rao is an Independent consultant in the field of Finance, Legal and Commercial Partnerships. He is an internationally seasoned Marketing, Communications & Advertising Expert with 30+ years of 'across-the-board' experience in building globally competitive businesses by designing and delivering innovative advertising campaigns to drive consumer excitement incentivize purchase, grow sales revenue and profitability to unprecedented levels. Over the years, he has held various positions in emerging markets of India, Singapore, and Indonesia, working closely with the Senior business leaders to transform & strengthen structures & processes through strategic communication planning, talent development and executive partnerships.

Mr. Rao has worked with some of the world's biggest organisations like Unisys, Bristol Myers Squibb, Sara Lee, Samsung, Compaq, New Zealand Milk, and Motorola.

(11) MR. C. S. LIEW (DIN 08065615)

Mr. C S Liew, 63 years, residing at SINGAPORE, is B.S. in Agronomy & Pest Management from Lowa State University, USA (High Scholarship Student) in 1979. Mr. Liew has also obtained Diploma in Marketing from Institute of Marketing, UK through self-study in 1986. Mr. Liew has also attended a short course conducted in (1) San Diego by University of Columbia on Sales Management in 1988 (2) by Insead on "Joint Venture Management – The Human Factor" in 1996 and on Negotiation Dynamics in July 2003.

Mr. Liew worked as Summer Field Research Assistant for American Cyanamid (absorbed into BASF) over two summer seasons in Nebraska & Georgia, USA and Market & Product Development Representative for Ciba-Geigy (absorbed into Syngenta), Malaysia for one year.

Mr. Liew has 11 years of experience of heading Singapore Representative Office of Uniroyal Chemical Co. Inc., (renamed Chemtura).

From January 01, 1992 to December 31, 1998 Mr. Liew was holding position of Director and Regional Manager of Nufarm (Asia) Pte Ltd, a wholly-owned subsidiary of Nufarm Ltd., Australia. (Nufarm's diversified business included agrochemicals, Agricultural Spray Equipment, Timber Preservatives, Animal Health Products, Charcoal Briquettes, Specialty Fertilizers, Pharmaceuticals and Chlor-Alkali Products.)

After resigning from Nufarm, Mr. Liew established self-owned Company viz., Pacific Agriscience Pte Ltd in Dec 1998 and is the Managing Director thereof.

★★★★

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 31st March, 2019.

For Meghmani Organics Limited
Ashish Soparkar
Managing Director

Place: Ahmedabad
Date: 24th May, 2019

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 201**9, as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the 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.

Date: 24th May, 2019
Place: Ahmedabad

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Meghmanii Organics Limited** having CIN L24110GJ1995PLC024052 and having registered office at Plot No. 184, Phase II, GIDC Vatva, Ahmedabad-382 445 (hereinafter referred to as 'the Company'), as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal **www.mca.gov.in** as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, New Delhi or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	MR. JAYANTILAL MEGHJIBHAI PATEL	00027224	02/01/1995
2	MR. ASHISHBHAI NATAWARLAL SOPARKAR	00027480	02/01/1995
3	MR. NATWARLAL MEGHJIBHAI PATEL	00027540	02/01/1995
4	MR. RAMESHBHAI MEGHJIBHAI PATEL	00027637	01/04/2009
5	MR. ANANDBHAI ISHWARBHAI PATEL	00027836	02/10/1995
6	MR. MANUBHAI KHODIDAS PATEL	00132045	10/02/2018
7	MR. CHANDER KUMAR SABHARWAL	00368621	02/08/2013
8	MR. BALKRISHNA TULSIDAS THAKKAR	00430220	13/04/2000
9	MS. URVASHI DHIRUBHAI SHAH	07007362	27/03/2015
10	MR. PALAKODETI VENKATRAMANA BHASKAR RAO	08058946	10/02/2018
11	MR. CHING SENG LIEW	08065615	10/02/2018

We further report that the ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 18th May, 2019
Place: Ahmedabad

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

CEO and CFO certification in terms of Regulation 17 (8) of the SEBI (LODR) Regulations, 2015

[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 Board of Directors,
Meghmani Organics Limited
Plot No. 184, Phase II,
GIDC Vatva, Ahmedabad-382 445

Dear Sir/Madam,

CEO/CFO Certification in terms of Regulation 17 (8) of the SEBI (LODR) Regulations, 2015.

In terms of Regulation 17 (8) of the SEBI (LODR) Regulations, 2015, we hereby certify to the Board of Directors that :

A) We have reviewed the Financial Statements and the Cash Flow statement of the Company for the year ended March 31, 2019 and to the best of our knowledge and belief :

   I) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D) We have indicated to the auditors and the Audit Committee :

   I) Significant changes in internal control, if any, over financial reporting during the year;

   ii) Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and

   iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting wherever needed.

Date: 24th May, 2019

Place: Ahmedabad

For, MEGHMANI ORGANICS LIMITED

ANKIT N. PATEL — **CEO**

G. S. CHAHAL — **CFO**

INDEPENDENT AUDITOR'S REPORT

To the Members of Meghmani Organics Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Meghmani Organics Limited Company Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as the standalone Ind AS financial statements).

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

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

INDEPENDENT AUDITOR'S REPORT

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in note 2(b) of the standalone Ind AS financial statements)	
The Company majorly operates in two segments viz: Agro chemicals and Pigment. Export sales contributes approximately 77% of total sales of the Company. The Company recognises revenue from sales of goods in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers, measured at fair value of the consideration received in the ordinary course of the Company's activities. Revenue from sale of goods is recognised net of discounts, rebates and taxes. Certain terms in sales arrangements relating to timing of transfer of risk and rewards, discount and rebates arrangements, delivery specifications including incoterms, involves significant judgment in determining whether the revenue is recognised in the correct period.	Our audit procedures included the following: • Understood the Company's established processes and control mechanism for revenue recognition process, evaluated the key financial controls around such process. • Performed test of controls, assisted by our IT specialists, over revenue recognition with specific focus on testing management controls on accuracy and timing of revenue recognition through inspection of evidence of performance of management controls. • Performed tests of details, on a sample basis, and inspected the underlying, sales order, invoice copy, terms of delivery, lorry receipt, bill of lading, invoice, collection to assess whether revenue recorded is as per the contract. • Considered the appropriateness of the Company's revenue recognition accounting policies in terms of Ind AS 115. • Tested sales transactions near year end date as well as credit notes issued after the year end date. • Performed product-wise and customer-wise substantive analytical procedures on revenue recognition. • Verified that the revenue for the year are appropriately presented and disclosed in the standalone Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis and chairman statement, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management 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 Act with respect to the preparation of these standalone Ind AS 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 (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also

INDEPENDENT AUDITOR'S REPORT

includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

INDEPENDENT AUDITOR'S REPORT

(h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

I. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 39 to the standalone Ind AS financial statements;

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
Place of Signature: Ahmedabad
Date: May 24, 2019.

Annexure 1

Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Meghmani Organics Limited for the year ended March 31, 2019.

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year. However, there is a regular programme of verification once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification carried out in accordance with aforesaid plan.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for one freehold land aggregating to INR 558.40 lakhs as at March 31, 2019 for which title deeds are not registered in the name of the Company.

ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a),(b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments made and guarantees given have been complied with by the Company. Further, in our opinion and according to the information and explanations given to us, since there are no loans and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of agrochemicals and pigment products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues are generally regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, duty of custom, good and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute, except for the following:

Annexure 1
Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Meghmani Organics Limited for the year ended March 31, 2019.

Name of statue	Nature of dues	Amount involved (INR lakhs)	Period	Forum where the dispute is pending
Central Excise Act	Excise duty demand	1,938.69	2002 - 03 to 2008 - 09 and 2011 - 12 to 2015 - 16	Gujarat Highcourt, Central Excise and Service Tax Appellate Tribunal, Commissioner (Appeals)
Custom Act, 1962	Custom Duty	1,399.48	2016 - 17	Commissioner of Customs
The Finance Act (Service Tax), 1994	Service Tax	43.00	2004 - 05 to 2015 - 16	Central Excise and Service Tax Appellate Tribunal, Commissioner (Appeals)
Income tax Act, 1961*	Income tax demands	-	2002 - 03, 2007 - 08 to 2009 - 10, 2012 - 13 to 2014 - 15	Gujarat High Court, Income tax Apellate Tribunal, Commissioner Appeals, Income tax

* Net of amount paid under protest amounting to INR 173.84 lakhs and adjustment of the amount of Income tax refunds pertaining to other assessment years amounting to INR 851.15 lakhs.

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings from banks. The Company did not have any due payable to the financial institutions, debenture holders and government during the year.

ix. According to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised money by way of initial public offer, further public offer and debt instrument during the year.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management, on certain transactions entered with related parties being of specialized nature, transaction with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

Annexure 1

Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Meghmani Organics Limited for the year ended March 31, 2019.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003
per Sukrut Mehta
Partner
Membership Number: 101974
Place of Signature: Ahmedabad
Date: May 24, 2019.

Annexure 2
To the Independent Auditor's Report of even date on the Ind AS 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 ("the Act")

We have audited the internal financial controls over financial reporting of Meghmani Organcis Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS 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. 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements 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 as specified under section 143(10) of the Act , to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to with reference to these standalone financial statements

A company's internal financial control over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements 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.

Annexure 2
To the Independent Auditor's Report of even date on the Ind AS financial statements of Meghmani Organics Limited

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these standalone financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements 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 over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
Place of Signature: Ahmedabad
Date: May 24, 2019.

BALANCE SHEET AS AT 31ST MARCH 2019

PARTICULARS	Notes	(Rs. in Lakhs) 31st March 2019	31st March 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3.1	42,779.19	43,272.80
(b) Capital Work-in-Progress	3.2	4,442.48	2,189.25
(c) Other Intangible Assets	3.3	1,152.05	1,554.28
(d) Intangible Assets under development	3.2	491.27	271.85
(e) Investments in Subsidiaries	4	18,246.55	23,314.77
(f) Financial Assets			
(i) Investments	5	57.41	57.41
(ii) Other Financial Assets	6	559.70	607.22
(g) Non-Current Tax Assets (Net)	7	681.89	1,002.00
(h) Other Non-Current Assets	8	1,133.29	614.81
Total Non-Current Assets		**69,543.83**	**72,884.39**
Current Assets			
(a) Inventories	9	36,360.80	23,265.24
(b) Financial Assets			
(i) Trade Receivables	10	35,412.38	30,283.66
(ii) Cash and Cash Equivalents	11	177.16	122.51
(iii) Bank Balances other than (ii) above	12	136.25	65.73
(iv) Loans	13	22.99	16.20
(v) Other Financial Assets	14	4,069.29	6,714.39
(c) Current Tax Assets (Net)	7	278.85	-
(d) Other Current Assets	15	4,356.21	4,480.50
Total Current Assets		**80,813.93**	**64,948.23**
TOTAL ASSETS		**1,50,357.76**	**1,37,832.62**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	2,543.14	2,543.14
(b) Other Equity	17	81,253.44	67,226.69
Total Equity		**83,796.58**	**69,769.83**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	8,527.45	21,741.23
(b) Provisions	19	648.68	497.26
(c) Deferred Tax Liabilities (Net)	20	4,088.78	4,103.32
Total Non-Current Liabilities		**13,264.91**	**26,341.81**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	19,957.32	15,792.02
(ii) Trade Payables	22		
Total outstanding dues of micro and small enterprise		888.16	578.64
Total outstanding dues of creditors other than micro and small enterprise		20,993.14	16,440.06
(iii) Other Financial Liabilities	23	8,567.90	7,299.92
(b) Other Current Liabilities	24	918.66	608.36
(c) Provisions	25	591.22	5.06
(d) Current Tax Liabilities (Net)	26	1,379.87	996.92
Total Current Liabilities		**53,296.27**	**41,720.98**
Total Liabilities		**66,561.18**	**68,062.79**
TOTAL EQUITY AND LIABILITIES		**1,50,357.76**	**1,37,832.62**
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these Standalone Financial Statements.

AS PER OUR REPORT OF EVEN DATE
FOR S R B C & CO LLP, Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003
per Sukrut Mehta
Partner
Membership No : 101974
Place : Ahmedabad
Date : 24th May 2019

G S Chahal
Chief Financial Officer

K. D. Mehta
Company Secretary

For and on behalf of the Board of Directors of
Meghmani Organics Limited
(CIN NO-24110GJ1995PLC024052)
J.M.Patel - Executive Chairman (DIN - 00027224)
A.N.Soparkar - Managing Director (DIN - 00027480)
N.M.Patel - Managing Director (DIN - 00027540)
Place : Ahmedabad
Date : 24th May 2019

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

PARTICULARS	Notes	(Rs. in Lakhs) 31st March 2019	31st March 2018
I - Revenue From Operations	27	1,41,042.00	1,26,047.29
II - Other Income	28	3,882.19	2,610.59
III - Total Income (I+II)		**1,44,924.19**	**1,28,657.88**
IV - Expenses			
Cost of Materials Consumed	29	87,954.61	68,750.86
Purchase of Stock-in-Trade		4,162.57	2,714.02
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	30	(11,040.20)	(789.62)
Excise duty on sale of goods		-	2,247.10
Employee Benefits Expense	31	7,486.37	6,160.88
Finance Costs	32	4,589.20	3,087.17
Depreciation and Amortization Expenses	3	4,629.04	4,261.95
Other Expenses	33	29,251.99	29,844.88
Total Expenses (IV)		**1,27,033.58**	**1,16,277.24**
V - Profit Before Exceptional items and Tax (III-IV)		**17,890.61**	**12,380.64**
VI - Exceptional Items	34	(4,328.51)	235.82
VII - Profit Before Tax (V-VI)		**22,219.12**	**12,144.82**
VIII - Tax Expense	20		
1 - Current Tax		5,390.00	3,050.00
2 - Adjustment of Tax Relating to Earlier Periods		(73.79)	51.80
3 - Deferred Tax		33.84	1,349.86
Total Tax Expenses (VIII)		**5,350.05**	**4,451.66**
IX. Profit For The Year (VII-VIII)		**16,869.07**	**7,693.16**
X. Other Comprehensive Income **Items that will not be reclassified to profit or loss**			
Remeasurement gain / (loss) on defined benefit plans	35	(138.46)	15.40
Income tax effect on above		48.38	(5.38)
Total other comprehensive income / (loss) for the year, net of tax (X)		**(90.08)**	**10.02**
XI. Total Comprehensive Income For The Year (IX + X)		**16,778.99**	**7,703.18**
XII. Earnings Per Equity Share (Face Value Per Share - Re 1 Each, 31st March 2018 : Re 1 Each) (In Rs.)	36		
Basic and Diluted		6.63	3.03
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these Standalone Financial Statements.

AS PER OUR REPORT OF EVEN DATE
FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per Sukrut Mehta
Partner
Membership No : 101974

G S Chahal
Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad
Date : 24th May 2019

For and on behalf of the Board of Directors of
Meghmani Organics Limited
(CIN NO-24110GJ1995PLC024052)

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

Place : Ahmedabad
Date : 24th May 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

PARTICULARS		(Rs. in Lakhs)	
		31st March 2019	31st March 2018
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax	**22,219.12**	**12,144.82**
	Adjustment for :		
	Depreciation and Amortisation Expenses	4,629.04	4,261.95
	Unrealised Foreign Exchange (Gain) / Loss (Net)	1,179.86	(1,199.35)
	Mark to Market Loss on Derivative (Gain) / Loss (Net)	(17.38)	145.81
	Liability no longer Required written back	(225.14)	(99.65)
	Interest and Finance Charges	4,589.20	3,087.17
	Dividend Income	(1,535.56)	-
	Interest Income	(293.66)	(408.68)
	Bad Debts Written off	504.75	780.25
	Provision for Doubtful Debt	393.19	247.62
	Investment Written off	-	124.12
	Exceptional Item - Loss Due to Fire	1,476.78	111.70
	Sundry Balance Written off	25.70	262.38
	Profit on Sale of Investment	(5,915.29)	(1.83)
	Loss on Sale of Property, Plant and Equipment (Net)	378.54	38.15
	License and certification fees	-	231.58
	Operating Profit Before Working Capital Changes	**27,409.15**	**19,726.04**
	Adjustment for:		
	(Increase) in Inventories	(13,619.54)	(2,361.63)
	(Increase) in Trade Receivables	(7,306.30)	(308.15)
	(Increase)/Decrease in Short Term Loans and Advances	(6.78)	5.82
	Decrease in Other Current Financial Assets	2,907.73	2,047.93
	(Increase)/Decrease in Other Current Assets	124.28	(1,748.81)
	(Increase)/Decrease in Other Non-Current Financial Assets	26.85	(60.45)
	(Increase)/Decrease in Other Non-Current Assets	(585.15)	305.88
	Increase in Trade Payables	5,187.52	1,617.70
	Increase in Other Current Financial Liabilities	1,338.90	705.02
	Increase/(Decrease) in Other Current Liabilities	310.31	(342.41)
	Increase in Provisions	599.13	105.93
	Working Capital Changes	**(11,023.05)**	**(33.17)**
	Cash Generated from Operations	**16,386.10**	**19,692.87**
	Direct Taxes Paid (Net of Refund)	(4,892.00)	(1,917.46)
	Net Cash Generated from Operating Activities	**11,494.10**	**17,775.41**
B.	**Cash Flow from Investment Activities**		
	Purchase of Property, Plant & Equipment	(7,534.21)	(12,193.17)
	Proceeds from sale of Property, Plant & Equipment	179.24	316.12
	Fixed Deposits & Margin Money	50.53	693.72
	Earmarked balances with Banks	(100.86)	0.91
	Dividend Received	1,535.56	-
	Interest Received	5.82	411.22
	Investment in Preference shares of Subsidiary Company	22,170.89	-
	Redemption in Preference shares of Subsidiary Company	(22,170.89)	-
	Investments in Equity Shares of Subsidiary Company	-	(10,986.54)
	Proceeds from sale of Investments	-	2.03
	Net Cash (Used in) Investing Activities	**(5,863.92)**	**(21,755.71)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
C. Cash Flow from Financing Activities		
Dividend and Interim Dividend paid	(2,442.28)	(1,018.17)
Dividend Distribution Tax Paid	(209.10)	(207.09)
Interest and Finance Charges	(4,391.63)	(3,159.11)
Proceeds from Short Term Borrowings	82,150.81	57,331.85
Repayment of Short Term Borrowings	(67,000.00)	(65,000.00)
Proceeds from Bank Borrowing (Term Loan)	3,000.00	18,700.00
Repayment of Bank Borrowing (Term Loan)	(16,683.33)	(2,650.00)
Net Cash (Used in) / Generated from Financing Activities	**(5,575.53)**	**3,997.48**
Net Increase in Cash and Cash Equivalent (A+B+C)	**54.65**	**17.18**
Cash and Cash Equivalent at the beginning of the year	**122.51**	**105.33**
Cash and Cash Equivalent at the end of the year	**177.16**	**122.51**
Cash and Cash Equivalent Comprises as under :		
Balance with Banks in Current Accounts	167.08	110.71
Cash on Hand	10.08	11.80
Cash and Cash Equivalent at the end of the year (Refer Note 11)	**177.16**	**122.51**

Notes to the Cash Flow Statement for the year ended on 31st March, 2019.

The Cash Flow Statement has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.

AS PER OUR REPORT OF EVEN DATE
FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per Sukrut Mehta
Partner
Membership No : 101974

G S Chahal
Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad
Date : 24th May 2019

For and on behalf of the Board of Directors of
Meghmani Organics Limited
(CIN NO-24110GJ1995PLC024052)

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

Place : Ahmedabad
Date : 24th May 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(a) Equity Share Capital

Particulars	Note	No of Shares	Amount (Rs. in Lakhs)
Issued, Subscribed and fully paid Equity Shares of Re.1 each			
Balance as at April 1, 2017		**25,43,14,211**	**2,543.14**
Changes during the year	16	-	-
Balance as at March 31, 2018		**25,43,14,211**	**2,543.14**
Changes during the year	16	-	-
Balance as at March 31, 2019		**25,43,14,211**	**2,543.14**

(b) Other Equity (Rs. in Lakhs)

Particulars	Other Equity (Refer Note 17)					Total Other Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earning	
Balance at April 1, 2017	**31.22**	**15,650.48**	**184.33**	**8,967.18**	**35,914.65**	**60,747.86**
Profit for the year	-	-	-	-	7,693.16	7,693.16
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	10.02	10.02
Total Comprehensive Income for the year	-	-	-	-	**7,703.18**	**7,703.18**
Transfer to General Reserve	-	-	-	800.00	(800.00)	-
Dividend Proposed / Paid Proposed / Paid	-	-	-	-	(1,017.26)	(1,017.26)
Dividend Distribution Tax	-	-	-	-	(207.09)	(207.09)
As at 31st March 2018	**31.22**	**15,650.48**	**184.33**	**9,767.18**	**41,593.48**	**67,226.69**
Profit for the year	-	-	-	-	16,869.07	16,869.07
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	(90.08)	(90.08)
Total Comprehensive Income for the year	-	-	-	-	**16,778.99**	**16,778.99**
Transfer to General Reserve	-	-	-	1,500.00	(1,500.00)	-
Dividend Proposed / Paid Proposed / Paid	-	-	-	-	(2,543.14)	(2,543.14)
Dividend Distribution Tax	-	-	-	-	(209.10)	(209.10)
As at 31st March 2019	**31.22**	**15,650.48**	**184.33**	**11,267.18**	**54,120.23**	**81,253.44**

The accompanying notes are an integral part of these Standalone Financial Statements.

AS PER OUR REPORT OF EVEN DATE
FOR S R B C & CO LLP, Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003
per Sukrut Mehta
Partner
Membership No : 101974
Place : Ahmedabad
Date : 24th May 2019

G S Chahal
Chief Financial Officer

K. D. Mehta
Company Secretary

For and on behalf of the Board of Directors of
Meghmani Organics Limited
(CIN NO-24110GJ1995PLC024052)
J.M.Patel - Executive Chairman (DIN - 00027224)
A.N.Soparkar - Managing Director (DIN - 00027480)
N.M.Patel - Managing Director (DIN - 00027540)
Place : Ahmedabad
Date : 24th May 2019

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

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 Bombay Stock Exchange, and National Stock Exchange in India and also on Singapore Exchange. The registered office of the company is located 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.

The financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on May 24, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS FOR PREPARATION OF ACCOUNTS

The Standalone financial statements have been prepared and presented in accordance with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time) and presentation requirements of Division II of schedule III to the Companies Act, 2013 (Ind As compliant Schedule III), as applicable to the standalone financial statements.

The financial statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Derivative financial instruments

In addition, the standalone financial statements are presented in INR which is also the Company's functional currency and all values are rounded to the nearest Lakh (INR 00,000), except when otherwise indicated.

2.2 SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Company’s financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes:

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Defined Benefit Plans (Gratuity Benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer Note 37 for details of the key assumptions used in determining the accounting for these plans.

Useful economic lives of Property, Plant and Equipment

Property, plant and equipment as disclosed in Note 3 are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values.

Intangible Assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalised include laboratory testing expenses that are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer Note 2.3 (e) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in note 3.4.

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 fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. CURRENT VS. NON-CURRENT CLASSIFICATION:

The Company presents assets and liabilities in the statement of Assets and Liabilities based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. REVENUE RECOGNITION

Revenue from contract with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

1) Sale of Products

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods or terms as agreed with the customer. The normal credit term is 30 to 180 days from the date of dispatch. The Company considers whether there are other promises in the contract that are separate performance obligation to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Variable consideration

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at the time of completion of performance obligation and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with cash discount in accordance with the company policy. The cash discount component gives rise to variable consideration.

Volume rebates:

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract.

(ii) Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs its obligation by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in (Financial instruments – initial recognition and subsequent measurement.)

(iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2) Interest Income

For all financial instruments measured at amortized cost, interest income is recorded using the Effective Interest Rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss

3) Export Incentives

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and is included in revenue in the statement of profit and loss due to its operating nature.

4) Dividend

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

5) Insurance Claims

Claims receivable on account of insurance are accounted for to the extent the Company is virtually certain of their ultimate collection

6) Rental income

Rental income arising from operating leases is accounted on the basis of lease terms and is included in other income in the statement of profit and loss.

c. FOREIGN CURRENCIES

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit or loss are also recognised in OCI or profit or loss, respectively).

d. FAIR VALUE MEASUREMENT

The Company measures certain financial instruments at fair value at each balance sheet date.Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participants that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Managing Director, Chief Executive Officer (CEO) and Chief Finance Officer (CFO).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

External valuers are involved for valuation of significant assets. Involvement of external valuers is decided upon annually by the board of directors after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Refer note 41.

- Disclosures for valuation methods, significant estimates and assumptions.
- Quantitative disclosures of fair value measurement hierarchy.
- Investment in equity shares.
- Financial instruments (including those carried at amortised cost).

e. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment (PPE) and capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of 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.. Depreciation is not provided on freehold land. Leasehold land is amortized over the available balance lease period. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values are not more than 5% of the original cost of the item of Property, Plant and Equipment. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 equipments	5 Years

f. INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost include acquisition and other incidental cost related to acquiring the intangible asset. Research costs are expensed as incurred. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalised include laboratory testing expenses that are directly attributable to development of the asset for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Research and Development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Debt instruments at amortised cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. 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 in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Debt instrument at Fair Value Through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at Fair Value Through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

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 FVTOCI. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to the Company's intangible assets is as follows:

Assets	Amortisation Method	Amortisation period
Software licenses	On Straight-line basis	5 years
Product licenses	On Straight-line basis	5 years
Usage right	On Straight-line basis	5 years

Intangible assets under development

Expenditure incurred on acquisition /development of intangible assets which are not ready for their intended use at balance sheet date are disclosed under intangible assets under development.

g. 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI upto the amount of any previous revaluation surplus.

h. FINANCIAL INSTRUMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(A) Financial Asset

Initial Recognition and Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and Credit Risk Exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

(B) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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 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, such as forward currency contracts, full currency swaps and interest rate swaps contracts to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Off-setting Financial Instrument

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

I. INVENTORIES

Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Semi-finished products, finished products and by-products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Cost of finished goods includes excise duty, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

J. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

k. RETIREMENT AND OTHER EMPLOYEE BENEFITS

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss in the year when employee rendered related services.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The aforesaid leave encashment is funded with an insurance Company in the form of a qualifying insurance policy.

Re-measurements, comprising of acturial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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.

l. ACCOUNTING FOR TAXES ON INCOME

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

m. PROVISIONS

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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n. CONTINGENT LIABILITIES

Provisions are not recognised for future operating losses.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contigent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

o. LEASES

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

p. EARNING PER SHARE

Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

s. SEGMENT REPORTING

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

t. NEW AND AMENDED STANDARD

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018. The cumulative effect of initially applying Ind AS 115 is not material. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.

Amendment to Ind AS 20 government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the financial statements as the Company continues to present grant relating to asset by setting up the grant as deferred income.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company’s financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

u. **Standards issued but not yet effective**

Ind AS 116 Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. The effect of this amendment on the financial statements of the Company is being evaluated.

Notes to the Financial Statements For The Year Ended 31st March 2019

Note - 3

Property, Plant and Equipment as on 31st March 2019 (Rs. in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation / Amortisation				Net	
		Opening	Addition	Deduction / Adjustments*	Closing	Opening	Provision for the Year	Deduction / Adjustments*	Closing	As at 31st March, 2019	As at 31st March, 2018
3.1	**Tangible Assets**										
1	Freehold Land	558.40	-	-	558.40	-	-	-	-	558.40	558.40
2	Leasehold Land	3,556.66	341.91	59.29	3,839.28	94.44	42.30	1.55	135.19	3,704.09	3,462.22
3	Building	15,481.93	554.61	259.17	15,777.37	1,837.90	640.67	33.45	2,445.12	13,332.25	13,644.03
4	Plant & Machinery	32,212.14	3,913.76	1,682.63	34,443.27	8,343.86	3,197.41	692.08	10,849.19	23,594.08	23,868.28
5	Furniture & Fixtures	692.62	21.94	8.35	706.21	131.45	71.03	3.18	199.30	506.91	561.17
6	Vehicles	1,273.86	72.06	28.79	1,317.13	367.28	146.00	13.08	500.20	816.93	906.58
7	Computers	118.29	28.25	0.69	145.85	56.32	22.91	0.23	79.00	66.85	61.97
8	Other Equipments	315.84	49.99	-	365.83	105.69	60.46	-	166.15	199.68	210.15
	SubTotal	**54,209.74**	**4,982.52**	**2,038.92**	**57,153.34**	**10,936.94**	**4,180.78**	**743.57**	**14,374.15**	**42,779.19**	**43,272.80**
3.3	**Intangible Assets**										
1	Software Licenses	78.31	46.03	-	124.34	60.71	11.80	-	72.51	51.83	17.60
2	Product Licenses	2,052.21	-	-	2,052.21	594.72	395.83	-	990.55	1,061.66	1,457.49
3	Usage Rights	214.41	-	-	214.41	135.22	40.63	-	175.85	38.56	79.19
	SubTotal	**2,344.93**	**46.03**	**-**	**2,390.96**	**790.65**	**448.26**	**-**	**1,238.91**	**1,152.05**	**1,554.28**
	Total	**56,554.67**	**5,028.55**	**2,038.92**	**59,544.30**	**11,727.59**	**4,629.04**	**743.57**	**15,613.06**	**43,931.24**	**44,827.08**

* Includes Following assets lost due to fire.

(Rs. in Lakhs)

Particulars	Gross Block	Accumulated Depreciation	Net Block
Building	254.34	33.21	221.13
Plant & Machinery	1,025.92	521.79	504.13
Furniture & Fixtures	5.78	2.70	3.08
Total	**1,286.04**	**557.70**	**728.34**

3.2 Capital Work In Progress/Intangibles under development

(Rs. in Lakhs)

Particulars	Capital Work In Progress		
	Tangible	Intangible	Total
Cost			
As at March 31, 2018	**2,189.25**	**271.85**	**2,461.10**
Addition	4,178.91	259.74	4,438.65
Assets lost due to fire	224.46	-	224.46
Capitalisation	1,701.22	40.32	1,741.54
As at March 31, 2019	**4,442.48**	**491.27**	**4,933.75**

Capital Work-In-Progress for Tangible Assets as at 31st March 2019 comprises expenditure for the Plant and Building in the course of construction.
Intangible Assets under Development as at 31st March 2019 comprises expenditure for the development and registration of product licenses.

Notes to the Financial Statements For The Year Ended 31st March 2019

Note - 3

Property, Plant and Equipment as on 31st March 2018

(Rs. in Lakhs)

Sr. No.	Particulars	Gross Block				Depreciation / Amortisation			Net	
		Opening	Addition	Deduction	Closing	Opening	For the Year	Closing	As at 31st March 2018	As at 31st March 2017
3.1	**Tangible Assets**									
1	Freehold Land	558.40	-	-	558.40	-	-	-	558.40	558.40
2	Leasehold Land	2,754.58	802.08	-	3,556.66	62.38	32.06	94.44	3,462.22	2,692.20
3	Building	14,457.53	1,123.23	98.83	15,481.93	1,207.90	630.00	1,837.90	13,644.03	13,249.63
4	Plant & Machinery	24,813.34	7,590.87	192.07	32,212.14	5,395.44	2,948.42	8,343.86	23,868.28	19,417.90
5	Furniture & Fixtures	641.51	68.42	17.31	692.62	62.40	69.05	131.45	561.17	579.11
6	Vehicles	916.11	394.55	36.80	1,273.86	218.39	148.89	367.28	906.58	697.72
7	Computers	103.00	15.29	-	118.29	32.02	24.30	56.32	61.97	70.98
8	Other Equipments	274.65	41.58	0.39	315.84	51.90	53.79	105.69	210.15	222.75
	SubTotal	**44,519.12**	**10,036.02**	**345.40**	**54,209.74**	**7,030.43**	**3,906.51**	**10,936.94**	**43,272.80**	**37,488.69**
3.3	**Intangible Assets**									
1	Software Licences	70.48	7.83	-	78.31	54.45	6.26	60.71	17.60	16.03
2	Product Licences	1,075.28	985.80	8.87	2,052.21	293.32	301.40	594.72	1,457.49	781.96
3	Usage Rights	214.41	-	-	214.41	87.44	47.78	135.22	79.19	126.97
	SubTotal	**1,360.17**	**993.63**	**8.87**	**2,344.93**	**435.21**	**355.44**	**790.65**	**1,554.28**	**924.96**
	Total	**45,879.29**	**11,029.65**	**354.27**	**56,554.67**	**7,465.64**	**4,261.95**	**11,727.59**	**44,827.08**	**38,413.65**

i Borrowing cost capitalised during the year Rs. Nil (31st March 2017 - Rs.77.61 Lakhs) to respective qualifying assets.

3.2 Capital Work in Progress / Intangibles under Development (Rs. in Lakhs)

PARTICULARS	Capital Work in Progress		
	Tangible	Intangible	Total
Cost			
As at March 31, 2017	**656.44**	**944.69**	**1,601.13**
Addition	2,062.39	148.14	2,210.53
Capitalisation	529.58	820.98	1,350.56
As at March 31, 2018	**2,189.25**	**271.85**	**2,461.10**

Capital Work-in-Progress for Tangible Assets as at 31st March 2018 comprises expenditure for the Plant and Building in the course of construction.

Intangible Assets under development as at 31st March 2018 comprises expenditure for the development and registration of Product Licenses.

