

Chemistry of success at work

ANNUAL REPORT 2015-2016



MEGHMANI ORGANICS LIMITED

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Jayanti M Patel
Ashish N Soparkar
Natwarlal M Patel
Ramesh M Patel
Anand I Patel
Balkrishna T Thakkar
Chinubhai R Shah
Jayaraman Vishwanathan
Kantibhai H Patel
Chander Kumar Sabharwal
Ms. Urvashi Shah

AUDIT COMMITTEE

Balkrishna T Thakkar
Chinubhai R Shah
Jayaraman Vishwanathan

NOMINATION COMMITTEE

Chinubhai R Shah
Balkrishna T Thakkar
Kantibhai H Patel

REMUNERATION COMMITTEE

Chinubhai R Shah
Balkrishna T Thakkar
Kantibhai H Patel

THE SHAREHOLDERS' / INVESTORS' GRIEVANCE, SHARE ALLOTMENT AND SHARE TRANSFER COMMITTEE

Chinubhai R Shah
Balkrishna T Thakkar
Ashish N Soparkar

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Chinubhai R Shah
Balkrishna T Thakkar
Ashish N Soparkar
Jayanti M Patel
Natwarlal M Patel

COMPANY SECRETARY

Kamlesh Dinkerray Mehta

REGISTRAR & SHARE TRANSFER AGENT- INDIA

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
LBS Road, Bhandup (West),
Mumbai 400 078, India.
Tel: +91 22 2596 0320
Fax: +91 22 2596 0329

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, Shreenivas Society, Off. Vikas Gruh Road Paldi, Ahmedabad 380 007 Telephone No. 91-79-26640 668/669 Fax No. 91-79-26640670 E-mail : helpdesk@meghmani.com
MUMBAI OFFICE PRESENT OFFICE;-	A1& B1, Ground Floor, Kalamandir Co.Op.Housing Society, Chitrakar Ketakar Marg, Near Sathye College, Ville Parle [East], Mumbai - 4000 057 Telephone No. 91 22 2612 2640
PERMANENT OFFICE;- (BUILDING UNDER RECONSTRUCTION)	Flat No. 22/23, Vellard View Co.op. Housing Society, Tardeo Road, Mumbai

CORPORATE INFORMATION

PLANT LOCATION

- 1. Pigment 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. 91-2646-276352
Fax No. 91-2646-276374
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. 91-2646-276352
Fax No. 91-2646-276374
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
Fax No. 91-2717-273254
E-mail : helpdesk@meghmani.com
- 5. Agro Division - II**

5001/B,
G.I.D.C. Ankleshwar,
District :- Bharuch
Telephone No. 91-2646-222971
Fax No. 91-2646-222965
E-mail : helpdesk@meghmani.com
- 6. Agro Division - III**

Plot No - Ch-1+2/A
GIDC Dahej, Taluka - Vagra
District : - Bharuch -392130
Telephone No. 91-2641-256677 /88
E-mail : helpdesk@meghmani.com
- 7. Agro Division - IV**

Plot No. 22/2,
G.I.D.C. Panoli,
District :- Bharuch
Telephone No. 91-2646- 276577
E-mail : helpdesk@meghmani.com

CORPORATE INFORMATION**PRINCIPAL BANKERS**

State Bank of India,
CAG Branch,
58, Shreemali Society,
Navrangpura,
Ahmedabad - 380 009

HDFC Bank Limited
Mithakhali,
Ahmedabad - 380 009

ICICI Bank Limited
JMC House, Opp. Parimal Garden,
Ambawadi,
Ahmedabad - 380 009

Standard Chartered Bank,
Ground Floor, Abhijeet II,
Mithakhali Six Roads,
Ahmedabad - 380 006

AUDITOR

M/s Khandwala & Khandwala
2nd Floor, "HRISHIKESH",
Vasantbaug Society,
Opposite Water Tank,
Gulbai Tekra,
Ahmedabad - 380006

JOINT - AUDITOR

KPMG
Safal Profitaire, B4,
Third Floor, Corporate Road,
Opp. Auda Garden,
Prahladnagar,
Ahmedabad - 380 015

★ ★ ★

CHAIRMAN'S STATEMENT

Dear Shareholders,

We are pleased to report that we delivered successfully on a wide range of strategic objectives in Financial Year 2016. During the year, Meghmani Organics Limited, saw significant improvement in capacity utilization, product diversification, margin expansion and cash flow. Our comprehensive range of higher-value products saw robust growth which, coupled with increase in operational efficiency and reduced leverage, led to substantial increase in profitability. Post the well-planned ₹ 5.57 bn expansion undertaken over the last five years across all our three businesses, i.e. Pigments, Agrochemicals and Basic Chemicals, we are well positioned to further expand in both the global and domestic markets.

We continue to strengthen our position of leadership across businesses. Our global market share in Phthalocyanine Pigments was up at 15%, we are a leading player in Agrochemicals and the fourth-largest Caustic Chlorine flakes player in India in the Basic Chemicals segment.

At present, we export to 75 countries and are servicing 400+ marquee clients. During the year, we continued to expand our global footprint. Simultaneously, we increased our focus on the fast-growing domestic market. This was in response to the government's increased thrust on the Indian Chemicals sector as part of its ambitious "Make in India" initiative. India is the third-largest producer of chemicals in Asia and the sixth-largest by output globally. Going ahead, India's large population base with low per-capita consumption of chemicals and relatively strong GDP growth outlook (expected to grow at 7.5% in 2016 and 2017), according to IMF Outlook Apr-2016 will sustain healthy domestic growth in the sector.

Significant increase in Profitability, led by better operational performance and reduced financial leverage

Consolidated revenue reached ₹13,370 mn, 5% higher than ₹ 12,678 mn in FY15, driven by growth of 13% in Basic Chemicals and 10% in Pigments. We delivered record high volumes across all three business segments, i.e. Pigments, Agrochemicals and Basic Chemicals, which grew by 19%, 21% and 4%, respectively. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) for the year increased 41% to ₹ 2,869 mn resulting in an EBITDA margin of 21.5%, 544 bps higher than the 16% of FY15, on account of better operational performance (higher utilization) and reduction in raw materials prices. Profit After Tax (PAT) for the year stood at ₹ 826 mn, compared to ₹ 439 mn in FY15. This sharp rise is thanks to improved performance and lower financial charges with reduced debt. Overall debt decreased by ₹ 633 mn due to repayment of long-term debt leading to the Debt - Equity (D/E) ratio falling to 0.9 in FY16 from 1.2 in FY15.

Segmental Performance:

Pigments report strong growth in revenue and profitability

Our Pigments business posted revenue growth of 10% to reach ₹ 4,667 mn, up from ₹ 4,244 mn in FY15, driven by 19% growth in volumes. However, realization in the segment was down due to benefits of reduction in raw material prices and operational efficiencies being passed on to long-term clients. EBITDA margin increased significantly to 16% in FY16 from 10% in FY15. Utilization level increased to 63% in FY16 from 51% in FY15.

Agrochemicals business delivers growth in challenging market, led by increased volumes and utilization

Our Agrochemicals business reported revenue increase of 2%, to reach ₹ 4,477 mn from ₹ 4,380 mn in FY15 on account of 21% growth in volumes. Volume growth fully offset the decrease in realization, on account of change in product mix. EBITDA margin increased to 14% during the year from 13% in FY15. Utilization level increased to 68% in FY16 from 60% in FY15, even as overall production capacity increased to 20,520 MT in FY16 from 19,200 MT in FY15.

Basic Chemicals continue on growth trajectory

Revenue from our Basic Chemicals business grew 13% to reach ₹ 3,987 mn from ₹ 3,518 mn, driven by both volume increase (4% YoY) and Electro Chemical Unit (ECU) realizations, which increased due to a favorable demand scenario. EBITDA margin expanded to 38% in FY16 from 31% in FY15. Overall production capacity increased to 1,66,600 MT in FY16 from 1,54,100 MT in FY15, resulting in a slight fall in utilization.

Industry Outlook

The global Pigments market is expected to reach \$32 bn by 2023, expanding at a CAGR of 3.8%. Paints & Coatings is the largest end-user segment of the Pigments market. While Asia Pacific dominates the global Pigments market with 40% market share, China dominated the Pigments market within Asia Pacific. The Indian colorant industry has transformed from being import dependent to one driven by exports. Developed countries are now focusing on sourcing colorants from cost effective Asian markets, owing to stringent environmental laws in the West.

CHAIRMAN'S STATEMENT

The global Agrochemicals market is projected to reach \$250.5 bn by 2020, growing at a CAGR of 3.2%. Asia-Pacific dominates the global market with a share of around 37%. The Indian crop protection market is expected to grow at a CAGR of 12% to reach ₹ 470 bn by FY19. The domestic market, which is predominantly monsoon-dependent, will grow at 8%. Insecticides (largest segment) enjoys a market share of 60%, while for herbicides (the fastest growing segment) it is 16%.

The Government of India is striving to usher in a 2nd Green Revolution in the country. This would require adopting a holistic approach to farming, including taking up better irrigation methods to reduce dependency on monsoon, integrated pest management techniques, educating the farmers, and using technology wherever possible.

The global market size of Chlor-Akali is estimated to reach \$103 bn by 2021, from \$79 bn in 2016, growing at a CAGR of 5.4%. Asia-Pacific is the largest market for Chlor-Alkali products. The region is projected to register the highest growth rate, in both value and volume terms. China is the largest Chlor-Alkali market globally accounting for the highest demand. According to Indian Chemical Industry XIIth Five Year Plan, the size of the Indian Chlor-Alkali sector is 7 mn tonnes, i.e. 4% of the world market of 170 mn tonnes.

Business Strategies:

Meghmani Organics: A de-risked business model to continue delivering profitable growth

Meghmani has a de-risked business model and we continue to make efforts to mitigate the challenges that the industry faces. While our diversified businesses mitigate segment related risks, our strong global presence across various geographies reduces location-specific risks.

We have invested ₹ 5.57 bn in last 5 years to enter new products as well as integrate backwards. With major investments already undertaken, we do not anticipate any major capex for the next two years. The current capacity can ramp up revenue to ₹ 20 bn by FY19. We are very focused on deleveraging our balance sheet and plan to reduce debt by ₹ 906 mn in FY17 and ₹ 914 mn in FY18.

In the Agrochemicals business, we plan to increase revenue from branded products to ₹ 2.5 bn by FY19. To drive this planned growth, we have hired a team of professionals with significant experience. We have also established a strong pan-India presence with 2370 stockists, agents, distributors, and dealers, compared to 1,000 across 17 states in FY15 and plan to increase this to 3500 by FY18. In Exports, we will continue to invest in new registrations in regulated markets, such as the US, Brazil and European Union. We have planned to obtain Good Laboratory Practices (GLP) Certificate, which will significantly reduce the time needed for securing new registrations. We plan to further increase the capacity utilization from current levels of 68%.

In Pigments, we plan to increase contribution from value-added products, such as Beta Blue 15:4 and 15:2. We are also in preliminary talks with certain international players to supply specialized Pigment products on long-term basis and are eyeing untapped markets, such as Japan. Post capacity expansion, we have increased our focus on the domestic Pigments market too.

In Basic Chemicals, the new Caustic Potash facility at Dahej, of 60 TPD capacity, commenced production in April 2016. This plant, which was set up at an investment of ₹ 650 mn, has revenue potential of ₹ 1,250 mn and 30% EBITDA Margin. In FY16, we also changed the Membrane of the existing Caustic Soda Plant, which resulted in its capacity increasing to 500 TPD from 400 TPD. These will drive high-margin growth in the Basic Chemicals segment.

Overall, we are very optimistic that Meghmani, with its Chemicals DNA, diversified portfolio, unmatched infrastructure and improved market conditions, i.e. expected recovery in the global agro market, anticipated favorable monsoon in India and higher growth of the Chemicals sector driven by government support, will continue delivering profitable growth, leading to higher returns for our stakeholders.

Acknowledgements:

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

Thank you and best wishes.

Jayanti Patel
Executive Chairman

DIRECTORS' REPORT

To,
The Members,
Meghmani Organics Limited

Your Directors have pleasure in presenting Twenty Second Annual Report and Audited Statement of Accounts of the Company for the Financial Year ended on 31st March, 2016.