Notes to the Financial Statements For The Year Ended 31st March 2019

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

(Rs. in Lakhs)

Sr. No.	Particulars	Gross Block			Depreciation / Amortisation			Net	
		Opening	Addition	Closing	Opening	For the Year	Closing	As at 31st March 2019	As at 31st March 2018
	Tangible Assets								
1	Building	9.49	7.54	17.03	0.48	0.33	0.81	16.22	9.01
2	Plant & Machinery	183.64	41.79	225.43	46.06	25.00	71.06	154.37	137.58
3	Furniture & Fixtures	15.76	0.09	15.85	9.98	3.32	13.30	2.55	5.78
4	Computers	3.54	1.53	5.07	1.82	1.41	3.23	1.84	1.72
5	Other Equipments	4.63	0.28	4.91	0.96	0.75	1.71	3.20	3.67
	Sub Total	**217.06**	**51.23**	**268.29**	**59.30**	**30.81**	**90.11**	**178.18**	**157.76**
	Intangible Assets								
1	Product Licenses	52.96	-	52.96	52.96	-	52.96	-	-
	Sub Total	**52.96**	**-**	**52.96**	**52.96**	**-**	**52.96**	**-**	**-**
	Total	**270.02**	**51.23**	**321.25**	**112.26**	**30.81**	**143.07**	**178.18**	**157.76**

Notes: - Addition to Research and Development Assets during the Previous Year are as under (Rs. in Lakhs)

Sr. No.	Particulars	Gross Block			Depreciation / Amortisation			Net	
		Opening	Addition	Closing	Opening	For the Year	Closing	As at 31st March 2018	As at 31st March 2017
	Tangible Assets								
1	Building	9.49	-	9.49	0.32	0.16	0.48	9.01	9.17
2	Plant & Machinery	109.41	74.23	183.64	28.55	17.51	46.06	137.58	80.86
3	Furniture & Fixtures	15.76	-	15.76	6.65	3.33	9.98	5.78	9.11
4	Computers	3.33	0.21	3.54	0.73	1.09	1.82	1.72	2.60
5	Other Equipments	2.10	2.53	4.63	0.48	0.48	0.96	3.67	1.62
	Sub Total	**140.09**	**76.97**	**217.06**	**36.73**	**22.57**	**59.30**	**157.76**	**103.36**
	Intangible Assets								
1	Product Licenses	52.96	-	52.96	51.36	1.60	52.96	-	1.60
	Sub Total	**52.96**	**-**	**52.96**	**51.36**	**1.60**	**52.96**	**-**	**1.60**
	Total	**193.05**	**76.97**	**270.02**	**88.09**	**24.17**	**112.26**	**157.76**	**104.96**

Notes to the Financial Statements For The Year Ended 31st March 2019

4 INVESTMENTS IN SUBSIDIARIES

(Rs. in Lakhs)

PARTICULARS	31st March 2019	31st March 2018
Investment at cost **Investments in Equity Shares of Subsidiaries (Unquoted)**		
(I) 2,92,500 (31st March 2018 - 2,92,500) Equity Shares of Meghmani Organics Inc., USA of USD 1 each	139.70	139.70
(ii) 2,35,45,985 (31st March 2018 - 4,04,46,820) Equity Shares of Meghmani Finechem Limited of Rs.10/- each (Refer Note 44)	7,115.75	12,183.97
(iii) 1 (31st March 2018 - 1) Equity Shares of Meghmani Overseas FZE of AED 35,000 each	4.56	4.56
(iv) Nil (31st March 2018 - 14,657,392) Equity Shares of Meghmani Agrochemicals Private Limited of Rs. 10 each (Refer Note 44)	-	10,986.54
(v) 2,50,000 (31st March 2018 - 2,50,000) Equity Shares of PT Meghmani Organics Indonesia of USD 1 each	123.30	123.30
Less - Impairment of Investments in Equity Shares of PT Meghmani Organics Indonesia (Refer Note 34)	(123.30)	(123.30)
Investments in Preference Shares of Subsidiary (Unquoted)		
210,919,871 (31st March 2018 - Nil) 8% Optionally Convertible Redeemable Preference Shares of Meghmani Finechem Limited of Rs. 10/- each (31st March, 2018 - Nil) (Refer Note 44)	10,986.54	-
TOTAL	**18,246.55**	**23,314.77**

(Rs. in Lakhs)

PARTICULARS	31st March 2019	31st March 2018
Aggregate value of Investments in Subsidiaries	18,369.85	23,438.07
Aggregate value of Impairment of Investments in Subsidiary	123.30	123.30

Notes to the Financial Statements For The Year Ended 31st March 2019

5 FINANCIAL ASSETS : INVESTMENTS

(Rs. in Lakhs)

PARTICULARS	31st March 2019	31st March 2018
Investment at fair value through Other Comprehensive Income		
(I) Investments in Equity Shares (Unquoted)		
(i) 4 (31st March 2018 - 4) Equity Shares of Alaukik Owners Association of Rs.100/- each #	0	0
(ii) 5,17,085 (31st March 2018 - 5,17,085) Equity Shares of Narmada Clean Tech of Rs.10/- each	51.71	51.71
(iii) 14,000 (31st March 2018 - 14,000) Equity Share of Bharuch Eco Enviro Infrastructure Limited of Rs.10/- each	1.40	1.40
(iv) 500 (31st March 2018 - 500) Equity Shares of Green Environment Services Co-operative Society Limited of Rs.10/- each	0.05	0.05
(v) 30,000 (31st March 2018 - 30,000) Equity Shares of Panoli Enviro Technology of Rs.10/- each	3.00	3.00
(vi) 100 (31st March 2018 - 100) Equity Shares of Sanand Eco Project Limited of Rs.10/- each	0.01	0.01
(vii) 2,000 (31st March 2018 - 2,000) Equity Shares of Suvikas Peoples Co-operative Bank Limited of Rs.50/- each	1.00	1.00
(viii) 10 (31st March 2018 - 10) Equity Shares of Vellard View Premises Co-operative Society Limited of Rs.50/- each	0.01	0.01
Total (I)	**57.18**	**57.18**
Investment at Amortised Cost		
(II) Investments in Government Securities (Unquoted) National Savings Certificates	0.23	0.23
Total (II)	**0.23**	**0.23**
Total (I+II)	**57.41**	**57.41**

Note - # Amount is less than 0.01 Lakhs

(Rs. in Lakhs)

PARTICULARS	31st March 2019	31st March 2018
Aggregate Value Of Investments in unquoted Investments	57.41	57.41

6 OTHER FINANCIAL ASSETS (NON CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Unsecured, Considered Good		
Security Deposits	519.45	546.30
Bank Deposits with orignal maturity of more than 12 months (including interest accrued) (Refer Note below)	40.25	60.92
TOTAL	**559.70**	**607.22**

Note :
Margin money deposits amounting Rs. 40.25 Lakhs are given as security against guarantees with Banks (31st March 2018- Rs. 60.92 Lakhs). These deposits are made for varying periods of 1 year to 10 years and earns interest ranging between 6.25% to 7.00%.

Notes to the Financial Statements For The Year Ended 31st March 2019

7 INCOME TAX ASSETS (NET)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Non-current		
Advance payment of Income Tax (Net of Provision)	681.89	1,002.00
TOTAL	**681.89**	**1,002.00**
Current		
Advance payment of Income Tax (Net of Provision)	278.85	-
TOTAL	**278.85**	**-**

8 OTHER NON-CURRENT ASSETS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Unsecured, Considered Good		
Capital Advances	182.86	249.53
Balances with Government Authorities (Amount Paid Under Protest)	950.43	365.28
TOTAL	**1,133.29**	**614.81**

9 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Raw Materials	7,303.77	5,520.54
Raw Materials in Transit	373.18	304.00
Work In Process	1,376.52	1,115.51
Finished Goods	10,755.17	6,262.57
Finished Goods in Transit	14,857.69	8,574.23
Stock in Trade	47.96	44.83
Stores and Spares	731.38	639.19
Others (Packing Material and Fuel Stock)	915.13	804.37
-		
TOTAL	**36,360.80**	**23,265.24**

Notes : -
The Company has written off inventory amounting to Rs.523.98 Lakhs which was destroyed in fire. The same has been debited to statement of Profit and Loss under exceptional item. Refer note 34.

Notes to the Financial Statements For The Year Ended 31st March 2019

10 TRADE RECEIVABLES

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Trade Receivables		
Secured, Considered Good	146.18	73.86
Unsecured, Considered Good	35,266.20	30,209.80
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	619.91	226.72
	36,032.29	**30,510.38**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, Considered Good	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	(619.91)	(226.72)
TOTAL	**35,412.38**	**30,283.66**

Trade Receivable are secured to the extent of deposit received from the Customers.

Trade Receivables are non-interest bearing and are generally on terms of 30 to 180 days.

For amounts due and terms and conditions relating to related party receivables, Refer Note 41.

For information about Credit Risk and Market Risk related to Trade Receivables, Please Refer Note 42.

11 CASH AND CASH EQUIVALENTS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Balance with Banks in Current Accounts	167.08	110.71
Cash on Hand	10.08	11.80
TOTAL	**177.16**	**122.51**

12 OTHER BANK BALANCES

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Deposits with Original Maturity of more than three months but less than twelve months (Refer Note below)	13.29	43.63
Earmarked balances For Unclaimed Dividend	122.96	22.10
TOTAL	**136.25**	**65.73**

Note : Deposits amounting Rs. 13.29 Lakhs are given as security against guarantees with Banks (31st March 2018 - Rs. 43.63 Lakhs). These deposits are made for varying periods of 3 months to 12 months and earns interest ranging between 6.25% to 7.00%.

13 LOANS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Unsecured, Considered Good		
Loans to Employees (Refer Note below)	22.99	16.20
TOTAL	**22.99**	**16.20**

Note: The loans to employees are interest free and are generally for a tenure of 6 to 12 months.
Since all the above loans given by the Company are unsecured and considered good, the bifurcation of loan in other categories as required by schedule iii of companies Act, 2013 viz: a) Secured, b) Loans which have significant increase in credit risk and c) credit impared is not applicable.

Notes to the Financial Statements For The Year Ended 31st March 2019

14 OTHER FINANCIAL ASSETS (CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Unsecured, Considered Good		
Insurance Claim Receivable	-	1,398.37
Export Benefit Receivable	2,419.43	1,722.78
Interest Accrued on Deposits with Banks & Others	288.33	-
Security Deposit	4.95	4.95
Reimbursement of Expenses Receivable from Subsidiary	-	28.53
Balance with Government Authorities (GST Refund)	1,356.58	3,559.76
TOTAL	**4,069.29**	**6,714.39**

15 OTHER CURRENT ASSETS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Unsecured, Considered Good		
Balance with Government Authorities (Refer Note below)	3,006.01	3,459.78
Advances to Suppliers	262.46	359.48
Advances to Employees	3.27	11.64
Prepaid Expenses	939.05	585.16
Others	145.42	64.44
Unsecured, Considered Doubtful		
Advances to Suppliers	20.90	20.90
Allowance for Doubtful Advances	(20.90)	(20.90)
TOTAL	**4,356.21**	**4,480.50**

Note: Balance with Government Authorities includes VAT / Cenvat / Service Tax credit receivable and GST.

16 SHARE CAPITAL

AUTHORISED SHARE CAPITAL	No. of shares	Rs. in Lakhs
Equity shares of Re. 1 each.		
As at 1st April 2017	**37,00,00,000**	**3,700.00**
Increase/(Decrease) during the year	-	-
As at 31st March 2018	**37,00,00,000**	**3,700.00**
Increase/(Decrease) during the year	-	-
As at 31st March 2019	**37,00,00,000**	**3,700.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL	**No. of shares**	**Rs. in Lakhs**
Equity shares of Re. 1 each.	**25,43,14,211**	**2,543.14**

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

PARTICULARS	No. of shares	Rs. in Lakhs
As at 1st April 2017	**25,43,14,211**	**2,543.14**
Increase/(Decrease) during the year	-	-
As at 31st March 2018	**25,43,14,211**	**2,543.14**
Increase/(Decrease) during the year	-	-
As at 31st March 2019	**25,43,14,211**	**2,543.14**

Notes to the Financial Statements For The Year Ended 31st March 2019

Terms / Rights attached to Equity shares

The Company has one class of Equity Shares having par value of Re 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of Shareholders holding more than 5% Shares in the Company

PARTICULARS	As at 31st March 2019		As at 31st March 2018	
	No. of shares	% Holding	No. of shares	% Holding
DBS Nominees (P) Ltd.	1,28,92,190	5.07%	1,36,23,540	5.36%
Mr. Jayantilal Patel	1,80,24,390	7.09%	1,78,24,390	7.01%
Mr. Ashish Soparkar	2,47,85,,628	9.75%	2,45,85,628	9.67%
Mr. Natwarlal Patel	2,07,39,850	8.16%	2,05,39,850	8.08%
Mr. Ramesh Patel	1,56,60,689	6.16%	1,54,02,392	6.06%
TOTAL	**9,21,02,747**	**36.22%**	**9,19,75,800**	**36.17%**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Distribution made and proposed

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Cash dividends on Equity shares declared and paid: Final dividend for 31 March 2018: Rs. 0.40 per share (31 March 2017: Rs. 0.40 per share)	1,017.26	1,017.26
Interim Dividend for 31 March 2019: Rs 0.60 per share (31 March 2018: Nil)	1,525.88	-
Proposed dividends on Equity shares: Proposed cash dividend for 31 March 2019: Rs. 0.40 per share (31 March 2018: Rs. 0.40 per share)	1,017.26	1,017.26

Notes to the Financial Statements For The Year Ended 31st March 2019

17 OTHER EQUITY

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
(1) Securities Premium		
Balance as at the Beginning of the year	15,650.48	15,650.48
Balance as at the end of the year	**15,650.48**	**15,650.48**
(2) Capital Reserve		
Balance as at the Beginning of the year	31.22	31.22
Balance as at the end of the year	**31.22**	**31.22**
(3) General Reserve		
Balance as at the Beginning of the year	9,767.18	8,967.18
Add : Transferred from Retained Earnings	1,500.00	800.00
Balance as at the end of the year	**11,267.18**	**9,767.18**
(4) Capital Redemption Reserve		
Balance as at the Beginning of the year	184.33	184.33
Balance as at the end of the year	**184.33**	**184.33**
(5) Retained Earning		
Balance as at the Beginning of the year	41,593.48	35,914.65
Add : Profit for the Year	16,869.07	7,693.16
Add : Other Comprehensive Income for the Year (Net)	(90.08)	10.02
	58,372.47	43,617.83
Less : Appropriation		
Transfer to General Reserve	1,500.00	800.00
Dividend Paid	2,543.14	1,017.26
Dividend Distribution Tax	209.10	207.09
Balance as at the end of the year	**54,120.23**	**41,593.48**
TOTAL	**81,253.44**	**67,226.69**

Nature and purpose of reserves :

Securities Premium

In cases where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to “Securities Premium”. The Company may issue fully paid-up bonus shares to its members out of the securities premium and the Company can use this reserve for buy-back of shares.

Capital Reserve

The Capital Reserve represent change in depreciation of Property, Plant and Equipment.

General Reserve

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid-up bonus shares

Capital Redemption Reserve

Capital Redemption Reserve was created for buy-back of shares.

Notes to the Financial Statements For The Year Ended 31st March 2019

18 BORROWINGS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
SECURED		
Term Loan Facilities from Banks :		
In Indian Currency (Refer Note below)	12,695.64	26,347.25
TOTAL	**12,695.64**	**26,347.25**
Current maturity of long term borrowing clubbed under current financial liabilities (refer note 23)	4,168.19	4,606.02
Total Non-Current borrowing	**8,527.45**	**21,741.23**
The above amounts includes:		
Secured borrowing	8,527.45	21,741.23
Unsecured borrowing	-	-

Refer Note No - 42 For Interest rate Risk and Liquidity Risk.

Details of Security and Repayment Terms :

i The Company has Rupee Term Loan facility of Rs. 3,000.00 Lakhs. The facility is secured by First Pari Passu charge on specific movable and immovable fixed assets of the Company. Loan is repayable in 20 Quarterly installments of Rs.150.00 Lakhs each commencing from 30th April 2016 and interest rate is linked to one year MCLR with monthly rests. Interest rate was in the range of 8.20% to 8.75% during the year (31 March 2018: 9.45%). The outstanding amount of loan as at March 31, 2019 is Rs. 1,200.00 (as at March 31, 2018: Rs. 1,800.00) Lakhs.

ii The Company has Rupee Term Loan facility of Rs. 10,675.00 Lakhs. The facility is secured by First charge on all the Company's movable and immovable fixed assets and exclusive charge on specific movable and immovable fixed assets. The loan carries floating interest rate linked to one year MCLR plus spread of 70 bps with monthly rests. Interest rate was in the range of 8.20% to 8.85% during the year (31 March 2018: 9%). The Term Loan is repayable in 26 quarterly instalments starting from 31st December 2015 and ending on 31st March 2022, as per below mentioned terms. The outstanding amount of loan as at March 31, 2019 is Rs. 3,875.00 (as at March 31, 2018: Rs. 5,925.00) Lakhs.

1 Two quarterly instalments of Rs. 325.00 Lakhs each starting from 31.12.2015

2 Seventeen quarterly instalments of Rs. 512.50 Lakhs each starting from 30.06.2016

3 Seven quarterly instalments of Rs. 187.50 Lakhs each starting from 30.09.2020

iii The Company has Rupee Term Loan facility of Rs. 9,200.00 Lakhs. The Facility is secured by (a) Exclusive Charge on Windmill (b) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Company (c) Assignment of Lease Hold Land used for Windmill (d) First Pari Passu charge by way of mortgage on immovable fixed assets of the Company (excluding the assets charged specifically to other lenders). The term Loan is repayable in 12 half yearly instalments of Rs.766 lakhs after a moratorium period of 12 months from the date of first disbursement. The interest rate is linked to12 months G-Sec, which will be reset every year. Interest rate was in the range of 7.60% to 8.90% during the year (31 March 2018: 7.6%). The outstanding amount of loan as at March 31, 2019 is Rs. 7,666.67 (as at March 31, 2018: Rs. 8,700.00) Lakhs.

Notes to the Financial Statements For The Year Ended 31st March 2019

iv	The Company has Rupee Term loan facility of Rs. 12,500.00 Lakhs. The Facility is secured by (a) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Company excluding exclusively charged assets (b) First Pari passu charge on immovable fixed assets of the Company (excluding exclusively charged assets to other lenders) (c) Second Pari Passu Charge by way of Hypothecation over entire current assets. The Term Loan is repayable in 16 quarterly instalments amounting to Rs.625 Lakhs after a moratorium period of 13 Months from the date of first disbursement. The interest rate is linked to one year MCLR with 15 bps spread. Interest rate was in the range of 8.20% to 8.70% during the year (31 March 2018: 8.2%). The outstanding amount of loan as at March 31, 2019 is Rs. NIL (as at March 31, 2018: Rs. 10,000.00) Lakhs. The Company has prepaid the entire Term loan on 26th March, 2019.
V	Bank loans availed by the Company are subject to certain covenants relating to interest service coverage ratio, current ratio, debt service coverage ratio, total outside liabilities to total net worth, fixed assets coverage ratio, ratio of total term liabilities to net worth and return on fixed assets. The Company has complied with the covenants as per the terms of the loan agreements.

19 PROVISIONS (NON CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Provision for Employee benefits		
Gratuity (Refer Note 38)	608.05	451.54
Compensated absences	40.63	45.72
TOTAL	**648.68**	**497.26**

20 TAX EXPENSE

(a) Amounts recognised in Profit and Loss

PARTICULARS	(Rs. in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Income Tax	5,390.00	3,050.00
Adjustment to tax related to earlier periods	(73.79)	51.80
Deferred tax relating to origination & reversal of temporary differences	33.84	1,349.86
Tax expense for the year	**5,350.05**	**4,451.66**

(b) Amounts recognised in Other Comprehensive Income

PARTICULARS	(Rs. in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Items that will not be reclassified to statement of Profit and Loss		
Remeasurements of the Defined Benefit Plans		
Before Tax	(138.46)	15.40
Tax (expense) / benefit	48.38	(5.38)
Net of Tax	(90.08)	10.02

Notes to the Financial Statements For The Year Ended 31st March 2019

(c) Reconciliation of Effective Tax Rate

PARTICULARS	(Rs. in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit Before Tax	**22,219.12**	**12,144.82**
Tax using the Company's domestic tax rate (31 March 2019: 34.94% and 31 March 2018: 34.61%)	7,764.25	4,203.08
Non-Deductible Tax Expenses		
Investment Written Off	-	42.96
Capital work-in-progress loss due to fire	100.74	-
Donation disallowed	78.43	-
Other	319.74	87.09
Allowable Tax Expenditure		
Additional R & D Expenses u/s - 35(2AB)	(36.63)	(33.10)
Income exempt from income taxes (u/s 10A)	(199.06)	(462.79)
Dividend Income on Preference shares	(536.59)	-
(Profit) on Sale of Investment	(2,067.04)	-
Others		
Adjustment for Tax of Prior Periods	(73.79)	51.80
Adjustment to Tax related to rectification of Deferred Tax of previous year	-	576.41
Impact on account of change in the deferred tax rate	-	(13.79)
Total	**5,350.05**	**4,451.66**
Effective Tax Rate	**24.08%**	**36.65%**

(d) Movement in Deferred Tax balances for the year ended March 31, 2019 **(Rs. in Lakhs)**

Particular	Net balance April 1, 2018	Recognised in Profit or Loss	Recognised in OCI	Other	Net	As at March 31, 2019	
						Deferred Tax Asset	Deferred Tax Liability
Property, Plant and Equipment	(4,403.95)	(197.83)	-	-	(4,601.78)	-	(4,601.78)
Trade Receivables	-	223.92	-	-	223.92	223.92	-
Loans and Borrowings	(26.93)	11.08	-	-	(15.85)	-	(15.85)
Employee Benefits	348.26	(70.30)	48.38	-	326.34	326.34	-
Investment	(20.70)	(0.71)	-	-	(21.41)	-	(21.41)
Tax Assets/(Liabilities)	**(4,103.32)**	**(33.84)**	**48.38**	**-**	**(4,088.78)**	**550.26**	**(4,639.04)**
Set off							**550.26**
Net Tax Liabilities							**(4,088.78)**

Notes to the Financial Statements For The Year Ended 31st March 2019

Movement in Deferred Tax balances for the year ended March 31, 2018 **(Rs. in Lakhs)**

Particular	Net balance April 1, 2017	Recognised in Profit or Loss	Recognised in OCI	Other	Net	As at March 31, 2018 Deferred Tax Asset	Deferred Tax Liability
Property, Plant and Equipment	(3,326.32)	(1,077.63)	-	-	(4,403.95)	-	(4,403.95)
Trade Receivables	(94.21)	94.21	-	-	-	-	-
Inventories	576.40	(576.40)	-	-	-	-	-
Loans and borrowings	(22.78)	(4.15)	-	-	(26.93)	-	(26.93)
Employee benefits	136.69	216.95	(5.38)	-	348.26	348.26	-
Investment	(17.86)	(2.84)	-	-	(20.70)	-	(20.70)
Tax Assets/(Liabilities)	**(2,748.08)**	**(1,349.86)**	**(5.38)**	**-**	**(4,103.32)**	**348.26**	**(4,451.58)**
Set off							348.26
Net tax Liabilities							**(4,103.32)**

21 BORROWINGS

PARTICULARS	(Rs. in Lakhs) 31st March 2019	31st March 2018
Secured Loans **Repayable on Demand** **Cash Credit, Packing Credit and working capital demand loan accounts (Refer Note below)**		
From Banks - In Indian Currency	10,158.51	2,851.23
From Banks - In Foreign Currency	9,798.81	1,955.25
Unsecured Loans		
From Subsidiary Companies (Refer Note 41 and 44)	-	10,985.54
TOTAL	**19,957.32**	**15,792.02**

Note: The Company has availed Cash credit, packing credit and working capital demand loans of Rs 40,000 lakhs (31 March 2018: Rs 40,000 lakhs) as sanctioned limit from State Bank of India, HDFC Bank Limited, Standard Chartered Bank and ICICI Bank Limited (Collectively known as Consortium Bankers). The present consortium is lead by State Bank of India. These loans are secured by first pari passu charge by way of hypothecation of the entire Stock of Raw Materials, Work in Process, Finished Goods, Stores and Spares and Receivables and first pari passu charge on immovable Fixed Assets of the Company as a collateral security. Interest rate on these loans are as follows:

(a) Interest rates on cash credit loans vary within the range of 9.20% to 10.50% (31 March 2018: 8.15% to 10.45%).

(b) Interest rates on packing credit loans vary within the range of Libor + 1.50% to Libor + 2.70% (31 March 2018: Libor +2.00%).

(c) Interest rates on working capital demand loans vary within the range of 8.05% to 8.60% (31 March 2018: 7.85% to 8.90%).

Notes to the Financial Statements For The Year Ended 31st March 2019

22 TRADE PAYABLES

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Outstanding Dues of Micro, Small and Medium Enterprises (Refer note 37)	888.16	578.64
Outstanding Dues of Creditors other than Micro, Small and Medium Enterprises (Refer Note below)	20,993.14	16,440.06
TOTAL	**21,881.30**	**17,018.70**

Terms and Conditions of the above Outstanding Dues :

Trade payables are non-interest bearing and are normally settled on 30-360 days terms. For amounts due to related parties and terms and conditions with Related Parties, Refer Note 41. Refer Note 42 for Company's Credit Risk Management processes.

23 OTHER FINANCIAL LIABILITIES (CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Financial liabilities carried at amortised cost		
Current maturities of Non Current Borrowings (Refer Note 18)	4,168.19	4,606.02
Interest accrued but not due on borrowings	112.31	72.05
Employee Benefits Payable	2,343.47	1,306.33
Unclaimed Dividend	122.96	22.10
Payable for retention money	47.92	11.75
Payables for Capital Goods	935.07	855.70
Security Deposits Payable	281.81	127.71
Expenses Payable	147.66	-
Interest as per MSMEDA, 2006 (Refer Note 37)	408.51	280.88
Financial liabilities carried at fair value through profit and loss		
Derivative Contracts	-	17.38
TOTAL	**8,567.90**	**7,299.92**

24 OTHER CURRENT LIABILITIES

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Advance from Customers	681.86	378.99
Statutory Dues Payable	236.80	229.37
TOTAL	**918.66**	**608.36**

25 PROVISIONS (CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Provision for amount paid under Dispute (MEIS)	585.33	-
Provisions for Employee Benefits		
Leave Encashment	5.89	5.06
TOTAL	**591.22**	**5.06**

Notes to the Financial Statements For The Year Ended 31st March 2019

26 CURRENT TAX LIABILITIES (NET)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Current Tax Payable (Net)	1,379.87	996.92
TOTAL	**1,379.87**	**996.92**

27 REVENUE FROM OPERATIONS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Sale of Products		
i - Manufactured Goods	1,32,780.49	1,20,406.44
ii - Traded Goods	4,733.14	2,818.85
Total Sale of Products	**1,37,513.63**	**1,23,225.29**
Other Operating Revenue		
i - Export benefits and other incentives	3,381.39	2,799.09
ii - Scrap Sales	146.98	22.91
Total Other Operating Revenue	**3,528.37**	**2,822.00**
TOTAL	**1,41,042.00**	**1,26,047.29**

27.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Type of goods		
Pigments	58,934.91	58,247.16
Agro Chemicals	77,066.25	64,192.07
Others (Merchant Trading)	1,512.47	786.06
Total revenue from contracts with Customers	**1,37,513.63**	**1,23,225.29**
Geographical location of Customer		
India	30,757.78	32,016.77
Outside India	1,06,755.85	88,961.42
Total revenue from contracts with Customers	**1,37,513.63**	**1,20,978.19**
Timing of revenue recognition		
Goods transferred at a point in time	1,37,513.63	1,20,978.19
Total revenue from contracts with Customers	**1,37,513.63**	**1,20,978.19**

27.2 Sale of Products includes excise duty collected from customers of Rs. Nil (31 March 2018: Rs. 2247.10 Lakhs). Sale of Pigment, Agro Chemicals and Others net of excise duty is Rs. 137,513.63 Lakhs (31 March 2018: Rs. 120,978.18 Lakhs). Revenue from operations for previous periods up to 30 June 2017 included excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended 31 March 2019 is not comparable with 31 March 2018.

Notes to the Financial Statements For The Year Ended 31st March 2019

27.3 Contract Assets and contract Liabilities

The Company has recognised the following revenue-related contract asset and liabilities

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Trade Receivables	35,412.38	30,283.66
Advance from customers	681.86	378.99

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days. Trade receivable are secured to the extent of deposit received from the customers. There is no significant movement during the year. In March 2019, Rs.619.91 Lakhs (March 2018: Rs.226.72 Lakhs) was recognised as provision for expected credit losses on trade receivables

Contract liabilities includes short term advance received for sale of products.

27.4 Reconciling the amount of revenue recognised in the statement of Profit and Loss with the contracted price

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Revenue as per contracted price	1,38,805.46	1,24,299.85
Adjustments		
Sales return	(663.37)	(320.53)
Trade and Cash Discount	(628.46)	(754.03)
Revenue from contract with Customer	**1,37,513.63**	**1,23,225.29**

27.5 Performance obligation Information about the Company's performance obligations are summarised below:

The performance obligation is satisfied upon dispatch of goods from the company's premises / delivery of goods to the customer in accordance with the terms of contract with customer.

27.6 Information about major customers

For information about major customers Refer Note 40.

28 OTHER INCOME

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Interest Income on		
- Bank Deposits	45.25	40.19
- Others	248.42	368.49
Dividend Income on Redeemable Preference Shares	1,535.84	-
Fair Value Gain on Derivative Instruments held at Fair Value Through Profit or Loss	17.38	-
Net Gain on Foreign Currency transactions	1,684.42	1,969.66
Liabilities No Longer Required Written Back	225.14	99.65
Miscellaneous Income	125.74	132.60
TOTAL	**3,882.19**	**2,610.59**

Notes to the Financial Statements For The Year Ended 31st March 2019

29 COST OF MATERIALS CONSUMED

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Pigments	34,921.41	32,204.63
Agro Chemicals	53,033.20	36,546.23
TOTAL	**87,954.61**	**68,750.86**

Note : The above amount comprises of raw material consumption generated from the accounting system and related adjustments there to.

30 CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK IN TRADE

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
(A) Inventories at the beginning of the Year		
(i) Finished Goods	6,262.57	6,401.50
(ii) Finished Goods in Transit	8,574.23	7,561.77
(iii) Stock in Trade	44.83	38.75
(iv) Work-in-Progress	1,115.51	1,205.50
TOTAL (A)	**15,997.14**	**15,207.52**
(B) Inventories at the end of the Year		
(i) Finished Goods	10,755.17	6,262.57
(ii) Finished Goods in Transit	14,857.69	8,574.23
(iii) Stock in Trade	47.96	44.83
(iv) Work-in-Progress	1,376.52	1,115.51
TOTAL (B)	**27,037.34**	**15,997.14**
TOTAL (A - B) Change in Inventories	**(11,040.20)**	**(789.62)**

31 EMPLOYEE BENEFIT EXPENSES

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Salary, Wages and Bonus	4,732.01	4,156.45
Directors Remuneration (Refer Note 41)	1,888.46	1,338.06
Contribution to Provident and Other Funds (Refer Note 38)	459.45	289.24
Staff Welfare Expenses	406.45	377.13
TOTAL	**7,486.37**	**6,160.88**

32 FINANCE COSTS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Interest Expense on:		
- Term Loans	2,366.75	1,501.26
- Cash Credit and Working Capital Demand Loan	1,292.19	1,065.17
- Others	390.05	270.67
Other borrowing Costs (Includes Bank charges, etc.)	540.21	250.07
TOTAL	**4,589.20**	**3,087.17**

Notes to the Financial Statements For The Year Ended 31st March 2019

33 OTHER EXPENSES

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Consumption of Stores and Spares	1,378.45	1,354.03
Power and Fuel	8,573.05	9,048.88
Repairs and Maintenance :		
- Buildings	200.33	161.06
- Plant and Machinery	1,160.76	1,009.83
Pollution Control Expenses	2,165.87	2,084.08
Excise Duty Expenses	10.35	370.90
Labour Contract Charges	2,117.48	2,175.21
Rent (Refer Note - i below)	212.84	207.21
Rates and Taxes	603.69	79.98
Insurance	708.90	845.77
Consumption of Packing Materials	3,025.39	3,424.59
Loss on Sale / Discarded Property, Plant and Equipment	378.54	133.71
Loss on Derivatives	-	145.81
Freight Expenses	2,642.67	2,864.10
Research & Development Expenses (Refer Note - ii below)	209.65	191.29
Bad Debts	504.75	780.25
Provision For Doubtful Debts and Advances	393.19	247.62
Water Changes	664.22	502.81
Expenditure towards Corporate Social Responsibility (Refer Note - iii below)	245.88	26.22
Payments to the Auditors (Refer Note - iv below)	30.56	26.43
Miscellaneous Expenses	4,025.42	4,165.10
TOTAL	**29,251.99**	**29,844.88**

Notes

i The Company has entered into lease rent agreement for nine years for office premises. The leasing agreement is cancellable and renewable on a periodic basis by mutual consent on mutually accepted terms including escalation of lease rent. Lease payments recognised in the Statement of Profit and Loss for the year amounts to Rs 212.84 Lakhs (March 31, 2018: Rs.207.21 Lakhs).

ii **Expenses includes Research & Development related expenses as follows**

Particulars	(Rs. in Lakhs)	
	31st March 2019	31st March, 2018
Salary & Wages	155.55	128.30
Raw Material Consumption	23.29	17.61
Consumables & Spares and Others	2.04	2.52
Electricity Expenses	10.46	12.62
Annual Maintenance Contract & Repairing	11.29	13.67
Computer Maintenance	-	0.05
Stationery Expenses	-	0.99
Telephone,Mobile & Internet Expenses	0.10	0.61
Travelling Exepense	0.47	2.91
Vehicle Expense	4.91	8.06
Conveyance Expense	1.54	2.23
Miscellaneous Expense	-	1.72
TOTAL	**209.65**	**191.29**

Notes to the Financial Statements For The Year Ended 31st March 2019

iii Corporate Social Responsibility Expenditure - spent during the year is Rs.245.88 Lakhs (31st March 2018 - Rs. 26.22 Lakhs)

Details of Corporate Social Responsibility (CSR Expenditure)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Amount Required to be spent as per Section 135 of the Act	165.65	98.26
Amount Spent in cash during the year on :		
i Construction / Acquisition of an Assets	-	-
ii On Purposes other than (i) above	245.88	26.22

iv **Payments to Auditors (Excluding taxes)**

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
(a) as Auditors	28.50	26.00
(b) for Other Services	0.60	-
(c) for Reimbursement of Expenses	1.46	0.43
TOTAL	**30.56**	**26.43**

34 EXCEPTIONAL ITEMS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Gain on Sale of Investment in Subsidiary Company (Refer Note (a) below)	(5,915.29)	-
Loss due to Fire (refer note (b) below)	1,586.78	112.52
Impairment of Investment in Subsidiary Company (Refer Note (c) below)	-	123.30
TOTAL	**(4,328.51)**	**235.82**

(a) The exceptional gain for year is of Rs. 5,915.29 Lakhs pertains to gain on sale of 16,900,835 shares (i.e. 23.88% stake) of Meghmani Finechem Limited ("MFL") to Meghmani Agrochemicals Private Limited ("MACPL"). Refer Note 44.

(b) The exceptional loss for the year includes loss on account of fire on March 26, 2019 at a manufacturing facility of the Company in Dahej. Management is in the process of compiling and submitting requisite information to Surveyor considering which Preliminary assessment / claim report is not received. Accordingly, the loss on fire including inventory, Property Plant and Equipment (including Capital Work in Progress) and other ancillary expenses of Rs.1,586.78 Lakhs as per table below. As assessed by management is charged to statement of Profit and Loss for the year ended March 31, 2019 in line with requirements of Ind AS 16. The Company has All Risk Insurance Policy (including Loss of Profit Policy) and is fully covered for insurance claim.

PARTICULARS	Amount (Rs. in Lakhs)
Property, plant and equipment (including Capital work in progress)	952.80
Inventory	523.98
Other ancillary cost	110.00
TOTAL	**1,586.78**

The exceptional loss for year ended March 31, 2018 of Rs.112.52 Lakhs pertained to loss on account of fire at Dahej SEZ manufacturing facility of the Company. Against the outstanding insurance claim receivable of Rs. 2,942.04 lakhs as at March 31, 2018, the Company had received Rs. 2,783.02 Lakhs and charged the differential amount of Rs.112.52 Lakhs to the Statement of Profit and Loss Account.

(C) Exceptional loss for the year ended March 31, 2018 pertained to impairment of investment in Subsidiary PT Meghmani Organics Indonesia.

Notes to the Financial Statements For The Year Ended 31st March 2019

35 OTHER COMPREHENSIVE INCOME

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Statement of Other Comprehensive Income		
(i) Remeasurement gain / (loss) on defined benefit plans	(138.46)	15.40
(ii) Income tax effect on above	48.38	(5.38)
Total	**(90.08)**	**10.02**

36 EARNINGS PER SHARE

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share used in the basic and diluted EPS computation:

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Profit attributable to Equity Shareholders	16,869.07	7,693.16
Weighted Average number of Equity Shares outstanding (Nos)	25,43,14,211	25,43,14,211
Basic and Diluted Earnings Per Share (Rs.)	6.63	3.03
Face value per Equity Share	1	1

37 The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act').

Accordingly, the disclosure in respect of the amounts payable to such Enterprises as at March 31, 2019 has been made in the Financial Statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any Supplier as at the Balance Sheet date.

The details as required by MSMED Act are given below:

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year; Principal Amount Interest Amount	 888.16 408.51	 578.64 280.88
The amount of interest paid by the buyer under the MSMED Act along with the amounts of the payment made to the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act not paid)	127.63	113.80
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	3.78
The amount of further interest due and payable even in the succeeding period, 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	408.51	280.88

On the basis of information and records available with the Company, the above disclosures are made in respect of amount due to the Micro, Small and Medium enterprises, which have been registered with the relevant competent authorities. This has been relied upon by the auditors.

Notes to the Financial Statements For The Year Ended 31st March 2019

38 GRATUITY EXPENSES

(a) **Retirement Benefits**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Table 1: Reconciliation of Defined Benefit Obligation (DBO) **(Rs. in Lakhs)**

	31st March 2019	31st March, 2018
Opening Balance of Defined Benefit Obligation	**829.87**	**759.60**
Service Cost		
a. Current Service Cost	104.30	74.41
b. Past Service Cost	-	1.21
Interest Cost	60.58	53.93
Benefits Paid	(31.29)	(30.12)
Re-measurements		
a. Actuarial Loss/(Gain) from changes in Demographic assumptions	(36.10)	-
b. Actuarial Loss/(Gain) from changes in Financial assumptions	179.56	(7.74)
c. Actuarial Loss/(Gain) from experience over the past period	3.89	(21.42)
Closing Balance of Defined Benefit Obligation	**1,110.81**	**829.87**

Table 2: Reconciliation of Fair Value of Plan Assets **(Rs. in Lakhs)**

	31st March 2019	31st March, 2018
Opening Balance of Fair Value of Plan Assets	393.74	393.94
Contributions by Employer	102.17	16.32
Benefits Paid	(31.29)	(30.12)
Interest Income on Plan Assets	29.25	27.36
Re-measurements		
a. Actuarial (Loss)/Gain from changes in Financial assumptions	-	2.31
b. Return on Plan Assets excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	8.89	(16.07)
Closing Balance of Fair Value of Plan Assets	**502.76**	**393.74**
Actual Return on Plan Assets	38.14	13.60
Expected Employer Contributions for the coming period	100.00	100.00

Table 3: Expenses recognised in the Profit and Loss Account **(Rs. in Lakhs)**

	31st March 2019	31st March, 2018
Service Cost		
a. Current Service Cost	104.30	74.41
b. Past Service Cost	-	1.21
Net Interest on net Defined Benefit Liability/(asset)	31.33	26.57
Employer Expenses	**135.63**	**102.19**

Notes to the Financial Statements For The Year Ended 31st March 2019

Table 4: Net Liability/ (Asset) recognised in the Balance Sheet **(Rs. in Lakhs)**

	31st March 2019	31st March, 2018
Present Value of DBO	1,110.81	829.87
Fair Value of Plan Assets	502.76	393.74
Liability/ (Asset) recognised in the Balance Sheet	608.05	436.13
Funded Status [Surplus/(Deficit)]	(608.05)	(436.13)
Experience Adjustment on Plan Liabilities: (Gain)/Loss	3.89	(21.42)
Experience Adjustment on Plan Assets: Gain/(Loss)	8.89	(16.07)

Table 5: Percentage Break-down of Total Plan Assets

	31st March 2019	31st March, 2018
Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	14%	10%
Of which, Traditional/ Non-Unit Linked	86%	90%
Total	**100%**	**100%**

Note: None of the assets carry a quoted market price in an active market or represent the Entity's own transferable financial instruments or are property occupied by the Entity.

Table 6: Actuarial Assumptions

	31st March 2019	31st March, 2018
Salary Growth Rate	10% p.a.	6% p.a.
Discount Rate	6.9% p.a.	7.3% p.a.
Withdrawal Rate	12% p.a.	8% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2006-08 Ult.
Expected Return on Plan Assets	7.3% p.a.	7.7% p.a.
Expected weighted average remaining working life	4 years	5 years

Table 7: Movement in Other Comprehensive Income **(Rs. in Lakhs)**

	31st March 2019	31st March, 2018
Opening Balance (Loss)	**(7.49)**	(22.89)
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in demographic assumptions	36.10	-
b. Actuarial (Loss)/Gain from changes in Financial assumptions	(179.56)	7.74
c. Actuarial (Loss)/Gain from experience over the past period	(3.89)	21.42
Re-measurements on Plan Assets		
a. Actuarial (Loss)/Gain from changes in Financial assumptions	-	2.31
b. Return on Plan assets, excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	8.89	(16.07)
Closing Balance (Loss)	**(145.95)**	**(7.49)**

Notes to the Financial Statements For The Year Ended 31st March 2019

Table 8: Sensitivity Analysis

Financial Year ended March 31, 2019, in Rs	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs 50.23 Lakhs	DBO decreases by Rs 46.51 Lakhs
Discount Rate	DBO decreases by Rs 47.38 Lakhs	DBO increases by Rs 52.25 Lakhs
Withdrawal Rate	DBO decreases by Rs 7.54 Lakhs	DBO increases by Rs 8.21 Lakhs

Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.30 Lakhs
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.60 Lakhs

Financial Year ended March 31, 2018, in Rs	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs 40.87 Lakhs	DBO decreases by Rs 37.83 Lakhs
Discount Rate	DBO decreases by Rs 37.05 Lakhs	DBO increases by Rs 40.75 Lakhs
Withdrawal Rate	DBO increases by Rs 0.94 Lakhs	DBO decreases by Rs 1.14 Lakhs

Mortality (increase in expected lifetime by 1 year)	DBO decreases by Rs 0.13 Lakhs
Mortality (increase in expected lifetime by 3 years)	DBO decreases by Rs 0.26 Lakhs

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis.

Table 9: Movement in Surplus / (Deficit) **(Rs. in Lakhs)**

	31st March 2019	31st March, 2018
Surplus / (Deficit) at start of period	**(436.13)**	**(365.66)**
Movement during the period		
Current Service Cost	(104.30)	(74.41)
Past Service Cost	-	(1.21)
Net Interest on net DBO	(31.33)	(26.57)
Actuarial gain / (loss)	(138.46)	15.40
Contributions	102.17	16.32
Surplus/ (Deficit) at end of period	**(608.05)**	**(436.13)**

(b) Defined Contribution Plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Company has recognised provident fund contribution of Rs. 205.87 Lakhs (March 31, 2018 Rs. 193.91 Lakhs) as expense in Note 31 under the head 'Contributions to Provident and Other Funds'.

Notes to the Financial Statements For The Year Ended 31st March 2019

39 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

A Claims against the Company not acknowledged as debts (Excluding interest and penalty)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Disputed Income-Tax Liability	87.83	109.51
Disputed Excise Duty Liability	1,938.69	1965.67
Disputed Service Tax Liability	216.84	291.16
Disputed Value Added Tax Liability	87.04	87.04
Disputed Labour Law Compliance Liabilities	42.11	63.88
(In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various forums /authorities)		
In respect of Letter of Credit	1,139.88	308.79
In respect of Guarantee		
- Corporate Guarantee Given	-	2,500.00

B. CAPITAL COMMITMENTS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Estimated amount of Contracts pending execution on Capital Accounts and not provided for (net of Advances)	1,600.99	894.91

C. PROVIDENT FUND LIABILITY

There are numerous interpretative issues relating to the Supreme Court (SC) judgment on PF dated 28th February, 2019. As a matter of caution, the company decided to assess the impact on a prospective basis from the date of SC order. The impact on the account is not material. The Company will update its provision, on receiving further clarity on the subject.

Notes to the Financial Statements For The Year Ended 31st March 2019

40. SEGMENT REPORTING

Financial Year ended on 31st March 2019: **(Rs. in Lakhs)**

Particulars	Pigments	Agro Chemicals	Others *	Unallocable	Total
Revenue					
External Sales	58,934.91	77,066.25	1,512.47	-	1,37,513.63
Other Operating Revenue	1,545.32	1,983.02	0.03	-	3,528.37
Total Revenue	**60,480.23**	**79,049.27**	**1,512.50**	**-**	**1,41,042.00**
Results					
Segment Results	6,923.61	16,809.98	83.59	-	23,817.18
Un-allocable (Expenses)/Income				(2,873.21)	(2,873.21)
Profit from Operation					**20,943.97**
Finance Cost					(4,589.20)
Investments Income				1,535.84	1,535.84
Profit before Exceptional Items					**17,890.61**
Exceptional Items	-	(1,586.78)	-	5,915.29	4,328.51
Extraordinary Items					-
Profit Before Tax					**22,219.12**
Income tax Expenses					(5,316.21)
Deferred Tax					(33.84)
Profit After Tax					**16,869.07**

(Rs. in Lakhs)

Other information	Pigments	Agro Chemicals	Others	Unallocable	Total
Capital Addition	2,287.20	5,159.14	-	54.88	7,501.22
Depreciation	(2,197.11)	(2,228.27)	(0.24)	(203.42)	(4,629.04)
Non-Cash Items	(280.98)	1,922.22	21.12	(0.25)	1,662.10

(Rs. in Lakhs)

Balance sheet	Pigments	Agro Chemicals	Others	Unallocable	Total
Assets					
Segment Assets	59,014.93	70,586.53	195.91	-	1,29,797.37
Un-allocable Assets	-	-	-	-	20,560.39
Total assets					**1,50,357.76**
Liabilities					
Segment Liabilities	24,603.62	35,777.95	347.22	-	60,728.79
Unallocable Liabilities					1,743.61
Deferred Tax Liabilities					4,088.78
Total Liabilities					**66,561.18**

*Others includes Merchant Trading Activity.

Notes to the Financial Statements For The Year Ended 31st March 2019

Financial Year ended on 31st March 2018: **(Rs. in Lakhs)**

Particulars	Pigments	Agro Chemicals	Others *	Unallocable	Total
Revenue					
External Sales	58,247.16	64,192.06	786.06	-	1,23,225.28
Other Operating Revenue	1,298.63	1,497.95	25.43	-	2,822.01
Total Revenue	**59,545.79**	**65,690.01**	**811.49**	**-**	**1,26,047.29**
Results					
Segment Results	7,554.56	8,492.97	(128.92)	-	15,918.61
Interest Income					
Un-allocable (Expenses)/Income					(450.80)
Profit from Operation					**15,467.81**
Finance Cost					(3,087.17)
Profit before exceptional items					**12,380.64**
Exceptional Items					(235.82)
Profit Before Tax					**12,144.82**
Income tax Expenses					(3,101.80)
Deferred Tax					(1,349.86)
Profit After Tax					**7,693.16**

(Rs. in Lakhs)

Other information	Pigments	Agro Chemicals	Others*	Unallocable	Total
Capital Addition	5,272.22	6,166.95	0.16	450.31	11,889.64
Depreciation	(2,086.10)	(1,971.89)	(0.12)	(203.84)	(4,261.95)
Non-Cash Items	355.08	(664.02)	(103.12)	(5.98)	(418.04)

(Rs. in Lakhs)

Balance sheet	Pigments	Agro Chemicals	Others*	Elimination	Total
Assets					
Segment Assets	61,435.64	51,452.30	362.63	-	1,13,250.57
Un-allocable Assets					24,582.05
Total Assets					**1,37,832.62**
Liabilities					
Segment Liabilities	26,394.29	24,986.12	432.83	-	51,813.24
Unallocable Liabilities					12,146.23
Deferred Tax Liabilities					4,103.32
Total Liabilities					**68,062.79**

*Others includes Merchant Trading Activity

Notes to the Financial Statements For The Year Ended 31st March 2019

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	(Rs. in Lakhs)	
	2018-2019	**2017- 2018**
Revenue:		
Within India	30,904.75	34,286.78
Outside India	1,10,137.25	91,760.51
Total	**1,41,042.00**	**1,26,047.29**

The following is an analysis of the carrying amount of Non - Current Assets, which do not include Deferred Tax assets, Income Tax Assets and Financial Assets analysed by the Geographical area in which the Assets are located.

PARTICULARS	(Rs. in Lakhs)	
	2018-2019	**2017-2018**
Carrying amount of segment assets		
Within India	49,998.28	47,902.99
Outside India	-	-

The Company has one customer based outside India who has accounted for more than 10% of the Company's revenue. Total amount of revenue from this customer is Rs.16,024.94 Lakhs for the year ended March 31, 2019 and Rs. 15,144.36 Lakhs March 31, 2018.

Notes

(1) Based on "management approach" defined under Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these segments.

(2) The Company's operations are divided into two segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of :

a) Agro Chemicals - The Company's operation includes manufacture and marketing of technical, intermediates and formulation of Crop Protection Chemicals.

b) Pigment Business - The Company's operation includes manufacture and marketing of Phthalocynine Green 7, Copper Phthalocynine Blue (CPC), Alpha Blue and Beta Blue.

(3) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Notes to the Financial Statements For The Year Ended 31st March 2019

41 RELATED PARTIES DISCLOSURES :-

Subsidiaries of the Company :	Meghmani Organics USA, Inc.(MOL-USA) PT Meghmani Organics Indonesia(MOL-INDONESIA) Meghmani Overseas FZE-Dubai Meghmani Finechem Limited (MFL) Meghmani Agrochemicals Private Limited (MACPL) (Mergered with Meghmani Finechem Limited w.e.f. 11.02.2019)
Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence :	Meghmani Pigments Ashish Chemicals Tapsheel Enterprise 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 Navratan Specialty Chemicals LLP Meghmani Exports Limitada S.A.De CV
Key Managerial Personnel :	Mr. Jayantilal Patel Mr. Ashish Soparkar Mr. Natwarlal Patel Mr. Ramesh Patel Mr. Anand Patel Mr. Ankit Patel (CEO) Mr. Darshan Patel (COO) Mr. Karana Patel (COO) Mr. Rajkumar Mehta (Chief Financial Officer w.e.f.22.05.2017 to 31.12.2017) Mr. G.S. Chahal (Chief Financial Officer w.e.f.10.02.2018) Mr. Kamlesh Mehta (Company Secretary)
Independent Directors:	Mr. Balkrishna Thakkar Mr. Chinubhai Shah (up to 14.05.2018) Mr. Bhaskar Rao (From 10.02.2018) Mr. C S Liew (From 10.02.2018) Mr. Chander Kumar Sabharwal Ms. Urvashi Shah Mr. Kantibhai Patel (up to 10.02.2018) Mr. A L Radhakrishnan (w.e.f. 20.10.2017 to 10.02.2018) Mr. Manubhai Patel (w.e.f. 10.02.2018) Mr. Jayaraman Vishwanathan (up to 08.11.2017)
Relatives of Key Managerial Personnel:	Ms. Deval Soparkar Mr. Maulik Patel Mr. Kaushal Soparkar Ms. Taraben Patel

Notes to the Financial Statements For The Year Ended 31st March 2019

Note - 41

RELATED PARTIES DISCLOURES :-

(Rs. in Lakhs)

Particulars	Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel [KMP]		Relatives of Key Managerial Personnel		Total	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Purchase of Goods	6,565.57	5,287.17	2,341.61	2,589.18	-	-	-	-	8,907.18	7,876.35
Sale of Goods	4,194.62	4,171.47	557.52	1,356.89	-	-	-	-	4,752.14	5,528.36
Sale of Services	-	-	4.98	-	-	-	-	-	4.98	-
Impairment of Investment Subsidiary	-	123.30	-	-	-	-	-	-	-	123.30
Availing of Services (*)					-	8.00			-	8.00
Availing of Services	-	-	172.38	160.40			-	-	172.38	160.40
Sitting Fees	-	-	-	-	8.00	13.00	-	-	8.00	13.00
Remuneration	-	-	-	-	1,946.62	1,396.24	19.49	12.90	1,966.11	1,409.14
Loans Taken from Subsidiary	-	10,985.54	-	-	-	-	-	-	-	10,985.54
Loans adjusted against sale of investment in MFL to MACPL	10,985.54	-	-	-	-	-	-	-	10,985.54	-
Investment in MACPL	22,170.89	10,986.54	-	-	-	-	-	-	22,170.89	10,986.54
Cancellation of Investment in MACPL pursuant to merger scheme (refer note 44)	33,157.43	-	-	-	-	-	-	-	33,157.43	-
Sale of MEIS Licences	482.76	155.04	-	-	-	-	-	-	482.76	155.04
Dividend Paid	-	-	-	-	1,024.41	406.68	73.60	29.44	1,098.01	436.12
Dividend Received on NCRPS	1,535.56	-	-	-	-	-	-	-	1,535.56	-
OCRPS of MFL received pursuant to scheme of merger (refer note 44)	10,986.54	-	-	-	-	-	-	-	10,986.54	-
NCRPS of MFL received pursuant to scheme of merger (refer note 44)	22,170.89	-	-	-	-	-	-	-	22,170.89	-
Redemption of NCRPS	22,170.89	-	-	-	-	-	-	-	22,170.89	-
Outstanding Balances Written off	-	4.29	-	-	-	-	-	-	-	4.29
Reimbursement of Expenses Received from Subsidiary	28.53	-	-	-	-	-	-	-	28.53	-
Reimbursement of Expenses Receivable from Subsidiary	-	28.53	-	-	-	-	-	-	-	28.53
Total	**1,34,449.22**	**31,741.88**	**3,076.49**	**4,106.47**	**2,979.03**	**1,823.92**	**93.09**	**42.34**	**1,40,597.83**	**37,714.61**

* Pertains to availing of services from an independent Director.

Notes to the Financial Statements For The Year Ended 31st March 2019

OUTSTANDING BALANCES WITH RELATED PARTIES **(Rs. in Lakhs)**

Particulars	Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel [KMP]		Relatives of Key Managerial Personnel		Total	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Receivables	1,162.94	1,884.56	311.68	429.69	-	-	-	-	1,474.62	2,314.25
Payables	377.70	850.04	781.08	636.70	-	0.29	-	-	1,158.78	1,487.03
Remunaration Payable	-	-	-	-	1,566.97	618.66	0.35	0.81	1,567.32	619.47
Loan Payable to Subsidiary	-	10,985.54	-	-	-	-	-	-	-	10,985.54
Reimbursement of Expenses Receivable from Subsidiary	-	28.53	-	-	-	-	-	-	-	28.53
Total	**1,540.64**	**13,748.67**	**1,092.76**	**1,066.39**	**1,566.97**	**618.95**	**0.35**	**0.81**	**4,200.72**	**15,434.82**

Terms and Conditions of transactions with Related Parties

(1) The Company's transactions with related parties are at arm's length. Management believes that the company's Domestic and International transactions with related parties post March 31, 2018 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

(2) For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with Related Parties

The Company has not provided any commitment to the related party as at March 31, 2019 (March 31, 2018: Rs.Nil). The Company have given corporate guarantee on behalf of its subsidiary (Meghmani Finechem Limited), fair value of commission for such corporate guarantee Rs. 2.03 lakhs (31st March 2018 : 8.13 lakhs) have been recorded as income for the year.

All the transactions pertaining to expenses entered with Meghmani Agro Chemicals Private Limited are adjusted against reimbursement of expenses. Hence, the net amount of reimbursement has been derived considering the transactions entered into between the parties during the year.

Notes to the Financial Statements For The Year Ended 31st March 2019

41. RELATED PARTIES DISCLOSURES :-

Material Transactions with Related Parties

(Rs. in Lakhs)

Particulars	Sale of Goods / Services / MEIS Licences		Purchase of Goods / Services		Reimbursement of Expenses Receivable / (Paid) from Subsidiary		Outstanding Balances Written off	
Name of Related Parties	**31st March 2019**	**31st March 2018**	**31st March 2019**	**31st March 2018**	**31st March 2019**	**31st March 2018**	**31st March 2019**	**31st March 2018**
Subsidiaries								
Meghmani Organics USA Inc.	4,029.42	3,994.54	-	-	-	-	-	-
Meghmani Finechem Limited	483.07	155.04	6,187.87	5,287.17	-	-	-	-
PT Meghmani Organics Indonesia	-	-	-	-	-	-	-	4.29
Meghmani Overseas FZE	164.89	176.93	377.70	-	-	-	-	-
Meghmani Agrochemicals Private Limited	-	-	-	-	(28.53)	28.53	-	-
	4,677.38	**4,326.51**	**6,565.57**	**5,287.17**	**(28.53)**	**28.53**	**-**	**4.29**
Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence								
Meghmani Pigments	-	-	1,577.76	1,460.19	-	-	-	-
Ashish Chemicals	294.71	421.49	15.93	-	-	-	-	-
Meghmani Industries Limited	108.84	129.51	40.77	53.63	2.25	-	-	-
Meghmani Dyes & Intermediate Ltd	119.71	89.13	-	0.44	-	-	-	-
Meghmani Chemicals Limited	-	15.44	1.54	6.29	-	-	-	-
Matangi Industries LLP	-	-	12.77	33.63	-	-	-	-
Panchratna Corporation	-	-	172.38	160.40	-	-	-	-
Navratan Speciality Chemical LLP	28.59	8.44	-	1.81	-	-	-	-
Tapasheel Enterprise	3.89	5.39	-	-	-	-	-	-
Vidhi Global Chemicals Limited	-	687.25	-	777.53	-	-	-	-
Meghmani LLP	4.51	0.23	692.60	255.67	-	-	-	-
	560.25	**1,356.88**	**2,513.75**	**2,749.59**	**2.25**	**-**	**-**	**-**
Key Managerial Personnel								
Jayantilal Patel	-	-	-	-	-	-	-	-
Ashish Soparkar	-	-	-	-	-	-	-	-
Natwarlal Patel	-	-	-	-	-	-	-	-
Ramesh Patel	-	-	-	-	-	-	-	-
Anand Patel	-	-	-	-	-	-	-	-
G.S Chahal	-	-	-	-	-	-	-	-
K D Mehta	-	-	-	-	-	-	-	-
R K Mehta	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Relatives of Key Managerial Personnel								
Taraben Patel	-	-	-	-	-	-	-	-
Deval Soparkar	-	-	-	-	-	-	-	-
Maulik Patel	-	-	-	-	-	-	-	-
Kaushal Soparkar	-	-	-	-	-	-	-	-
Karan Patel	-	-	-	-	-	-	-	-
Ankit Patel	-	-	-	-	-	-	-	-
Darshan Patel	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Independent Directors								
Balkrishna T Thakkar	-	-	-	-	-	-	-	-
Chinubhai R Shah	-	-	-	-	-	-	-	-
Jayaraman Vishwanathan	-	-	-	-	-	-	-	-
Kantibhai H Patel	-	-	-	-	-	-	-	-
Manubhai Khodidas Patel	-	-	-	-	-	-	-	-
Chander Kumar Sabharwal	-	-	-	8.00	-	-	-	-
Ms. Urvashi Shah	-	-	-	-	-	-	-	-
	-	**-**	**-**	**8.00**	**-**	**-**	**-**	**-**

Notes to the Financial Statements For The Year Ended 31st March 2019

41. RELATED PARTIES DISCLOSURES :-

Material Transactions with Related Parties (Continued)

(Rs. in Lakhs)

Particulars	Investment in subsidiary		Loan Taken / (Adjusted) from Subsidiary		Remuneration		Sitting Fees	
Name of Related Parties	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Subsidiary								
Meghmani Organics USA Inc.	-	-	-	-	-	-	-	-
Meghmani Finechem Limited	33,157.43	-	-	-	-	-	-	-
PT Meghmani Organics Indonesia	-	-	-	-	-	-	-	-
Meghmani Overseas FZE	-	-	-	-	-	-	-	-
Meghmani Agrochemicals Private Limited	22,170.89	10,986.54	(10,985.54)	10,985.54	-	-	-	-
	55,328.32	**10,986.54**	**(10,985.54)**	**10,985.54**	**-**	**-**	**-**	**-**
Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence								
Meghmani Pigments	-	-	-	-	-	-	-	-
Ashish Chemicals	-	-	-	-	-	-	-	-
Meghmani Industries Limited	-	-	-	-	-	-	-	-
Meghmani Dyes & Intermediate Ltd	-	-	-	-	-	-	-	-
Meghmani Chemicals Limited	-	-	-	-	-	-	-	-
Matangi Industries LLP	-	-	-	-	-	-	-	-
Panchratna Corporation	-	-	-	-	-	-	-	-
Navratan Speciality Chemical LLP	-	-	-	-	-	-	-	-
Tapasheel Enterprise	-	-	-	-	-	-	-	-
Vidhi Global Chemicals Limited	-	-	-	-	-	-	-	-
Meghmani LLP	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Key Managerial Personnel								
Jayantilal Patel	-	-	-	-	455.38	317.79	-	-
Ashish Soparkar	-	-	-	-	455.29	317.67	-	-
Natwarlal Patel	-	-	-	-	455.17	317.67	-	-
Ramesh Patel	-	-	-	-	300.25	217.66	-	-
Anand Patel	-	-	-	-	222.37	167.28	-	-
G.S Chahal	-	-	-	-	36.22	9.42	-	-
K D Mehta	-	-	-	-	21.94	22.08	-	-
R K Mehta	-	-	-	-	-	26.67	-	-
	-	**-**	**-**	**-**	**1,946.62**	**1,396.24**	**-**	**-**
Relatives of Key Managerial Personnel								
Taraben Patel	-	-	-	-	-	-	-	-
Deval Soparkar	-	-	-	-	19.49	12.90	-	-
Maulik Patel	-	-	-	-	-	-	-	-
Kaushal Soparkar	-	-	-	-	-	-	-	-
Karan Patel	-	-	-	-	-	-	-	-
Ankit Patel	-	-	-	-	-	-	-	-
Darshan Patel	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**19.49**	**12.90**	**-**	**-**
Independent Directors								
Balkrishna T Thakkar	-	-	-	-	-	-	3.50	4.25
Chinubhai R Shah	-	-	-	-	-	-	-	4.25
Jayaraman Vishwanathan	-	-	-	-	-	-	-	1.00
Kantibhai H Patel	-	-	-	-	-	-	-	1.75
Manubhai Khodidas Patel	-	-	-	-	-	-	2.50	1.00
Chander Kumar Sabharwal	-	-	-	-	-	-	1.25	1.00
Ms. Urvashi Shah	-	-	-	-	-	-	0.75	0.75
	-	**-**	**-**	**-**	**-**	**-**	**8.00**	**14.00**

Notes to the Financial Statements For The Year Ended 31st March 2019

41. RELATED PARTIES DISCLOSURES :- Material Transactions with Related Parties (Continued)

(Rs. in Lakhs)

Particulars	Impairment of Investment Subsidiary		Cancellation / Redemption of Investment in Subsidiary pursuant to merger scheme		Dividend Received on NCRPS		Dividend Paid		Total	
Name of Related Parties	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Subsidiary										
Meghmani Organics USA Inc.	-	-	-	-	-	-	-	-	4,029.42	3,994.54
Meghmani Finechem Limited	-	-	22,170.89	-	1,535.56	-	-	-	63,534.82	5,442.21
PT Meghmani Organics Indonesia	-	123.30	-	-	-	-	-	-	-	127.59
Meghmani Overseas FZE	-	-	-	-	-	-	-	-	542.59	176.93
Meghmani Agrochemicals Private Limited	-	-	33,157.43	-	-	-	-	-	44,314.25	22,000.61
	-	**123.30**	**55,328.32**	**-**	**1,535.56**	**-**	**-**	**-**	**1,12,421.08**	**31,741.88**
Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence										
Meghmani Pigments	-	-	-	-	-	-	-	-	1,577.76	1,460.19
Ashish Chemicals	-	-	-	-	-	-	-	-	310.64	421.49
Meghmani Industries Limited	-	-	-	-	-	-	-	-	151.86	183.14
Meghmani Dyes & Intermediate Ltd	-	-	-	-	-	-	-	-	119.71	89.57
Meghmani Chemicals Limited	-	-	-	-	-	-	-	-	1.54	21.73
Matangi Industries LLP	-	-	-	-	-	-	-	-	12.77	33.63
Panchratna Corporation	-	-	-	-	-	-	-	-	172.38	160.40
Navratan Speciality Chemical LLP	-	-	-	-	-	-	-	-	28.59	10.25
Tapasheel Enterprise	-	-	-	-	-	-	-	-	3.89	5.39
Vidhi Global Chemicals Limited	-	-	-	-	-	-	-	-	-	1,464.78
Meghmani LLP	-	-	-	-	-	-	-	-	697.11	255.90
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,076.25**	**4,106.47**
Key Managerial Personnel										
Jayantilal Patel	-	-	-	-	-	-	186.80	74.24	642.18	392.03
Ashish Soparkar	-	-	-	-	-	-	248.33	98.85	703.62	416.52
Natwarlal Patel	-	-	-	-	-	-	260.40	102.85	715.57	420.52
Ramesh Patel	-	-	-	-	-	-	165.77	65.69	466.02	283.35
Anand Patel	-	-	-	-	-	-	82.03	32.52	304.40	199.80
G.S Chahal	-	-	-	-	-	-	-	-	36.22	9.42
K D Mehta	-	-	-	-	-	-	-	-	21.94	22.08
R K Mehta	-	-	-	-	-	-	-	-	-	26.67
	-	**-**	**-**	**-**	**-**	**-**	**943.33**	**374.15**	**2,889.95**	**1,770.39**
Relatives of Key Managerial Personnel										
Taraben Patel	-	-	-	-	-	-	73.60	29.44	73.60	29.44
Deval Soparkar	-	-	-	-	-	-	4.10	1.64	23.59	14.54
Maulik Patel	-	-	-	-	-	-	12.70	5.08	12.70	5.08
Kaushal Soparkar	-	-	-	-	-	-	13.50	5.40	13.50	5.40
Karan Patel	-	-	-	-	-	-	18.65	7.73	18.65	7.73
Ankit Patel	-	-	-	-	-	-	30.21	12.08	30.21	12.08
Darshan Patel	-	-	-	-	-	-	1.92	0.60	1.92	0.60
	-	**-**	**-**	**-**	**-**	**-**	**154.68**	**61.97**	**174.17**	**74.87**
Independent Directors										
Balkrishna T Thakkar	-	-	-	-	-	-	-	-	3.50	4.25
Chinubhai R Shah	-	-	-	-	-	-	-	-	-	4.25
Jayaraman Vishwanathan	-	-	-	-	-	-	-	-	-	1.00
Kantibhai H Patel	-	-	-	-	-	-	-	-	-	1.75
Manubhai Khodidas Patel	-	-	-	-	-	-	-	-	2.50	1.00
Chander Kumar Sabharwal	-	-	-	-	-	-	-	-	1.25	9.00
Ms. Urvashi Shah	-	-	-	-	-	-	-	-	0.75	0.75
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8.00**	**22.00**

Notes to the Financial Statements For The Year Ended 31st March 2019

41. RELATED PARTIES DISCLOURES :-

Outstanding Balance (Rs. in Lakhs)

Particular	31st March 2019	31st March 2018
Payable		
Matangi Industries LLP	0.65	-
Meghmani Chemicals Limited	-	10.40
Meghmani Dyes & Intermediate Ltd.	0.23	0.44
Meghmani Finechem Ltd.	-	850.04
Meghmani Industries Ltd.	31.49	51.08
Meghmani LLP	266.32	68.93
Meghmani Overseas FZE	377.70	-
Meghmani Pigments	475.02	503.91
Navratan Speciality Chemical LLP	1.95	1.95
Panchratna Corporation	5.41	-
Receivables		
Ashish Chemicals EOU Unit - II	54.16	150.33
Meghmani Chemicals Limited	21.78	35.61
Meghmani Dyes & Intermediate LLP	-	11.29
Meghmani Industries Ltd - Sez Unit	104.77	-
Meghmani Industries Ltd.	2.01	109.74
Meghmani LLP	3.05	0.23
Meghmani Organics Usa Inc	1,124.16	1,884.56
Meghmani Overseas Fze	38.78	-
Navratan Speciality Chemical LLP	17.07	5.14
Tapasheel Enterprise	-	2.91
Vidhi Global Chemicals Limited	-	5.61
Meghmani Exports Limitada S.A.De CV	108.84	108.84
Loan Payable to Subsidiary		
Meghmani Agrochemicals Private Limited	-	10,985.54
Reimbursement of Expenses Receivable from Subsidiary		
Meghmani Agrochemicals Private Limited	-	28.53
Remunaration Payable		
Jayantilal Patel	390.21	152.71
Ashish Soparkar	390.21	152.71
Natwarlal Patel	390.21	150.11
Ramesh Patel	235.20	92.71
Anand Patel	157.71	62.71
G.S Chahal	1.90	2.81
K D Mehta	1.53	4.90
Deval Soparkar	0.35	0.81

Notes to the Financial Statements For The Year Ended 31st March 2019

42 - FINANCIAL INSTRUMENTS – FAIR VALUE HIERARCHY

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the Financial Statements.

A. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENT

The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

(Rs. in Lakhs)

	Carrying amount			
31st March 2019	**Fair value through profit and loss**	**Fair value through other comprehensive income**	**Amortised Cost**	**Total**
Financial Assets				
Non-Current Investments (Refer Note 5)	-	57.41	-	57.41
Non-Current Other Financial Assets (Refer Note 6)	-	-	559.70	559.70
Trade Receivables (Refer Note 10)	-	-	35,412.38	35,412.38
Cash and Cash Equivalents (Refer Note 11)	-	-	177.16	177.16
Bank Balances (Other than above) (Refer Note 12)	-	-	136.25	136.25
Loans (Refer Note 13)	-	-	22.99	22.99
Other Financial Asset (Refer Note 14)			4,069.29	4,069.29
Total Financial Assets	**-**	**57.41**	**40,377.77**	**40,435.18**
Financial Liabilities				
Non-Current Borrowings (Refer Note 18)	-	-	8,527.45	8,527.45
Current Borrowings (Refer Note 21)	-	-	19,957.32	19,957.32
Trade Payables (Refer Note 22)	-	-	21,881.30	21,881.30
Other Financial Liabilities (Refer Note 23)	-	-	8,567.90	8,567.90
Total Financial Liabilities	**-**	**-**	**58,933.97**	**58,933.97**

Notes to the Financial Statements For The Year Ended 31st March 2019

The carrying value of financial instruments by categories as of March 31, 2018 is as follows: **(Rs. in Lakhs)**

31st March 2018	Carrying amount: Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
Financial Assets				
Non-Current Investments (Refer Note 5)	-	57.41	-	57.41
Non-Current Other Financial Assets (Refer Note 6)	-	-	607.22	607.22
Trade Receivables (Refer Note 10)	-	-	30,283.66	30,283.66
Cash and Cash Equivalents (Refer Note 11)	-	-	122.51	122.51
Bank Balances (Other than above) (Refer Note 12)	-	-	65.73	65.73
Loans (Refer Note 13)	-	-	16.20	16.20
Other Financial Asset (Refer Note 14)			6,714.39	6,714.39
Total Financial Assets	**-**	**57.41**	**37,809.71**	**37,867.12**
Financial Liabilities				
Non-Current Borrowings (Refer Note 18)	-	-	21,741.23	21,741.23
Current Borrowings (Refer Note 21)	-	-	15,792.02	15,792.02
Trade Payables (Refer Note 22)	-	-	17,018.70	17,018.70
Other Financial Liabilities (Refer Note 23)	17.38	-	7,299.92	7,317.30
Total Financial Liabilities	**17.38**	**-**	**61,851.87**	**61,869.25**

B. Measurement of Fairvalues and Sensitivity analysis

Fair value hierarchy:

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company uses the following hierarchy for determining and/or disclosing the fair value of Financial Instruments by valuation techniques:(i) Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the Assets or Liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).(iii) Level 3: inputs for the Assets or Liabilities that are not based on observable market data (unobservable inputs).

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range

Financial instrument measured at fair value **(Rs. in Lakhs)**

Financial assets / financial liabilities	Fair value as at 31 March 2019	Fair value as at 31 March 2018	Fair value hierarchy
Investment at FVTOCI (Unquoted) (Refer Note 8)	57.41	57.41	Level 3
MTM Derivative Liability	-	17.38	Level 2

Financial instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Notes to the Financial Statements For The Year Ended 31st March 2019

Reconciliation of level 3 fair values

The following table shows a reconciliation from the opening balance to the closing balances for level 1 fair values

(Rs. in Lakhs)

Particulars	31 March 2019	31 March 2018
Opening balance on 1 April 2018	**57.41**	**58.43**
Purchases -	-	-
Impairment in value of investments	-	-
Disposal during the year	-	1.02
Closing balance on 31 March 2019	**57.41**	**57.41**

Financial Risk Management Framework

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends risk management objectives and policies. The activities of this operations include management of cash resources, hedging of foreign currency exposure, credit control and ensuring compliance with market risk limits and policies.

The Company's principal Financial Liabilities, other than Derivatives, comprises of Long Term and Short Term Borrowings, Trade and Other Payables, and Financial Liabilities. The main purpose of these Financial Liabilities is to finance the Company's operations. The Company's principal Financial Assets include Loans, Trade and Other Receivables, Cash and Cash Equivalents, Other Bank Balances and other Financial Assets that derive directly from its operations.

The Company has an effective risk management framework to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Company takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company has exposure to the following risks arising from financial instruments.

- Credit risk
- Liquidity risk and
- Market risk.

i. Credit Risk

Credit risk is the risk that counter party will not meet its obligation leading to a financial loss. The Company is exposed to credit risk arising from its operating activities primarily from trade receivables and from financing activities primarily relating to parking of surplus funds as Deposits with Banks. The Company considers probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughtout the reporting period.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Financial instruments and cash deposit

Credit risk from balances with Banks and Financial Institutions is managed by the Company's treasury department. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counter party. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

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. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the Board of Directors.

Notes to the Financial Statements For The Year Ended 31st March 2019

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 rompany 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 collectability of accounts receivables. The Company evaluates the concentration of risk with respect to trade receivables as low, as its Customers are located in several jurisdictions and industries and operate in largely independent markets.

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.

The maximum exposure to Credit Risk for Trade Receivables by geographic region are as follows:

(Rs. in Lakhs)

Particulars	**31st March 2019**	**31st March 2018**
Domestic	15,294.00	12,146.94
Other Regions	20,118.38	18,136.72
	35,412.38	**30,283.66**

Age of Receivables

(Rs. in Lakhs)

Particulars	**31st March 2019**	**31st March 2018**
Neither due nor impaired	22,420.19	19,041.34
Past due1–90 days	10,601.03	6,598.74
Past due 91–180 days	1,481.09	2,568.35
More than 180 days	910.07	2,075.23
Total	**35,412.38**	**30,283.66**

Management believes that the unimpaired amounts that are past due by more than 180 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 the amount of provision of Rs. 619.91 Lakhs (March 31, 2018: Rs. 226.72 Lakhs) is appropriate

Note to the financial statements

Financial instruments – Fair Values and Risk Management (continued)

ii. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI and amortised cost investments and derivative financial instruments.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of actual sales and purchases and 12-month period for foreign currency loans. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Notes to the Financial Statements For The Year Ended 31st March 2019

Exposure to Currency Risk

The currency profile of financial assets and financial liabilities as at March 31, 2019 and March 31, 2018 are as below:
The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs, are as follows

(Rs. in Lakhs)

Particulars	31st March 2019 Total	INR Equivalent to to USD	INR Equivalent to Euro	INR
Financial Assets				
Trade and Other Receivables	35,412.38	16,383.27	3,717.06	15,312.05
Total	**35,412.38**	**16,383.27**	**3,717.06**	**15,312.05**
Financial Liabilities				
Long Term Borrowings		-	-	- -
Short Term Borrowings	19,957.32	1,210.21	8,588.60	10,158.51
Trade and Other Payables	21,881.30	3,922.54	17.98	17,940.78
Total	**41,838.62**	**5,132.75**	**8,606.58**	**28,099.29**

(Rs. in Lakhs)

Particulars	31st March 2018 TOTAL	31st March 2018 to USD	31st March 2018 to Euro	INR
Financial Assets				
Trade and Other Receivables	30,283.66	13,727.13	4,243.16	12,313.37
Less - Forward Contract For Selling Foreign Currency	(14,227.60)	(10,590.94)	(3,636.66)	-
Total	**16,056.06**	**3,136.19**	**606.50**	**12,313.37**
Financial Liabilities				
Short Term Borrowings	15,792.02	1,955.25	-	13,836.77
Trade and Other Payables-	-	1,163.64	27.63	(1,191.27)
Total	**15,792.02**	**3,118.89**	**27.63**	**12,645.50**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Euro at March 31 would have affected the measurement of financial instruments denominated in US dollars and Euro 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.

(Rs. in Lakhs)

	Profit or (Loss)		**Equity, net of tax**	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31st March 2019 (Rs. in Lakhs) 5% movement				
USD	**562.53**	**(562.53)**	**365.96**	**(365.96)**
EUR	**(244.48)**	**244.48**	**(159.05)**	**159.05**

	Profit or (Loss)		**Equity, net of tax**	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31st March 2018 (Rs. in Lakhs) 5% movement				
USD	**0.86**	**(0.86)**	**0.57**	**(0.57)**
EUR	**28.94**	**(28.94)**	**18.93**	**(18.93)**

Notes to the Financial Statements For The Year Ended 31st March 2019

Financial instruments – Fair Values and Risk Management (continued)

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. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to Interest Rate Risk

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.

(Rs. in Lakhs)

Variable-rate instruments	31st March 2019	31st March 2018
Non Current - Borrowings	8,527.45	21,741.23
Current portion of Long Term Borrowings	4,168.19	4,606.02
Total	**12,695.64**	**26,347.25**

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.

(Rs. in Lakhs)

Particulars	Profit or (Loss)		Equity, Net of Tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31st March 2019				
Non Current - Borrowings	(85.27)	85.27	(55.48)	55.48
Current portion of Long Term Borrowing	(41.68)	41.68	(27.12)	27.12
Total	**(126.96)**	**126.96**	**(82.59)**	**82.59**
31st March 2018				
Non Current - Borrowings	(217.41)	217.41	(142.17)	142.17
Current portion of Long Term Borrowings	(46.06)	46.06	(30.12)	30.12
Total	**(263.47)**	**263.47**	**(172.29)**	**172.29**

Equity Price Risk:

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The investment in listed and unlisted equity securities are not significant.

Financial instruments – Fair Values and Risk Management (continued)

iii. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to the Financial Statements For The Year Ended 31st March 2019

Exposure to Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below summarises 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.

(Rs. in Lakhs)

31st March, 2019	Contractual Cash Flows					
	Carrying amount	Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from Banks						
HDFC Bank Limited	1,200.00	1,200.00	600.00	600.00	-	-
SBI Bank Limited	3,828.97	3,828.96	2,034.85	1,044.11	750.00	-
AXIS Bank Limited	7,666.67	7,666.67	1,533.34	1,533.33	4,600.00	-
Total	**12,695.64**	**12,695.63**	**4,168.19**	**3,177.44**	**5,350.00**	**-**
Foreign Currency Term Loans from banks						
Working Capital loans from banks	19,957.32	19,957.32	19,957.32	-	-	-
Trade and Other Payables	21,881.30	21,881.30	21,881.30	-	-	-

(Rs. in Lakhs)

31st March, 2018	Contractual Cash Flows					
	Carrying amount	Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from Banks						
HDFC Bank Limited	1,800.00	1,800.00	600.00	600.00	600.00	-
SBI Bank Limited	5,847.26	5,847.26	1,972.26	2,050.00	1,825.00	-
ICICI Bank Limited	10,000.00	10,000.00	1,250.00	2,500.00	6,250.00	-
AXIS Bank Limited	8,700.00	8,700.00	725.00	1,450.00	6,525.00	-
Total	**26,347.26**	**26,347.26**	**4,547.26**	**6,600.00**	**15,200.00**	**-**
Working Capital loans from banks	15,792.02	15,792.02	15,792.02	-	-	-
Trade and Other Payables	17,018.70	17,018.70	17,018.70	-	-	-

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

Notes to the Financial Statements For The Year Ended 31st March 2019

Financial instruments – Fair Values and Risk Management (continued)

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 company to manage risk concentrations at both the relationship and industry levels

43 CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2019 and March 31, 2018.

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	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Total Interest bearing liabilities	32,652.96	42,139.27
Less : Cash and cash equivalent	177.16	122.51
Adjusted net debt	**32,475.80**	**42,016.76**
Total equity	83,796.58	69,769.83
Adjusted equity	**83,796.58**	**69,769.83**
Adjusted net debt to adjusted equity ratio	**0.39**	**0.60**

44 SALE OF INVESTMENT IN SUBSIDIARY:

During the previous year, the Board of Directors of the Company in their meeting held on August 8, 2017 approved sale of 16,900,835 (23.88%) shares in Meghmani Finechem Limited (MFL) to Meghmani AgroChemicals Private Limited (MACPL) at total consideration amounting to Rs. 10,985.54 Lakhs. The shares were sold at a value of Rs. 65 per share derived as per the book value computation prescribed under Rule 11UA of the Income-Tax Rules. Further to the sale of shares of MFL to MACPL, the Company entered into a Share Purchase Agreement (SPA) with MACPL on October 1, 2017 which gave right to Company to purchase the shares at same value and right to revoke the transaction within 12 months. Also as per terms of SPA, Since the Company retained substantially all the risk and rewards on shares of MFL and was exposed to all the economic risks and rewards for 12 months, the Company has continued to recognise the investment in MFL its books, and the consideration received from MACPL on sale of shares was considered as a loan.

Additional investment in subsidiary:

The Board of Directors of the Company in their meeting held on February 10, 2018 approved further investment Rs. 22,119.66 Lakhs in Redeemable Preference Share (RPS) of MACPL. The RPS were redeemable anytime within a period of 20 years at the option of MACPL and carried coupon rate of 8.00%. The dividend being non-cumulative and declaration of dividend is at the option of MACPL. MACPL acquired 1,76,66,050 (24.97%) shares in MFL from International Financial Corporation (IFC) on April 26, 2018 from the investment received from the Company.

During the Current year, the Company cancelled the SPA with MACPL on May 19, 2018 considering which risk and rewards on investment in shares of MFL got transferred to MACPL. The Company accounted for sale of investment in MFL adjusting consideration received from MACPL which was accounted as loan. Also gain of Rs. 5,915.29 Lakhs on sale of investment in subsidiary is recognised as an exceptional item in the statement of profit and loss.

Notes to the Financial Statements For The Year Ended 31st March 2019

Merger of subsidiaries:

During the current year, the Board of Directors of subsidiary companies MFL and MACPL approved merger of MACPL with MFL. As per the scheme of merger, MFL would take over all the assets and liabilities of MACPL including its investment in equity shares of MFL. The merger scheme was approved by NCLT on February 11, 2019. The Company, as per the share swap ratio approved in merger scheme, received 21,09,19,871 OCRPS and 22,17,08,925 NCRPS in MFL on March 5, 2019 for its investment in equity and preference shares in MACPL. The OCRPS and NCRPS issued by MFL is as per the following terms:

Particulars	Coupon rate	Tenure	Redeemable/Non-redeemable
OCRPS	8%	Within Twenty Years from the date of issue	Non-cumulative, dividend declaration is subject to approval by board of MFL i.e. issuer. Redeemable or Convertible at any time within a period of 20 years from the date of issue. MFL shall have the right to exercise the option of redemption or conversion. In case redemption does not happen within 20 years, it will be compulsorily converted into 10 equity shares for every 125 OCRPS. OCRPS, if redeemed, will be at face value
NCRPS	8%	Within Five years	Redeemable at any time within a period of 5 years from the date of issue at the option of the holder. NCRPS will be redeemed at face value. Dividend will be paid cumulative however, declaration is at the option of MFL.

The NCRPS amounting to Rs. 22,170.89 Lakhs were redeemed by the Company on March 8, 2019 along with dividend amounting to Rs. 1,535.56 Lakhs. Dividend was paid by MFL with effect from April 26, 2018 which is the date of preference shares issued by MACPL to MOL. The OCRPS are valued at original cost of investment in equity shares of MFL plus gain on sale of investment at Rs. 10,986.54 Lakhs.

45 EVENTS OCCURRED AFTER THE BALANCE SHEET DATE

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of financial statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 24th May 2019 there were no material subsequent events to be recognized or reported that are not already previously disclosed.

46 Previous year figures have been regrouped wherever necessary to make them comparable with those of the current year.

AS PER OUR REPORT OF EVEN DATE
FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003

per Sukrut Mehta
Partner
Membership No : 101974

G S Chahal
Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad
Date : 24th May 2019

For and on behalf of the Board of Directors of
Meghmani Organics Limited
(CIN NO-24110GJ1995PLC024052)

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

Place : Ahmedabad
Date : 24th May 2019

CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Meghmani Organics Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Meghmani Organics Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

INDEPENDENT AUDITOR'S REPORT

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in note 2(b) of the consolidated Ind AS financial statements)	
The Group majorly operates in three segments viz: Agro chemicals, Pigment and Basic chemicals. Export sales contributes approximately 49% of total sales of the Group. The Group recognises revenue from sales of goods in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers, measured at fair value of the consideration received in the ordinary course of the Group's activities. Revenue from sale of goods is recognised net of discounts, rebates and taxes. Certain terms in sales arrangements relating to timing of transfer of risk and rewards, discount and rebates arrangements, delivery specifications including incoterms, involves significant judgment in determining whether revenue is recognised in the correct period.	Our audit procedures included the following: • Understood the Group's established processes and control mechanism for revenue recognition process, evaluated the key financial controls around such process. • Performed test of controls, assisted by our IT specialists, over revenue recognition with specific focus on testing management controls on accuracy and timing of revenue recognition through inspection of evidence of performance of management controls. • Performed tests of details, on a sample basis, and inspected the underlying, sales order, invoice copy, terms of delivery, lorry receipt, bill of lading, invoice, collection to assess whether revenue recorded is as per the contract. • Considered the appropriateness of the Group's revenue recognition accounting policies in terms of Ind AS 115. • Tested sales transactions near year end date as well as credit notes issued after the year end date. • Performed product-wise and customer-wise substantive analytical procedures of revenue recognition. • Verified that the revenue for the year are appropriately presented and disclosed in the consolidated Ind AS financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis and chairman statement, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting

INDEPENDENT AUDITOR'S REPORT

Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose Ind AS financial statements include total assets of Rs. 569.85 lakhs as at March 31, 2019, and total revenues of Rs. 686.31 lakhs and net cash outflows of Rs. 62.41 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditor, which financial statements, other financial information and auditor’s report have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of such other auditor.

(b) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose Ind AS financial statements include total assets of Rs. 1,962.41 lakhs as at March 31, 2019, and total revenues of Rs. 5,819.91 lakhs and net cash outflows of Rs. 1.43 lakhs for the year ended on that date. These financial statement and other financial information have been reviewed by other auditor, which financial statements, other financial information and review report have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditor.

(c) Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited / reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Company’s management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company’s management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India

INDEPENDENT AUDITOR'S REPORT

is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(d) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of two subsidiaries, whose financial statements and other financial information reflect total assets of Rs Nil as at March 31, 2019, and total revenues of Rs Nil and net cash outflows/(inflows) of Rs 0.56 lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditor of the subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act.

INDEPENDENT AUDITOR'S REPORT

(h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 39 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2019.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
Place of Signature: Ahmedabad
Date: May 24, 2019.

Annexure to the Independent Auditor's report of even date on these consolidated Ind AS 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 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Meghmani Organics Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Meghmani Organics Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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 both issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 these financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to the consolidated Ind AS financial statements.

Annexure to the Independent Auditor's report of even date on these consolidated Ind AS 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 ("the Act")

Meaning of Internal Financial Controls over Financial Reporting with reference to these consolidated Ind AS financial statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 with reference to these consolidated Ind AS financial statements 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 with reference to these consolidated Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding 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 S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sukrut Mehta
Partner
Membership Number: 101974
Place of Signature: Ahmedabad
Date: May 24, 2019.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2019

(Rs. in Lakhs)

PARTICULARS	Notes	31st March 2019	31st March 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3.1	72,504.68	77,933.48
(b) Capital Work-in-Progress	3.2	51,267.31	7,469.51
(c) Other Intangible Assets	3.3	1,152.05	1,555.40
(d) Intangible Assets under development	3.2	491.27	2,871.85
(e) Financial Assets			
(i) Investments	4	57.41	57.41
(ii) Other Financial Assets	5	1,045.17	1,078.06
(f) Deferred Tax Assets (Net)	21	28.06	751.78
(g) Non-Current Tax Assets (Net)	6	1,030.30	1,051.77
(h) Other Non-Current Assets	7	2,964.36	5,155.36
Total Non-Current Assets		**1,30,540.61**	**97,924.62**
Current Assets			
(a) Inventories	8	41,093.90	26,773.92
(b) Financial Assets			
(i) Investments	9	-	7,141.81
(ii) Trade Receivables	10	43,135.33	37,450.16
(iii) Cash and Cash Equivalents	11	13,329.63	425.50
(iv) Bank Balances other than (iii) above	12	136.25	566.72
(v) Loans	13	58.62	37.82
(vi) Other Financial Assets	14	4,176.66	6,810.80
(c) Current Tax Assets (Net)	6	278.85	-
(d) Other Current Assets	15	4,925.99	4,709.95
Total Current Assets		**1,07,135.23**	**83,916.68**
TOTAL ASSETS		**2,37,675.84**	**1,81,841.30**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	2,543.14	2,543.14
(b) Other Equity	17	97,816.89	84,510.52
Equity attributable to Shareholders of the Company		**1,00,360.03**	**87,053.66**
Non-controlling Interests		**14,923.82**	**22,136.75**
Total Equity		**1,15,283.85**	**1,09,190.41**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	45,061.50	21,831.23
(ii) Other Financial Liabilities	19	781.31	-
(b) Provisions	20	760.25	523.37
(c) Deferred Tax Liabilities (Net)	21	5,041.81	5,055.14
Total Non-Current Liabilities		**51,644.87**	**27,409.74**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	20,193.94	8,141.79
(ii) Trade Payables	23	25,193.51	19,506.15
(iii) Other Financial Liabilities	24	22,171.09	15,136.15
(b) Other Current Liabilities	25	1,177.65	1,037.24
(c) Provisions	26	596.23	9.01
(d) Current Tax Liabilities (Net)	27	1,414.70	1,410.81
Total Current Liabilities		**70,747.12**	**45,241.15**
Total Liabilities		**1,22,391.99**	**72,650.89**
TOTAL EQUITY AND LIABILITIES		**2,37,675.84**	**1,81,841.30**
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these Consolidated Financial Statements.

AS PER OUR REPORT OF EVEN DATE
FOR S R B C & CO LLP, Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003
per Sukrut Mehta
Partner
Membership No : 101974
Place : Ahmedabad
Date : 24th May 2019

G S Chahal
Chief Financial Officer

K. D. Mehta
Company Secretary

For and on behalf of the Board of Directors of
Meghmani Organics Limited
(CIN NO-24110GJ1995PLC024052)
J.M.Patel - Executive Chairman (DIN - 00027224)
A.N.Soparkar - Managing Director (DIN - 00027480)
N.M.Patel - Managing Director (DIN - 00027540)
Place : Ahmedabad
Date : 24th May 2019

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

(Rs. in Lakhs)

	PARTICULARS	Notes	31st March 2019	31st March 2018
I	Revenue From Operations	**28**	2,08,795.85	1,84,317.01
II	Other Income	**29**	3,320.38	3,032.67
III	**Total Income (I+II)**		**2,12,116.23**	**1,87,349.68**
IV	**Expenses**			
	Cost of Materials Consumed	**30**	1,08,891.28	88,524.48
	Purchase of Stock-in-Trade		5,687.38	3,114.92
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	**31**	(11,283.36)	(607.87)
	Excise duty on Sale of goods		-	3,984.61
	Employee Benefits Expense	**32**	12,467.47	9,980.94
	Finance Costs	**33**	5,599.21	3,987.14
	Depreciation and Amortization Expenses	**3**	9,725.94	9,477.26
	Other Expenses	**34**	38,585.57	36,204.21
	Total Expenses (IV)		**1,69,673.49**	**1,54,665.69**
V	**Profit Before Exceptional Items and Tax (III-IV)**		**42,442.74**	**32,683.99**
VI	Exceptional Items	**35**	1,586.78	112.52
VII	**Profit Before Tax (V-VI)**		**40,855.96**	**32,571.47**
VIII	**Tax Expenses**	**21**		
	1 Current Tax		10,654.56	7,222.60
	2 Adjustment of Tax Relating to Earlier Periods		(61.52)	113.54
	3 Deferred Tax		(1,814.53)	2,746.97
	Less - (Credit) / Utilisation of MAT		2,540.73	(1,304.35)
	Total Tax Expenses (VIII)		**11,319.24**	**8,778.76**
IX.	**Profit For The Year (VII-VIII)**		**29,536.72**	**23,792.71**
X.	**Other Comprehensive Income**	**36**		
	A (i) Items that will not be reclassified to Profit or Loss - Remeasurement gain / (loss) on defined benefit plans		(196.33)	23.35
	(ii) Income tax effect on above		68.61	(8.16)
	B (i) Items that will be reclassified to Profit or Loss - Foreign Currency Translation of Foreign Operations		34.14	3.36
	(ii) Income tax effect on above		(11.93)	(1.17)
	Total Other Comprehensive Income / (Loss) For The Year, Net of Tax (X)		**(105.51)**	**17.38**
XI.	**Total Comprehensive Income For The Year (IX + X)**		**29,431.21**	**23,810.09**
	Profit For the Year Attributable to:			
	Owners of the Company		**25,127.25**	**17,132.18**
	Non-Controlling Interests		**4,409.47**	**6,660.53**
	Other Comprehensive Income For the Year Attributable to:			
	Owners of the Company		**(95.83)**	**15.17**
	Non-Controlling Interests		**(9.68)**	**2.21**
	Total Comprehensive Income For the Year Attributable to:			
	Owners of the Company		**25,031.42**	**17,147.35**
	Non-Controlling Interests		**4,399.79**	**6,662.74**
XII.	**Earnings Per Equity Share (Face Value Per Share - Re 1 Each, 31st March 2018 : Re 1 Each)**	**37**		
	Basic and Diluted		**9.88**	**6.74**
	Summary of Significant Accounting Policies	**2**		

The accompanying notes are an integral part of these Consolidated Financial Statements.

AS PER OUR REPORT OF EVEN DATE
FOR S R B C & CO LLP, Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003
per Sukrut Mehta
Partner
Membership No : 101974
Place : Ahmedabad
Date : 24th May 2019

G S Chahal
Chief Financial Officer

K. D. Mehta
Company Secretary

For and on behalf of the Board of Directors of
Meghmani Organics Limited
(CIN NO-24110GJ1995PLC024052)
J.M.Patel - Executive Chairman (DIN - 00027224)
A.N.Soparkar - Managing Director (DIN - 00027480)
N.M.Patel - Managing Director (DIN - 00027540)
Place : Ahmedabad
Date : 24th May 2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(Rs. in Lakhs)

PARTICULARS	31st March 2019	31st March 2018
A. Cash Flow from Operating Activities		
Profit Before Tax	**40,855.96**	**32,571.47**
Adjustment for :		
Depreciation and Amortisation Expenses	9,725.94	9,477.26
Unrealised Foreign Exchange (Gain) / Loss (Net)	1,094.41	(1,076.62)
Currency Translation Reserve	34.14	3.36
Mark to Market Loss on Derivative (Gain) / Loss (Net)	(17.38)	145.81
Liability no longer Required written back	(320.89)	(99.65)
Dividend Income	(3.75)	(1.54)
Interest and Finance Charges	5,599.21	3,987.14
Interest Income	(433.61)	(437.69)
Bad Debts Written off	504.75	780.25
Provision for Doubtful Debt	393.19	247.62
Investment Written off	-	0.82
Exceptional Item - Loss Due to Fire	1,476.78	111.70
Sundry Balance Written off	28.50	262.38
Profit on Sale of Investment	(585.83)	(371.69)
Loss on Sale of Property, Plant and Equipment (Net)	378.38	44.82
License and certification fees	-	231.58
Operating Profit Before Working Capital Changes	**58,729.80**	**45,877.02**
Adjustment for:		
(Increase) in Inventories	(14,843.97)	(2,605.85)
(Increase) in Trade Receivables	(7,862.76)	(4,900.07)
(Increase) in Short Term Loans and Advances	(20.80)	(9.33)
Decrease in Other Current Financial Assets	2,853.78	2,012.22
(Increase) in Other Current Assets	(216.04)	(1,163.67)
(Increase)/Decrease in Other Non-Current Financial Assets	16.62	(57.12)
(Increase)/Decrease in Other Non-Current Assets	(585.15)	421.79
Increase in Trade Payables	6,193.48	4,151.65
Increase in Other Current Financial Liabilities	3,300.95	2,732.03
Increase/(Decrease) in Other Current Liabilities	140.41	(348.76)
Increase in Provisions	627.78	105.83
Working Capital Changes	**(10,395.70)**	**338.72**
Cash Generated from Operations	**48,334.10**	**46,215.74**
Direct Taxes Paid (Net of Refund)	(10,845.18)	(5,726.68)
Net Cash Generated from Operating Activities	**37,488.92**	**40,489.06**
B. Cash Flow from Investment Activities		
Purchase of Property, Plant & Equipment	(37,798.65)	(24,562.10)
Proceeds from sale of Property, Plant & Equipment	181.74	414.88
Fixed deposits made	(83,925.77)	(2,219.56)
Fixed Deposits redeemed	84,400.00	2,400.00
Earmarked balances with Banks	(100.86)	-
Interest Received	382.47	432.20
Dividend Received	3.75	1.54
Proceeds from Sale of Investments	-	2.03
Proceeds from Redemption of Investment	33,730.72	-
Investment in Mutual Fund (Net)	(26,003.08)	(3,919.15)
Net Cash (Used in) Investing Activities	**(29,129.68)**	**(27,450.16)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in Lakhs)

PARTICULARS	31st March 2019	31st March 2018
C. Cash Flow from Financing Activities		
Dividend and Interim Dividend paid	(2,442.28)	(1,018.17)
Dividend Distribution Tax Paid	(524.74)	(207.09)
Interest and Finance Charges	(5,306.36)	(4,063.61)
Proceeds from Short Term Borrowings	79,052.15	48,180.58
Repayment of Short Term Borrowings	(67,000.00)	(65,000.00)
Proceeds from Issue of Share Capital to Non Controlling Interest	1,500.00	-
Payment towards Acquistion of Stake from Non Controlling Interest	(22,119.66)	-
Proceeds from Bank Borrowing (Term Loan)	42,613.00	18,700.00
Repayment of Bank Borrowing (Term Loan)	(21,261.36)	(9,414.57)
Net Cash (Used in) / Generated from Finanacing Activities	**4,510.75**	**(12,822.86)**
Net Increase in Cash and Cash Equivalent (A+B+C)	**12,869.99**	**216.04**
Cash and Cash Equivalent at the beginning of the year	**425.50**	**206.10**
Cash and Cash Equivalent at the end of the year	**13,295.49**	**422.14**
Reconciliation of Cash and Cash Equivalent		
Total Cash and Bank Balance as per Balance Sheet	**13,329.63**	**425.50**
Less - Fixed Deposit with Bank not Consider as Cash and Cash Equivalent		
Cash and Cash Equivalent Comprises as under :		
Balance with Banks in Current Accounts	1,317.72	411.18
Fixed Deposit with Bank	12,000.00	-
Cash on Hand	11.91	14.32
Cash and Cash Equivalents (Refer Note 11)	13,329.63	425.50
Net effect of Unrealised Exchange Difference	(34.14)	(3.36)
Cash and Cash Equivalent at the end of the year	**13,295.49**	**422.14**

Notes to the Cash Flow statement for the year ended on 31 March, 2019.

The Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.

The accompanying notes are an integral part of these Consolidated Financial Statement.

AS PER OUR REPORT OF EVEN DATE
FOR S R B C & CO LLP, Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003
per Sukrut Mehta
Partner
Membership No : 101974
Place : Ahmedabad
Date : 24th May 2019

G S Chahal
Chief Financial Officer

K. D. Mehta
Company Secretary

For and on behalf of the Board of Directors of
Meghmani Organics Limited
(CIN NO-24110GJ1995PLC024052)
J.M.Patel - Executive Chairman (DIN - 00027224)
A.N.Soparkar - Managing Director (DIN - 00027480)
N.M.Patel - Managing Director (DIN - 00027540)
Place : Ahmedabad
Date : 24th May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(a) Equity Share Capital

Particulars	Note	No of Shares	Rs. in Lakhs
Issued, Subscribed and fully paid equity shares of Re.1 each			
Balance as at April 1, 2017		**25,43,14,211**	**2,543.14**
Changes during the year	16	-	-
Balance as at March 31, 2018		**25,43,14,211**	**2,543.14**
Changes during the year	16	-	-
Balance as at March 31, 2019		**25,43,14,211**	**2,543.14**

(b) Other Equity

(Rs. in Lakhs)

Particulars	Other Equity (Refer Note 17)									
	Capital Reserve	Securities Premium	Capital Red-emption Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Cash Flow Hedge Reserve	Total	Non-controlling Interests	Total other Equity
Balance at April 1, 2017	**35.18**	**15,650.48**	**184.33**	**8,955.58**	**43,783.37**	**715.02**	**(21.66)**	**69,302.30**	**15,474.01**	**84,776.31**
Profit for the year	-	-	-	-	17,132.18	-	-	17,132.18	-	17,132.18
Receivable balances written off in standalone and now accounted for Consolidation	-	-	-	-	39.35	-	-	39.35	-	39.35
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	15.17	-	-	15.17	-	15.17
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**17,186.70**	**-**	**-**	**17,186.70**	**-**	**17,186.70**
Transfer to General Reserve				800.00	(800.00)			-		-
Foreign Currency Translation Reserve	-	-	-	-	-	(775.79)	21.66	(754.13)	-	(754.13)
Dividend Proposed / Paid	-	-	-	-	(1,017.26)	-	-	(1,017.26)	-	(1,017.26)
Dividend Distribution Tax Paid	-	-	-	-	(207.09)	-	-	(207.09)	-	(207.09)
Addition / (Deduction) during the year to NCI					-	-	-	6,662.74	6,662.74	
Balance at March 31, 2018	**35.18**	**15,650.48**	**184.33**	**9,755.58**	**58,945.72**	**(60.77)**	**-**	**84,510.52**	**22,136.75**	**1,06,647.27**
Profit for the year	-	-	-	-	25,127.25	-	-	25,127.25	4,409.47	29,536.72
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	(95.83)	-	-	(95.83)	(9.68)	(105.51)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**25,031.42**	**-**	**-**	**25,031.42**	**4,399.79**	**29,431.21**
Transfer to General Reserve	-	-	-	1,500.00	(1,500.00)	-	-	-	-	-
Dividend Proposed/ Paid	-	-	-	-	(2,543.14)	-	-	(2,543.14)	-	(2,543.14)
Dividend Distribution Tax	-	-	-	-	(209.10)	-	-	(209.10)	-	(209.10)
Acquisition of Stake from Non-controlling Interest (NCI) (Refer Note 45)	(9,006.95)	-	-	-	-	-	-	(9,006.95)	(13,112.72)	(22,119.67)
Issue of Shares to NCI (Refer Note 45)	-	-	-	-	-	-	-	-	1,500.00	1,500.00
Foreign Currency Translation Reserve	-	-	-	-	-	34.14	-	34.14	-	34.14
Balance at March 31, 2019	**(8,971.77)**	**15,650.48**	**184.33**	**11,255.58**	**79,724.90**	**(26.63)**	**-**	**97,816.89**	**14,923.82**	**1,12,740.71**

The accompanying notes are an integral part of these Consolidated Financial Statements.