FINANCIAL RESULTS

(₹ in Crore)

PARTICULARS	YEAR ENDED ON 31st MARCH, 2016	YEAR ENDED ON 31stMARCH, 2015
Net Revenue from Operations	980.73	948.18
Other Income	3.09	18.59
Total Revenue	983.82	966.77
Profit before Finance Cost and Depreciation	140.66	118.43
Finance Cost	40.84	47.66
Depreciation	36.19	35.02
Profit Before Extra Ordinary Item & Tax	63.63	35.75
Extra Ordinary Item/Exceptional item	8.11	3.51
Profit Before Tax	55.52	32.24
Payment and Provision of Current Tax	12.90	1.80
Deferred Tax Expenses/(Income)	2.13	3.33
(Excess) / Short provision of tax for earlier year	0.39	0.90
Profit After Tax	40.10	26.22
Profit Available for Appropriation	40.10	26.22
Transfer to Debenture Redemption Reserve	1.33	4.17
Transfer to General Reserve	2.75	2.75
Interim Dividend	7.63	10.17
Interim Dividend Tax	1.55	0.00
Balance Carried forward	26.84	9.13

DIVIDEND:-

During the year, the Board of Directors had declared and paid an Interim Dividend @ 0.30 paise per share on 25,43,14,211 (including 3,74,33,450 Equity Shares represented by Singapore Depository Shares (SDSs)) Equity Shares of ₹ 1/- each fully paid up for the Financial Year 2015-2016. The Interim Dividend entailed an out flow of ₹ 7.63 Crores (excluding Dividend Distribution Tax). The Interim Dividend was tax free in the hands of shareholders.

Your Directors have considered it financially prudent in the long-term interests of the Company to reinvest the profits into the business of the Company to build a strong reserve base and grow the business of the Company. No final dividend has therefore been recommended for the year ended March 31, 2016. The interim Dividend paid is to be considered as final dividend.

In terms of Section 125 of the Companies Act, 2013, unclaimed dividend relating to the Financial Year 2008-09 is due for transfer on 10.08.2016 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

SHARE CAPITAL:-

The Paid up Equity Share Capital as on March 31, 2016 is ₹ 25.43 Crores. During the year under review, the Company has not issued shares with differential voting rights nor granted Employee Stock Options or Sweat Equity Shares.

DIRECTORS' REPORT

OPERATING RESULTS:-

The Sales of the Company has increased by ₹ 40.03 Crores (4.34 %) i.e. from ₹ 921.88 Crores in FY 2015 to ₹ 961.91 Crores in FY 2016.

1) DOMESTIC SALES:-

The Domestic Sales increased by ₹ 44.72 Crores (21.18%) i.e. from ₹ 211.10 Crores in FY 2015 to ₹ 255.82 Crores in FY 2016.

The Domestic Sales of Pigment Division increased by ₹ 39.13 Crores (51.56%) i.e. from ₹ 75.91 Crores in FY 2015 to ₹ 115.04 Crores in FY 2016.

The Domestic Sales of Agro Division increased by ₹ 11.20 Crores (8.72%) i.e. from ₹ 128.37 Crores in FY 2015 to ₹ 139.57 Crores in FY 2016.

2) EXPORT SALES :-

The Export Sales decreased by ₹ 4.69 Crores (0.66%) i.e. from ₹ 710.78 Crores in FY 2015 to ₹ 706.09 Crores in FY 2016.

The Export Sales of Pigment Division increased by ₹ 3.10 Crores (0.89%) i.e. from ₹ 348.52 Crores in FY 2015 to ₹ 351.62 Crores in FY 2016.

The Export Sales of Agro Division decreased by ₹ 1.52 Crores (0.49%) i.e. from ₹ 309.60 Crores in FY 2015 to ₹ 308.08 Crores in FY 2016.

3) OTHER INCOME :-

Other income decreased by ₹ 15.50 Crores mainly due to decrease in dividend income of ₹ 14.56 Crores received during last year from its Subsidiary Company.

4) PROFITABILITY :-

Profit before Tax increased by ₹ 23.28 Crores (i. e. by 72.19%) while Profit after Tax increased by ₹ 13.88 Crores (i.e. by 52.96%). The main reasons for increase in Profitability are:-

1. Sales increased by ₹ 40.03 Crores.
2. Finance Cost reduced by ₹ 6.82 Crores.
3. Raw Material Cost of certain materials reduced.
4. Increase in quantity sales of pigment division.

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 (D & O) Policy to provide coverage against the liabilities arising on them.

FINANCE:-

1) REDEMPTION OF DEBENTURE

During the year, Non Convertible Debentures (NCD) Series II (INE974H07028) of ₹ 50 Crores were redeemed on 12.10.2015. With this repayment, the Company has repaid Non Convertible Debentures (NCD) Series I and Series II aggregating ₹ 100 Crores.

2) RENEWAL OF WORKING CAPITAL FACILITY:-

The consortium bank has renewed Fund based and Non Fund based Working Capital Credit facilities up to ₹ 475 Crores. To avail the enhancement, execution of Security documents are in process.

The Company has replaced term loan of ₹ 61.75 Crores of Yes Bank Limited and ₹ 45 Crores of ICICI Bank Limited with low interest rate Rupee Term Loan of ₹ 106.75 Crores from State Bank of India.

DIRECTORS' REPORT

3) CREDIT RATING:-

CRISIL vide its letter no. MEGORGN/147219/BLR/011600259 dated 12th January, 2016 has assigned the Company, Long-term bank facilities rating as 'CRISIL A/Stable, while Short-term bank facilities has been assigned rating as 'CRISILA1'.

REGISTRATIONS :-

To date, we have 183 export registrations including Co-partner registrations world wide. The Company has 309 registrations of Central Insecticides Board (CIB), Faridabad, 27 registered Trade Marks and 400 Export registrations are in pipe line.

RESEARCH & DEVELOPMENT:-

Research and Development (R & D) Center of our Chharodi plant is approved and registered under 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 ₹ 1.39 Crores as Research & Development Expenses.

CORPORATE SOCIAL RESPONSIBILITY

As part of "Corporate Social Responsibility (CSR), the projects identified are:-

Sr. No.	Particulars	Location
1	Education Project	Sola
2	Kanya Kelwani Project	Dahej
3	Annachetra	Bharuch
4	Medical Aid Project	Vatva & Ankleshwar

These projects are largely in accordance with Schedule VII of the Companies Act, 2013. The Company has spent ₹ 0.85 Crores towards Corporate Social Responsibility.

CONSOLIDATED FINANCIAL STATEMENT:-

The Consolidated Financial Statements of the Company for the Financial Year 2015-16 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and Regulations as prescribed by Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

INDIAN ACCOUNTING STANDARDS (IND AS) - IFRS CONVERGED STANDARDS:-

The Ministry of Corporate Affairs vide its notification dated February 16, 2015 has notified the Companies (Indian Accounting Standard) Rules, 2015. In pursuance of this notification, the Company and its Subsidiaries will adopt IND AS with effect from April 01, 2016, with the comparatives for the periods ending March 31, 2016.

The implementation of IND AS is a major change process for which the Company has established a project team and is dedicating considerable resources. The impact of the change on adoption of IND AS is being assessed.

DIRECTORS' REPORT

SUBSIDIARY COMPANIES:-

The Company has following five Subsidiaries.

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

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

FIXED DEPOSITS:-

The Company has not accepted any fixed deposits during the year under report.

ANNUAL LISTING FEE:-

The Company has paid the annual listing fees for the financial year 2016-2017 to National Stock Exchange of India Limited and BSE Limited.

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.

CORPORATE GOVERNANCE:-

A separate section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report, as per SEBI Regulations. This report also forms part of Singapore Stock Exchange listing requirements.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP):-

APPOINTMENT OF DIRECTORS:

At the last Annual General Meeting held on July 27, 2015, the Members:-

- (1) Re-appointed Mr. Jayaraman Vishwanathan and Mr. Kantibhai Patel as Non Executive - Independent Directors for a period of five years;
- (2) The appointment of Ms. Urvashi Shah as Non Executive Independent Woman Director on the board of the Company for a period of five years.

Mr. Jayantibhai Patel, Executive Chairman and Mr. Ashish Soparkar, Managing Director of the Company, who retires by rotation and being eligible offer themselves for reappointment. The details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting has been provided in the Notice of the Annual General Meeting, forming part of the Annual Report.

DIRECTORS' REPORT

INDEPENDENT DIRECTORS:

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

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.

KEY MANAGERIAL PERSONNEL

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

1. Mr. Ashish Soparkar - CEO & Managing Director
2. Mr. Kamlesh Mehta - Company Secretary & Vice President (Company Affairs)
3. Mr. Dinesh Shah - Chief Financial Officer

Mr. Dinesh Shah, Chief Financial Officer since resigned and relieved on 15th June, 2016

REMUNERATION POLICY:-

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

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, 2013:-

- 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, 2016 and of the profit of the Company for the period ended on 31st March, 2016.
- 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 and that such internal financial controls are adequate and have been operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems have been found adequate and operating effectively.

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**".

DIRECTORS' REPORT**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.

AUDITORS:-**(A) STATUTORY AUDITORS:-**

As per Section 139 (1) of the Companies Act, 2013 (Act), the terms of appointment of M/s. Khandwala & Khandwala, Chartered Accountants, expires at the conclusion of the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment.

Section 139 (2) of the Act provides that every company, existing on or before the commencement of this Act which is required to comply with provisions of this sub-section, shall comply with the requirements of this sub-section within three years from the date of commencement of this Act. Accordingly, M/s. Khandwala and Khandwala is eligible for re-appointment for the Financial Year 2016-2017.

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

To meet with the Singapore Listing Rules requirement, the Company is required to appoint Joint Auditor. The Company had appointed KPMG as Joint Auditor for FY 2015-16 to comply with IFRS requirements. KPMG has offered themselves for re-appointment for the Financial Year 2016-17. They will be appointed as Joint Auditor at the next Annual General Meeting.

(B) SECRETARIAL AUDITOR:-

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Shah & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for FY 2015-2016. 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 2016-2017. As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification.

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

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, 2016.

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.

DIRECTORS' REPORT

RELATED PARTY TRANSACTIONS (RPT):-

All transactions with Related Parties are placed before the Audit Committee for approval. The Company has obtained prior omnibus approval of the Audit Committee for the transactions which are of foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving the details of all related party transactions is placed before the Audit Committee for their approval on a quarterly basis. The Company has also taken members' approval at its Annual General Meeting held on 28th July, 2014 for entering into the transactions with Related Parties for the period of Three (3) years i.e. from 01/04/2014 to 31/03/2017.

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

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

MEETINGS:-

BOARD MEETINGS

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

AUDIT COMMITTEE MEETINGS

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

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 37 times.
- 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	0%
2	Mr. Ashish Soparkar	Managing Director & CEO	0%
3	Mr. Natwarlal Patel	Managing Director	0%
4	Mr. Ramesh Patel	Executive Director	0%
5	Mr. Anand Patel	Executive Director	0%
6	Mr. Dinesh Shah	Chief Financial Officer	7%
7	Mr. Kamlesh Mehta	Company Secretary	7%

- iii. The percentage increase in the median remuneration of employees is 11%.
- iv. The number of permanent employees on the rolls of Company is 1428.
- v. The Sales turn over of the Company has increased by 4.34% while the Net Profit by 52.94%. There is no direct relationship between average increase in remuneration of employee and company performance.
- vi. The Sales turn over of the Company has increased by 4.34% while the Net Profit by 52.94%. There is no direct relationship between average increase in remuneration of KMP and company performance.

DIRECTORS' REPORT

vii. The Price earning ratio as at 31.03.2016 is 14.43 and 31.03.2015 was 14.42.

The Market Capitalisation as on 31.03.2016 was ₹ 579.84 Crores (Share Price ₹ 22.80 per Equity Share) while on 31.03.2015 it was ₹ 377.66 Crores (Share Price ₹ 14.85 per Equity Share).

The Company had made its IPO in 2007 at ₹ 19/- per Equity Share of ₹ 1/- each. The Share price as on 31 March, 2016 was ₹ 22.80/- per Equity Share of ₹ 1/- each. The percentage increase in the market quotation was 20%

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

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

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

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

Sr. No.	Name	Salary Per Annum in ₹	Perquisites Per Annum in ₹	Total ₹
1	Mr. Jayanti Patel	60,00,000	7,31,439	67,31,439
2	Mr. Ashish Soparkar	60,00,000	7,27,592	67,27,592
3	Mr. Natwarlal Patel	60,00,000	7,27,592	67,27,592
4	Mr. Ramesh Patel	60,00,000	7,31,439	67,31,439
5	Mr. Anand Patel	60,00,000	7,27,626	67,27,626
TOTAL		3,00,00,000	36,45,688	3,36,45,688

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

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

ENVIRONMENT:-

As a responsible corporate citizen and as a chemicals manufacturer environmental safety has been one of the key concerns of the Company. It is the constant endeavour of the Company to strive for compliant of stipulated pollution control norms. The Company has upgraded environment system and has invested ₹ 57.53 Crores till 31st March, 2016.

INDUSTRIAL RELATIONS:-

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

ACKNOWLEDGMENT:-

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

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

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

Place: Ahmedabad
Date: 28th May, 2016

ANNEXURE TO THE DIRECTRS' REPORT

ANNEXURE-A

1. CONSERVATION OF ENERGY:

A	Energy conservation measures taken	<ol style="list-style-type: none"> 1. Pigment Vatva Plant - Replaced Steam Boiler fuel as De Oil Cake in place of C.N.G. Gas the New Boiler installed. 2. Agro - II at Ankleshwar - Ejector and Multiple Effect Evaporation cooling tower replaced with fan less fill. 3. Agro - II at Ankleshwar - Scrubber pump replaced with high efficiency magnetic drive pump instead of normal centrifugal pump. 4. Pigment Panoli Plant - Installed Coal Fired Thermopack to supply Hot Oil to Spin Flash Dryer which were previously running on Natural Gas. As a result Gas Consumption reduced. 5. Pigment Panoli Plant - Express Feeder for Power supply installed. As a result Gas Consumption reduced. 6. Pigment Panoli Plant - Installed one more Coal Fired Thermopack so that all Glass Lined Vessels can be taken. As a result Gas Consumption reduced.
B	Additional investments and proposals if any of being implemented for reduction of consumption of energy	<ol style="list-style-type: none"> 1. To Invest ₹ 115 Lacs for Thermic Fluid Boiler which used De Oil Cake (DOC) as Fuel. 2. Pigment Panoli Plant intends to install 400 Nos. of LED Lights worth ₹ 24 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.	<ol style="list-style-type: none"> 1. Cost of Production of all three divisions i.e. Vatva, Panoli and Agro- II will be reduced.
D	Total energy consumption and energy consumption per unit of production	As per Form - A

ANNEXURE TO THE DIRECTRS' REPORT
FORM-A

Form for disclosure of particulars with respect to conservation of Energy

Particulars		2015-16	2014-15
A Power Consumption			
1 Electricity Consumption			
(a) Purchase			
Unit	KWH	7,21,95,988	6,23,14,866
Total Amount	₹	51,11,29,073	45,10,26,803
Rate/Unit	₹ / KWH	7.08	7.24
(b) Own Generation through Diesel Generator			
Unit	KWH	-	-
Total Amount	₹	-	-
Cost/Unit	₹ / KWH	-	-
(c) Own Generation through steam Turbine/Generator			
Unit	KWH	34,100	47,46,500
Total Amount	₹	3,42,945	5,31,93,329
Cost / Unit	₹ / KWH	10.06	11.21
2 Coal (Specify Quality and Used)			
Stem Generated	(MT)	2,89,474	2,81,309
Consumption of Coal /Lignite	(MT)	53,564	45,925
Gas Consumption	(In 1000 Cubic Meter)	135	1,423
Cost per Unit	(KG)	0.83	0.95
3 Others/Internal Generations			
B Consumption per unit of			
Production in	(MT)	33,491	30,155
Electricity	(₹/MT)	15,272	16,721

ANNEXURE TO THE DIRECTRS' REPORT

2. TECHNOLOGY ABSORPTION:

Form-B

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

1	Specific areas in which R & D is carried out by the Company.	(1) Improved Yield of CPC and Solvent Recovery from CPC. (2) Process developed and Pilot scaled up for Spiromesifen Technical. (3) New route for 2,4-D Acid Technical by Sodium Chloroacetate (SMCA). (4) Process developed for Diafenthuron Technical. (5) Process developed for Bifenthrin Technical. (6) Propargite Technical for CIB registration. (7) Applied for patent for purification process of Imidacloprid Technical. (8) GLP application to NGCMA (National GLP Compliance Monitoring Authority).
2	Benefits derived as a result of the above R & D.	(1) Yield at Pigment Panoli plant will be improved to 93%. (2) Solvent loss will be reduced from 17% to 10% .
3	Future Plan of Action	(1) Further recovery of Solvent in CPC Plant. (2) Commercial scale up of Diafenthuron Technical and Bifenthrin Technical.
4	Expenditure on R & D	₹1,38,80,427

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:

The particulars with regards to foreign exchange earnings and outgo appear in Schedule 20 and 26 respectively forming part of Annual Report.

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

Place : Ahmedabad
Date: 28th May, 2016

ANNEXURE- B

EXTRACT OF ANNUAL RETURN

(As on the financial year ended 31.03.2016)

[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	2 nd 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-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400 078 Ph-91-22-2596 0320				
II. Principal Business Activities of the Company					
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated.					
Name & Description of main Products/Services	NIC Code of the Product/ Service		% of total turnover of the Company		
Pigments	3031		48.51		
Agro Chemicals	3014		46.54		
Other	-		4.95		
III. Particulars of Holding, Subsidiary & Associate Companies					
Sr. No	Name & Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Meghmani Organics USA, Inc.	Foreign Company	Subsidiary	100	2(87)
2	Meghmanu Europe BVBA	Foreign Company	Subsidiary	100	2(87)
3	PT Meghmani Organics Indonesia	Foreign Company	Subsidiary	100	2(87)
4	Meghmani Overseas FZE	Foreign Company	Subsidiary	100	2(87)
5	Meghmani Finechem Limited	U24100GJ2007PLC051717	Subsidiary	57	2(87)
6	Latasha Exports Limited	U51420OR1997PLC005092	Associate	29	2(6)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)										
i) Category-wise Shareholding										
Category Code	Category of Share Holder	No. of Shares Held at the beginning of the year			No. of Shares Held at the end of the year			% of Change during the year		
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	% of Total Shares
(A)	SHAREHOLDING OF PROMOTER & PROMOTER GROUP (2)									
1	INDIAN									
(a)	INDIVIDUAL	9,35,14,087	-	9,35,14,087	36.77%	9,49,51,587	-	9,49,51,587	37.34%	0.57%
(b)	CENTRAL / STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-	-
(c)	BODIES CORPORATE	-	-	-	-	-	-	-	-	-
(d)	FINANCIAL INSTITUTIONS / BANKS	-	-	-	-	-	-	-	-	-
(e)	ANY OTHER (SPECIFY)	-	-	-	-	-	-	-	-	-
	DIRECTORS RELATIVES	3,45,53,308	-	3,45,53,308	13.51%	3,35,22,708	-	3,35,22,708	13.18%	(0.33%)
	SUB TOTAL : (A) 1	12,80,67,395	-	12,80,67,395	50.36%	12,84,74,295	-	12,84,74,295	50.52%	0.24%
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	12,80,67,395	-	12,80,67,395	50.36%	12,84,74,295	-	12,84,74,295	50.52%	0.24%

Category Code	Category of Share Holder	No. of Shares Held at the beginning of the year			No. of Shares Held at the end of the year			% of Change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
(B)	PUBLIC SHAREHOLDING (3)								
1	INSTITUTIONS	-	-	-	-	-	-	-	-
(a)	MUTUAL FUNDS / UTI	-	-	-	-	-	-	-	-
(b)	FINANCIAL INSTITUTIONS/BANKS	1,04,302	-	1,04,302	0.04%	1,35,348	-	1,35,348	0.05%
(c)	CENTRAL / STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-
(d)	VENTURE CAPITAL FUNDS	-	-	-	-	-	-	-	-
(e)	INSURANCE COMPANIES	-	-	-	-	-	-	-	-
(f)	FOREIGN INSTITUTIONAL INVESTORS	23,94,154	-	23,94,154	0.94%	-	-	-	(0.94%)
(g)	FOREIGN PORTFOLIO INVESTOR	-	-	-	-	27,06,031	-	27,06,031	1.06%
(h)	QUALIFIED FOREIGN INVESTOR - CORPORATE	-	-	-	-	-	-	-	-
(i)	ANY OTHER (SPECIFY)	-	-	-	-	-	-	-	-
	SUB TOTAL : (B) 1	24,98,456	-	24,98,456	0.98%	28,41,379	-	28,41,379	1.12%
2	NON-INSTITUTIONS								
(a)	BODIES CORPORATE	1,90,50,629	-	1,90,50,629	7.49%	1,95,30,812	-	1,95,30,812	7.68%
(b)	INDIVIDUAL (CAPITAL <= ₹ 1 LAKH)	5,17,76,308	1,02,275	5,18,78,583	20.40%	5,30,59,519	2,52,976	5,33,12,495	20.96%
(c)	INDIVIDUAL (CAPITAL > ₹ 1 LAIKH)	77,41,285	1,50,000	78,91,285	3.10%	40,54,616	-	40,54,616	(1.51%)
(d)	CLEARING MEMBER	21,58,993	-	21,58,993	0.85%	24,71,214	-	24,71,214	0.97%
(g)	NON RESIDENT INDIANS (REPAT)	21,57,750	-	21,57,750	0.85%	13,96,099	-	13,96,099	0.55%
(h)	NON RESIDENT INDIANS (NON REPAT)	2,58,970	-	2,58,970	0.10%	3,01,685	-	3,01,685	0.12%
(i)	FOREIGN COMPANIES	-	-	-	-	-	-	-	-
(j)	OVERSEAS BODIES CORPORATES	-	-	-	-	-	-	-	-
(k)	TRUSTS	9,000	-	9,000	0.00%	10,000	-	10,000	0.00%
(l)	ANY OTHERS (HUF)	-	-	-	-	44,88,166	-	44,88,166	1.76%
	SUB TOTAL : (B) 2	8,31,52,935	2,52,275	8,34,05,210	32.80%	8,53,12,111	2,52,976	8,55,65,087	33.64%

Category Code	Category of Share Holder	No. of Shares Held at the beginning of the year				No. of Shares Held at the end of the year				% 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)	8,56,51,391	-	8,59,03,666	33.78%	8,81,53,490	2,52,976	8,84,06,466	34.76%	0.98%
	TOTAL (A)+(B)	21,37,18,786	-	21,39,71,061	84.14%	21,66,27,785	2,52,976	21,68,80,761	85.28%	1.14%
(C)	SHARES HELD BY CUSTODIANS AND AGAINST WHICH SINGAPORE DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
1	PROMOTER AND PROMOTER GROUP	-	-	-	-	-	-	-	-	-
2	PUBLIC	4,03,43,150	-	4,03,43,150	15.86%	3,74,33,450	-	3,74,33,450	14.72%	(1.14%)
(C)	SUB TOTAL : (C)	4,03,43,150	-	4,03,43,150	15.86%	3,74,33,450	-	3,74,33,450	14.72%	
	GRAND TOTAL (A)+(B)+(C)	25,40,61,936	252,275	25,43,14,211	100.00%	25,40,61,235	2,52,976	25,43,14,211	100.00%	

ii) Shareholdings of Promoters							
Shareholders Name	Shareholding at the beginning of the year - 01.04.2015			Shareholding at the end of the year - 31.03.2016			% change in during the year
	No. of shares	% of total shares of the Company	% of total pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of total pledged/ encumbered to total shares	
Jayatibhai Patel	1,85,60,390	7.30	-	1,85,60,390	7.30	-	0.00
Ashish Soparkar	2,44,90,628	9.63	-	2,59,28,128	10.20	-	0.57
Natwarlal Patel	2,59,10,477	10.19	-	2,59,10,477	10.19	-	0.00
Rameshbhai Patel	1,64,22,392	6.46	-	1,64,22,392	6.46	-	0.00
Anandbhai Patel	81,30,200	3.20	-	8,13,02,00	3.20	-	0.00
iii) Change in Promoter's Shareholding							
Shareholding at the beginning of the year				Cumulative Shareholding during the year			
	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company		
At the beginning of the year	Refer ii) Shareholding of Promoters						
Date wise Increase/ Decrease in Promoters Shareholding during the year with reasons for change							
At the end of the year							
iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDR and ADRs)							
Name of Shareholders	Shareholding at the beginning of the year - 01.04.2015		Cumulative Shareholding at the end of the year- 31.03.2016				
	No. of Shares of the Company	% of total shares	No. of Shares of the Company	% of total shares			
DBS Nominees (Pvt) Limited	4,03,43,150	15.86	3,74,33,450	14.72			
VLS Finance Limited	75,00,000	2.95	75,00,000	2.95			
VLS Capital Limited	0	0	24,47,146	0.96			
Gadia Naveen Vishwanath	23,94,154	0.94	22,48,500	0.88			
Keyur Balkrishna Thakkar	4,04,154	0.16	6,97,998	0.27			
Indianivesh Capitals Limited	0	0.00	6,86,000	0.27			
Dolly Khanna	4,54,475	0.18	6,58,492	0.26			
Globe Fincap Limited	32,61,898	1.28	6,17,221	0.24			
Remcom Sales Services Pvt Ltd	0.00	0.00	5,00,000	0.20			
Anand Rathi Global Finance Limited	0.00	0.00	4,99,999	0.20			
Nitin Kapil Tandon	4,94,000	0.19	4,65,000	0.18			
Sharekhan Limited	5,66,736	0.22	4,04,104	0.16			
Jagruti Keyur Thakkar	7,78,585	0.31	3,33,438	0.13			
Anand Rathi Share And Stock Brokers Limited	10,98,217	0.43	2,12,146	0.08			
Rajesh Kumar Lodha	4,95,350	0.19	10,007	0.00			
Snehlata Rajesh Nuwal	7,49,500	0.29	0	0.00			