AS PER OUR REPORT OF EVEN DATE
FOR S R B C & CO LLP, Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003
per Sukrut Mehta
Partner
Membership No : 101974
Place : Ahmedabad
Date : 24th May 2019

G S Chahal
Chief Financial Officer

K. D. Mehta
Company Secretary

For and on behalf of the Board of Directors of
Meghmani Organics Limited
(CIN NO-24110GJ1995PLC024052)
J.M.Patel - Executive Chairman (DIN - 00027224)
A.N.Soparkar - Managing Director (DIN - 00027480)
N.M.Patel - Managing Director (DIN - 00027540)
Place : Ahmedabad
Date : 24th May 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Corporate information

The consolidated financial statements comprise financial statements of Meghmani Organics Limited (the company) and its subsidiaries (collectively, the Group) for the year ended 31st March 2019. 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 Bombay Stock Exchange and National Stock Exchange in India and on Singapore Exchange as well. The registered office of the company is located at at Plot no 184 Phase II GIDC, Vatva, Ahmedabad- 382 445, Gujarat, India. The Group is engaged in manufacturing and selling of Pigments, Agrochemicals and Basic Chemicals products. Information on the Group's structure is provided in Note 44.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 24, 2019.

2. Significant Accounting Policies

2.1 Basis for Preparation of Accounts

The consolidated financial statements have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time) and presentation requirements of Division II of schedule III to the Companies Act, 2013 (Ind As compliant Schedule III), as applicable to the consolidated financial statements.

The consolidated financial statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Derivative financial instruments

In addition, the consolidated financial statements are presented in INR which is also the Group's functional currency and all values are rounded to the nearest Lakh (INR 00,000), except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The proportion of ownership interest in each subsidiary of the parent is as follows:

Name of the Subsidiaries	Country of domicile	Proportion of ownership interest
Meghmani Finechem Limited	India	57%
Meghmani Agrochemicals Private Limited (Upto February 11, 2019)	India	100%
Meghmani Organics USA Inc.	USA	100%
PT Meghmani Organics Indonesia	Indonesia	100%
Meghmani Overseas FZE	Dubai	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies. The financial statements of all entities of the Group (including parent) used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March 2019.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

2.3 Significant accounting estimates, assumptions and judgements

The preparation of the Group's consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes:

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer Note 39 for details of the key assumptions used in determining the accounting for these plans.

Useful economic lives of Property, Plant and Equipment

Property, plant and equipment as disclosed in Note 3.1 are depreciated over their useful economic lives. The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets

Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalised include laboratory testing expenses that are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer accompanying notes for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 3.3.

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 fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

2.4 Summary of Significant Accounting Policies

(a) Current Vs. Non-Current classification:

The Group presents assets and liabilities in the statement of Assets and Liabilities based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b. Revenue recognition

Revenue from contract with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

1) Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods or terms as agreed with the customer. The normal credit term is 30 to 180 days from the date of dispatch. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(I) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at the time of completion of performance obligation and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with cash discount in accordance with the Group policy. The cash discount component gives rise to variable consideration.

Volume rebates

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract.

(ii) Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Group performs its obligation by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in (Financial instruments – initial recognition and subsequent measurement.)

(iii) **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2) **Interest Income**

For all financial instruments measured at amortized cost, interest income is recorded using the Effective Interest Rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss

3) **Export Incentives**

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and is included in Other Operating Revenue in the statement of profit and loss due to its operating nature

4) **Dividend**

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

5) **Insurance Claims**

Claims receivable on account of insurance are accounted for to the extent the Group is virtually certain of their ultimate collection

6) **Rent income**

Rental income arising from operating leases is accounted on the basis of lease terms and is included in other income in the statement of profit and loss.

c. **Foreign Currencies**

The Group's consolidated financial statements are presented in INR, which is also the Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss except for exchange differences arising on a monetary item which, in substance, forms part of the Group's net investment in a non-integral foreign operation which is accumulated in a Foreign Currency Translation Reserve until the disposal of the net investment.

Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of Profit and Loss are also recognised in OCI or profit or loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified in statement of profit and loss.

d. Fair Value Measurement

The Group measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participants that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value. The management comprises of the Managing Director, Chief Executive Officer (CEO) and Chief Finance Officer (CFO).

External valuers are involved for valuation of significant assets. Involvement of external valuers is decided upon annually by the board of directors after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group’s accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. Refer note for:

- Disclosures for valuation methods, significant estimates and assumptions.
- Quantitative disclosures of fair value measurement hierarchy.
- Investment in equity shares.
- Financial instruments (including those carried at amortised cost).

e. Property, Plant and Equipment

Cost comprisess the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. In respect of additions to /deletions from the Property, Plant and Equipment depreciation is provided on pro-rata basis with reference to the month of addition/ deletion of the Assets.

Capital work-in-progress comprises cost of Property, Plant and Equipment that are not yet installed and ready for their intended use at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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An item of Property, Plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of 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. Depreciation is not provided on freehold land. Leasehold land is amortized over the available lease period. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values are not more than 5% of the original cost of the item of Property, Plant and Equipment. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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 equipments	5 Years

f. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost include acquisition and other incidental cost related to acquiring the intangible asset. Research costs are expensed as incurred. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalised include laboratory testing expenses that are directly attributable to development of the asset for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Research and Development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to the Group's intangible assets is as follows:

Assets	Amortisation Method	Amortisation period
Software licenses	On Straight-line basis	5 years
Product licenses	On Straight-line basis	5 years
Usage rights	On Straight-line basis	5 years

Intangible assets under development

Expenditure incurred on acquisition /development of intangible assets which are not ready for their intended use at balance sheet date are disclosed under intangible assets under development.

g. 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI upto the amount of any previous revaluation surplus.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

h. Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(A) Financial Asset

Initial Recognition and Measurement

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Debt instruments at amortised cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. 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 in other income in the statement of Profit and Loss. The losses arising from impairment are recognised in the statement of Profit and Loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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Equity investments

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 FVTOCI. 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.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables' in these consolidated financial statements)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(B) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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, such as forward currency contracts, full currency swaps and interest rate swaps contracts to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and Loss.

Off-setting financial instrument

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

i. Inventories

Stores and Spares, Packing Materials and Raw Materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Semi-finished products, finished products and by-products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Cost of finished goods includes excise duty, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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j. **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs..

k. **Retirement and other employee benefits**

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss in the year when employee rendered related services.

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Group. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Group has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The aforesaid leave encashment is funded with an insurance Company in the form of a qualifying insurance policy.

Re-measurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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.

l. **Accounting for taxes on income**

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Deferred taxes

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

m. Provisions

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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

n. Contingent liabilities

Provisions are not recognised for future operating losses.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contigent assets are disclosed in the consolidated financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

o. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group’s general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

p. **Earnings per share**

Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q. **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. .

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management. .

r. **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.

s. **Segment reporting**

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

t. **New and Amended Standard**

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Group adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at 1 April 2018. The cumulative effect of initially applying Ind AS 115 is not material. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.

Amendment to Ind AS 20 Government Grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the financial statements as the Group continues to present grant relating to asset by setting up the grant as deferred income.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Group's financial statements.

u. **Standards issued but not yet effective**

Ind AS 116 Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. The effect of this amendment on the financial statements of the Group is being evaluated.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

Note - 3

Property, Plant and Equipment as on 31st March 2019 (Rs. in Lakhs)

Sr. No.	Particulars	Gross Block					Depreciation / Amortisation					Net	
		Opening	Addition	Deduction / Adjustm-ents*	Exchange Rate Fluctuation	Closing	Opening	For the Year	Deduction / Adjustm-ents*	Exchange Rate Fluctuation	Closing	As at 31st March 2019	As at 31st March 2018
3.1	**Tangible Assets**												
1	Freehold Land	558.40	-	-	-	558.40	-	-	-	-	-	558.40	558.40
2	Leasehold Land	4,560.47	341.91	59.29	-	4,843.09	133.65	55.37	1.55	-	187.47	4,655.62	4,426.82
3	Building	25,609.28	562.28	259.17	-	25,912.39	3,216.87	1,114.72	33.45	-	4,298.14	21,614.25	22,392.41
4	Plant & Machinery	69,764.08	3,991.36	1,682.63	-	72,072.81	21,283.87	7,747.52	692.08	-	28,339.31	43,733.50	48,480.21
5	Furniture & Fixtures	961.05	24.85	8.35	0.51	978.06	186.39	98.98	3.18	0.51	282.70	695.36	774.66
6	Vehicles	1,410.16	134.44	30.92	1.40	1,515.08	398.49	169.24	13.08	0.95	555.60	959.48	1,011.67
7	Computers	135.53	34.96	0.69	0.14	169.94	67.91	26.71	0.23	0.13	94.52	75.42	67.62
8	Other Equipments	338.71	55.21	0.22	0.05	393.75	117.02	65.14	-	(1.06)	181.10	212.65	221.69
	Sub Total	**1,03,337.68**	**5,145.01**	**2,041.27**	**2.10**	**1,06,443.52**	**25,404.20**	**9,277.68**	**743.57**	**0.53**	**33,938.84**	**72,504.68**	**77,933.48**
3.3	**Intangible Assets**												
1	Software Licences	78.33	46.03	-	-	124.36	60.71	11.80	-	-	72.51	51.85	17.62
2	Product Licences	2,071.54	-	-	1.03	2,072.57	604.12	395.83	-	2.11	1,002.06	1,070.51	1,467.42
3	Usage Rights	226.94	-	0.04	-	226.90	156.58	40.63	-	-	197.21	29.69	70.36
	Sub Total	**2,376.81**	**46.03**	**0.04**	**1.03**	**2,423.83**	**821.41**	**448.26**	**-**	**2.11**	**1,271.78**	**1,152.05**	**1,555.40**
	Total	**1,05,714.49**	**5,191.04**	**2,041.31**	**3.13**	**1,08,867.35**	**26,225.61**	**9,725.94**	**743.57**	**2.64**	**35,210.62**	**73,656.73**	**79,488.88**

* Includes Following assets lost due to fire.

(Rs. in Lakhs)

Particulars	Gross Block	Accumulated Depreciation	Net Block
Building	254.34	33.21	221.13
Plant & Machinery	1,025.92	521.79	504.13
Furniture & Fixtures	5.78	2.70	3.08
Total	**1,286.04**	**557.70**	**728.34**

3.2 Capital Work In Progress/Intangibles under development

(Rs. in Lakhs)

Particulars	Capital Work In Progress		
	Tangible	Intangible	Total
Cost			
As at March 31, 2018	**7,469.51**	**2,871.85**	**10,341.36**
Addition	43,200.62	259.74	43,460.36
Assets Lost due to Fire	224.46	-	224.46
Reclassification of Assets	2,600.00	(2,600.00)	-
Capitalisation	1,778.36	40.32	1,818.68
As at March 31, 2019	**51,267.31**	**491.27**	**51,758.58**

Capital Work-in-Progress for Tangible Assets as at 31st March 2019 comprises expenditure for the Plant and Building in the course of construction.

Intangible Assets under development as at 31st March 2019 comprises expenditure for the development and registration of Product Licenses.

Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended 31 March 2019 was Rs.711.83 Lakhs (31 March 2018: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges between 6.75% to 8.75%, which is the effective interest rate of the specific borrowings taken for qualifying assets.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

Note - 3

Property, Plant and Equipment as on 31st March 2018 **(Rs.in Lakhs)**

Sr. No.	Particulars	Gross Block					Depreciation / Amortisation					Net Block	
		Opening	Addition	Deduction / Adjustm-ents*	Exchange Rate Fluctuation	Closing	Opening	For the Year	Deduction / Adjustm-ents*	Exchange Rate Fluctuation	Closing	As at 31st March 2018	As at 31st March 2017
3.1	**Tangible Assets**												
1	Freehold Land	558.40	-	-	-	558.40	-	-	-	-	-	558.40	558.40
2	Leasehold Land	3,758.39	802.08	-	-	4,560.47	88.52	45.13	-	-	133.65	4,426.82	3,669.87
3	Building	24,560.09	1,148.02	98.83	-	25,609.28	2,113.56	1,103.31	-	-	3,216.87	22,392.41	22,446.53
4	Plant & Machinery	61,998.97	8,036.52	293.62	22.21	69,764.08	13,657.84	7,626.03	-	-	21,283.87	48,480.21	48,341.13
5	Furniture & Fixtures	901.19	77.19	17.31	(0.02)	961.05	87.17	99.23	-	(0.01)	186.39	774.66	814.02
6	Vehicles	979.97	470.76	40.68	0.11	1,410.16	238.87	159.55	-	0.07	398.49	1,011.67	741.10
7	Computers	117.94	17.70	-	(0.11)	135.53	39.57	28.45	-	(0.11)	67.91	67.62	78.37
8	Other Equipments	295.01	44.12	0.39	(0.03)	338.71	59.38	57.67	-	(0.03)	117.02	221.69	235.63
	Sub Total	**93,169.96**	**10,596.39**	**450.83**	**22.16**	**1,03,337.68**	**16,284.91**	**9,119.37**	**-**	**(0.08)**	**25,404.20**	**77,933.48**	**76,885.05**
3.3	**Intangible Assets**												
1	Software Licences	70.50	7.83	-	-	78.33	54.45	6.26	-	-	60.71	17.62	16.05
2	Product Licences	1,086.98	985.79	-	(1.23)	2,071.54	301.42	303.85	-	(1.15)	604.12	1,467.42	785.56
3	Usage Rights	235.81	-	8.87	-	226.94	108.80	47.78	-	-	156.58	70.36	127.01
	Sub Total	**1,393.29**	**993.62**	**8.87**	**(1.23)**	**2,376.81**	**464.67**	**357.89**	**-**	**(1.15)**	**821.41**	**1,555.40**	**928.62**
	Total	**94,563.25**	**11,590.01**	**459.70**	**20.93**	**1,05,714.49**	**16,749.58**	**9,477.26**	**-**	**(1.23)**	**26,225.61**	**79,488.88**	**77,813.67**

I Borrowing cost capitalised during the year Rs. Nil (31st March 2017 : Rs.77.61 Lakhs) to respective qualifying assets.

3.2 Capital Work In Progress/Intangibles under development

(Rs.in Lakhs)

Particulars	Capital Work In Progress		
	Tangible	Intangible	Total
Cost			
As at March 31, 2017	**965.84**	**944.69**	**1,910.53**
Addition	7,033.24	2,748.15	9,781.39
Capitalisation	529.58	820.98	1,350.56
As at March 31, 2018	**7,469.50**	**2,871.86**	**10,341.36**

Capital Work-in-Progress for Tangible Assets as at 31st March 2018 comprises expenditure for the Plant and Building in the course of construction.
Intangible Assets under development as at 31st March 2018 comprises expenditure for the development and registration of Product Licenses.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

Notes: - Addition to Research and Development assets for the year 31 March 2019 (Rs. in Lakhs)

Sr. No.	Particulars	Gross Block			Depreciation / Amortisation			Net	
		Opening	Addition	Closing	Opening	For the Year	Closing	As at 31st March 2019	As at 31st March 2018
	Tangible Assets								
1	Building	9.49	7.54	17.03	0.48	0.33	0.81	16.22	9.01
2	Plant & Machinery	183.64	41.79	225.43	46.06	25.00	71.06	154.37	137.58
3	Furniture & Fixtures	15.76	0.09	15.85	9.98	3.32	13.30	2.55	5.78
4	Computers	3.54	1.53	5.07	1.82	1.41	3.23	1.84	1.72
5	Other Equipments	4.63	0.28	4.91	0.96	0.75	1.71	3.20	3.67
	Sub Total	**217.06**	**51.23**	**268.29**	**59.30**	**30.81**	**90.11**	**178.18**	**157.76**
	Intangible Assets								
1	Product Licences	52.96	-	52.96	52.96	-	52.96	-	-
	Sub Total	**52.96**	**-**	**52.96**	**52.96**	**-**	**52.96**	**-**	**-**
	Total	**270.02**	**51.23**	**321.25**	**112.26**	**30.81**	**143.07**	**178.18**	**157.76**

Notes: - Addition to Research and Development assets for the year 31 March 2018 (Rs. in Lakhs)

Sr. No.	Particulars	Gross Block			Depreciation / Amortisation			Net	
		Opening	Addition	Closing	Opening	For the Year	Closing	As at 31st March 2018	As at 31st March 2017
	Tangible Assets								
1	Building	9.49	-	9.49	0.32	0.16	0.48	9.01	9.17
2	Plant & Machinery	109.41	74.23	183.64	28.55	17.51	46.06	137.58	80.86
3	Furniture & Fixtures	15.76	-	15.76	6.65	3.33	9.98	5.78	9.11
4	Computers	3.33	0.21	3.54	0.73	1.09	1.82	1.72	2.60
5	Other Equipments	2.10	2.53	4.63	0.48	0.48	0.96	3.67	1.62
	Sub Total	**140.09**	**76.97**	**217.06**	**36.73**	**22.57**	**59.30**	**157.76**	**103.36**
	Intangible Assets								
1	Product Licences	52.96	-	52.96	51.36	1.60	52.96	-	1.60
	Sub Total	**52.96**	**-**	**52.96**	**51.36**	**1.60**	**52.96**	**-**	**1.60**
	Total	**193.05**	**76.97**	**270.02**	**88.09**	**24.17**	**112.26**	**157.76**	**104.96**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

4 FINANCIAL ASSETS : INVESTMENTS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Investment at fair value through Other Comprehensive Income		
(I) Investments in Equity Shares (Unquoted)		
(i) 4 (31st March 2018 - 4) Equity Shares of Alaukik Owners Association of Rs.100/- each #	0	0
(ii) 5,17,085 (31st March 2018 - 5,17,085) Equity Shares of Narmada Clean Tech of Rs.10/- each	51.71	51.71
(iii) 14,000 (31st March 2018 - 14,000) Equity Share of Bharuch Eco Enviro Infrastructure Limited of Rs.10/- each	1.40	1.40
(iv) 500 (31st March 2018 - 500) Equity Shares of Green Environment Services Co-operative Society Limited of Rs.10/- each	0.05	0.05
(v) 30,000 (31st March 2018 - 30,000) Equity Shares of Panoli Enviro Technology of Rs.10/- each	3.00	3.00
(vi) 100 (31st March 2018 - 100) Equity Shares of Sanand Eco Project Limited of Rs.10/- each	0.01	0.01
(vii) 2,000 (31st March 2018 - 2,000) Equity Shares of Suvikas Peoples Co-operative Bank Limited of Rs.50/- each	1.00	1.00
(viii) 10 (31st March 2018 - 10) Equity Shares of Vellard View Premises Co-operative Society Limited of Rs.50/- each	0.01	0.01
Total (I)	**57.18**	**57.18**
Investment at Amortised Cost		
(II) Investments in Government Securities (Unquoted)		
National Savings Certificates	0.23	0.23
Total (I+II)	**57.41**	**57.41**

Note - # Amount is less than 0.01 Lakhs

(Rs. in Lakhs)

PARTICULARS	31st March 2019	31st March 2018
Aggregate Value Of Investments in unquoted Investments	57.41	57.41

5 OTHER FINANCIAL ASSETS (NON CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Unsecured, Considered Good		
Security Deposits	678.97	696.57
Bank Deposits with orignal maturity of more than 12 months (including interest accrued) (Refer Note below)	366.20	381.49
TOTAL	**1,045.17**	**1,078.06**

Note:
Margin money deposits amounting Rs. 366.20 Lakhs are given as security against guarantees with Banks (31st March 2018 - Rs. 381.49 Lakhs). These deposits are made for varying periods of 1 year to 10 years and earns interest ranging between 6.25% to 7.00%.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

6 INCOME TAX ASSETS (NET)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Non-current		
Advance payment of Income Tax (Net of Provision)	1,030.30	1,051.77
TOTAL	**1,030.30**	**1,051.77**
Current		
Advance payment of Income Tax (Net of Provision)	278.85	-
TOTAL	**278.85**	**-**

7 OTHER NON-CURRENT ASSETS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Unsecured, Considered Good		
Capital Advances	1,952.73	4,728.88
Balances with Government Authorities (Amount Paid Under Protest)	1,011.63	426.48
TOTAL	**2,964.36**	**5,155.36**

8 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Raw Materials	9,458.06	6,869.40
Raw Materials in Transit	373.18	304.00
Work In Process	1,376.51	1,115.51
Finished Goods	11,062.41	6,494.75
Finished Goods in Transit	14,914.45	8,574.23
Stock in Trade	746.84	632.36
Stores and Spares	2,205.94	1,955.17
Others (Packing Material and Fuel Stock)	956.51	828.50
TOTAL	**41,093.90**	**26,773.92**

Note :
The Company has written off inventory amounting to Rs. 523.98 Lakhs which was destroyed in fire. The same has been debited to statement of profit and loss under exceptional item Refer Note 35.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

9 INVESTMENTS - CURRENT

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
(Investment at Fair Value through Profit and Loss)		
(I) Investments in Mutual Funds (Quoted)		
Investment in Mutual Funds (Refer Note below)	-	7,141.81
TOTAL	**-**	**7,141.81**

Note :

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Aggregate Value of Quoted Current Investments		
Carrying Amount	-	7,141.81
Market Value	-	7,141.81

10 TRADE RECEIVABLES

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Trade receivables		
Secured, Considered Good	340.20	246.59
Unsecured, Considered Good	42,795.13	37,203.57
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	619.91	226.72
	43,755.24	**37,676.88**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, Considered Good	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	(619.91)	(226.72)
TOTAL	**43,135.33**	**37,450.16**

Trade receivable are secured to the extent of deposit received from the customers.
Trade Receivables are non-interest bearing and are generally on terms of 30 to 180 days.
For amounts due and terms and conditions relating to related party receivables, Refer Note 41.
For information about Credit Risk and Market Risk related to Trade Receivables, Refer Note 42.

11 CASH AND CASH EQUIVALENTS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Balance with Banks		
- on Current Accounts	1,317.72	411.18
- Deposits with original maturity of less than three months (Refer Note below)	12,000.00	-
Cash on Hand	11.91	14.32
TOTAL	**13,329.63**	**425.50**

Note :
Deposits are made for varying periods of between 60 days to 90 days and earns interest ranging between 6.90% to 7.75%.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

12 OTHER BANK BALANCES

PARTICULARS	(Rs. in Lakhs) 31st March 2019	31st March 2018
Bank Deposits with original maturity of more than three months but less than twelve months (Refer Note below)	13.29	544.62
Earmarked balances For Unclaimed Dividend	122.96	22.10
TOTAL	**136.25**	**566.72**

Note : Deposits amounting Rs. 13.29 Lakhs are given as security against bank guarantees (31st March 2018 - Rs. 544.62 Lakhs). These deposits are made for varying periods of 3 months to 12 months and earns interest ranging between 6.25% to 7.00%.

13 LOANS

PARTICULARS	(Rs. in Lakhs) 31st March 2019	31st March 2018
Unsecured, Considered Good		
Loan to Employees (Refer Note below)	58.62	37.82
TOTAL	**58.62**	**37.82**

Note:

The loans to employees are interest free and are generally for a tenure of 6 to 12 months.

Since all the above loans given by the Group are unsecured and considered good, the bifurcation of loan in other catagories as required by Schedule III of Companies Act 2013 viz: a) secured, b) loans which have significant increase in credit risk and c) credit impared is not applicable.

14 OTHER FINANCIAL ASSETS (CURRENT)

PARTICULARS	(Rs. in Lakhs) 31st March 2019	31st March 2018
Unsecured, Considered Good		
Insurance Claim Receivable	-	1,494.76
Export Benefit Receivable	2,419.83	1,725.01
Interest Accrued on Deposits with Banks and Others	368.97	-
Security Deposit	31.27	31.27
Balance with Government Authorities (GST Refund)	1,356.59	3,559.76
TOTAL	**4,176.66**	**6,810.80**

15 OTHER CURRENT ASSETS

PARTICULARS	(Rs. in Lakhs) 31st March 2019	31st March 2018
Unsecured, Considered Good		
Balance with Government Authorities (Refer Note below)	3,406.49	3,533.23
Advances to Suppliers	311.68	394.64
Advances to Employees	9.33	13.45
Prepaid Expenses	989.11	624.71
Export Benefit Receivable	63.96	79.48
Others	145.42	64.44
Unsecured, Considered Doubtful		
Advances to Suppliers	20.90	20.90
Allowance for Doubtful Advances	(20.90)	(20.90)
TOTAL	**4,925.99**	**4,709.95**

Note: Balance with Government Authorities includes VAT / Cenvat / Service Tax credit receivable and GST.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

16 SHARE CAPITAL

AUTHORISED SHARE CAPITAL	No. of shares	Rs. in Lakhs
Equity shares of Re. 1 each.		
As at 1st April 2017	**37,00,00,000**	**3,700.00**
Increase/(Decrease) during the year	-	-
As at 31st March 2018	**37,00,00,000**	**3,700.00**
Increase/(Decrease) during the year	-	-
As at 31st March 2019	**37,00,00,000**	**3,700.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL	**No. of shares**	**Rs. in Lakhs**
Equity shares of Re. 1 each.	**25,43,14,211**	**2,543.14**

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

PARTICULARS	No. of shares	Rs. in Lakhs
As at 1st April 2017	**25,43,14,211**	**2,543.14**
Increase/(Decrease) during the year	-	-
As at 31st March 2018	**25,43,14,211**	**2,543.14**
Increase/(Decrease) during the year	-	-
As at 31st March 2019	**25,43,14,211**	**2,543.14**

Terms / Rights attached to Equity shares

The Company has one class of equity shares having par value of Re. 1 per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of Shareholders holding more than 5% Shares in the Company

PARTICULARS	As at 31st March 2019		As at 31st March 2018	
	No. of shares	% holding	No. of shares	% holding
DBS Nominees (P) Ltd.	1,28,92,190	5.07%	1,36,23,540	5.36%
Mr. Jayantilal Patel	1,80,24,390	7.09%	1,78,24,390	7.01%
Mr. Ashish Soparkar	2,47,85,628	9.75%	2,45,85,628	9.67%
Mr. Natwarlal Patel	2,07,39,850	8.16%	2,05,39,850	8.08%
Mr. Ramesh Patel	1,56,60,689	6.16%	1,54,02,392	6.06%
TOTAL	**9,21,02,747**	**36.22%**	**9,19,75,800**	**36.17%**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Distribution made and proposed

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Cash dividends on Equity shares declared and paid: Final dividend for 31 March 2018: Rs. 0.40 per share (31 March 2017: Rs. 0.40 per share)	1,017.26	1,017.26
Interim Dividend for 31 March 2019: Rs 0.60 per share (31 March 2018: Nil)	1,525.88	-
Proposed dividends on Equity shares: Proposed cash dividend for 31 March 2019: Rs. 0.40 per share (31 March 2018: Rs. 0.40 per share)	1,017.26	1,017.26

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

17 OTHER EQUITY

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
(1) Securities Premium		
Balance as at the beginning of the year	15,650.48	15,650.48
Balance as at the end of the year	**15,650.48**	**15,650.48**
(2) Capital Reserve		
Balance as at the beginning of the year	35.18	35.18
Less : Acquisition of Stake from Non-controlling Interest (NCI) (Refer Note 45)	(9,006.95)	-
Balance as at the end of the year	**(8,971.77)**	**35.18**
(3) General Reserve		
Balance as at the beginning of the year	9,755.58	8,955.58
Add : Transferred from Retained earning	1,500.00	800.00
Balance as at the end of the year	**11,255.58**	**9,755.58**
(4) Capital Redemption Reserve		
Balance as at the beginning of the year	184.33	184.33
Balance as at the end of the year	**184.33**	**184.33**
(5) Hedge Reserve		
Balance as at the beginning of the year	-	(21.66)
Add : (Addition) / Deduction during the year	-	21.66
Balance as at the end of the year	**-**	**-**
(6) Currency Translation Reserve		
Balance as at the beginning of the year	(60.77)	715.02
Add : Addition during the year	34.14	(775.79)
Balance as at the end of the year	**(26.63)**	**(60.77)**
(7) Retained Earning		
Balance as at the beginning of the year	58,945.72	43,783.37
Add : Receivable written off in Standalone and now accounted for Consolidation	-	39.35
Add : Profit for the year	25,127.25	17,132.18
Add : Other Comprehensive Income for the Year	(95.83)	15.17
	83,977.14	**60,970.07**
Less : Appropriation		
Transfer to General Reserve	1,500.00	800.00
Dividend Paid	2,543.14	1,017.26
Dividend Distribution Tax	209.10	207.09
Balance as at the end of the year	**79,724.90**	**58,945.72**
TOTAL	**97,816.89**	**84,510.52**

Nature and purpose of Reserves :

Securities premium

Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to “Securities Premium”. The Company may issue fully paid-up bonus shares to its members out of the securities premium and the Company can use this reserve for buy-back of shares.

Capital Reserve

The Capital Reserve pertains to deduction in Depreciation at the time of Incorporation of the Company and amount paid in excess of the value of investment at the time of conversion and restructuring of Stake holding of Non-controling interest.

General Reserve

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up bonus shares.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

Capital Redemption Reserve

Capital Redemption Reserve was created for buy-back of shares.

Hedge Reserve

Hedge Reserve is created to the extent hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss.

Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in Other Comprehensive Income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

18 BORROWINGS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Secured Term Loan Facilities from Banks and Financial Institutions:		
In Indian Currency (Refer Notes below)	37,448.64	30,440.00
In Foreign Currency (Refer Notes below)	13,981.05	-
TOTAL	**51,429.69**	**30,440.00**
Current maturity of long term borrowing clubbed under- Current Financial liabilities (Refer Note 24)	**6,368.19**	**8,608.77**
Total Non-Current borrowing	**45,061.50**	**21,831.23**
The above amounts includes:		
Secured borrowing	45,061.50	21,831.23
Unsecured borrowing	-	-

Refer Note No - 42 For Interest rate Risk and Liquidity Risk.

Details of Security and Repayment Terms :

i The Company has Rupee Term Loan facility of Rs. 3,000.00 Lakhs.The facility is secured by First Pari Passu charge on specific movable and immovable fixed assets of the Company. Loan is repayable in 20 Quarterly installments of Rs. 150.00 Lakhs each commencing from 30th April 2016 and interest rate is linked to one year MCLR with monthly rests. Interest rate was in the range of 8.20% to 8.75% during the year (31 March 2018: 9.45%). The outstanding amount of loan as at March 31, 2019 is Rs. 1,200.00 (as at March 31, 2018: Rs. 1,800.00) Lakhs.

ii The Company has Rupee Term Loan facility of Rs. 10,675.00 Lakhs. The facility is secured by First charge on all the Company's movable and immovable fixed assets and exclusive charge on specific movable and immovable fixed assets. The loan carries floating interest rate linked to one year MCLR plus spread of 70 bps with monthly rests. Interest rate was in the range of 8.20% to 8.85% during the year (31 March 2018: 9%). The Term Loan is repayable in 26 quarterly instalments starting from 31st December 2015 and ending on 31st March 2022, as per below mentioned terms. The outstanding amount of loan as at March 31, 2019 is Rs. 3,875.00 (as at March 31, 2018: Rs. 5,925.00) Lakhs.

1 Two quarterly instalments of Rs. 325.00 Lakhs each starting from 31.12.2015

2 Seventeen quarterly instalments of Rs. 512.50 Lakhs each starting from 30.06.2016

3 Seven quarterly instalments of Rs. 187.50 Lakhs each starting from 30.09.2020

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

iii	The Company has Rupee Term Loan facility of Rs. 9,200.00 Lakhs. The Facility is secured by (a) Exclusive Charge on Windmill (b) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Company (c) Assignment of Lease Hold Land used for Windmill (d) First Pari Passu charge by way of mortgage on immovable fixed assets of the Company (excluding the assets charged specifically to other lenders). The term Loan is repayable in 12 half yearly instalments of Rs.766 Lakhs after a moratorium period of 12 months from the date of first disbursement. The interest rate is linked to 12 months G-Sec, which will be reset every year. Interest rate was in the range of 7.60% to 8.90% during the year (31 March 2018: 7.6%). The outstanding amount of loan as at March 31, 2019 is Rs. 7,666.67 (as at March 31, 2018: Rs. 8,700.00) Lakhs.
iv	The Company has Rupee Term loan facility of Rs. 12,500.00 Lakhs. The Facility is secured by (a) First Pari Passu charge by way of Hypothecation on the movable fixed assets of the Company excluding exclusively charged assets (b) First Pari passu charge on immovable fixed assets of the Company (excluding exclusively charged assets to other lenders) (c) Second Pari Passu Charge by way of Hypothecation over entire current assets. The Term Loan is repayable in 16 quarterly instalments amounting to Rs.625 Lakhs after a moratorium period of 13 Months from the date of first disbursement. The interest rate is linked to one year MCLR with 15 bps spread. Interest rate was in the range of 8.20% to 8.70% during the year (31 March 2018: 8.2%). The outstanding amount of loan as at March 31, 2019 is Rs. NIL (as at March 31, 2018: Rs. 10,000.00) Lakhs. The Company has prepaid the entire Term loan on 26th March, 2019.
v	(I) The Subsidiary Company Meghmani Finechem Limited (MFL) has taken External Commercial Borrowing of Euro 180.00 lakhs for capital expansion purpose. Outstanding balance for this borrowing is Euro 180.00 lakhs equivaent to Rs 13,981.05 lakhs (31 March 2018: NIL). The borrowing is secured by first pari passu mortgage charge on all immovable properties of MFL, first pari passu hypothecation charge over all the moveable assets of MFL and second pari passu hypothecation charge over all the current assets of MFL, both present and future. The borrowing carries interest @ Euribor + 1.6% p.a. (31 March 2018: NIL) payable on quarterly rests. MFL has entered into Interest Rate Swap ('IRS') agreement with the bank to fixed interest rate @ 1.85% p.a. (31 March 2018: NIL) and hedging of the foreign exchange rate whereby Company will pay additional interest @ 4.95% p.a. (31 March 2018: NIL). The effective interest rate after considering basic interest rate and interest for hedging is @ 6.8%. (31 March 2018: NIL). The borrowing is repayable in 15 quarterly installments of Euro 12 Lakhs each, starting from July 3, 2020. ii) The Subsidiary Company Meghmani Finechem Limited (MFL) has availed following Indian Rupee Loan facilities for capital expansion purpose: The Indian Rupee term loan facilities are secured by first pari passu mortgage charge of all immovable properties of MFL, first pari passu hypothecation charge over all the moveable assets of MFL and second pari passu hypothecation charge over all the current assets, intangibles, revenues of whatsoever nature and uncalled capital of MFL, both present and future. 1) Term loan amounting Rs. 11,000.00 Lakhs with outstanding balance for this facility is Rs. 10,450.00 Lakhs (31 March 2018: Rs. 100.00 Lakhs). The borrowing carries interest @ 1 year MCLR (Benchmark rate) plus NIL spread (to be set every year) payable on monthly rest. The effective interest rate is 8.40% (31 March 2018: 8.25%). The term loan is repayable in 20 quarterly installments of Rs 550.00 Lakhs each and repayment started from March 2019. 2) Term loan amounting Rs. 15,000.00 Lakhs with outstanding balance for this facility is Rs. 7,500.00 Lakhs (31 March 2018: Nil). The borrowing carries interest @ 1 year MCLR (Benchmark rate) plus NIL spread (to be set every year) payable on monthly rest. The effective interest rate is 8.75% (31 March 2018: NIL). The term loan is repayable in 18 quarterly installments of Rs 833.33 Lakhs each starting from September 30, 2020.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

(b) Amounts recognised in Other Comprehensive Income

PARTICULARS	(Rs. in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Items that will not be reclassified to Profit or Loss: Remeasurement gain / (loss) on defined benefit plans		
Before Tax	(196.33)	23.35
Tax Amount	68.61	(8.16)
Net of Tax	**(127.72)**	**15.19**
Items that will be reclassified to Profit or Loss: Foreign Currency Translation of Foreign Operations		
Before Tax	34.14	3.36
Tax Amount	(11.93)	(1.17)
Net of Tax	**22.21**	**2.19**

(c) Reconciliation of Effective Tax Rate

PARTICULARS	(Rs. in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit Before Tax	**40,855.96**	**32,571.47**
Tax using the Company's domestic tax rate (Current Year 34.94% and Previous Year 34.61%)	14,276.71	11,272.33
Non-Deductible Tax Expenses		
Capital work-in-progress loss due to fire	100.74	-
Donation disallowed	78.43	-
Investment Written Off	-	0.28
Interest on Preference Share Capital	110.30	-
Others	353.38	345.32
Allowable Tax Expenditure		
Additional R & D Expenses u/s - 35(2AB)	(36.63)	(33.10)
Income exempt from Income Taxes (u/s 10A & 80IA)	(2,401.08)	(1,900.46)
Others	(112.22)	(95.23)
Others Adjustments		
Adjustment for Tax of Prior Periods	(61.52)	113.54
Unrecognised MAT Credit Entitlement	-	(1,304.35)
Adjustment to Tax Related to Rectification of Deferred Tax of Previous Year	-	576.41
Impact on account of change in the Deferred Tax rate	(134.08)	(27.67)
Other adjustments	(842.86)	(167.14)
Currency Translation Reserve	(11.93)	(1.17)
Total	**11,319.24**	**8,778.76**
Effective Tax Rate	**27.71%**	**26.95%**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

3) Term loan amounting Rs. 12,500.00 Lakhs with outstanding balance for this facility is Rs. 6,803.00 Lakhs (31 March 2018: Nil). The borrowing carries interest @ 12 month T-bill rate (benchmark as published by RBI - to be reset every year) plus spread (fixed @ 0.94%) payable on monthly rest. The effective interest rate is 8.25% (31 March 2018: NIL). The term loan is repayable in 19 quarterly installments of Rs 657.89 Lakhs each starting from June 28, 2020.