(v) Shareholding of Directors and Key Managerial Personnel				
For each of Directors and KMP	Shareholding at the beginning of the year - 01.04.2015		Cumulative Shareholding at the end of the year- 31.03.2016	
	No. of Shares of the Company	% of total shares	No. of Shares of the Company	% of total shares
Mr. Jayantibhai Meghji bhai Patel	1,85,60,390	7.30	1,85,60,390	7.30
Mr. Ashish Natwarlal Soparkar	2,44,90,628	9.63	2,59,28,128	10.20
Mr. Natubhai Meghji bhai Patel	2,59,10,477	10.19	2,59,10,477	10.19
Mr. Rameshbhai Meghji bhai Patel	1,64,22,392	6.46	1,64,22,392	6.46
Mr. Anandbhai Ishwarbhai Patel	81,30,200	3.20	81,30,200	3.20
Mr. Balkrishna Thakkar	1,99,488	0.08	-	-
Mr. Chinubhai Shah	1,000	0.00	1,000	0.00
Mr. Jayaraman Vishwanathan	-	-	-	-
Mr. Kantibhai Patel	-	-	-	-
Mr. Chander Kumar Sabharwal	-	-	-	-
Ms Urvashi Dhirubhai Shah	-	-	-	-
Mr. Kamlesh Mehta	-	-	-	-
Mr. Dinesh Shah	5,000	-	5,000	-
	9,37,19,575	36.86	9,51,57,075	37.42

V. Indebtedness

Indebtedness of the Company Including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits (₹ In Crore)	Unsecured Loans (₹ In Crore)	Deposits (₹ In Crore)	Total (₹ In Crore)
Indebtedness at the beginning of FY				
i) Principal Amount	377.28	10.00	-	387.28
ii) Interest due but not paid	0.01	-	-	0.01
iii) Interest accrued but not due	1.08	-	-	1.08
Total (i+ii+iii)	378.37	10.00	-	388.37
Change in Indebtedness during FY				
Addition	171.56	-	-	171.56
Reduction	(160.00)	(10.00)	-	(170.00)
Net Change	11.56	(10.00)	-	1.56
Indebtedness at the end of FY				
i) Principal Amount	388.84	-	-	388.84
ii) Interest due but not paid	0.11	-	-	0.11
iii) Interest accrued but not due	1.62	-	-	1.62
Total (i+ii+iii)	390.57	0.00	-	390.57

VI. Remuneration of Directors and Key Managerial Personnel							
A. Remuneration to Managing Directors, Whole-time Directors and/or Manager							
Particulars of Remuneration	Mr. Jayanti Patel (Executive Chairman)	Mr. Ashish Soparkar (Managing Director/ CEO)	Mr. Natwarlal. Patel (Managing Director)	Mr. Ramesh Patel (Executive Director)	Mr. Anand Patel (Executive Director)	Total Amount (₹ In Crore)	
Gross Salary							
Salary as per provisions of Section 17(1) of the Income Tax Act, 1961	0.60	0.60	0.60	0.60	0.60	3.00	
Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0.08	0.07	0.07	0.07	0.07	0.36	
Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-	
Stock Options	-	-	-	-	-	-	
Sweat Equity	-	-	-	-	-	-	
Commission (as % of Profit)	-	-	-	-	-	-	
Others	-	-	-	-	-	-	
Total (A)	0.68	0.67	0.67	0.67	0.67	3.36	
B. Remuneration to other Non -Executive Independent Directors							
Particulars of Remuneration	Name of Directors						Total Amount (₹ In Crore)
	Mr. Chinubhai Shah	Mr. B T Thakkar	Mr. Jayaraman Vishwanathan	Mr. K. H. Patel	Mr. Chander Sabharwal	Ms Urvashi Shah	
Fees for attending Board/ Committee Meetings	0.0375	0.0375	0.01	0.01	0.0075	0.0075	0.11
Commission	-	-	-	-	-	-	-
Others, Please Specify	-	-	-	-	-	-	-
Total (B)	0.0375	0.0375	0.01	0.01	0.0075	0.0075	0.11

C. Remuneration to Key Managerial Personnel other than MDs/EDs			
Particulars of Remuneration	Key Managerial Personnel (KMP)		
	Mr. K. D. Mehta, Company Secretary (CS)	Mr. Dinesh Shah, Chief Financial Officer (CFO)	Total Amount (₹ In Cr)
Gross Salary			
Salary as per provisions of Section 17(1) of the Income Tax Act, 1961	0.18	0.34	0.50
Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0.00	0.00	0.00
Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
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)	0.18	0.34	0.52

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					
Punishment			None		
Compounding					
B. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers in Defaults					
Penalty					
Punishment			None		
Compounding					

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31.03.2016

[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, 2016 ("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, 2016 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 ;
 - 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 (Bombay Stock Exchange) ;
 - ii. Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015);
 - iii. Secretarial Standards 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.

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, the Company has:-

1. Redeemed 10.40% privately placed Non Convertible Debentures (NCD) Series II (INE974H07028) of ₹ 50 Crores on 12.10.2015.

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

1. Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity.
2. Merger / Amalgamation / Reconstruction etc.
3. Foreign Technical Collaborations.

Place: Ahmedabad
Date: 28th May, 2016

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

ANNEXURE - 1

- (1) INSECTICIDES ACT, 1968
- (2) ENVIRONMENT PROTECTION ACT, 1986
- (3) THE CENTRAL EXCISE ACT, 1961
- (4) INDIAN EXPLOSIVE ACT, 1952 - POISON ACT, 1884
- (5) INCOME TAX ACT, 1961
- (6) CENTRAL SALES TAX ACT, 1944;
- (7) VALUE ADDED TAX GUJARAT STATE, 2005
- (8) PROFESSIONAL TAX, 1976
- (9) SERVICE TAX, 1994
- (10) NEGOTIABLE INSTRUMENT ACT, 1938
- (11) THE FACTORIES ACT, 1948
- (12) THE APPRENTICE ACT, 1961
- (13) THE INDUSTRIAL DISPUTE ACT, 1947
- (14) EMPLOYEES PROVIDENT FUND & MISC. PROVISIONS ACT
- (15) THE PAYMENT WAGES ACT, 1965
- (16) THE PAYMENT OF BONUS ACT, 1965
- (17) THE PAYMENT OF GRATUITY ACT, 1972
- (18) THE MINIMUM WAGES ACT, 1946
- (19) THE TRADE UNION ACT, 1926
- (20) THE EMPLOYMENT EXCHANGE ACT, 1952
- (21) INDIAN STAMP ACT, 1899
- (22) THE TRADE MARKS ACT, 1999
- (23) FOREIGN TRADE (DEVELOPMENT AND REGULATION)ACT, 1992
- (24) ESSENTIAL COMMODITIES ACT, 1955
- (25) CUSTOMS ACT, 1962
- (26) INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951
- (27) COMPETITION ACT, 2002

Place: Ahmedabad
Date: 28th May, 2016

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

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Year 2016 was a year of strong performance for Meghmani Organics Limited as we continued to reap the benefits of ₹ 5.57bn mega capacity expansion made over the past 5 years. Today, we have emerged as a well diversified chemicals player operating in three segments, i.e. Pigments, Agrochemicals and Basic Chemicals. We have developed a growing basket of higher value added and high-margin products, along with an extensive pan-India and global presence. Meghmani is now present in 75 countries with over 400 clients.

During the year, we witnessed continued growth in our Pigments and Basic Chemicals businesses. We are amongst the top 3 players in the world in Blue Pigment, with increased market share of 15%. Following our capacity expansion, we have increased our focus on the domestic Pigments market. Our focus on building our branded agro formulations business has resulted in an expanded distribution network consisting 2,370 stockists, agents, distributors, and dealers, compared to 1,000 in FY15. We have also increased our presence in high margin Caustic Soda and added capacity in Caustic Potash. Our Caustic Potash plant with a revenue potential of ₹ 1,250 mn and EBITDA margin of 30% started Commercial Production in April 2016.

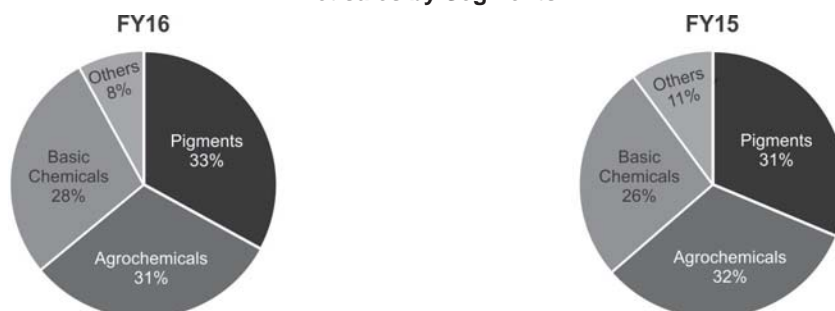
During the year, we continued our efforts to increase capacity utilization across segments. In fact, volumes have registered significant growth across all the three segments, i.e. Pigments, Agrochemicals and Basic Chemicals where volumes grew by 19%, 21% & 4%, respectively.

Overall Performance

Robust growth in profitability driven by higher volumes and better operational performance

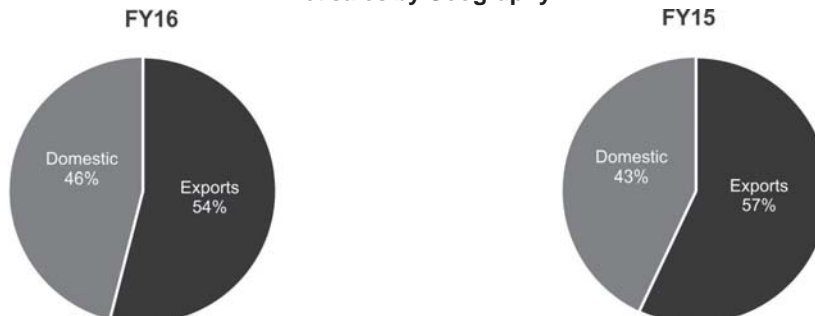
Due to our well planned expansion strategy, we were able to deliver strong performance despite a challenging environment during the year, which saw a bad monsoon, tough global markets, falling raw material prices and volatile foreign exchange rates. We reported consolidated revenue of ₹ 13,370 mn for FY16 compared to ₹ 12,678 mn in FY15, on account of 13%, 10% and 2% growth in Basic Chemicals, Pigments and Agrochemicals, respectively.

Net sales by Segments



In terms of geography, domestic business increased by 14%, driven by robust growth in the Pigments business, followed by Agrochemicals and Basic Chemicals businesses.

Net sales by Geography



MANAGEMENT DISCUSSION AND ANALYSIS

Diversification into higher margin products, lower input prices along with improved operational performance and financial leverage resulted in significant improvement in our profitability as well. EBITDA for the period increased by 41%, taking EBITDA margin to 21.5% for the year, up from 16.0% in FY15. Profit After Tax (PAT) for FY16 was up 88% at ₹ 826 mn from ₹ 439 mn in FY15, PAT margin increased to 6.2% in FY16 from 3.5% in the previous year. We have reduced our debt by ₹ 633 mn this year and plan to reduce it by a further ₹ 1,000 mn in FY17 in line with our earlier guidelines. Financial cost has declined by 15%, led by debt reduction.

Going forward, with higher volumes, increased share of higher-value-added products, better capacity utilization, strengthening position in the basic chemicals (high margin) business and de-leveraging of the balance sheet, we expect to deliver increasing returns.

Business Segments

At Meghmani, all our businesses are on a strong growth path. We have adopted a conscious strategy of focusing on value added offerings, i.e. in Pigments (Beta Blue) and Agrochemicals (branded Agro products), besides monetizing the CRAMS (Contract Research and Manufacturing Services) opportunity in Agrochemicals and Pigments and recently diversifying into Caustic Potash. The improved performance and higher utilization of capacities bode well for us.

I. Pigments

1. Industry Opportunity

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

According to Transparency Market Research, the global pigments market is anticipated to reach \$32 bn by 2023, expanding at a CAGR of 3.8% between 2015 and 2023. Paints & Coatings is the largest end user segment of the pigments market, driving demand for the industry. The architectural Paints & Coatings market has grown considerably, owing to rising infrastructural development and construction activities in emerging economies.

Asia Pacific dominated the global pigments market with 40% market share. Rapid industrial development, rising infrastructural activity, and economic progress in developing countries played a key role in driving the automotive and construction industries, which fuelled the demand for pigments. China dominates the pigments market in Asia Pacific.

The mature paints & coatings and plastics markets have driven demand for pigments in developed regions, such as North America and Europe. North America was the second-largest consumer of pigments, followed by Europe. In terms of volume, U.S. dominated the pigments market in North America. In terms of demand, Germany held the largest share of the pigments market in Europe.

Middle East & Africa has been projected as a lucrative market for pigments during the forecast period. The Paints & Coatings segment is estimated to dominate the pigments market in Middle East & Africa in the next few years. Brazil is likely to be the key market for pigments in Latin America (LatAm) by 2023.

Dyes and Organic Pigments to grow at 6% CAGR

Global demand for dyes and organic pigments is expected to grow 6% per year to \$19.5 bn in 2019. The organic pigments market is expected to witness growth on account of its use in various end-use industries, including printing inks, paints and coatings, plastics, rubber and textiles. Urbanization, coupled with rise in infrastructure spending, is likely to boost the paints market which, in turn, is anticipated to fuel the organic pigments market over the forecast period. Furthermore, use of organic pigments as colorants in textile and plastic industries is expected to contribute to growth. Moreover, rising demand for value-added, high-quality organic pigments in the cosmetic industry is likely to drive growth over the next few years.

Although the organic pigment market has reached maturity in North America and Europe, the market is anticipated to receive a boost as major companies are aiming at designing and developing products in sync with continuously changing requirements for evolving technologies. However, volatility in raw material prices is likely to be a major constraint in the growth of the organic pigment market. Numerous North American and European organic pigment manufacturers have been shifting their manufacturing bases to low-cost countries in Asia Pacific on account of absence of stringent environmental compliance issues and lower production costs at the latter locations.

MANAGEMENT DISCUSSION AND ANALYSIS

Growing infrastructure development coupled with rapid industrialization are key factors that contribute to expansion of the organic pigment market, particularly in developing countries, such as India, Indonesia and China.

Growth in Paints & Coatings and Textiles is expected to drive growth of Indian Colorant market

The Indian Dyestuffs and Pigments industry has transformed from being import dependent to one driven by exports. Developed countries are now focusing on sourcing dyestuffs and pigments from cost effective Asian markets, thanks to stringent environmental constraints back home. Exports have grown in double-digits over the last few years. Going forward, availability of skilled professionals and low cost of manufacturing coupled with Research and Development (R & D) capabilities are seen as strong demand drivers for the dyestuffs and pigments industry in India. Several multinational corporations (MNCs) have established facilities with world class technologies with a view to tap the growing market. Growth in the end user segments, especially paints & coatings as well as textiles, is expected to drive growth in the dyestuffs and pigments industry. The main end-users of pigments in India are printing inks, plastics, rubber and paints & coatings industries.

2. Business Overview

Meghmani is one of the largest manufacturers of Phthalocyanine-based pigment with a global market share of 7% in volume terms. We have vertically integrated facilities manufacturing CPC Blue (an upstream product which is also sold to other pigment manufacturers) and end products i.e. Pigment Green and Pigment Blue. These Pigment products are used in multiple applications, including paints, plastics and printing inks.

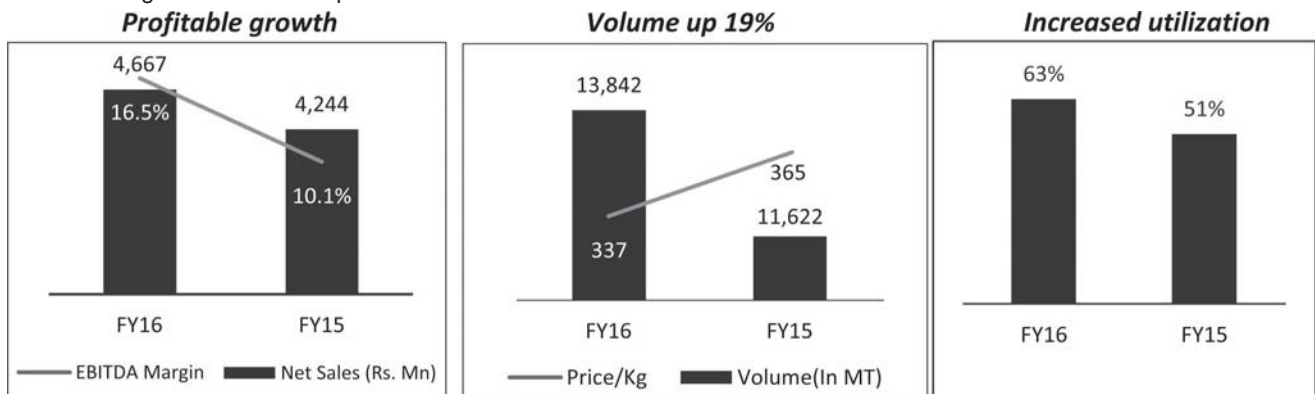
Our Pigments business enjoys strong global presence with exports accounting for 72% of net sales. The customers comprise mainly MNCs, such as Sun-DIC, Flint Group, Akzo Nobel, DuPont, and PPG Industries. Our relationship with our clients is sticky with 90% business arising from repeat customers. We have a global distribution network of 70 overseas distributors. Our direct presence with subsidiaries in US, Europe, Indonesia and Dubai helps us to maintain a front end presence and the ability to work closely with end user customers. We also have warehouses in USA and Uruguay.

We have three dedicated manufacturing facilities to manufacture Pigment products. These are located at:

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

3. Performance of Pigments Business

Net sales from Pigments business increased to ₹ 4,667 mn in FY16, up 10% from ₹ 4,244 mn registered in FY15. Volumes have registered strong growth of 19%, driven by increased production at the Panoli and Dahej SEZ plants of 24% and 34%, respectively. However, realizations were impacted as the benefit of reduction in raw material costs was passed on to long-term customers. Margins climbed to 16.5% from 10.1% on account of improved operations and softening of raw material prices.



MANAGEMENT DISCUSSION AND ANALYSIS

Plant-wise performance:

Particulars	31.03.2016 (₹ mn)	31.03.2015 (₹ mn)
Domestic Sales		
Vatva	89	82
Panoli	967	637
Dahej SEZ	95	40
Total Domestic	1,151	759
Exports Sales		
Vatva	945	1,025
Panoli	1,567	1,852
Dahej SEZ	1,004	608
Total Exports	3,516	3,485
Grand Total	4,667	4,244

4. Outlook and Strategy:

Value-added products and better capacity utilization to lead profitable growth

We are focusing on the high-margin paints and plastics market by improving the product-mix and specialty pigment products for the international market. We are in preliminary talks with certain international players to supply specialized Pigment products on a long-term basis and are eyeing untapped markets, such as Japan. We are also focusing on increasing our presence in the growing Indian market. Being a leader in the Indian Pigment market (CPC Blue and Green Pigments) with strong international presence and strong client-base, we are positive that the Company will continue to deliver profitable growth, led by increased capacity utilization, increased contribution of value-added products and higher demand in the market place.

5. Risks, Concerns and Threats

Fluctuating and volatile prices of key raw materials, including benzene and toluene, coupled with an increasingly stringent regulatory environment, are critical challenges to the growth of this industry. Since we derive a significant portion of our business from exports, volatility of the Rupees vis-à-vis the Dollar and the Euro may affect our realizations. We also face competitive pressures, including competition from Chinese manufacturers who have installed large plants for Pigments. We compete in the areas of quality, technical competence, backward integration, logistics facilities, after-sales service and customer relationship. Changing competitive environment may impact our business and future prospects.

II. Agrochemicals

1. Industry Structure

Financial Year 2016 was a challenging year for the Agrochemicals industry as the rate of growth of global agricultural productivity stagnated for the second year in a row. In this period, prices of farm products continued to slide, currency was devalued, and extreme weather conditions occurred from time to time all of which led to profitability of agricultural activities taking a hit. Other factors that contributed to this state of affairs included high inventory levels at the distributor end in many countries.

MANAGEMENT DISCUSSION AND ANALYSIS

While future augurs well as global market is expected to cross \$250bn mark by 2020

According to research by Markets and Markets, value of the agrochemicals market is estimated to reach \$ 250.5 bn by 2020, from \$ 214.2 bn in 2015; a CAGR of 3.2%. Asia Pacific dominates the global market with a share of around 36.7%. The European region is expected to be the fastest growing market in the near future, with a rising number of farmers moving towards technology driven agricultural practices. The market is primarily driven by the increasing demand for food, in tandem with the growing global population, rising standards in agricultural farming and extensive use of technology in agrochemicals development. Intensive R&D efforts are expected to lead to delivery of enhanced yields and superior produce.

The Indian crop protection industry is expected to grow at a CAGR of 12%

Given the current economic growth projections, India is likely to become the third largest economy in the world by 2030, accompanied by a rise in urbanization levels, which will lead to changes in dietary needs. To sustain the growing population's food and nutrition needs, India will have to adopt to the most modern techniques in the agriculture sector.

According to a FICCI report on the Indian Agrochemical Industry, the Indian crop protection industry is expected to grow at a CAGR of 12% to reach ₹ 470 bn by FY19. The domestic market, on the other hand, would grow at a CAGR of 8%, as it is predominantly dependent on monsoons. Insecticides are the largest sub-segment of agrochemicals with 60% market share, while herbicides, with 16% market share, form the fastest growing segment in India. Although yield per hectare has doubled in the past years due to increased use of hybrid seeds, fertilizers, and crop protection chemicals, among others, it is still low in comparison to global standards.

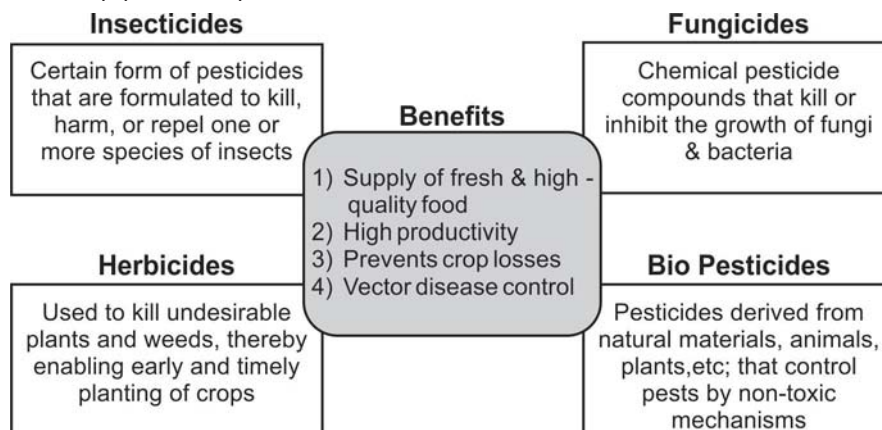
There is now a need for the agriculture sector to undergo technological transformation and adopt modern methods which reduce dependency on monsoons, ensure more productive use of available resources and thereby serve the nation more efficiently. These factors therefore, highlight the importance of the use of agrochemicals for enhancing food and nutrition security of the nation. This would require ushering in the Second Green Revolution in India.