4) Term loan amounting Rs 22,000.00 Lakhs. Outstanding balance for this term loan is Nil (31 March 2018: Rs. 3,992.74 Lakhs). The effective interest rate is 9.62% (31 March 2018: 9.62%).

(iii) MFL is in the process of executing an Indenture of mortgage with Lenders of these term loans (Secured Parties) for creating mortgages on Immovable Properties of the Company by creating a charge by way of registered mortgage. According to the indenture, all the Secured Parties will share pari passu charge with first ranking and priority over the Immovable Properties of the Company, both present and future.

(iv) Bank loans availed by the Group are subject to certain covenants relating to interest service coverage ratio, current ratio, debt service coverage ratio, total outside liabilities to total net worth, fixed assets coverage ratio, ratio of total term liabilities to net worth and return on fixed assets. The Group has complied with the covenants as per the terms of the loan agreements.

19 OTHER FINANCIAL LIABILITIES (NON CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Mark to market derivative liabilities (on interest rate swap and cross currency swap valued at fair value through profit and loss)	781.31	-
TOTAL	**781.31**	**-**

20 PROVISIONS (NON CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Provision for Employee Benefits		
Gratuity (Refer Note 38)	**675.69**	**461.08**
Leave Encashment	84.56	62.29
TOTAL	**760.25**	**523.37**

21. Tax expense

(a) Amounts recognised in Profit and Loss

PARTICULARS	(Rs. in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Income Tax	10,654.56	7,222.60
Adjustment to tax related to earlier periods	(61.52)	113.54
Deferred Income Tax Liability / (Asset), net		
Deferred tax relating to origination & reversal of temporary differences	(1,814.53)	2,746.97
(Credit) / Utilisation of MAT	2,540.73	(1,304.35)
Tax expense for the year	**11,319.24**	**8,778.76**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

(d) Movement in Deferred Tax balances for the year ended March 31, 2019 **(Rs. in Lakhs)**

Particular	Net Balance April 1, 2018	Recognised in Profit or Loss	Recognised in OCI	Other (Including adjustment of tax pertaining to earlier periods)	Net	Deferred Tax Asset as at March 31, 2019	Deferred Tax Liability as at March 31, 2019
Property, Plant and Equipment	(8,968.10)	1,137.96	-	-	(7,830.14)	-	(7,830.14)
Loans and Borrowings (Including Derivative)-	(48.83)	159.60	-	-	110.77	110.77	-
Trade Receivables	78.47	145.45	-	-	223.92	223.92	-
DTA on Stock Reserve	52.81	(11.11)	-	-	41.70	41.70	-
Employee Benefits	312.54	24.02	68.61	-	405.17	405.17	-
Investment	(65.74)	44.33	-		(21.41)	-	(21.41)
Tax Credit (MAT)	4,461.44	(2,540.73)	-	(40.86)	1,879.85	1,879.85	-
Others	(125.96)	302.35			176.39	176.39	-
Currency Translation Reserve	-	11.93	(11.93)		-	-	-
Tax Assets/ (Liabilities)	**(4,303.37)**	**(726.20)**	**56.68**	**(40.86)**	**(5,013.75)**	**2,837.80**	**(7,851.55)**
Set off						(2,809.74)	2,809.74
Net Tax Assets / (Liabilities)						**28.06**	**(5,041.81)**

(e) Movement in Deferred Tax balances for the year ended March 31, 2018 **(Rs. in Lakhs)**

Particular	Net Balance April 1, 2017	Recognised in Profit or Loss	Recognised in OCI	Other	Net	Deferred Tax Asset as at March 31, 2018	Deferred Tax Liability as at March 31, 2019
Deferred tax asset							
Property, Plant and Equipment	(8,130.06)	(838.04)	-	-	(8,968.10)	-	(8,968.10)
Loans and Borrowings	(53.87)	5.04			(48.83)	-	(48.83)
Trade Receivables	(94.21)	172.68	-	-	78.47	78.47	-
Inventories	607.95	(555.14)	-	-	52.81	52.81	-
Employee benefits	168.04	152.66	(8.16)	-	312.54	312.54	-
Investment	(18.24)	(47.50)	-		(65.74)	-	(65.74)
Tax Credit (MAT)	4,668.97	(207.53)	-	-	4,461.44	4,461.44	-
Others	-	(125.96)			(125.96)	-	(125.96)
Currency Translation Reserve	-	1.17	(1.17)		-	-	-
Tax Assets/ (Liabilities)	**(2,851.42)**	**(1,442.62)**	**(9.33)**	**-**	**(4,303.37)**	**4,905.26**	**(9,208.62)**
Set off						(4,153.48)	4,153.48
Net Tax Assets / (Liabilities)						**751.78**	**(5,055.14)**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

22 BORROWINGS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Secured Loans		
Loans Repayable on Demand		
Cash Credit, Packing Credit and Working Capital Demand Loan accounts		
(Refer Note below)		
From Banks - In Indian Currency	10,395.13	6,186.54
From Banks - In Foreign Currency	9,798.81	1,955.25
TOTAL	**20,193.94**	**8,141.79**

Details of Security and Repayment Terms :

I The Company has availed Cash Credit, Packing Credit and Working Capital demand loans of Rs 40,000 lakhs (31 March 2018: Rs 40,000 lakhs) as sanctioned limit from State Bank of India, HDFC Bank Limited, Standard Chartered Bank and ICICI Bank Limited (Collectively known as Consortium Bankers). The present Consortium is lead by State Bank of India. These loans are secured by first pari passu charge by way of hypothecation of the entire Stock of Raw Materials, Work in Process, Finished Goods, Stores and Spares and Receivables and first pari passu charge on immovable Fixed Assets of the Company as a collateral security. Interest rate on these loans are as follows:

(a) Interest rates on Cash Credit loans vary within the range of 9.20% to 10.50% (31 March 2018: 8.15% to 10.45%).

(b) Interest rates on Packing Credit loans vary within the range of Libor + 1.50% to Libor + 2.70% (31 March 2018: Libor +2.00%).

(c) Interest rates on Working Capital demand loans vary within the range of 8.05% to 8.60% (31 March 2018: 7.85% to 8.90%).

ii The Subsidiary Company Meghmani Finechem Limited (MFL) has availed Working Capital facility of Rs 13,350 Lakhs (March 31, 2018: Rs. 7,000 Lakhs) as Sanctioned Limit from consortium comprising of ICICI Bank Limited, Standard Chartered Bank and HDFC Bank Ltd. The present consortium is lead by ICICI Bank Limited. The entire facility is Secured by first pari passu charge on all the current assets of MFL, both present and future. Interest rate for the year ranges between 9.30% to 9.65% (March 31, 2018: 9.50% to 10.15%).

iii MFL is in the process of filing requisite forms with Ministry of Corporate Affairs for creating of first pari passu hypothecation charge over all the current assets and for additional facilities sanctioned during the year.

23 TRADE PAYABLE

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Trade Payables	25,193.51	19,506.15
TOTAL	**25,193.51**	**19,506.15**

Terms and Conditions of the above Outstanding Dues :

Trade payables are non-interest bearing and are normally settled on 30-360 days terms. For amounts due to related parties and terms and conditions with related parties, Refer Note 41. Refer Note 42 for Group's Credit Risk Management processes.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

24 OTHER FINANCIAL LIABILITIES (CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Financial liabilities carried at amortised cost		
Current maturities of Non Current Borrowings (Refer Note 18)	6,368.19	8,608.77
Interest accrued but not due on borrowings	458.84	72.74
Employee Benefit Payable	4,905.00	3,103.89
Unclaimed Dividend	122.96	22.10
Payable for Retention Money	47.92	11.76
Payables for Capital Goods	6,562.42	1,219.98
Security Deposits Payable	656.81	485.21
Expenses Payable	2,627.59	1,303.77
Interest as per MSMEDA, 2006	421.36	290.55
Financial liabilities carried at fair value through profit and loss		
Derivative Contracts	-	17.38
TOTAL	**22,171.09**	**15,136.15**

25 OTHER CURRENT LIABILITIES

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Advance from Customers	817.06	446.65
Statutory Dues Payable	360.59	590.59
TOTAL	**1,177.65**	**1,037.24**

26 PROVISIONS (CURRENT)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Provision for Amount paid under Dispute (MEIS)	**585.33**	**-**
Provisions for Employee Benefits		
Leave Encashment	10.90	9.01
TOTAL	**596.23**	**9.01**

27 CURRENT TAX LIABILITIES (NET)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Current Tax Payable (Net)	1,414.70	1,410.81
TOTAL	**1,414.70**	**1,410.81**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

28 REVENUE FROM OPERATIONS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Sale of Products		
i - Manufactured Goods	1,94,016.58	1,73,116.94
ii - Traded Goods	11,218.41	8,337.19
Total Sale of Products	**2,05,234.99**	**1,81,454.13**
Other Operating Revenue		
i - Export benefits and other incentives	3,412.79	2,838.86
ii - Scrap Sales	148.07	24.02
Total Other Operating Revenue	**3,560.86**	**2,862.88**
TOTAL	**2,08,795.85**	**1,84,317.01**

28.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Type of Goods		
Pigments	58,934.91	58,247.16
Agro Chemicals	77,066.25	64,192.07
Basic Chemicals	71,006.80	61,448.40
Others (Merchant Trading)	7,997.75	6,304.39
Total revenue from contracts with customers	**2,15,005.71**	**1,90,192.02**
Less - Inter-segment Sales	**9,770.72**	**8,737.89**
Total revenue from contracts with customers	**2,05,234.99**	**1,81,454.13**
Geographical location of customer		
India	93,343.80	88,736.23
Outside India	1,11,891.19	92,717.90
Total revenue from contracts with customers	**2,05,234.99**	**1,81,454.13**
Timing of revenue recognition		
Goods transferred at a point in time	**2,05,234.99**	**1,81,454.13**
Total revenue from contracts with customers	**2,05,234.99**	**1,81,454.13**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

28.2 Sale of Products includes excise duty collected from customers of Rs. Nil (31 March 2018: Rs. 3,984.61 Lakhs). Sale of Pigment, Agro Chemicals, Basic Chemicals and Others net of excise duty is Rs. 2,05,234.99 Lakhs (31 March 2018: Rs. 1,81,454.13 Lakhs). Revenue from operations for previous periods up to 30 June 2017 includes excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended 31 March 2019 is not comparable with 31 March 2018.

28.3 Contract Assets and Contract Liabilities

The Group has recognised the following revenue-related contract asset and liabilities

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Trade Receivables	**43,135.33**	**37,450.16**
Advance from customers	**817.06**	**446.65**

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days. Trade receivable are secured to the extend of deposit received from the customers. There is no significant movement during the year. In March 2019, Rs.619.91 Lakhs (March 2018: Rs.226.72 Lakhs) was recognised as provision for expected credit losses on trade receivables

Contract liabilities includes short term advance received for sale of products. There is no significant movement during the year.

28.4 Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Revenue as per contracted price	2,08,051.90	1,89,190.18
Adjustments		
Sales return	(739.29)	(340.07)
Trade and Cash Discount	(1,702.33)	(7,017.98)
Commission	(375.29)	(378.00)
Revenue from contract with customer	**2,05,234.99**	**1,81,454.13**

28.5 Performance obligation

Information about the Group's performance obligations are summarised below:

The performance obligation is satisfied upon dispatch of goods from the company's premises / delivery of goods to the customer in accordance with the terms of contract with customer.

28.6 Information about major customers

No single customer represents 10% or more of the Group's total revenue during the year ended 31 March 2019 and 31 March 2018.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

29 OTHER INCOME

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Interest Income on :		
- Bank Deposits	183.32	67.83
- Others	250.29	369.87
Dividend Income	3.75	1.54
Fair Value Gain on Derivative Instruments held at Fair Value Through Profit or Loss	17.38	85.62
Net Gain on Foreign Currency transactions and translation	1,812.23	1,912.38
Liabilities No Longer Required Written Back	320.88	99.65
Fair Value Gain on Mutual Funds held at Fair Value Through Profit or Loss	585.83	128.89
Miscellaneous Income	146.70	366.89
TOTAL	**3,320.38**	**3,032.67**

30 COST OF MATERIALS CONSUMED

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Pigments	34,921.41	32,204.63
Agro Chemicals	53,033.20	36,546.23
Basic Chemical	20,936.67	19,773.62
TOTAL	**1,08,891.28**	**88,524.48**

Note : The above amount comprises of raw material consumption generated from the accounting system and related adjustments there to.

31 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK IN TRADE

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
(A) Inventories at the beginning of the year		
(i) Finished Goods	6,494.75	6,934.20
(ii) Finished Goods in Transit	8,574.23	7,561.77
(iii) Stock in Trade	632.36	507.51
(iv) Work-in-Process	1,115.51	1,205.50
TOTAL (A)	**16,816.85**	**16,208.98**
(B) Inventories at the end of the year		
(i) Finished Goods	11,062.41	6,494.75
(ii) Finished Goods in Transit	14,914.45	8,574.23
(iii) Stock in Trade	746.84	632.36
(iv) Work-in-Process	1,376.51	1,115.51
TOTAL (B)	**28,100.21**	**16,816.85**
Total Changes in Inventories (A - B)	**(11,283.36)**	**(607.87)**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

32 EMPLOYEE BENEFIT EXPENSE

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Salary, Wages and Bonus	6,795.25	5,772.74
Directors Remuneration (Refer Note 41)	4,468.46	3,317.07
Contribution to Provident and Other Funds (Refer Note 38)	648.28	389.90
Staff Welfare Expenses	555.48	501.23
TOTAL	**12,467.47**	**9,980.94**

33 FINANCE COST

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Interest expense on :		
Term Loans	2,448.50	2,187.49
Cash Credit and Working Capital Demand Loan	1,340.45	1,088.66
Others	532.63	354.92
Dividend Distribution Tax on Non Convertible Redeemable Preference Shares (Refer Note 45)	315.64	-
Loss on Derivative Instruments	781.31	-
Exchange gain on restatement of ECB	(418.95)	-
Other Borrowing Costs	599.63	356.07
TOTAL	**5,599.21**	**3,987.14**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

34 OTHER EXPENSES

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Consumption of Stores and Spares	2,411.22	2,052.41
Power and Fuel	8,362.94	9,020.46
Repairs and maintenance:		
- Buildings	273.73	192.27
- Plant and Machinery	1,592.56	1,266.95
Pollution Control Expenses	2,165.92	2,085.46
Excise Duty Expenses	10.35	370.90
Labour Contract Charges	2,802.25	2,847.47
Rent (Refer Note - i below)	300.91	293.89
Rates and Taxes	1,300.74	138.69
Insurance	876.40	967.64
Packing Material Consumption	3,353.07	3,742.01
Loss on Discarded Fixed Assets	378.38	133.71
Loss on Derivatives	-	189.38
Freight Expenses	2,642.67	2,865.31
Research & Development Expenses (Refer Note - ii below)	209.65	191.29
Bad Debts	504.75	780.25
Provision For Doubtful Debts and Advances	393.19	247.62
Electricity duty on Power Generation	1,446.89	1,421.94
Renewal Purchase Obligation (RPO)	567.51	404.91
Fees to promoters on successful exit of IFC	1,500.00	-
Selling and Promotion Expenses	676.41	196.36
Water charges	1,595.07	1,548.48
Expenditure towards Corporate Social Responsibility (Refer Note - iii below)	246.05	322.32
Payments to the Auditors (Refer Note - iv below)	46.95	43.94
Miscellaneous Expenses	4,927.96	4,880.55
TOTAL	**38,585.57**	**36,204.21**

Notes

i The Group has entered into lease rent agreement for nine years for office premises. The leasing agreement is cancellable, and renewable on a periodic basis by mutual consent on mutually accepted terms including escalation of lease rent. Lease payments recognised in the Statement of Profit and Loss for the year amounts to Rs 300.91 Lakhs (March 31, 2018: Rs 293.89 Lakhs).

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

ii Expenses includes Research & Development related expenses as follows

Particulars	(Rs. in Lakhs)	
	31st March 2019	31st March, 2018
Salary & Wages	155.55	128.30
Raw Material Consumption	23.29	17.61
Consumables & Spares and Others	2.04	2.52
Electricity Expenses	10.46	12.62
Annual Maintenance Contract & Reparing	11.29	13.67
Computer Maintenance	-	0.05
Stationery Expenses	-	0.99
Telephone,Mobile & Internet Expenses	0.10	0.61
Travelling Expenses	0.47	2.91
Vehicle Expenses	4.91	8.06
Conveyance Expenses	1.54	2.23
Miscellaneous Expenses	-	1.72
TOTAL	**209.65**	**191.29**

iii Corporate Social Responsibility Expenditure - spent during the year is Rs. 246.05 Lakhs (31st March 2018 Rs. 322.32 Lakhs)
Details of Corporate Social Responsibility (CSR Expenditure)

Particulars	(Rs. in Lakhs)	
	31st March 2019	31st March, 2018
Amount spent in cash during the year on :		
i - Construction / Acquisition of an Assets	-	-
ii - On Purposes other than (i) above	246.05	322.32

iv Payments to Auditors (Excluding Taxes)

Particulars	(Rs. in Lakhs)	
	31st March 2019	31st March, 2018
(a) as Auditors	44.00	43.51
(b) for Other Services	1.10	-
(c) for Reimbursement of Expenses	1.85	0.43
TOTAL	**46.95**	**43.94**

35 EXCEPTIONAL ITEMS

Particulars	(Rs. in Lakhs)	
	31st March 2019	31st March, 2018
Loss due to Fire (Refer Note below)	1,586.78	112.52
TOTAL	**1,586.78**	**112.52**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

The exceptional loss for the year includes loss on account of fire on March 26, 2019 at a manufacturing facility of the Holding Company in Dahej. Management is in the process of compiling and submitting requisite information to surveyor considering which preliminary assessment / claim report is not received. Accordingly, the loss on fire including inventory, property plant and equipment (including capital work in progress) and other ancillary expenses of Rs. 1,586.78 Lakhs as per table below, as assessed by management, is charged to Statement of Profit and Loss for the year ended March 31, 2019 in line with requirements of Ind AS 16 . The Company has All Risk Insurance Policy (including Loss of Profit Policy) and is fully covered for insurance claim.

(Rs. in Lakhs)

PARTICULARS	Rs. in Lakhs
Property, Plant and Equipment (including Capital work in progress)	952.80
Inventory	523.98
Other ancillary cost	110.00
Total	**1,586.78**

The exceptional loss for year ended March 31, 2018 of Rs.112.52 Lakhs pertained to loss on account of fire at Dahej SEZ manufacturing facility of the Holding Company. Against the outstanding insurance claim receivable of Rs. 2,942.04 Lakhs as at March 31, 2018, the Holding Company had received Rs. 2,783.02 Lakhs and charged the differential amount of Rs.112.52 Lakhs to the Statement of Profit and Loss.

36 OTHER COMPREHENSIVE INCOME

Particulars	(Rs. in Lakhs)	
	31st March 2019	31st March, 2018
Statement of Other Comprehensive Income		
A - Items that will not be reclassified to Profit or Loss		
(i) Remeasurements of the Defined Benefit Plans	(196.33)	23.35
(ii) Income tax relating to items that will not be reclassified to Profit or Loss	68.61	(8.16)
Total (A)	**(127.72)**	**15.19**
B - Items that will be reclassified to Profit or Loss		
(i) Exchange differences in translating the Financial Statements of a foreign operation	34.14	3.36
(ii) Income Tax relating to items that will be reclassified to Profit or Loss	(11.93)	(1.17)
Total (B)	**22.21**	**2.19**
Total (A+B)	**(105.51)**	**17.38**

37 EARNINGS PER SHARE

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share used in the basic and diluted EPS computation:

Particulars	(Rs. in Lakhs)	
	31st March 2019	31st March, 2018
Profit attributable to Equity holders of the Parent	25,127.25	17,132.18
Weighted Average number of Equity Shares outstanding (Nos.)	25,43,14,211	25,43,14,211
Basic and Diluted Earnings Per Share (Rs.)	9.88	6.74
Face value per Equity Share (Rs.)		11

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

38 GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS

(a) **Retirement Benefits**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Table 1: Reconciliation of Defined Benefit Obligation (DBO) **(Rs. in Lakhs)**

	31st March 2019	31st March, 2018
Opening Balance of Defined Benefit Obligation	**952.80**	**868.22**
Service Cost		
a. Current Service Cost	144.73	99.63
b. Past Service Cost	-	1.21
Interest Cost	70.05	61.86
Benefits Paid	(41.40)	(39.83)
Re-measurements		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	(29.52)	-
b. Actuarial Loss/(Gain) from changes in financial assumptions	233.81	(12.58)
c. Actuarial Loss/(Gain) from experience over the past period	(0.16)	(25.71)
Closing Balance of Defined Benefit Obligation	**1,330.31**	**952.80**

Table 2: Reconciliation of Fair Value of Plan Assets **(Rs. in Lakhs)**

	31st March 2019	31st March, 2018
Opening Balance of Fair Value of Plan Assets at start of the period	507.34	480.79
Contributions by Employer	144.11	47.63
Benefits Paid	(41.40)	(39.83)
Interest Income on Plan Assets	36.76	33.70
Re-measurements		
a. Actuarial (Loss)/Gain from changes in Financial assumptions	-	2.74
b. Return on Plan Assets excluding amount included in net interest on the net Defined Benefit Liability/(Asset)	7.81	(17.69)
Closing Balance of Fair Value of Plan Assets at end of the period	**654.62**	**507.34**
Actual Return on Plan Assets	44.57	18.75

Table 3: Expenses recognised in the Profit and Loss Account **(Rs. in Lakhs)**

	31st March 2019	31st March, 2018
Service Cost		
a. Current Service Cost	144.73	99.63
b. Past Service Cost	-	1.21
Net Interest on net Defined Benefit Liability/(Asset)	33.29	28.16
Employer Expenses	**178.02**	**129.00**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

Table 4: Net Liability/ (Asset) recognised in the Balance Sheet **(Rs. in Lakhs)**

	31st March 2019	31st March, 2018
Present Value of DBO	1,330.31	952.80
Fair Value of Plan Assets	654.62	507.34
Liability/ (Asset) recognised in the Balance Sheet	675.69	445.46
Funded Status [Surplus/(Deficit)]	(675.69)	(445.46)
Experience Adjustment on Plan Liabilities: (Gain)/Loss	(0.16)	(25.71)
Experience Adjustment on Plan Assets: Gain/(Loss)	7.81	(17.69)

Table 5: Percentage Break - down of Total Plan Assets

	31st March 2019	31st March, 2018
Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	11%	8%
Of which, Traditional/ Non-Unit Linked	89%	92%
Total	**100%**	**100%**

Note: None of the assets carry a quoted market price in an active market or represent the Entity's own transferable financial instruments or are property occupied by the Entity.

Table 6: Actuarial Assumptions

	31st March 2019	31st March, 2018
Salary Growth Rate	10% p.a.	6% p.a.
Discount Rate	6.9% - 7.0% p.a.	7.1% p.a.
Withdrawal Rate	12% p.a.	8% p.a.
Mortality	IALM 2012 - 14 Ult.	IALM 2006 - 08 Ult.
Expected Return on Plan Assets	7.3% - 7.7% p.a.	7.7% p.a.
Expected weighted average remaining working life	4 to 5 years	5 years

Table 7: Movement in Other Comprehensive Income **(Rs. in Lakhs)**

	31st March 2019	31st March, 2018
Balance at start of period (Loss)/Gain	(25.24)	(48.58)
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in demographic assumptions	29.52	-
a. Actuarial (Loss)/Gain from changes in financial assumptions	(233.81)	12.58
b. Actuarial (Loss)/Gain from experience over the past period	0.16	25.71
Re-measurements on Plan Assets		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	2.74
b. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	7.81	(17.69)
Balance at end of period (Loss)/Gain	**(221.56)**	**(25.24)**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

Table 8: Sensitivity Analysis

Financial Year ended March 31, 2019	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs 65.56 Lakhs	DBO decreases by Rs 60.38 Lakhs
Discount Rate	DBO decreases by Rs 61.50 Lakhs	DBO increases by Rs 68.19 Lakhs
Withdrawal Rate	DBO decreases by Rs 10.72 Lakhs	DBO increases by Rs 11.67 Lakhs

Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.34 Lakhs
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.76 Lakhs

Financial Year ended March 31, 2018	Increases 1%	Decreases 1%
Salary Growth Rate	DBO increases by Rs 55.05 Lakhs	DBO decreases by Rs 49.98 Lakhs
Discount Rate	DBO decreases by Rs 48.91 Lakhs	DBO increases by Rs 54.83 Lakhs
Withdrawal Rate	DBO increases by Rs 2.14 Lakhs	DBO decreases by Rs 2.59 Lakhs

Mortality (increase in expected lifetime by 1 year)	DBO decreases by Rs 0.22 Lakhs
Mortality (increase in expected lifetime by 3 years)	DBO decreases by Rs 0.43 Lakhs

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis.

Table 9: Movement in Surplus / (Deficit) **(Rs. in Lakhs)**

	31st March 2019	31st March, 2018
Surplus / (Deficit) at start of period	**(445.46)**	**(387.43)**
Movement during the period		
Current Service Cost	(144.73)	(99.63)
Past Service Cost	-	(1.21)
Net Interest on net DBO	(33.29)	(28.16)
Actuarial Gain/ (Loss)	(196.32)	23.34
Contributions	144.11	47.63
Surplus/ (Deficit) at end of period	**(675.69)**	**(445.46)**

(b) Defined Contribution Plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Company has recognised provident fund contribution of Rs. 294.64 Lakhs (March 31, 2018 Rs. 275.72 Lakhs) as expense in Note 32 under the head 'Contributions to Provident and Other Funds'.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

39 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

A Claims against the Group not acknowledged as liabilities (Excluding interest and Penalty)

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Disputed Income-Tax Liability	87.83	150.37
Disputed Excise Duty Liability	1,938.69	1965.67
Disputed Service Tax Liability	359.90	434.21
Disputed Custom Duty	621.83	621.83
Disputed Value Added Tax Liability	87.04	87.04
Disputed Labour Law Compliance Liabilities	42.11	63.88
In respect of the above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various Forums / Authorities)		
In respect of Letter of Credit	1,990.40	6,081.88
In respect of Guarantee		
- Corporate Guarantee Given	-	2,500.00

B. CAPITAL COMMITMENTS

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Estimated amount of Contracts pending execution on Capital accounts and not provided for (net of advances)	13,792.71	21,293.34

C. OTHER COMMITMENT

The subsidiary Company Meghmani Finechem Limited has imported capital goods for the various expansion projects under the EPCG Scheme at Nil rate of custom duty by undertaking obligation to export. Future outstanding export obligation under the scheme is Rs 4,520.79 Lakhs (31 March 2018: Rs Nil) which is equivalent to 6 times of duty saved of Rs. 753.46 Lakhs (31 March 2018: Rs. Nil). The export obligation has to be completed by 2024-25. Further during the year,Meghmani Finechem Limited has submitted documents for fulfilment of obligations of Rs. 1,322.62 Lakhs. However, pending export obligation discharge clearance certificate, the same have been considered outstanding as on 31 March 2019.

D. PROVIDENT FUND LIABILITY

There are numerous interpretative issues relating to the Supreme Court (SC) judgment on PF dated 28th February, 2019. As a matter of caution, the Group has decided to assess the impact on a prospective basis from the date of the SC order. The Impact on account of this is not material. The Group will update its provision, on receiving further clarity on the subject.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

40. SEGMENT REPORTING

A - Analysis By Business Segment

Financial Year ended on 31st March 2019:

(Rs. in Lakhs)

Particulars	Pigments	Agro Chemicals	Basic Chemical	Others *	Elimination	Total
Revenue						
External Sales	55,025.37	76,505.91	6,5705.97	7997.74	-	2,05,234.99
Other Operating Revenue	1.545.32	1,983.02	32.50	0.03	-	3,560.86
Inter-segment Sales	3,909.54	560.35	5,300.83	-	(9,770.72)	-
Total Revenue	**60,480.23**	**79,049.27**	**71,039.3**	**7,997.77**	**(9,770.72)**	**2,08,795.85**
Results						
Segment Results	6,923.61	16,809.98	26,621.55	71.15	345.19	50,771.48
Un-allocable (Expenses)/Income						**(2,733.28)**
Profit from Operation						**48,038.20**
Finance Cost						(5,599.21)
Investments Income						**3.75**
Profit before Exceptional Items						**42,442.74**
Exceptional Items	**-**	**(1,586.78)**	**-**			**(1,586.78)**
Profit Before Tax						**40,855.96**
Income tax Expenses						(10,593.04)
Deferred Tax (Expenses) / Income						(726.20)
Profit After Tax						**29,536.72**

(Rs. in Lakhs)

Other information	Pigments	Agro Chemicals	Basic Chemical	Others *	Elimination	Total
Capital Addition	2,287.20	5,159.14	39,107.06	54.85	-	46,608.25
Depreciation	(2,197.11)	(2,228.27)	(5,409.88)	(207.13)	316.45	(9,725.94)
Non-Cash Items	(280.98)	1,922.22	157.50	20.03	-	1,818.76

(Rs. in Lakhs)

Balance sheet	Pigments	Agro Chemicals	Basic Chemical	Others *	Elimination	Total
Assets						
Segment Assets	59,014.93	70,586.53	1,04,044.94	2,728.18	(19,635.59)	2,16,739.00
Un-allocable Assets						20,936.84
Total Assets						**2,37,675.84**
Liabilities						
Segment Liabilities	24,603.62	35,777.95	55,134.68	1,585.04	(1,529.53)	1,15,571.76
Unallocable Liabilities						1,778.42
Deferred Tax Liabilities						5,041.81
Total Liabilities						**1,22,391.99**

*Others includes Merchant Trading Activity.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

Financial Year ended on 31st March 2018:

(Rs. in Lakhs)

Revenue	Pigments	Agro Chemicals	Basic Chemical	Others *	Elimination	Total
External Sales	54,122.86	64,015.13	57,011.74	6,304.4	-	1,81,454.13
Other Operating Revenue	1,298.63	1,497.95	40.87	25.43	-	2,862.88
Inter-segment Sales	4,124.30	176.93	4,436.66		(8,737.89)	-
Total Revenue	**59,545.79**	**65,690.01**	**61,489.27**	**6,329.83**	**(8,737.89)**	**1,84,317.01**
Results						
Segment Results	7,554.56	8,492.97	20,383.30	426.98	233.56	37,091.37
Un-allocable (Expenses) /Income						(421.78)
Profit from Operation						**36,669.59**
Finance Cost						(3987.14)
Investments Income						1.54
Profit before Exceptional Items						**32,683.99**
Exceptional Items						(112.52)
Profit Before Tax						**32,571.47**
Income Tax Expenses						(7,336.14)
Deferred Tax (Expenses) /Income						(1,442.62)
Profit After Tax						**23,792.71**

(Rs. in Lakhs)

Other information	Pigments	Agro Chemicals	Basic Chemical	Others *	Elimination	Total
Capital Addition	5,272.22	6,166.95	8,131.19	450.46	450.31	20,471.13
Depreciation	(2,167.32)	(2,093.00)	(5,527.15)	(6.24)	316.45	(9,477.26)
Non-Cash Items	355.08	(664.02)	291.18	(98.71)	(49.68)	(166.14)

(Rs. in Lakhs)

Balance sheet	Pigments	Agro Chemicals	Basic Chemical	Others *	Elimination	Total
Assets						
Segment Assets	61,435.64	51,452.3	66,282.70	13,917.55	(36,630.49)	1,56,457.70
Un-allocable Assets						25,383.60
Total Assets						**1,81,841.30**
Liabilities						
Segment Liabilities	26,394.29	24,986.12	15,004.72	1,761.52	(1,3,111.02)	55,035.63
Unallocable Liabilities						12,560.12
Deferred Tax Liabilities Liabilities						5,055.14
Total Liabilities						**72,650.89**

*Others includes Merchant Trading Activity

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

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Revenue:		
Within India	93,491.87	88,760.25
Outside India	1,15,303.98	95,556.76
TOTAL	**2,08,795.85**	**1,84,317.01**

Note:
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	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Within India	2,13,948.30	1,59,048.10
Outside India	22,332.92	20,932.24
TOTAL	**2,36,281.22**	**1,79,980.34**

Note: Segment Assets does not include Deferred Tax, Investment, Current and Non current Tax Asset.