The Government of India is striving to usher in the 2nd Green Revolution which would require a holistic approach to farming in India and include adopting the following measures on various fronts:

- 1) Reduce dependency on monsoons through better irrigation/water harvesting methods.
- 2) Develop high-yield variants of other crops besides food grains.
- 3) Educate the farmers on right agricultural practices.
- 4) Integrate pest management techniques.
- 5) Bringing in technology & mechanization to consolidate fragmented farm holdings.
- 6) Developing measures such as crop insurance.
- 7) Generating alternate sources of livelihood for farmers to mitigate the risk of crop failure.

MANAGEMENT DISCUSSION AND ANALYSIS

Broad categories of crop protection products:



Opportunities and Key growth drivers for Indian Crop Protection Market:

- 1) By 2020, \$6.3 bn worth Agrochemicals are expected to be taken off patent. This will open up significant opportunities for Indian companies which have expertise in the generic segment. India exports only 44% of the Agrochemicals it produces. In order to build a strong export base, companies would need to set up marketing offices in export geographies. They could also look to enter into strategic alliances with smaller, local companies to expand their marketing and distribution reach.
- 2) Herbicide consumption in India is expected to grow at a CAGR of 15% over the next five years to reach \$0.8 bn by FY19.
- 3) India's capabilities in low-cost manufacturing, better price realization, strong presence in generic pesticide manufacturing, availability of technically trained manpower, seasonal domestic demand and overcapacity, are some of the key growth drivers of India's agrochemical exports. Following the tsunami of 2011, Japanese companies are trying to build manufacturing capacities outside Japan to de-risk themselves. These Japanese companies, very particular about confidentiality and protection of intellectual property (IP), have perceived the opportunity in India and are now creating a base here.
- 4) Per hectare consumption of pesticides in India currently stands at 0.6 kg/ha, compared to 5-7 kg/ha in UK and 13 kg/ha in China. Clearly, penetration of agrochemicals in India is the key to raise yields and ensure food security for its enormous population.

2. Business Overview

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

The agrochemicals industry is highly regulated and we enjoy competitive advantage via 183 export registrations, 400 registrations in pipeline, 309 CIB registrations and 27 registered trademarks. We have a strong global client base with exports accounting for 69% of our Agrochemical sales. We export technicals as well as branded products to Africa, Brazil, LatAm, US, and European countries. Recently, the Company also received nod from the US regulatory agency for an amendment in label registration for its Permethrin technical product, expanding the scope of application from households only, to agri too.

MANAGEMENT DISCUSSION AND ANALYSIS

Meghmani produces commonly used pesticides for crop and non-crop applications, such as for public health, insect control in wood preservation and food grain storage. Major products include 2, 4-D, Cypermethrin, Permethrin, Metaphenoxy, Benzaldehyde, Chlorpyrifos and Profenophos. In branded formulations, we have established a strong pan-India presence with about 2,370 stockists, agents, distributors, and dealers spread across 17 states compared to 1,000 in FY15. Key brands include Megastar, Megacyper, Megaban, Synergy and Courage.

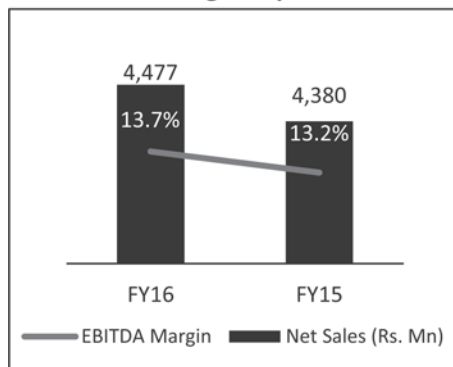
We have three state-of-the-art manufacturing facilities located at:

- GIDC Ankleshwar (6,660 MTPA)
- GIDC Panoli (3,600 MTPA)
- GIDC Dahej (10,260 MTPA)

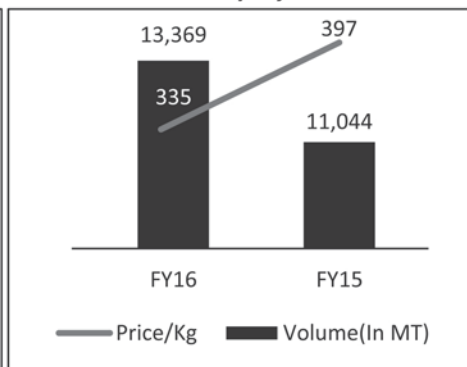
3. Performance of Agrochemicals Business

Net sales from Agrochemicals increased to ₹ 4,477 mn in FY16, from ₹ 4,380 mn in FY15 a rise of ₹ 97 mn. This was thanks to strong volume growth of 21% to 13,369 MT compared to 11,044 MT in FY15. Volume growth helped offset the fall in net realization, on account of change in product mix to match demand. Margins increased to 13.7% from 13.2%, driven by reduction in raw material prices and improved capacity utilization.

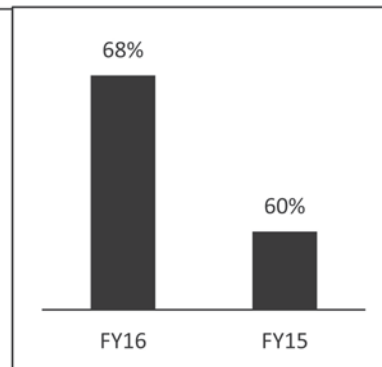
Margins up



Volumes up by 21%



Increased utilization



Plant wise Performance:

Particulars	31.03.2016 (₹ mn)	31.03.2015 (₹ mn)
Domestic Sales		
Ankleshwar	331	368
Panoli	560	495
Dahej	505	421
Total Domestic	1,396	1,284
Exports Sales		
Ankleshwar	1,178	1,904
Panoli	1,017	641
Dahej	886	550
Total Exports	3,081	3,096
Grand Total	4,477	4,380

MANAGEMENT DISCUSSION AND ANALYSIS

4. Outlook and Strategy

Increased focus on branded business and higher utilization are key growth drivers

In our branded formulations business, we have established significant presence through a strong pan-India network of about 2,370 stockists, agents, distributors and dealers. We plan to add a further 3500 dealers to the network and achieve revenue of ₹ 2,500 mn in the next three years.

We will continue to invest in new registrations in regulated markets, such as the US, Brazil and European Union (EU). We have planned to obtain Good Laboratory Practices (GLP) Certificate, which will significantly reduce the time required to secure new registrations. We will also continue to focus on increasing the utilization levels of current assets. With an increasing number of companies setting up manufacturing units in India, we will also leverage on the CRAMS opportunity to boost revenues.

Further, recovery in the global agro market, favourable monsoon in India during the year and crude prices remaining low will lead to strong growth in Agrochemicals.

5. Risks, Concerns and Threats

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

We export our products to various countries. Thus, any adverse changes in the political, climatic, economic, regulatory or social conditions of these countries might impact our 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 our business could adversely affect our operations and future growth. Increase in crude prices will also impact the costs and prices of various products.

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. The threat of illegal, cheap imports from China is ever present and becoming a major factor in the performance of local Indian producers.

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

III. Basic Chemicals

Industry Structure

Global Chlor-Alkali Industry to grow at 5.4% CAGR (2016-21)

According to Markets and Markets research, the global market size of Chlor-Alkali is estimated to reach \$102.60 bn by 2021, up from \$78.72 bn in 2016, growing at a CAGR of 5.4%. Caustic Soda enjoys the largest demand among other Chlor-Alkali products as it has a wide range of applications in different end use industries, such as Alumina Refining, Organic & Inorganic Chemicals, Soaps & Detergents, Water Treatment, Food and Pulp & Paper. EDC/PVC, and Glass Industries are the largest users of chlorine, caustic soda, and soda ash, respectively and are driving the overall Chlor-Alkali market. In 2015, Asia-Pacific was the largest market for Chlor-Alkali products. The region is projected to register the highest growth rate, both in terms of value and volume, owing to high demand from emerging countries of the region. China is the largest Chlor-Alkali market globally with the highest demand.

Indian Chlor-Alkali Industry poised to grow

According to the XIIth Five-Year Plan note on Indian Chemical Industry, size of the Indian Chlor-Alkali sector is 7 mn tonnes, i.e. 4% of the world market of 170 mn tonnes. The market for Chlor-Alkali chemicals in India is broadly classified into three segments, namely Caustic Soda, Chlorine and Soda Ash. Positive policy changes happening in India are expected to result in positive outcomes for the Caustic Soda industry in India.

MANAGEMENT DISCUSSION AND ANALYSIS

Increasing investment in the Alkali Chemical industry in order to fulfil consistently rising demand is a major growth driver for the market. Major end-user industries, such as Textiles, Glass, Alumina and Soaps & Detergents are expected to witness increase in volume consumption of Chlor-Alkali chemicals, which is expected to boost the India Chlor-Alkali market in the next five years.

Globally, Caustic Chlorine industry is driven by demand-supply of Chlorine; however, in India, the key demand driver is Caustic Soda.

As on Mar-15	In Lakh MTPA
Installed Capacity	33.9
Production	27.6
Imports	5.1
Exports	0.8

Chlorine growth in India remains limited due to lack of merchant feed stocks, for high/bulk Chlorine consuming petrochemicals industry.

2. Business Overview

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

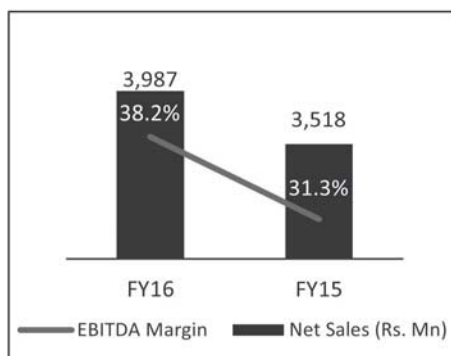
Meghmani is one of the most efficient manufacturers of Caustic Soda with an integrated Captive Power Plant of 60MW. It uses the latest fourth-generation 'membrane cell technology' sourced from Asahi Kasei Chemical Corp, Japan, (one of the most established technology providers of Chlor-Alkali products). Since power cost accounts for 60% of total raw material cost in Caustic Soda production, captive power plant provides power at lower cost resulting in high margins. The Dahej facility is strategically located due to its proximity to port, providing ease of importing coal and proximity to chemical manufacturers. The Company is supplying Caustic Soda and Chlorine via pipeline to select buyers, thus substantially reducing its logistics costs. We have recently changed the Membrane of our existing Caustic Soda Plant; this has helped increase the capacity to 500 TPD from 400 TPD.

Our new Caustic Potash facility at Dahej of 60 TPD capacity commenced production in April 2016. Caustic Potash is one of the very few chemicals that find universal application. The largest users of Caustic Potash are the Soaps, Detergents, Fertilizers and Chemicals manufacturer. Minor users of Caustic Potash are Molten Salt, Dyes, Pharmaceuticals and Photography industries. Caustic Potash has also played a crucial role in identification of metallic element, and continues to be important in research science, medicine, household cleaners and several industrial processes.

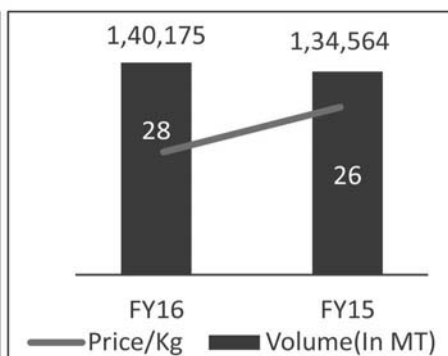
3. Performance of Basic Chemicals

Net sales from Basic Chemicals increased 13% to reach ₹ 3,987 mn, compared to ₹ 3,518 mn in FY15, driven by increased volumes (up 4%) and higher realization leading to higher EBITDA Margin of 38.2%, compared to 31.3% in FY15.

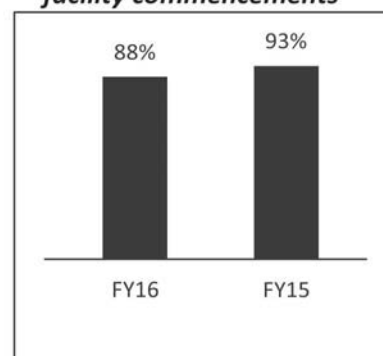
Revenue and Margins up



Driven by high volumes & realization



Utilization impacted by new facility commencements



MANAGEMENT DISCUSSION AND ANALYSIS

4. Outlook and Strategy

Our newly commenced Caustic Potash facility at Dahej of 60TPD capacity, along with increased capacity of existing Caustic Soda Plant on account of the recently-changed membrane, will be the key growth drivers of the Basic Chemicals segment. The Caustic Potash Plant has revenue potential of ₹ 1,250 mn and 30% EBITDA Margin. These two growth drivers, bolstered by the flourishing chemical industry in Gujarat led by the successful Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR), will drive the high-margin future growth of the Basic Chemicals segment.

5. Risks, Concerns and Threats – Basic Chemicals

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

Internal Control System

The Company has a proper and adequate system of Internal Control commensurate with the size and nature of its operations to ensure that all assets are safeguarded against unauthorized 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	31.3.2016 (₹ in mn)	31.3.2015 (₹ in mn)
Net Sales	13,370	12,678
EBITDA	2,869	2,031
PBT	1,504	600
PAT before Minority	1,130	460
PAT after Minority	826	439
Key Ratios		
Net Sales Growth	5.5%	9.6%
EBITDA Margin	21.5%	16.0%
ROE	13.8%	8.2%
D/E ratio	0.9	1.2
EPS	3.2	1.7

CORPORATE GOVERNANCE

The Directors present the Company's report on Corporate Governance which sets out systems and processes of the Company, as prescribed in Regulation 17 to 27 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and some of the practices followed by the Company on Corporate Governance, for the financial year ended 31st March, 2016.

SEBI in exercise of the powers conferred by Section 11, sub-section (2) of Section 11A and Section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The New Regulation has become applicable to all listed companies with effect from December 01, 2015.

The Company has complied with the requirements of the Corporate Governance in terms of Listing Agreement executed with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and for Singapore Stock Exchange, Code of Corporate Governance issued by the Monetary Authority of Singapore (MAS) on 2nd May 2012 (the "Code").

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 stakeholders (Investors, Customers, Suppliers and Government) and Singapore Depository Shareholders.

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

(a) Composition :-

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

The Chairman of the Board of Directors is Executive and from Promoter Category. The composition of Board is in compliance with the SEBI Regulations, 2015.

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

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

LIMIT ON NUMBER OF DIRECTORSHIP

None of the director of the Company is appointed in 10 Committees or is acting as Chairman in more than 5 Committees across all Companies in which he is 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 Seven (7) listed Companies.

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

The Independent Directors have been appointed for a fixed term of five years from their respective dates 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.

CORPORATE GOVERNANCE

SEPARATE MEETING OF INDEPENDENT DIRECTOR

The independent directors had met on 3rd February, 2016, without the attendance of non-independent directors and members of management to discuss the followings:-

- (a) review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

ISSUANCE OF LETTER OF APPOINTMENT

A formal letter of appointment was issued to all independent directors. The newly appointed Woman Director Ms. Urvashi Shah has been explained her role, obligations, duties and responsibilities as member of the Board.

NON EXECUTIVE DIRECTORS' COMPENSATION & DISCLOSURES

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

TRAINING OF INDEPENDENT DIRECTOR

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

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

PERFORMANCE EVALUATION OF THE BOARD & INDIVIDUAL DIRECTORS

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

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

- attendance and level of participation,
- independence of judgement exercised by independent Directors,
- interpersonal relationship etc.

Based on the valuable inputs received from the Directors, an action plan has been drawn up to encourage greater engagement of the Independent Directors with the Company.

Following the evaluation exercise, the Board is of the view that the Board and its Committees operate effectively.

CORPORATE GOVERNANCE

(b) Attendance of Directors at Board Meetings and Annual General Meeting

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

Name of Director	Position	Board Meeting attended	AGM Attended
Mr. Jayanti Patel	Executive Chairman	5	Yes
Mr. Ashish Soparkar	Managing Director	5	Yes
Mr. Natwarlal Patel	Managing Director	5	Yes
Mr. Ramesh Patel	Executive Director	4	Yes
Mr. Anand Patel	Executive Director	4	Yes
Mr. Chinubhai Shah	Independent Director	5	Yes
Mr. Balkrishna Thakkar	Independent Director	5	Yes
Mr. Jayaraman Vishwanathan	Independent Director	2	No
Mr. Kantibhai Patel	Independent Director	4	Yes
Mr. Chander Sabharwal	Independent Director	3	No
Ms. Urvashi Shah	Independent Director	3	Yes

(c) Directorships and Membership on Committees:

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

Name of Director	Designation	Category	Directorship in other Public Limited Companies *	Committee Membership of other Companies**
Mr. Jayanti Patel	Executive Chairman	Executive	3	Nil
Mr. Ashish Soparkar	Managing Director	Executive	3	Nil
Mr. Natwarlal Patel	Managing Director	Executive	6	Nil
Mr. Ramesh Patel	Executive Director	Executive	3	Nil
Mr. Anand Patel	Executive Director	Executive	2	Nil
Mr. Chinubhai Shah	Independent Director	Non- Executive	9	6
Mr. Balkrishna Thakkar	Independent Director	Non - Executive	1	1
Mr. Jayaraman Vishwanathan	Independent Director	Non - Executive	Nil	Nil
Mr. Kantibhai Patel	Independent Director	Non - Executive	3	Nil
Mr. Chander Kumar Sabharwal	Independent Director	Non - Executive	1	Nil
Ms. Urvashi Shah	Independent Director	Non - Executive	1	Nil

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

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

To comply with the requirements of Section 149(3) of the Companies Act, 2013, the Company has appointed Ms Urvashi Shah, as Non Executive Independent Woman Director on the Board.

CORPORATE GOVERNANCE

(d) Number of Board meetings held

During the financial year ended on 31st March, 2016 five (5) 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 22.05.2015, 10.08.2015, 03.11.2015, 03.02.2016 and 11.03.2016.

The last Annual General Meeting of the Company was held on **27th July, 2015**.

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

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

The meetings are usually held at Corporate Office of the Company situated at **Meghmani House, Shreenivas Society, Vikas Gruh Road, Paldi, Ahmedabad-380 007**.

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.

Role of the Board: - Singapore Exchange Guide Line Code 1.1

The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board's principal functions are, inter alia:

- (1) overseeing the Company, including its control and accountability systems;
- (2) monitoring and reviewing Senior Management's performance and implementation of strategy;
- (3) satisfying itself that Senior Management has developed and implemented a sound system of risk management and internal controls in relation to financial reporting risks and has considered the effectiveness of the operation of that system;

CORPORATE GOVERNANCE

- (4) assessing the effectiveness of Senior Management's implementation of systems for managing material business risks, including the making of additional enquiries and to request assurances regarding the management of material business risks, as appropriate; and
- (5) providing overall Corporate Governance of the Company.

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 decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee members.

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.

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.

Access to Information (Guideline 6.1 of the Code)

The Directors have separate and independent access to the Company's management and the Company Secretary at all times. Directors are entitled to request management to provide 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.

(e) Relationship between Directors:-

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

(f) Number of shares held by Non Executive Directors:-

Particulars of Equity Shareholding of Independent Directors: - 31.03.2016:

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

CORPORATE GOVERNANCE

COMMITTEES OF THE BOARD

Currently, there are five Board Committees:-

- (1) Audit Committee.
- (2) Nomination Committee.
- (3) Remuneration Committee.
- (4) Shareholders/ Investors Grievances Share Allotment, Share Transfer & Stake Holders Relationship Committee.
- (5) Corporate Social Responsibility Committee.

The Risk Management Committee is not applicable to the Company on the basis of market Capitalisation.

The terms of reference of the Board Committees are determined by the Board from time to time. 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. Audit Committee

3.1 Terms of Reference :-

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

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

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

CORPORATE GOVERNANCE

3.2 Composition of Committee:-

The Audit 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 Audit Committee. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance.

3.3 Meeting and Attendance :-

The Committee met four times during the year on 22.05.2015, 10.08.2015, 03.11.2015 and 03.02.2016.

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

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

External Auditors briefing :- Singapore Exchange Guide Line Code 4.4 and 12.5

In FY 2016, the AC was briefed by the external auditors on the changes or amendments to the accounting standards which may have a direct impact on the financial statement.

In FY 2016, the AC met with the Statutory Auditors and Internal Auditors in absence of Key management personnel.

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 the management:
- (3) Internal Audit Reports relating to internal control weaknesses.

INTERNAL AUDIT FUNCTION

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

SINGAPORE EXCHANGE LIMITED (SGX) LISTING RULE 1207(6)

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

SINGAPORE EXCHANGE LIMITED (SGX) LISTING RULE 1207 (10)

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 (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. **(Guideline 11.3 of the Code)**

CORPORATE GOVERNANCE

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.

Duties between Executive Chairman and CEO :- Singapore Exchange Guide Line Code 3.1

The roles of the Chairman and CEO are separate to ensure a clear Division of their responsibilities, increased accountability and greater capacity of the Board for independent decision making. The Chairman is an Executive Chairman. The Chairman is not related to the CEO.

The responsibilities of the CEO are as follows:

- (a) to progress and advance the strategic direction provided by the Board;
- (b) the operational running of the Company, pursuant to the Board delegating to the CEO certain of the Board's powers, authorities and discretions;
- (c) to set the agenda of Board meetings and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (d) to ensure that the directors receive complete, adequate and timely information;
- (e) to ensure effective communication with shareholders; and
- (f) to encourage constructive relations within the Board and between the Board and Management.

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

4.1 Terms of Reference :-

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

- (a) Make recommendations to the Board on the appointment of new Executive and Non-Executive Directors, Key Managerial Personnel and other employees;
- (b) Review the Board structure, size and composition, having regard to the principles of the Code;
- (c) Assess nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent;
- (d) Put in place plans for succession, in particular, for the Chairman of the Board and Chief Executive Officer of the Group;
- (e) Make recommendations to the Board for the continuation in services of any Executive Director who has reached the age of 70 (Seventy) years;
- (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;

CORPORATE GOVERNANCE

- (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;

Singapore Corporate Governance Code:

- (l) Determine, on an annual basis, whether a director is independent taking into account the circumstances set forth in **Guideline 2.1** of the Corporate Governance Code of Singapore Exchange and any other salient factors.

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

In line with **Guideline 2.4** of the Corporate Governance Code of Singapore Exchange.

NC had performed a rigorous review to assess the independence of the Independent Director, Mr. Chinubhai Shah and Mr. Balkrishna Thakkar and considers that they are independent even though they have served on the Board beyond 9 years.

The relevant factors that were taken into consideration in determining the independence are:-

- (1) Very rich experience and wealth of knowledge;
- (2) Active participation in the proceedings and decision making process of the Board and Committee Meetings;
- (3) Deep insight into the business of the Company and possesses experience and knowledge of the business;
- (4) Qualification and expertise which provides reasonable checks and balances for the Management;
- (5) Providing overall guidance to Management and act as safeguard for the protection of Company's assets and shareholders' interests.

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

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

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

Review of Independent Director: - Singapore Exchange Guide Line Code 2.3 & 4.3

NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors have also confirmed their independence in accordance with the Code.

There is no Director who is deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

Discharge of duties by director:- Singapore Exchange Guide Line Code 4.4

NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs and is satisfied that all Directors have discharged their duties adequately for FY 2016.

CORPORATE GOVERNANCE

4.2 Composition of Committee:-

The Nomination Committee comprises of three Independent - Non Executive Director's. Mr. Chinubhai Shah is the Chairman of the Committee. Mr. K. D. Mehta, Company Secretary acts as the Secretary of the Committee.

4.3 Meetings and attendance during the year:-

The Committee met on 22.05.2015. The particulars of meeting attended by members of the Committee are given below:

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

5.1 Remuneration Committee - (RC)**Terms of Reference:-**

- Recommend to the Board a framework of remuneration and specific remuneration packages for all Directors of the Company, Key Managerial Personnel and other employees and determine specific remuneration packages for each Director;
- Review the service contracts of the Executive Directors;
- 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;
- Reviewing and enhancing on the compensation structure to incentive performance base for key executives;
- 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.
- To facilitate the transparency, accountability and reasonableness of the remuneration of Director and Senior Management Personnel.
- RC will recommend to the Board a framework of remuneration for the Directors,
- All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonus, options and benefits-in-kind shall be covered by the RC.