(iii) Segment Liability

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Within India	95,729.43	62,144.96
Outside India	20,206.05	4,039.98
TOTAL	**1,15,935.48**	**66,184.94**

Note - Segment Liabilities does not includes Deferred Tax and Income Tax Liabilities

(iv) Segment Capital Expenditure

PARTICULARS	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Within India	46,608.25	20,471.13
Outside India	-	-
TOTAL	**46,608.25**	**20,471.13**

Notes

(1) Based on “management approach” defined under Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly information has been presented along these Segments.

(2) The Group is divided into three segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of :

a) Agro Chemicals - The Group’s operation includes manufacture and marketing of technical, intermediates and formulation of Crop Protection Chemicals..

b) Pigment Business - The Group’s operation includes manufacture and marketing of Phthalocynine Green 7, Copper Phthalocynine Blue (CPC), Alpha Blue and Beta Blue.

c) Basic Chemicals - 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.

(3) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the Segments and amounts allocated on a reasonable basis.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

41 RELATED PARTIES DISCLOSURES :-

Enterprises in which Key Managerial Personnel [KMP] & their relatives havesignificant influence :	Meghmani Pigments
	Ashish Chemicals
	Tapsheel Enterprise
	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
	Navratan Specialty Chemicals LLP
	Trent Chemicals
	Meghmani Exports Limitada S.A.De CV
Key Managerial Personnel :	Mr. Jayantilal Patel
	Mr. Ashish Soparkar
	Mr. Natwarlal Patel
	Mr. Ramesh Patel
	Mr. Anand Patel
	Mr. Maulik Patel (Chairman and Managing Director of MFL)
	Mr. Kaushal Soparkar (Managing Director of MFL)
	Mr. Ankit Patel (CEO)
	Mr. Darshan Patel (COO)
	Mr. Karana Patel (COO)
	Mr. Rajkumar Mehta (Chief Financial Officer w.e.f.22.05.2017 to 31.12.2017)
	Mr. G.S. Chahal (Chief Financial Officer w.e.f.10.02.2018)
	Mr. Kamlesh Mehta (Company Secretary)
	Mr. Sanjay Jain (Chief Financial Officer of MFL)
Relatives of Key Managerial :	Ms. Deval Soparkar
	Ms. Taraben Patel
Independent Directors:	Mr. Balkrishna Thakkar
	Mr. Chinubhai Shah (up to 14.05.2018)
	Mr. Bhaskar Rao (From 10.02.2018)
	Mr. C S Liew (From 10.02.2018)
	Mr. Chander Kumar Sabharwal
	Ms. Urvashi Shah
	Mr. A L Radhakrishnan (w.e.f. 20.10.2017 to 10.02.2018)
	Mr. Manubhai Patel (From 10.02.2018)
	Ms. Nirali Parikh
	Mr. Kantibhai Patel (up to 10.02.2018)
	Mr. Jayaraman Vishwanathan (up to 08.11.2017)

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

Note - 41

RELATED PARTIES DISCLOURES :-

Transactions with Related Parties in Ordinary Course of Business

(Rs. in Lakhs)

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Purchase of Goods	2,341.37	2,589.18	-	-	-	-	2,341.37	2589.18
Sale of Goods	7,354.08	5,792.14	-	-	-	-	7,354.08	5,792.14
Availing of Services (*)	-	-	-	8.00	-	-	-	8.00
Availing of Services	266.17	261.13	-	-	-	-	266.17	261.13
Sitting Fees	-	-	14.50	21.00			14.50	21.00
Remuneration	-	-	4,583.62	3,426.21	19.49	12.90	4,603.11	3,439.11
Issue of Equity Shares of MFL	-	-	1,500.00	-	-	-	1,500.00	-
Promoter Success Fees	-	-	1,500.00	-	-	-	1,500.00	-
Loan Given	-	-	10.00	-	-	-	10.00	-
Loan Repaid	-	-	3.00	-	-	-	3.00	-
Sale of Services	4.97	-	-	-	-	-	4.97	-
Dividend	-	-	1,024.41	406.68	73.60	29.44	1,098.01	436.12
Total	**9,966.59**	**8,642.45**	**8,635.53**	**3,861.89**	**93.09**	**42.34**	**1,8695.21**	**12,546.68**

* Pertains to availing of services from an Independent Director.

MFL - Meghmani Finechem Limited

OUTSTANDING BALANCES WITH RELATED PARTIES

(Rs. in Lakhs)

Particulars	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Receivables	1,699.75	1641.70	-	-	-	-	1,699.75	1641.70
Payables	783.26	636.70	-	0.29	-	-	783.26	636.99
Loan Receivable	-	-	7.00	-	-	-	7.00	-
Remunaration Payable	-	-	3,878.27	2,227.39	0.35	0.81	3,878.62	2228.20
Total	**2,483.01**	**2,278.40**	**3,885.27**	**2,227.68**	**0.35**	**0.81**	**6,368.63**	**4,506.89**

Terms and Conditions of transactions with Related Parties

(1) The Group's transactions with related parties are at arm's length. Management believes that the Group's domestic and international transactions with related parties post March 31, 2018 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end.

(2) For the year ended 31 March 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates..

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

41. RELATED PARTIES DISCLOURES :-

Disclosure in respect of material transaction with related party during the year:

(Rs. in Lakhs)

Party Name	Relationship	Nature of Transaction	2018-2019	2017-2018
Ashish Chemical	Enterprises in which Directors & KMP have significant influence	Sale of Goods	294.71	421.49
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Sale of Goods	827.02	372.37
Meghmani Industries Limited -SEZ	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	393.46
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Sale of Goods	119.71	96.45
Meghmani Dyes & Intermediate LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	942.67	619.96
Meghmani Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	15.44
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Sale of Goods	165.92	210.03
Vidhi Global Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	687.25
Tapsheel Enterprises	Enterprises in which Directors & KMP have significant influence	Sale of Goods	3.89	51.32
Meghmani LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	3,016.41	2,847.61
Meghmani LLP-SEZ	Enterprises in which Directors & KMP have significant influence	Sale of Goods	-	68.32
Navratan Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	25.98	8.44
Trent Chemical Industries	Enterprises in which Directors & KMP have significant influence	Sale of Goods	1,957.77	-
		Total	**7,354.08**	**5,792.14**
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1,577.76	1,460.19
Ashish Chemical	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	15.93	-
Matangi Industries	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	12.77	33.63
Vidhi Global Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	-	777.53
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	40.77	53.63

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

41. RELATED PARTIES DISCLOURES :-

Disclosure in respect of material transaction with related party during the year:

(Rs. in Lakhs)

Party Name	Relationship	Nature of Transaction	2018-2019	2017-2018
Navratan Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	-	1.81
Meghmani Dyes & Intermediate Ltd	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	-	0.44
Meghmani Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	1.54	6.29
Meghmani LLP	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	692.60	255.67
		Total	**2,341.37**	**2,589.19**
Panchratna Corporation	Enterprises in which Directors & KMP have significant influence	Availing of Services	266.17	261.13
		Total	**266.17**	**261.13**
Navratan Speciality Chemical LLP	Enterprises in which Directors & KMP have significant influence	Rent Income	2.72	-
		Total	**2.72**	**-**
Meghmani Industries Limited	Enterprises in which Directors & KMP have significant influence	Reim. Of Expenses	2.25	-
		Total	**2.25**	**-**
Jayantilal Patel	Key Managerial Personnel	Managerial Remuneration	455.38	317.89
Ashish Soparkar	Key Managerial Personnel	Managerial Remuneration	455.29	317.67
Natwarlal Patel	Key Managerial Personnel	Managerial Remuneration	455.17	317.67
Ramesh Patel	Key Managerial Personnel	Managerial Remuneration	300.25	217.66
Anand Patel	Key Managerial Personnel	Managerial Remuneration	222.37	167.28
Karana Patel	Key Managerial Personnel	Managerial Remuneration	400.32	310.46
Ankit N Patel	Key Managerial Personnel	Managerial Remuneration	640.32	490.36
Darshan I Patel	Key Managerial Personnel	Managerial Remuneration	280.32	220.51
Maulik J Patel	Key Managerial Personnel	Managerial Remuneration	640.61	490.36
Kaushal A Soparkar	Key Managerial Personnel	Managerial Remuneration	640.61	490.36

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

41. RELATED PARTIES DISCLOURES :-

Disclosure in respect of material transaction with related party during the year:

(Rs. in Lakhs)

Party Name	Relationship	Nature of Transaction	2018-2019	2017-2018
G.S Chahal	Key Managerial Personnel	Salary	36.22	9.42
Kamlesh Mehta	Key Managerial Personnel	Salary	21.94	22.08
R K Mehta	Key Managerial Personnel	Salary	-	26.67
Sanjay Jain	Key Managerial Personnel	Salary	34.82	27.82
		Total	**4,583.62**	**3,426.21**
Ms. Deval Soparkar	Relatives of Key Managerial Personnel	Salary	19.49	12.90
		Total	**19.49**	**12.90**
Balkrishna T Thakkar	Independent Directors	Sitting Fees	5.75	6.75
Chinubhai R Shah	Independent Directors	Sitting Fees	-	6.75
Jayaraman Vishwanathan	Independent Directors	Sitting Fees	-	1.00
Kantibhai H Patel	Independent Directors	Sitting Fees	-	1.75
Chander Kumar Sabharwal	Independent Directors	Sitting Fees	1.25	1.00
Ms. Urvashi Shah	Independent Directors	Sitting Fees	0.75	0.75
Arvind K Patel	Independent Directors	Sitting Fees	-	0.50
Manubhai K Patel	Independent Directors	Sitting Fees	5.25	1.00
Ms. Nirali Parikh	Independent Directors	Sitting Fees	1.50	1.50
		Total	**14.50**	**21.00**
Jayanti Patel	Key Managerial Personnel	Dividend	186.80	74.24
Ashish Soparkar	Key Managerial Personnel	Dividend	248.33	98.85
Natwarlal Patel	Key Managerial Personnel	Dividend	260.40	102.85
Ramesh Patel	Key Managerial Personnel	Dividend	165.77	65.69
Anand Patel	Key Managerial Personnel	Dividend	82.03	32.52
Deval Soparkar	Key Managerial Personnel	Dividend	4.10	1.64
Maulik Patel	Key Managerial Personnel	Dividend	12.70	5.08
Kaushal Soparkar	Key Managerial Personnel	Dividend	13.50	5.40
Karana Patel	Key Managerial Personnel	Dividend	18.65	7.73
Ankit Patel	Key Managerial Personnel	Dividend	30.21	12.08
Darshan Patel	Key Managerial Personnel	Dividend	1.92	0.60
Taraben Patel	Relatives of Key Managerial Personnel	Dividend	73.60	29.44
Loan Given		**Total**	**1,098.01**	**436.12**
Sanjay Jain	Key Managerial Personnel	Loan Given	10.00	-
Repayment of Loan		**Total**	**10.00**	**-**
Sanjay Jain	Key Managerial Personnel	Repay Loan	3.00	-
Issue of Equity Shares		**Total**	**3.00**	**-**
Jayanti M Patel	Key Managerial Personnel	Share Issue of MFL	375.00	-
Ashish N Soparkar	Key Managerial Personnel	Share Issue of MFL	375.00	-

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

41. RELATED PARTIES DISCLOURES :-

Disclosure in respect of material transaction with related party during the year:

(Rs. in Lakhs)

Party Name	Relationship	Nature of Transaction	2018-2019	2017-2018
Natwarlal M Patel	Key Managerial Personnel	Share Issue of MFL	375.00	-
Ramesh M Patel	Key Managerial Personnel	Share Issue of MFL	225.00	-
Anand I Patel	Key Managerial Personnel	Share Issue of MFL	150.00	-
		Total	**1,500.00**	-
Promoter Success Fees				
Jayantilal M Patel	Key Managerial Personnel	Success Fees	375.00	
Ashish N Soparkar	Key Managerial Personnel	Success Fees	375.00	
Natwarlal M Patel	Key Managerial Personnel	Success Fees	375.00	
Ramesh M Patel	Key Managerial Personnel	Success Fees	225.00	
Anand I Patel	Key Managerial Personnel	Success Fees	150.00	
		Total	**1,500.00**	**-**
Availing of Services				
Chander Kumar Sabharwal	Independent Directors	Availing of Services	-	8.00
		Total	**-**	**8.00**
		Total	**18,695.21**	**12,546.69**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

41. RELATED PARTIES DISCLOURES :-

(Rs. in Lakhs)

Particular	31st March 2019	31st March 2018
Payable		
Matangi Industries	0.65	-
Meghmani Chemicals Limited	-	10.40
Meghmani Dyes & Intermediate Ltd.	0.23	0.44
Meghmani Industries Ltd.	31.49	51.08
Meghmani LLP	266.32	68.93
Meghmani Pigments	475.02	503.91
Navratan Speciality Chemical LLP	1.95	1.95
Panchratna Corporation	7.60	-
Receivables		
Ashish Chemicals Eou Unit - II	54.16	150.33
Meghmani Chemicals Limited	21.78	35.61
Meghmani Dyes & Intermediate LLP	189.27	153.52
Meghmani Industries Ltd - Sez Unit	104.77	-
Meghmani Industries Ltd.	129.14	210.94
Meghmani LLP	683.10	565.64
Meghmani Pigments	42.46	48.73
Navratan Speciality Chemical LLP	17.07	5.14
Tapasheel Enterprise	-	5.34
Trent Chemical Industries	349.16	460.84
Vidhi Global Chemicals Limited	-	5.61
Meghmani Exports Limitada S A De C V	108.84	-
Remunaration Payable		
Jayantilal Patel	390.21	152.71
Ashish Soparkar	390.21	152.71
Natwarlal Patel	390.21	150.11
Ramesh Patel	235.20	92.71
Anand Patel	157.71	62.71
Ankit N Patel	576.87	401.36
Darshan I Patel	231.88	161.50
Maulik J Patel	576.82	401.36
Kaushal A Soparkar	576.82	401.36
Karana Patel	346.87	241.45
Deval Soparkar	0.35	0.81
G.S Chahal	1.90	2.81
K D Mehta	1.53	4.90
Sanjay Jain	2.04	1.70
Loan Receivable		
Sanjay Jain	7.00	-

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

42 - FINANCIAL INSTRUMENTS – FAIR VALUE HIERARCHY

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note 2 to the Financial Statements.

A. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENT

The carrying value of financial instruments by categories as of March 31, 2019 is as follows: **(Rs. in Lakhs)**

	Carrying amount			
31st March 2019	**Fair value through profit and loss**	**Fair value through other comprehensive income**	**Amortised Cost**	**Total**
Financial Assets				
Non-Current Investments (Refer Note 4)	-	57.41	-	57.41
Non-Current Other Financial Assets (Refer Note 5)	-	-	1,045.17	1,045.17
Current investments (Refer Note 9)	-	-	-	-
Trade Receivables (Refer Note 10)	-	-	43,135.33	43,135.33
Cash and Cash Equivalents (Refer Note 11)	-	-	13,329.63	13,329.63
Bank Balances (Other than above) (Refer Note 12)	-	-	136.25	136.25
Loans (Refer Note 13)	-	-	58.62	58.62
Other Financial Asset (Refer Note 14)			4,176.66	4,176.66
Total Financial Assets	**-**	**57.41**	**61,881.66**	**61,939.07**
Financial Liabilities				
Non-Current Borrowings (Refer Note 18)	-	-	45,061.5	45,061.5
Fair Value of Financial Derivatives (Refer Note 19)	781.31	-	-	781.31
Current Borrowings (Refer Note 22)	-	-	20,193.94	20,193.94
Trade Payables (Refer Note 23)	-	-	25,193.51	25,193.51
Other Financial Liabilities (Refer Note 24)	-	-	22,171.09	22,171.09
Total Financial Liabilities	**781.31**	**-**	**1,12,620.04**	**1,13,401.35**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

The carrying value of financial instruments by categories as of March 31, 2018 is as follows: **(Rs. in Lakhs)**

	Carrying amount			
31st March 2018 (Rs. in Lakhs)	**Fair value through profit and loss**	**Fair value through other comprehensive income**	**Amortised Cost**	**Total**
Financial Assets				
Non-Current Investments (Refer Note 4)	-	57.41	-	57.41
Non-Current Other Financial Assets (Refer Note 5)	-	-	1,078.06	1,078.06
Current investments (Refer Note 9)	7,141.81	-	-	7,141.81
Trade Receivables (Refer Note 10)	-	-	37,450.16	37,450.16
Cash and Cash Equivalents (Refer Note 11)	-	-	425.50	425.50
Bank Balances (Other than above) (Refer Note 12)	- -	-	566.72	566.72
Loans (Refer Note 13)	-	-	37.82	37.82
Other Financial Asset (Refer Note 14)	-	-	6,810.80	6,810.80
Total Financial Assets	**7,141.81**	**57.41**	**46,369.06**	**53,568.28**
Financial Liabilities				
Non-Current Borrowings (refer note 18)	-	-	21,831.23	21,831.23
Fair Value of Financial Derivatives (refer note 19)	-	-	-	-
Current Borrowings (refer note 22)	-	-	8,141.79	8,141.79
Trade Payables (refer note 23)	-	-	19,506.15	19,506.15
Other Financial Liabilities (refer note 24)	-	-	15,136.15	15,136.15
Total Financial Liabilities	**-**	**-**	**64,615.32**	**64,615.32**

B. Measurement of Fairvalues and Sensitivity analysis

Fair value hierarchy:

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Group uses the following hierarchy for determining and/or disclosing the fair value of Financial Instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities. (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the Assets or Liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).(iii) Level 3: inputs for the Assets or Liabilities that are not based on observable market data (unobservable inputs).

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

(Rs. in Lakhs)

Financial instrument measured at fair value Financial assets / financial liabilities	Fair value as at 31 March 2019	 31 March 2018	Fair value hierarchy
Investment in mutual fund at FVTPL (quoted) (Refer Note 8)	-	7,141.81	Level 1
Mark to market derivative liabilities (on interest rate swap and cross currency swap valued at fair value through profit and loss) (Refer Note 18)	781.31	-	Level 2
Investment at FVTOCI (unquoted) (Refer Note 8)	57.41	57.41	Level 3

Financial instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Reconciliation of level 1 fair values

The following table shows a reconciliation from the opening balance to the closing balances for level 1 fair values **(Rs. in Lakhs)**

Particulars	31 March 2019	31 March 2018
Opening balance on 1 April 2018	**7,141.81**	**2,852.70**
Net change in fair value (unrealised)	-	181.20
Purchases	26,003.33	11,249.07
Sales	(33,145.14)	(7,141.16)
Closing balance on 31 March 2019	-	**7,141.81**

Reconciliation of level 3 fair values

The following table shows a reconciliation from the opening balance to the closing balances for level 3 fair values **(Rs. in Lakhs)**

Particulars	31 March 2019	31 March 2018
Opening balance on 1 April 2018	**57.41**	**58.43**
Purchases	-	-
Impairment in value of investments	-	-
Disposal during the year	-	1.02
Closing balance on 31 March 2019	**57.41**	**57.41**

Financial Risk Management Framework

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's Risk Management Framework. The Group manages market risk through treasury operations, which evaluates and exercises independent control over the entire process of market risk management. The finance team recommends Risk Management Objectives and Policies. The activities of this operations include management of Cash Resources, hedging of Foreign Currency Exposure, Credit Control and ensuring compliance with market risk limits and policies.

The Group's principal Financial Liabilities, other than derivatives, comprises of long term and Short Term Borrowings, Trade and Other Payables, and Financial Liabilities. The main purpose of these Financial Liabilities is to finance the Group's operations. The Group's principal Financial Assets include Loans, Trade and Other Receivables, Cash and Cash Equivalents, Other Bank balances and other Financial Assets that derive directly from its operations.

The Group has an effective risk management framework to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Group takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Group has exposure to the following risks arising from Financial Instruments

- Credit risk ;
- Liquidity risk ; and
- Market risk

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

i. Credit Risk

Credit Risk is the risk that counter party will not meet its obligation leading to a Financial Loss. The Group is exposed to Credit Risk arising from its operating activities primarily from trade receivables and from financing activities primarily relating to parking of surplus funds as Deposits with Banks. The Group considers probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughtout the reporting period.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Group treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade Receivables

The Sales 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 periodically. Any sales exceeding those limits require approval from the Board of Directors.

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 evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group 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.

The maximum exposure to credit risk for trade receivables by geographic region was as follows:

(Rs. in Lakhs)

Particulars	31st March 2019	31st March 2018
Domestic	23,109.79	18,983.18
Other Regions	20,025.54	18,466.98
Total	**43,135.33**	**37,450.16**

Age of Receivables

(Rs. in Lakhs)

Particulars	31st March 2019	31st March 2018
Neither due nor impaired	27,611.50	23,212.46
Past due1–90 days	13,081.01	9,426.51
Past due 91–180 days	1,491.86	2,660.78
More than 180 days	950.96	2,150.41
Total	**43,135.33**	**37,450.16**

Management believes that the unimpaired amounts that are past due by more than 180 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 the amount of provision of Rs. 619.91 Lakhs (March 31, 2018: Rs. 226.72 Lakhs) is appropriate.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

Financial instruments – Fair Values and Risk Management (continued)

ii. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI and amortised cost investments and derivative financial instruments.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group exposure to the risk of changes in foreign exchange rates relates primarily to the Group operating activities (when revenue or expense is denominated in a foreign currency).

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of actual sales and purchases and 12-month period for foreign currency loans. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Exposure to Currency Risk

The currency profile of financial assets and financial liabilities as at March 31, 2019 and March 31, 2018 are as below:

The Group exposure to foreign currency risk at the end of the reporting period expressed in Rs. are as follows

(Rs. in Lakhs)

Particulars	March 31, 2019 Total	March 31, 2019 USD	March 31, 2019 Euro	March 31, 2019 INR
Financial Assets				
Trade and Other Receivables	43,135.33	16,533.20	3717.06	22,885.07
Total	**61,939.07**	**16533.20**	**3,717.06**	**22,885.07**
Financial Liabilities				
Long Term Borrowings	45061.50	-	13,981.05	31,080.45
Short Term Borrowings	20,193.94	1,210.21	8,588.60	18,983.73
Trade and Other Payables	25,193.51	5,646.50	17.98	19,529.03
Other Non-Current Financial Liabilities	781.31	-	-	781.31
Other Current Financial Liabilities	22,171.09	308.32	8.74	21,854.03
Less : Foreign Currency Hedged Term Loan	(13981.05)	-	(13981.05)	-
Total	**99,420.30**	**7,165.03**	**8,615.32**	**60,366.79**

(Rs. in Lakhs)

Particulars	March 31, 2018 Total	March 31, 2018 USD	March 31, 2018 Euro	March 31, 2018 INR
Financial Assets				
Trade and Other Receivables	37,450.16	11,665.25	4,243.16	21,541.75
Less - Forward Contract For Selling Foreign Currency	(14,227.60)	(10,590.94)	(3,636.66)	-
Total	**39,340.68**	**1,074.31**	**606.50**	**21,541.75**
Financial Liabilities				
Short Term Borrowings	8,141.79	1,955.25	-	6,186.54
Trade and Other Payables-	19,506.15	2,299.94	27.63	17,178.58
Other Current Financial Liabilities	15,136.15	76.53	15.59	15,044.03
Total	**42,784.09**	**4,331.72**	**43.22**	**38,409.15**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Euro at March 31 would have affected the measurement of financial instruments denominated in US dollars and Euro 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.

(Rs. in Lakhs)

	Profit or (Loss)		Equity, net of tax	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31st March 2019				
5% movement				
USD	**468.41**	**(468.41)**	**304.73**	**(304.73)**
EUR	**(244.91)**	**244.91**	**(159.33)**	**159.33**

(Rs. in Lakhs)

	Profit or (Loss)		Equity, net of tax	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
'March 31, 2018				
5% movement				
USD	**(162.87)**	**162.87**	**(106.50)**	**106.50**
EUR	**28.16**	**(28.16)**	**18.42**	**(18.42)**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

Financial instruments – Fair Values and Risk Management (continued)

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's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group's manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings

Exposure to Interest Rate Risk

Group's Interest Rate Risk arises from borrowings obligations. Borrowings issued exposes to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

(Rs. in Lakhs)

Variable-rate instruments	31st March 2019	31st March 2018
Non Current - Borrowings	45,061.50	21, 831.23
Current portion of Long Term Borrowings	6,368.19	8,608.77
Total	**51,429.69**	**30440.00**

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.

Particulars	Profit or (Loss)		Equity, Net of Tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31st March 2019				
Non Current - Borrowings	(450.62)	450.62	(293.15)	293.15
Current portion of Long Term Borrowing	(63.68)	63.68	(41.43)	41.43
Total	**(514.30)**	**514.30**	**(334.58)**	**334.58**
31st March 2018				
Non Current - Borrowings	(218.31)	218.31	(142.76)	142.76
Current portion of Long Term Borrowings	(86.09)	86.09	(56.29)	56.29
Total	**(304.40)**	**304.40**	**(199.05)**	**199.05**

Equity Price Risk:

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The investment in listed equity securities are not significant.

iii. Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below summarises 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 For The Year Ended 31st March 2019

(Rs. in Lakhs)

31st March, 2019	Contractual Cash Flows					
	Carrying amount	Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from Banks						
HDFC Bank Limited	1,200.00	1,200.00	600.00	600.00	-	-
SBI Bank Limited	3,828.97	3,828.96	2,034.85	1,044.11	750.00	-
AXIS Bank Limited	7,666.67	7,666.67	1,533.34	1,533.33	4,600.00	-
HDFC Bank Limited	17950.00	17950.00	2,200.00	3,632.21	12,117.79	-
Fedral Bank Limited	6,803.00	6,803.00	-	1,250.00	5,553.00	-
Total	**37,448.64**	**37,448.63**	**6,368.19**	**8,059.65**	**2,3020.79**	**-**
Foreign Currency Term Loans from banks						
Standard Chartered Bank	13,981.05	13,981.05	-	2,796.21	11,184.84	-
Working Capital loans from banks	20,193.94	20,193.94	20,193.94	-	-	-
Trade and Other Payables	25,193.51	25,193.51	25,193.51	-	-	-

(Rs. in Lakhs)

31st March, 2018	Contractual Cash Flows					
	Carrying amount	Total	1 Year or Less	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from Banks						
HDFC Bank Limited	1,900.00	1,900.00	610.00	620.00	670.00	-
SBI Bank Limited	5,847.26	5,847.26	1,972.26	2,050.00	1,825.00	-
ICICI Bank Limited	13,992.74	13,992.74	5,242.74	2,500.00	6,250.00	-
AXIS Bank Limited	8,700.00	8,700.00	725.00	1,450.00	6,525.00	-
Total	**30,440.00**	**30,440.00**	**8,550.00**	**6,620.00**	**15,270.00**	**-**
Working Capital loans from banks	8,141.79	8,141.79	8,141.79	-	-	-
Trade and Other Payables	19,506.15	19,506.15	19,506.15	-	-	-

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'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

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

43 (A) - Information about Subsidiaries

The Group's Subsidiaries at 31 March 2019 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	Ownership interest held by the group		Ownership interest held by non-controlling interest		Principal Activities
		31st March 2019	31st March 2018	31st March 2019	31st March 2018	
Meghmani Finechem Limited (Refer note below)	India	57.16%	57.16%	42.84%	42.84%	Manufacturing of Basic Chemical
Meghmani Organics USA INC	USA	100.00%	100.00%	0.00%	0.00%	Trading
PT Meghmani Organics	Indonesia	100.00%	100.00%	0.00%	0.00%	Trading of Pigment & Chemicals
Meghmani Agrochemical Private Limited (Merged into Meghmani Finechem Limited wef 11.02.2019)	India	-	100.00%	-	0.00%	Manufacturing of Agro Chemicals
Meghmani Overseas FZE	Dubai	100.00%	100.00%	0.00%	0.00%	Trading of Agro Chemicals

Note - The Ownership Interest in MFL was 76.71% for the period April 2018 to February 2019. The same got restated to 57.16% on Merger of MACPL into MFL.

43 (B) -KEY FIGURES OF SUBSIDIARY HAVING NON-CONTROLLING INTERESTS (NCI) THAT ARE MATERIAL TO THE GROUP

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 **(Rs. in Lakhs)**

Particulars	Meghmani Finechem Limited	
	31st March 2019	31st March, 2018
Current Assets	25,431.90	18,669.85
Non-Current Assets	78,989.48	48,414.40
Current Liabilities	17,717.34	15,235.32
Non-Current Liabilities	37,426.93	116.11
Net Assets	**49,277.11**	**51,732.82**
Net Assets attritible to Accumulated NCI	**14,923.82**	**22,136.75**

Summarised Statement of Profit and Loss **(Rs. in Lakhs)**

Particulars	Meghmani Finechem Limited	
	31st March 2019	31st March, 2018
Total Revenue	72,046.14	61,901.89
Expenses	47,817.01	42,385.02
Profit Before Tax	24,229.13	19,516.87
Tax Expenses	5,948.44	3,969.42
Profit After Ta	18,280.69	15,547.45
Other comprehensive income	(37.65)	5.17
Total comprehensive income	**18,243.04**	**15,552.62**
Total comprehensive income to NCI	4,399.79	6,662.74

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

Summarised Cash Flows

(Rs. in Lakhs)

Particulars	Meghmani Finechem Limited	
	31st March 2019	31st March, 2018
Cash flows from Operating Activities	26,134.86	22,489.36
Cash flows from Investing Activities	(21,730.00)	(16,658.80)
Cash flows from Financing Activities	8,509.21	(5,831.80)
Net increase/ (decrease) in Cash and Cash Equivalents	**12,914.07**	**(1.24)**

43 (C) - ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(Rs. 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 Comprehe-nsive Income	Amount	As % of Other Comprehe-nsive Income	Amount
A Parent								
Meghmani Organics Limited								
31st March 2019	56.24%	64,837.03	31.90%	9,423.24	85.38%	(90.08)	31.71%	9,333.16
31st March 2018	63.90%	69,769.84	32.85%	7,816.47	57.65%	10.02	32.87%	7,826.49
B Subsidiaries								
(i) Indian								
Meghmani Finechem Limited								
31st March 2019	29.11%	33,556.37	53.27%	15,733.11	26.51%	(27.97)	53.36%	15,705.14
31st March 2018	14.94%	16,314.38	37.05%	8,815.83	17.03%	2.96	37.04%	8,818.79
Meghmani Agrochemicals Pvt.Ltd.								
31st March 2019	0.00%	-	-0.18%	(53.13)	0.00%	-	-0.18%	(53.13)
31st March 2018	-0.03%	(28.98)	-0.12%	(28.98)	0.00%	-	-0.12%	(28.98)
(ii) Foreign								
Meghmani Organics USA INC								
31st March 2019	1.55%	1,787.37	0.30%	89.38	0.28%	(0.30)	0.30%	89.08
31st March 2018	0.44%	477.13	0.25%	58.49	-0.40%	(0.07)	0.25%	58.42
PT Meghmani Organics Indonesia								
31st March 2019	0.00%	-	-0.01%	(4.13)	-0.08%	0.08	-0.01%	(4.05)
31st March 2018	0.00%	3.95	-0.02%	(4.12)	-0.81%	(0.14)	-0.02%	(4.26)
Meghmani Overseas FZE Dubai								
31st March 2019	0.16%	179.26	-0.21%	(61.22)	-21.27%	22.44	-0.13%	(38.78)
31st March 2018	0.47%	517.34	1.99%	474.49	13.75%	2.39	2.00%	476.88
Non-controlling interest in all subsidiaries								
31st March 2019	12.95%	14,923.82	14.93%	4,409.47	9.17%	(9.68)	14.95%	4,399.79
31st March 2018	20.27%	22,136.75	27.99%	6,660.53	12.77%	2.22	27.98%	6,662.75
Total								
31st March 2019	**100.00%**	**1,15,283.85**	**100.00%**	**29,536.72**	**100.00%**	**(105.51)**	**100.00%**	**29,431.21**
31st March 2018	**100.00%**	**1,09,190.41**	**100.00%**	**23,792.71**	**100.00%**	**17.38**	**100.00%**	**23,810.09**

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

44. Capital Management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2019 and March 31, 2018.

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	(Rs. in Lakhs)	
	31st March 2019	31st March 2018
Total Interest bearing Liabilities	71,623.63	38,581.79
Less : Cash and Cash Equivalent	13,329.63	425.50
Adjusted Net Debt	**58,294.00**	**38,156.29**
Total Equity	1,00,360	87,054
Adjusted Equity	**1,00,360**	**87,054**
Adjusted Net Debt to Adjusted Equity Ratio	0.58	0.44

45. Changes in stake of Non-Controlling Interest (NCI) – Acquisition and Issue of shares and merger of subsidiaries – Meghmani Finechem Limited (MFL) and Meghmani Agrochemicals Private Limited (MACPL)

Changes in stake of Non-Controlling Interest (NCI):

The Board of Directors of subsidiary company Meghmani Finechem Limited in their meeting held on 19th May 2018 approved the Scheme of Arrangement in the nature of Amalgamation of Meghmani Agrochemical Private Limited ('MACPL') with the MFL ('the Scheme'). MFL applied to National Company Law Tribunal ("NCLT") for approval of the Scheme of Arrangement. The Scheme was approved by NCLT on 11th February 2019. The amalgamation was effective from the date of the Order (i.e effective date).

Pursuant to the Scheme of Amalgamation, MFL issued 210,919,871 8% Optionally Convertible / Redeemable Preference Shares (OCRPS) of Rs. 10 each amounting to Rs 21,091.99 lakhs and 221,708,925 8% Non-Convertible Redeemable Preference Shares (NCRPS) of Rs. 10 each amounting to Rs 22,170.89 lakhs to the Company against its the investment in Equity and Preference Shares issued by MACPL.

The aforesaid NCRPS were issued in lieu of holding of IFC which was acquired by MACPL before the amalgamation. During the current year, MFL and MACPL entered into Share Sale Agreement dated 26 April 2018, accordingly IFC sold its equity stake in the Company to MACPL. The agreement also allowed the Promoters to exercise their rights of the Promoters Warrants in accordance with the terms of the Share Subscription Agreement between the Company, Promoters and IFC at Rs. 30 each. The promotors exercised the warrant option rights conferred. Post-merger and on cancellation of investment and shares in MFL, the Group's share in MFL is 57.16%.

Notes to the Consolidated Financial Statements For The Year Ended 31st March 2019

46 Events occurred after the Balance Sheet date

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of financial statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 24th May 2019 there were no material subsequent events to be recognized or reported that are not already previously disclosed.

47. Previous year figures have been regrouped wherever necessary to make them comparable with those of the current year

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AS PER OUR REPORT OF EVEN DATE
FOR S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No. 324982E / E300003
per Sukrut Mehta
Partner
Membership No : 101974

G S Chahal
Chief Financial Officer

K. D. Mehta
Company Secretary

Place : Ahmedabad
Date : 24th May 2019

For and on behalf of the Board of Directors of
Meghmani Organics Limited
(CIN NO-24110GJ1995PLC024052)

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

Place : Ahmedabad
Date : 24th May 2019

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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 31.03.2019 **(Rs. 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	25,211.30	24,065.81	104,421.40	55,144.30	-	72,045.72	24,229.13	5,948.44	18,280.69	-
2	Meghmani USA INC	139.70	611.95	1,962.41	1,210.77	-	5,819.91	108.39	31.62	76.77	-
3	P T Meghmani Indonesia	123.30	(123.30)	-	-	-	-	(4.16)	(0.04)	(4.13)	-
4	Meghmani Overseas FZE	4.56	513.05	569.85	52.24	-	686.31	(73.27)	(12.05)	(61.22)	-

RECONCILIATION STATEMENT OF BALANCE SHEET BETWEEN IND AS AND IFRS AS AT 31 MARCH 2019

(Rs. in Lakhs)

PARTICULARS	Ind AS	Adjustments	IFRS
Assets			
(1) Non-current Assets			
(a) Property, Plant and Equipment	72,504.68	(92.62)	72,412.06
(b) Capital Work-in-Progress	51,267.31	1,952.73	53,220.04
(c) Other Intangible Assets	1,152.05	-	1,152.05
(d) Intangible Assets under development	491.27	-	491.27
(e) Financial Assets			
(i) Non-current Investments	57.41	-	57.41
(ii) Other Financial Assets	1,045.17	-	1,045.17
(f) Deferred Tax Assets	28.06	-	28.06
(h) Non-current Tax Assets (Net)	1,030.30	-	1,030.30
(I) Other Non-current Assets	2,964.36	(1,952.73)	1,011.63
Total Non-current Assets	**130,540.61**	**(92.62)**	**130,447.99**
(2) Current Assets			
(a) Inventories	41,093.90	-	41,093.90
(b) Financial Assets			
(I) Investments	-	-	-
(ii) Trade Receivables	43,135.33	-	43,135.33
(iii) Cash and Cash Equivalents	13,329.63	-	13,329.63
(iv) Bank balances other than (ii) above	136.25	-	136.25
(v) Loans	58.62	-	58.62
(vi) Other Financial Assets	4,176.66	-	4,176.66
(c) Current Tax Assets (Net)	278.85	-	278.85
(d) Other Current Assets	4,925.99	-	4,925.99
Total Current Assets	**107,135.23**	**-**	**107,135.23**
Total Assets	**237,675.84**	**(92.62)**	**237,583.22**
Equity and Liabilities			
Equity			
(a) Equity Share Capital	2,543.14	-	2,543.14
(b) Other Equity	97,816.89	(38.44)	97,778.45
Equity attributable to Equity holders of the parent	**100,360.03**	**(38.44)**	**100,321.59**
Non-controlling interests	14,923.82	(21.81)	14,902.01
Total Equity	**115,283.85**	**(60.25)**	**115,223.60**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(I) Borrowings	45,061.50	-	45,061.50
(ii) Other Financial Liabilities	781.31	-	781.31
(b) Provisions	760.25	-	760.25
(c) Deferred Tax Liabilities (net)	5,041.81	(32.37)	5,009.44
Total Non-current Liabilities	**51,644.87**	**(32.37)**	**51,612.50**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20,193.94	-	20,193.94
(ii) Trade Payables	25,193.51	-	25,193.51
(iii) Other Financial Liabilities	22,171.09	-	22,171.09
(b) Other Current Liabilities	1,177.65	-	1,177.65
(c) Provisions	596.23	-	596.23
(d) Current Tax Liabilities (Net)	1,414.70	-	1,414.70
Total Current Liabilities	**70,747.12**	**-**	**70,747.12**
Total Liabilities	**122,391.99**	**(32.37)**	**122,359.62**
Total Equity and Liabilities	**237,675.84**	**(92.62)**	**237,583.22**

For Meghmani Organics Limited

Ashish Soparkar
Managing Director

RECONCILIATION OF INCOME STATEMENT BETWEEN IND AS AND IFRS FOR THE YEAR ENDED ON 31 MARCH 2019

(Rs. in Lakhs)

PARTICULARS	Ind AS	Adjustments	IFRS
Income			
Revenue from operations	208,795.85	-	208,795.85
Other Income	3,320.38	-	3,320.38
Total Income	**212,116.23**	**-**	**212,116.23**
Expenses			
Cost of Materials consumed	108,891.28	-	108,891.28
Purchase of Stock-in-Trade	5,687.38	-	5,687.38
Changes In inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(11,283.36)	-	(11,283.36)
Employee Benefits Expenses	12,467.47	-	12,467.47
Finance Costs	5,599.21	-	5,599.21
Depreciation and Amortization expenses	9,725.94	(9.88)	9,716.06
Other Expenses	38,585.57	-	38,585.57
Total Expenses	**169,673.49**	**(9.88)**	**169,663.61**
Profit Before exceptional Items and Tax	**42,442.74**	**9.88**	**42,452.62**
Exceptional Items	1,586.78	-	1,586.78
Profit Before Tax	**40,855.96**	**9.88**	**40,865.84**
Tax Expenses:			
Current Tax	10,654.56	-	10,654.56
Adjustment of Tax relating to earlier years	(61.52)	-	(61.52)
Deferred Tax	(1,814.53)	(3.45)	(1,817.98)
Tax (Credit) under MAT	2,540.73	-	2,540.73
Profit for the year	**29,536.72**	**13.33**	**29,550.05**
Other Comprehensive Income			
A (I) Items that will not be reclassified to Profit or Loss - Remeasurement of post employment benefit obligation	(196.33)	-	(196.33)
(ii) Income Tax related to items that will not be reclassified to profit or loss	68.61	-	68.61
B (i) Items that will be reclassified to Profit or Loss	34.14	-	34.14
(ii) Income Tax related to items that will be reclassified to Profit or Loss	(11.93)	-	(11.93)
Net other Comprehensive Income	**(105.51)**	**-**	**(105.51)**
Total Comprehensive Income for the year (comprising Profit and net other comprehensive income for the year)	**29,431.21**	**13.33**	**29,444.54**
Profit attributable to:			
Owners of the Company	25,127.25	11.44	25,138.69
Non-controlling Interests	4,409.47	1.89	4,411.36
	29,536.72	13.33	29,550.05
Other Comprehensive Income attributable to:			
Owners of the Company	(95.83)	-	(95.83)
Non-Controlling interests	(9.68)	-	(9.68)
	(105.51)	-	(105.51)
Total Comprehensive Income attributable to:			
Owners of the Company	25,031.42	11.44	25,042.86
Non-controlling Interests	4,399.79	1.89	4,401.68
	29,431.21	**13.33**	**29,444.54**

For Meghmani Organics Limited

Ashish Soparkar
Managing Director

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 Fifth Annual General Meeting** of the Company will be held on **Thursday, 25th July, 2019 at 10.00 a.m.** at H T Parekh Convention Centre, Ahmedabad Management Association (AMA), 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, 2019 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, 2019 together with report of Auditors thereon.

2. To confirm the payment of Interim Dividend paid on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2018-19.

SPECIAL BUSINESS:-

3. To Consider and if thought fit to pass the following resolution with or without modification as **Ordinary Resolution:-**

   APPOINTMENT OF COST AUDITOR OF THE COMPANY FOR FY 2019-20

   "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 2019-2020 at a remuneration of Rs. 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."

   SPECIAL BUSINESS:-

4. To Consider and if thought fit to pass the following resolution with or without modification as **Special Resolution: -**

   REAPPOINTMENT OF MR. JAYANTILAL PATEL AS EXECUTIVE CHAIRMAN OF THE COMPANY

   "RESOLVED THAT pursuant to the provisions of Section 196, 197 and 188 of the Companies Act, 2013 read with Schedule-V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification amendments or re-enactment thereto for the time being in force) and subject to approval of the shareholders **Mr. Jayantilal Patel (DIN : 00027224)** be and is hereby re-appointed as **Executive Chairman** of the Company, for a period of Five years from **01 April, 2019 to 31 March, 2024** on the terms and conditions as to remuneration as set out herein below:-

NOTICE OF ANNUAL GENERAL MEETING

Basic Salary	**Rs. 7,50,000 /- per month** (with increments as the Board may decide from time to time)
Performance Bonus	Up to 10% of the Net Profits of the Company (as per the Act) or such other quantum of the Net Profits of the Company as may be approved by the Board of Directors at its discretion for each financial year.
Perquisites	In addition to the salary and performance bonus, the following perquisites mentioned in Category A, Category B and Category C shall be allowed to **Mr. Jayantilal Patel - the Executive Chairman** and the total value of perquisites shall be restricted to an amount equal to the annual salary.

Category A

Leave Travel Assistance	For Self and Family in accordance with the Policy of the Company. Family means the spouse, the dependent children and dependent parents.
Club Fee	The Company shall pay and/or Reimburse Fees and expenses (excluding Admission and Life Membership Fees) of maximum two clubs.
Mediclaim and Personal Accident Insurance Premium	The Company shall pay Mediclaim and Personal Accident Insurance Premium as per the rules of the Company.

Category B

Provident Fund	The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.
Gratuity	The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.

Category C

Car	The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill use of car for private purposes.
Communication Facility	The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence telephone at the entire cost of the Company. Personal long distance calls be billed by the Company.
Entertainment and all Other Expenses	Reimbursement of entertainment and all other expenses actually incurred in the course of business of the Company
No Sitting Fees	No sitting fee will be paid for attending meetings of the Board or Committee thereof

In case of inadequacy of Profit / Loss during the period of appointment, the remuneration payable to **Mr. Jayantilal Patel – Executive Chairman,** shall be as per limit prescribed in Schedule V of the Companies Act, 2013 or any modification(s) or re-enactment(s) thereto."
The remuneration referred to above is subject to provisions as prescribed under the Act, Rules and in Schedule V of the Companies Act, 2013, as amended from time to time. This includes amendment to maximum remuneration issued by Ministry of Corporate Affairs vide notification dated 12th September, 2018.
In the event of cessation of office during any financial year, a rateable proportion of the aforesaid remuneration shall be payable by the Company.
Mr. Jayantilal Patel shall, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to International Marketing and Policy matter of the Company. He shall not be paid any sitting fee for attending meetings of the Board or Committee thereof.

NOTICE OF ANNUAL GENERAL MEETING

"**RESOLVED FURTHER THAT** the Board of Directors in their discretion be and is hereby authorized to increase, alter, and vary the Salary, Perquisites and Performance Bonus in such manner as the Board in absolute discretion deem fit and acceptable to **Mr. Jayantilal Patel - Executive Chairman** subject to the provisions of Section 197 and 198 read with Schedule-V of the Companies Act, 2013 and any amendments /modifications, enactment from time to time."

"**RESOLVED FURTHER THAT** pursuant to Section 197 (9) of the Companies Act, 2013 in case of receipt of remuneration, in excess of the specified threshold, **Mr. Jayantilal Patel - Executive Chairman**, shall refund the amount within two years or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the Company. The approval of Banks, Financial Institutions, Non-Convertible Debenture holders or Secured Creditors will be required, in case the Company has defaulted in payment of their dues, the Company is allowed to waive such refundable amount by passing a Special Resolution within TWO YEARS from the date the sum becomes refundable."

"**RESOLVED FURTHER THAT** in the event of any re-enactment or modification or re-codification of the Companies Act, 2013 this Special Resolution shall remain in force and the reference to various provisions of the Companies Act shall be deemed to be substituted by the corresponding provisions of the new act or amendments thereto or the Rules and Notifications issued thereunder."

"**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby individually authorized to do all such acts, deeds, matters and things as in its absolute discretion, as may be considered necessary, desirable or expedient and to settle any question, or doubt that may arise in relation thereto and the Board of Directors shall have absolute powers to decide breakup of the remuneration, restructure remuneration within the maximum permissible limit and in order to give effect to this resolution or as may be considered by it to be expedient in the best interest of the Company."

5. To Consider and if thought fit to pass the following resolution with or without modification as **Special Resolution: -**

REAPPOINTMENT OF MR. ASHISH SOPARKAR AS MANAGING DIRECTOR OF THE COMPANY

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 188 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification amendments or re-enactment thereto for the time being in force) and subject to approval of the members **Mr. Ashish Soparkar (DIN : 00027480)** be and is hereby re-appointed as **Managing Director** of the Company, for a period of Five years from **01 April, 2019 to 31 March, 2024** on the terms and conditions as to remuneration as set out herein below:-

Basic Salary	**Rs. 7,50,000 /- per month** (with increments as the Board may decide from time to time)
Performance Bonus	Up to 10% of the Net Profits of the Company (as per the Act) or such other quantum of the Net Profits of the Company as may be approved by the Board of Directors at its discretion for each financial year
Perquisites	In addition to the salary and performance bonus, the following perquisites mentioned in Category A, Category B and Category C shall be allowed to **Mr. Ashish Soparkar – Managing Director** and the total value of perquisites shall be restricted to an amount equal to the annual salary.

Category A

Leave Travel Assistance	For Self and Family in accordance with the Policy of the Company. Family means the spouse, the dependent children and dependent parents.
Club Fee	The Company shall pay and/or Reimburse Fees and expenses (excluding Admission and Life Membership Fees) of maximum two clubs.
Mediclaim and Personal Accident Insurance Premium	The Company shall pay Mediclaim and Personal Accident Insurance Premium as per the rules of the Company.

NOTICE OF ANNUAL GENERAL MEETING

Category B

Provident Fund	The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.
Gratuity	The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.

Category C

Car	The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill use of car for private purposes.
Communication Facility	The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence telephone at the entire cost of the Company. Personal long distance calls be billed by the Company.
Entertainment and all Other Expenses	Reimbursement of entertainment and all other expenses actually incurred in the course of business of the Company
No Sitting Fees	No sitting fee will be paid for attending meetings of the Board or Committee thereof

In case of inadequacy of Profit /Loss during the period of appointment, the remuneration payable to **Mr. Ashish Soparkar – Managing Director** shall be as per limit prescribed in Schedule V of the Companies Act, 2013 or any modification(s) or re-enactment(s) thereto."
The remuneration referred to above is subject to provisions as prescribed under the Act, Rules and in Schedule V of the Companies Act, 2013, as amended from time to time. This includes amendment to maximum remuneration issued by Ministry of Corporate Affairs vide notification dated 12th September, 2018.
In the event of cessation of office during any financial year, a ratable proportion of the aforesaid remuneration shall be payable by the Company.
Mr. Ashish Soparkar – Managing Director shall, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to Finance and Corporate Affairs. He shall not be paid any sitting fee for attending meetings of the Board or Committee thereof.

"**RESOLVED FURTHER THAT** the Board of Directors in their discretion be and is hereby authorized to increase, alter, and vary the Salary, Perquisites and Performance Bonus in such manner as the Board in absolute discretion deem fit and acceptable to **Mr. Ashish Soparkar – Managing Director** subject to the provisions of Section 197 and 198 read with Schedule V of the Companies Act, 2013 and any amendments /modifications, enactment from time to time."

"**RESOLVED FURTHER THAT** pursuant to Section 197 (9) of the Companies Act, 2013 in case of receipt of remuneration, in excess of the specified threshold, **Mr. Ashish Soparkar – Managing Director**, shall refund the amount within two years or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the Company. The approval of Banks, Financial Institutions, Non-Convertible Debenture holders or Secured Creditors will be required, in case the Company has defaulted in payment of their dues, the Company is allowed to waive such refundable amount by passing a Special Resolution within TWO YEARS from the date the sum becomes refundable."

"**RESOLVED FURTHER THAT** in the event of any re-enactment or modification or re-codification of the Companies Act, 2013 this Special Resolution shall remain in force and the reference to various provisions of the Companies Act shall be deemed to be substituted by the corresponding provisions of the new act or amendments thereto or the Rules and Notifications issued thereunder."

NOTICE OF ANNUAL GENERAL MEETING

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby individually authorized to do all such acts, deeds, matters and things as in its absolute discretion, as may be considered necessary, desirable or expedient and to settle any question, or doubt that may arise in relation thereto and the Board of Directors shall have absolute powers to decide breakup of the remuneration, restructure remuneration within the maximum permissible limit and in order to give effect to this resolution or as may be considered by it to be expedient in the best interest of the Company.

6. To Consider and if thought fit to pass the following resolution with or without modification as **Special Resolution: -**

REAPPOINTMENT OF MR. NATWARLAL PATEL AS MANAGING DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 188 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification amendments or re-enactment thereto for the time being in force) and subject to approval of the members **Mr. Natwarlal Patel (DIN: 00027540)** be and is hereby re-appointed as **Managing Director** of the Company, for a period of Five years from **01 April, 2019 to 31 March, 2024** on the terms and conditions as to remuneration as set out herein below:-

Basic Salary	**Rs. 7,50,000 /- per month** (with increments as the Board may decide from time to time)
Performance Bonus	Up to 10% of the Net Profits of the Company (as per the Act) or such other quantum of the Net Profits of the Company as may be approved by the Board of Directors at its discretion for each financial year
Perquisites	In addition to the salary and performance bonus, the following perquisites mentioned in Category A, CategoryB and Category C shall be allowed to **Mr. Natwarlal Patel – Managing Director** and the total value of perquisites shall be restricted to an amount equal to the annual salary.

Category A

Leave Travel Assistance	For Self and Family in accordance with the Policy of the Company. Family means the spouse, the dependent children and dependent parents.
Club Fee	The Company shall pay and/or Reimburse Fees and expenses (excluding Admission and Life Membership Fees) of maximum two clubs.
Mediclaim and Personal Accident Insurance Premium	The Company shall pay Mediclaim and Personal Accident Insurance Premium as per the rules of the Company.

Category B

Provident Fund	The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.
Gratuity	The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.

Category C

Car	The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill use of car for private purposes.
Communication Facility	The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence telephone at the entire cost of the Company. Personal long distance calls be billed by the Company.
Entertainment and all Other Expenses	Reimbursement of entertainment and all other expenses actually incurred in the course of business of the Company
No Sitting Fees	No sitting fee will be paid for attending meetings of the Board or Committee thereof

NOTICE OF ANNUAL GENERAL MEETING

In case of inadequacy of Profit /Loss during the period of appointment, the remuneration payable to **Mr. Natwarlal Patel – Managing Director** shall be as per limit prescribed in Schedule V of the Companies Act, 2013 or any modification(s) or re-enactment(s) thereto.”
The remuneration referred to above is subject to provisions as prescribed under the Act, Rules and in Schedule V of the Companies Act, 2013, as amended from time to time. This includes amendment to maximum remuneration issued by Ministry of Corporate Affairs vide notification dated 12th September, 2018.
In the event of cessation of office during any financial year, a ratable proportion of the aforesaid remuneration shall be payable by the Company.
Mr. Natwarlal Patel – Managing Director shall, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to technical matters of Agrochemical Divisions as well as the International and Domestic Marketing of Agrochemical Products. He shall not be paid any sitting fee for attending meetings of the Board or Committee thereof.

“**RESOLVED FURTHER THAT** the Board of Directors in their discretion be and is hereby authorized to increase, alter, and vary the salary, perquisites and Performance Bonus in such manner as the Board in absolute discretion deem fit and acceptable to **Mr. Natwarlal Patel – Managing Director** subject to the provisions of Section 197 and 198 read with Schedule V of the Companies Act, 2013 and any amendments /modifications, enactment from time to time.”

“**RESOLVED FURTHER THAT** pursuant to Section 197 (9) of the Companies Act, 2013 in case of receipt of remuneration, in excess of the specified threshold, **Mr. Natwarlal Patel – Managing Director**, shall refund the amount within two years or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the Company. The approval of Banks, Financial Institutions, Non-Convertible Debenture holders or Secured Creditors will be required, in case the Company has defaulted in payment of their dues, the Company is allowed to waive such refundable amount by passing a Special Resolution within TWO YEARS from the date the sum becomes refundable.”

“**RESOLVED FURTHER THAT** in the event of any re-enactment or modification or re-codification of the Companies Act, 2013 this Special Resolution shall remain in force and the reference to various provisions of the Companies Act shall be deemed to be substituted by the corresponding provisions of the new act or amendments thereto or the Rules and Notifications issued thereunder."

"**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby individually authorized to do all such acts, deeds, matters and things as in its absolute discretion, as may be considered necessary, desirable or expedient and to settle any question, or doubt that may arise in relation thereto and the Board of Directors shall have absolute powers to decide breakup of the remuneration, restructure remuneration within the maximum permissible limit and in order to give effect to this resolution or as may be considered by it to be expedient in the best interest of the Company.”

7. To Consider and if thought fit to pass the following resolution with or without modification as **Special Resolution: -**

REAPPOINTMENT OF MR. RAMESH PATEL AS EXECUTIVE DIRECTOR OF THE COMPANY

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 188 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification amendments or re-enactment thereto for the time being in force) and subject to approval of the members **Mr. Ramesh Patel (DIN : 00027637)** be and is hereby re-appointed as **Executive Director** of the Company, for a period of Five years from **01 April, 2019 to 31 March, 2024** on the terms and conditions as to remuneration as set out herein below:-

Basic Salary	**Rs. 7,50,000 /- per month** (with increments as the Board may decide from time to time)
Performance Bonus	Up to 10% of the Net Profits of the Company (as per the Act) or such other quantum of the Net Profits of the Company as may be approved by the Board of Directors at its discretion for each financial year.
Perquisites	In addition to the salary and performance bonus, the following perquisites mentioned in Category A, CategoryB and Category C shall be allowed to **Mr. Ramesh Patel – Executive Director** and the total value of perquisites shall be restricted to an amount equal to the annual salary.

NOTICE OF ANNUAL GENERAL MEETING

Category A

Leave Travel Assistance	For Self and Family in accordance with the Policy of the Company. Family means the spouse, the dependent children and dependent parents.
Club Fee	The Company shall pay and/or Reimburse Fees and expenses (excluding Admission and Life Membership Fees) of maximum two clubs.
Mediclaim and Personal Accident Insurance Premium	The Company shall pay Mediclaim and Personal Accident Insurance Premium as per the rules of the Company.

Category B

Provident Fund	The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.
Gratuity	The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.

Category C

Car	The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill use of car for private purposes.
Communication Facility	The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence telephone at the entire cost of the Company. Personal long distance calls be billed by the Company.
Entertainment and all Other Expenses	Reimbursement of entertainment and all other expenses actually incurred in the course of business of the Company
No Sitting Fees	No sitting fee will be paid for attending meetings of the Board or Committee thereof

In case of inadequacy of Profit /Loss during the period of appointment, the remuneration payable to **Mr. Ramesh Patel – Executive Director** shall be as per limit prescribed in Schedule V of the Companies Act, 2013 or any modification(s) or re-enactment(s) thereto."
The remuneration referred to above is subject to provisions as prescribed under the Act, Rules and in Schedule V of the Companies Act, 2013, as amended from time to time. This includes amendment to maximum remuneration issued by Ministry of Corporate Affairs vide notification dated 12th September, 2018.
In the event of cessation of office during any financial year, a ratable proportion of the aforesaid remuneration shall be payable by the Company.
Mr. Ramesh Patel – Executive Director shall, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to overseeing purchases made by the Company, liasioning between the Company and Government authorities. He shall not be paid any sitting fee for attending meetings of the Board or Committee thereof.

"**RESOLVED FURTHER THAT** the Board of Directors in their discretion be and is hereby authorized to increase, alter, and vary the salary, perquisites and Performance Bonus in such manner as the Board in absolute discretion deem fit and acceptable to **Mr. Ramesh Patel – Executive Director** subject to the provisions of Section 197 and 198 read with Schedule V of the Companies Act, 2013 and any amendments /modifications, enactment from time to time."

"**RESOLVED FURTHER THAT** pursuant to Section 197 (9) of the Companies Act, 2013 in case of receipt of remuneration, in excess of the specified threshold, **Mr. Ramesh Patel – Executive Director**, shall refund the amount within two years or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the Company. The approval of Banks, Financial Institutions, Non-Convertible Debenture holders or Secured Creditors will be required, in case the Company has defaulted in payment of their dues, the Company is allowed to waive such refundable amount by passing a Special Resolution within TWO YEARS from the date the sum becomes refundable."

NOTICE OF ANNUAL GENERAL MEETING

"**RESOLVED FURTHER THAT** in the event of any re-enactment or modification or re-codification of the Companies Act, 2013 this Special Resolution shall remain in force and the reference to various provisions of the Companies Act shall be deemed to be substituted by the corresponding provisions of the new act or amendments thereto or the Rules and Notifications issued thereunder."

"**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby individually authorized to do all such acts, deeds, matters and things as in its absolute discretion, as may be considered necessary, desirable or expedient and to settle any question, or doubt that may arise in relation thereto and the Board of Directors shall have absolute powers to decide breakup of the remuneration, restructure remuneration within the maximum permissible limit and in order to give effect to this resolution or as may be considered by it to be expedient in the best interest of the Company."

8. To Consider and if thought fit to pass the following resolution with or without modification as **Special Resolution: -**

REAPPOINTMENT OF MR. ANAND PATEL AS EXECUTIVE DIRECTOR OF THE COMPANY

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 188 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification amendments or re-enactment thereto for the time being in force) and subject to approval of the members **Mr. Anand Patel (DIN : 00027637)**be and is hereby re-appointed as **Executive Director** of the Company, for a period of Five years from **01 April, 2019 to 31 March, 2024** on the terms and conditions as to remuneration as set out herein below:-

Basic Salary	**Rs. 7,50,000 /- per month** (with increments as the Board may decide from time to time)
Performance Bonus	Up to 10% of the Net Profits of the Company (as per the Act) or such other quantum of the Net Profits of the Company as may be approved by the Board of Directors at its discretion for each financial year.
Perquisites	In addition to the salary and performance bonus, the following perquisites mentioned in Category A, Category B and Category C shall be allowed to **Mr. Anand Patel – Executive Director** and the total value of perquisites shall be restricted to an amount equal to the annual salary.

Category A

Leave Travel Assistance	For Self and Family in accordance with the Policy of the Company. Family means the spouse, the dependent children and dependent parents.
Club Fee	The Company shall pay and/or Reimburse Fees and expenses (excluding Admission and Life Membership Fees) of maximum two clubs.
Mediclaim and Personal Accident Insurance Premium	The Company shall pay Mediclaim and Personal Accident Insurance Premium as per the rules of the Company.

Category B

Provident Fund	The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.
Gratuity	The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.

Category C

Car	The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill use of car for private purposes.
Communication Facility	The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence telephone at the entire cost of the Company. Personal long distance calls be billed by the Company.

NOTICE OF ANNUAL GENERAL MEETING

Entertainment and all Other Expenses	Reimbursement of entertainment and all other expenses actually incurred in the course of business of the Company
No Sitting Fees	No sitting fee will be paid for attending meetings of the Board or Committee thereof

In case of inadequacy of Profit /Loss during the period of appointment, the remuneration payable to **Mr. Anand Patel – Executive Director** shall be as per limit prescribed in Schedule V of the Companies Act, 2013 or any modification(s) or re-enactment(s) thereto."
The remuneration referred to above is subject to provisions as prescribed under the Act, Rules and in Schedule V of the Companies Act, 2013, as amended from time to time. This includes amendment to maximum remuneration issued by Ministry of Corporate Affairs vide notification dated 12th September, 2018.
In the event of cessation of office during any financial year, a ratable proportion of the aforesaid remuneration shall be payable by the Company.
Mr. Anand Patel – Executive Director shall, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of Pigment Division situated at Vatva, Panoli and Dahej and is also looking after the domestic and International Sales of Pigment division. He shall not be paid any sitting fee for attending meetings of the Board or Committee thereof.

"**RESOLVED FURTHER THAT** the Board of Directors in their discretion be and is hereby authorized to increase, alter, and vary the salary, perquisites and Performance Bonus in such manner as the Board in absolute discretion deem fit and acceptable to **Mr. Anand Patel – Executive Director** subject to the provisions of Section 197 and 198 read with Schedule V of the Companies Act, 2013 and any amendments /modifications, enactment from time to time."

"**RESOLVED FURTHER THAT** pursuant to Section 197 (9) of the Companies Act, 2013 in case of receipt of remuneration, in excess of the specified threshold, **Mr. Anand Patel – Executive Director**, shall refund the amount within two years or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the Company. The approval of Banks, Financial Institutions, Non-Convertible Debenture holders or Secured Creditors will be required, in case the Company has defaulted in payment of their dues, the Company is allowed to waive such refundable amount by passing a Special Resolution within TWO YEARS from the date the sum becomes refundable."

"**RESOLVED FURTHER THAT** in the event of any re-enactment or modification or re-codification of the Companies Act, 2013 this Special Resolution shall remain in force and the reference to various provisions of the Companies Act shall be deemed to be substituted by the corresponding provisions of the new act or amendments thereto or the Rules and Notifications issued thereunder."

"**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby individually authorized to do all such acts, deeds, matters and things as in its absolute discretion, as may be considered necessary, desirable or expedient and to settle any question, or doubt that may arise in relation thereto and the Board of Directors shall have absolute powers to decide breakup of the remuneration, restructure remuneration within the maximum permissible limit and in order to give effect to this resolution or as may be considered by it to be expedient in the best interest of the Company."

Registered Office:
184, PHASE II, GIDC INDUSTRIAL ESTATE,
VATVA, AHMEDABAD 382 445
Date: 24.05.2019

By Order of the Board
K D MEHTA
COMPANY SECRETARY
FCS - 2051

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 **Friday 19th July, 2019 to Thursday 25th July, 2019** (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 18, 2019.** 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 18, 2019,** as per the list provided by the Depositories for this purpose. The dividend will be payable on and from **August 05, 2019.**
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 2018 - 19 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-19 is being sent in the permitted mode.
13. Electronic copy of the Notice of the **25th 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 25th 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 **25th Annual General Meeting** and the Annual Report for 2018 - 19 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.
21. **Voting through electronic means**

    In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3 - 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, 2019 to 31st March, 2020 on a remuneration of Rs. 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 9 of the Notice. None of the Directors, Key Managerial Personnel and/or their relatives is concerned or interested in the Resolution.

ITEM NO. - 4 to 8 :

The present term of appointment of the following directors has expired on 31 March, 2019. The Managerial remuneration Committee at its meeting held on 01st April, 2019 has resolved to re-appoint them from 01st April, 2019 for a period of five years as mentioned against their name in the table and approved terms of remuneration. The Board at its meeting held on 24 May, 2019 has confirmed their re-appointment and approved terms of remuneration payable to them.

(1) Term of Re-appointment

Name	Designation	Re-appointment Period	Director Identification No.
Mr. Jayantilal Patel	Executive Chairman	31.03.2024	00027224
Mr. Ashish Soparkar	Managing Director	31.03.2024	00027480
Mr. Natwarlal Patel	Managing Director	31.03.2024	00027540
Mr. Ramesh Patel	Executive Director	31.03.2024	00027637
Mr. Anand Patel	Executive Director	31.03.2024	00027836

(2) Basic Salary :-

Name	Basic Salary per month Rs.
Mr. Jayantilal Patel	750,000
Mr. Natwarlal Patel	750,000
Mr. Ashish Soparkar	750,000
Mr. Ramesh Patel	750,000
Mr. Anand Patel	750,000

(3) PERQUISITES :

In addition to Salary Mr. Jayantilal Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh patel and Mr. Anand Patel shall be eligible for the following perquisites which shall not be included in the computation of the Ceiling on remuneration specified in Section II and Section III of Schedule V of the Companies Act, 2013 :

(a) The Company shall make contribution to Provident Fund, Superannuation Fund or Annuity fund (as per the rules of the Company) to the extent these either singly or put together are not taxable under the Income Tax Act.

(b) The Company shall pay gratuity at the rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under the Payment of Gratuity Act, 1972 from time to time.

(c) Leave Travel Assistance: - For Self and his family once in a year as per the rules of the Company.

Family means the spouse, the dependent children and dependent parents.

(d) Mediclaim and Personal Accident Insurance Policy as per the rules of the Company.

(e) Club Fee: - Fees of Club subject to a maximum of two clubs. This will not include admission and Life Membership Fees.

(f) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. The Company shall bill use of car for private purposes.

(g) One month's privilege leaves fro every eleven-month's service.

(h) The Company shall provide communication devices such as telephones, audio and video conference facilities etc., at the residence at the entire cost of the Company. Personal long distance calls be billed by the Company.

(i) Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Jayantilal Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel .

The value of the above perquisites shall be evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, and shall be subject to an overall annual ceiling of an amount equal to the Salary for the relevant period.

(4) The Board of Directors or Committee thereof may, in their discretion, revise/modify any of the terms from time to time, within the limits stipulated.

(5) **Reimbursement:**

Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

(6) **Bonus:**

Performance based Bonus calculated on the basis of Net Profit under the act at the end of each financial year and approved by the Board.

(7) **Other Terms:**

(a) Mr. Jayantilal Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel shall, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company.

(b) They will not be paid any sitting fee for attending meetings of the Board or Committee thereof.

(c) The Board of Directors shall increase, alter, and vary the salary, perquisites and Performance based Bonus in such manner as the Board in absolute discretion deem fit subject to the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

(d) in case of inadequacy of Profit /Loss during the period of appointment, the remuneration payable to Mr. Jayantilal Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel shall be as per limit prescribed in Schedule V of the Companies Act 2013.

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Registered Office:	**By Order of the Board**
184, PHASE II,	**K D MEHTA**
GIDC INDUSTRIAL ESTATE,	**COMPANY SECRETARY**
VATVA, AHMEDABAD 382 445	**FCS - 2051**
Date: 24.05.2019	

NOTES

MEGHMANI ORGANICS LIMITED

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