Each member of RC shall abstain from voting any resolutions in respect of his remuneration package.

5.2 Composition of Committee

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

5.3 Meetings and attendance during the year:-

The Committee met on 22.05.2015 particulars of meeting attended by members of the Committee are given below:

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

5.4 Pecuniary relationship or Transaction:-

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

5.5 Payment to Non Executive Directors:-

The Non Executive Directors of the Company are paid by way of sitting fees.

5.6 Payment to Executive Directors:-

The Company pays remuneration to its Executive Chairman, Managing Directors and Executive Directors by way of salary, perquisites and bonus.

5.7 Remuneration to all the Directors:-

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

In FY 2015-16, the Company has paid minimum remuneration of ₹ 5,00,000 per month (₹ 60,00,000 per annum) and perquisites to Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel. The remuneration paid is within the overall limits approved by the Shareholders.

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

(Guideline 8.4 of the Code)

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 wrong doings.

Remuneration paid during the FY 2015-2016 to Working Directors are:-

Name of Director	Salary & Perquisites (₹)
Mr. Jayanti Patel	67,31,439
Mr. Ashish Soparkar	67,27,592
Mr. Natwarlal Patel	67,27,592
Mr. Ramesh Patel	67,31,439
Mr. Anand Patel	67,27,626
Total	3,36,45,688

Sitting fees paid during the FY 2015-2016 to Independent Directors are:-

Name of Independent Director	Sitting Fees (₹)
Mr. Chinubhai Shah	3,75,000
Mr. Balkrishna Thakkar	3,75,000
Mr. Jayaraman Vishwanathan	1,00,000
Mr. Kantibhai Patel	1,00,000
Mr. Chander Sabharwal	75,000
Ms. Urvashi Shah	75,000
Total	11,00,000

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

Guideline 9.3 Code of Corporate Governance - Singapore Stock Exchange

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 Less than S\$ 2,50,000

Name of Director	Directors Fees	Salary	Bonus	Incentive & benefits	Total
Mr. Jayanti Patel	Nil	89%	Nil	11%	100%
Mr. Ashish Soparkar	Nil	89%	Nil	11%	100%
Mr. Natwarlal Patel	Nil	89%	Nil	11%	100%
Mr. Ramesh Patel	Nil	89%	Nil	11%	100%
Mr. Anand Patel	Nil	89%	Nil	11%	100%

Guideline 9.3 - Code of Corporate Governance - Singapore Stock Exchange

The Company has five Key Management Personnel (who are not directors or the CEO) for the Financial Year ended on 31st March, 2016. Details of the name and remuneration of Key Management personnel are as follows:-

The aggregate remuneration paid to Key Management Personnel (who are not directors or the CEO) for the Financial Year ended 31 March 2016 is S\$ 110,169. (₹ 48.8907 = S\$1)

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

Name	Designation	Salary	Allowances	Other Benefits	Total
Mr. Dinesh Shah	V P (Finance & Accounts)	45%	30%	25%	100%
Mr. Kamlesh Mehta	V P (Company Affairs)	45%	30%	25%	100%
Mr. Ashok Bangde	G M (Works)	45%	30%	25%	100%
Mr. Amit Kumar Talesara	G M (Agro Export)	45%	30%	25%	100%
Mr. Ramchandrudu Mangali	DGM (Works)	45%	30%	25%	100%

Guideline 9.4 - Code of Corporate Governance - Singapore Stock Exchange-

No employees of immediate family members of a Director or CEO have drawn remuneration exceeding S\$ 50,000 during financial year 2015-2016.

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.

6.2 Composition of Committee:-

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

6.3 Meetings and attendance during the year:-

The Shareholders' / Investors' Grievances, Share Allotment Share Transfer and Stake Holder Relationship Committee were held on 22.05.2015, 10.08.2015, 03.11.2015 and 03.02.2016.

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

6.4 Details of shareholders' Complaints

Detail of Complaints received	Nos.
Number of Shareholders' Complaints received From 01.04.2015 to 31.03.2016	0
Number of Complaints not solved to the satisfaction of the shareholder	0
Number of Pending Complaints on 31.03.2016	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, 2016 are as under:

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

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 :-

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

Financial Year	Category-Date & Time	Venue	Special - Resolutions passed
2012-13	Annual General Meeting 30 July, 2013 at 09.30 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	No Special Resolution passed
2013-14	Annual General Meeting 28 July, 2014 at 10.00 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	<ol style="list-style-type: none"> 1. Appointment of Mr. Chander Sabharwal. 2. To authorize to borrow up to ₹ 1000 Crore under Section 180(1)(c) of the Companies Act, 2013. 3. To authorize to create mortgage / charge over property of the Company of Section 180(1)(a) of the Companies Act, 2013. 4. To authorize to contribute to charitable and other funds under Section 181 the Companies Act, 2013. 5. To authorize to give loan & make investments under Section 186 of the Companies Act, 2013. 6. To re-appoint Mr Jayanti Patel as Executive Chairman of the Company for a period of 5 years. 7. To re-appoint Mr. Ashish Soparkar as Managing Director of the Company for a period of 5 years. 8. To re-appoint Mr. Natwarlal Patel as Managing Director of the Company for a period of 5 years. 9. To re-appoint Mr. Ramesh Patel as Executive Director of the Company for a period of 5 years. 10. To re-appoint Mr. Anand Patel as Executive Director of the Company for a period of 5 years. 11. To authorize Related Party Transactions under Section 188(1) of the Companies Act, 2013. 12. To approve adoption of new Articles of Association.
2014-15	Annual General Meeting 27 July, 2015 at 10.00 a.m.	HT Parekh Convention Centre, Torrent AMA Centre Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad	No Special Resolution was passed

9 Means of Communication:-

9.1 Quarterly results

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

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

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

9.2 Announcement of Financial Result

The Audited annual results are announced within 60 (Sixty) days from the end of last quarter i.e. 31st March to meet with the requirements of Stock Exchanges. The Audited annual financial results were announced on 28th May, 2016. The aforesaid Audited annual results are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the Company's securities are listed. These results are then given by way of a press release to news agency and published within 48 hours in two leading daily news papers one in English and one in Gujarati. The Audited financial results form a part of the Annual Report which is sent to the Shareholders prior to the Annual General Meeting

9.3 Website display

The Company's Official news releases, presentation, policies, financial results, shareholder's general information etc. are displayed on the Company's website **www.meghmani.com**

News Releases are placed on Stock Exchanges and displayed on website.

The presentations prepared for the investors and analysts are submitted to Stock Exchanges and displayed on the Company's website **www.meghmani.com**

9.4 Green Initiative for Paperless Communications

To support the "Green Initiative in the Corporate Governance", an initiative has been taken by the Ministry of Corporate Affairs (MCA). The Company has sent the soft copies of Annual Report 2015-16 to those members whose email ID were registered with the Depository Participants (DP) after informing them suitably.

10 Other disclosures :-

10.1 Disclosure of Material Transactions:- Related Party Transaction -

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

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. The 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.

10.2 Vigil Mechanism / Whistle Blower Policy:-

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

10.3 Accounting Treatment:-

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

10.4 Corporate Governance of Subsidiaries :-

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

Meghmani Finechem Limited (MFL) needs to have on its board two directors of Meghmani Organics Limited (MOL) who are independent.

Mr. Chinubhai Shah and Mr. Balkrishna Thakkar, Independent Director of MOL are appointed on the Board of MFL.

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

10.5 Auditors' Certificate on Corporate Governance:-

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

10.6 Shareholder's Information:-

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

10.7 Code of Conduct :-

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

10.8 Management Discussion and Analysis Report:-

This is given as the Separate chapter in the Annual Report.

10.9 Insider Trading :-

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

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

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

10.10 Disclosures regarding Re-appointment of Directors

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

There is no alternate director being appointed to the Board.

10.11 Equity shares in Suspense Account

2100 Equity Shares of ₹ 1/- each are lying in the suspense account as per SEBI Circular dated 24th April, 2009. These Shares were issued pursuant to the Public issue of Equity Shares to list Equity Shares on Indian Stock Exchanges.

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

10.12 Particulars of interested person transactions under Rule 920 of Singapore Listing Manual for the year ended 31st March, 2016 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\$1,00,000 (equivalent to approximately ₹ 48,89,000) 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\$1,00,000 (equivalent to approximately ₹ 48,89,000))	
	Amount in ₹	Amount in S\$000	Amount in ₹	Amount in S\$000
Matangi Industries	71,40,426	1,46,048	—	—
Meghmani Finechem Ltd	38,22,17,669	78,17,799	—	—
Meghmani Dyes and Intermediates LLP	1,16,01,388	2,37,292	—	—
Meghmani Industries Ltd	1,46,37,312	2,99,388	—	—
Vidhi Global Chemicals Ltd.	61,40,01,500	1,25,58,656	—	—
Meghmani Pigments	10,29,09,633	21,04,891	—	—
Ashish Chemicals (EOU)	2,40,85,772	4,92,645	—	—
Meghmani Overseas FZE	2,18,08,709	4,46,070	—	—
Meghmani Chemicals Ltd	51,95,812	1,06,274	—	—
Meghmani Organics Inc. USA	56,27,94,747	1,15,11,284	—	—
Meghmani LLP	3,50,61,435	7,17,139	—	—
Total	1,78,14,54,403	3,64,37,486	—	—

Note :- ₹ 48.8907 = S\$1 (Average Rate of Financial Year 2015-2016)

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

10.13 Immediate Family Member of Director

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

10.14 Appointment & Removal of Company Secretary

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

10.15 Reminders to unpaid dividend:

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

10.16 Outstanding Singapore Depository Receipt Shares (SDSs):

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".

7,48,66,900 SDSs each of ₹ 0.50 paise representing 3,74,33,450 Equity Shares of ₹ 1/-each is outstanding as on 31st March, 2016. The conversion of SDSs in to Equity shares will not have any impact on paid up capital or cash position of the Company.

11 General Shareholder Information :-

I. Annual General Meeting :-

Date	26 th July, 2016
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	Monday 24 th July, 2016 (before 10.00. a.m.)
Posting of Annual Report	On or before 01 st July, 2016

II. Financial year :-

The financial year of the Company is from 01 April to 31st March. The Board meetings for approval of Quarterly financial results during the year ended 31st March, 2016 were held on the following dates:-

Financial Calendar 2015-2016

First Quarter Results	10 th August, 2015
Second Quarter and Half yearly results	03 rd November, 2015
Third Quarter Results	03 rd February, 2016
Fourth Quarter & Annual Results	28 th May, 2016

Financial Year 2016-2017 - Calendar for Board Meeting

First Quarter Results -30.06.2016	Within 45 days from the close of quarter
Second Quarter Result - 30.09.2016	Within 45 days from the close of quarter
Third Quarter Results - 31.12.2016	Within 45 days from the close of quarter
Fourth Quarter - 31.03.2017	Within 60 days from the close of quarter

Date of Book Closure:-

Book Closure	Tuesday 19 th July, 2016 to Tuesday 26 th July, 2016
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III. Dividend payment :-

The Board of Directors at their meeting held on 11th March, 2016 had declared and paid interim dividend of ₹ 0.30 per Equity shares of the face value of ₹ 1/- each for the financial year 2015-2016 on 23rd March, 2016. The interim dividend paid is to be considered as final dividend for the Financial Year 2015-16.

The information of unclaimed dividends are as under:-

Financial Year	Dividend%	Payment Date	Due date for transfer to IEPF
Un- paid Dividend - 2009	33%	11.08.2009	10.08.2016
Un- paid Dividend - 2010	40%	11.08.2010	10.08.2017
Un- paid Dividend - 2011	40%	11.08.2011	10.08.2018
Un- paid Dividend - 2012	10%	11.08.2012	10.08.2019
Un- paid Dividend - 2013	10%	07.08.2013	06.08.2020
Un- paid Dividend - 2014	10%	11.08.2014	10.08.2021
Un- paid Dividend - 2015	40%	27.02.2015	26.02.2022
Un- paid dividend - 2016	30%	23.03.2016	22.02.2023

IV. 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 Stock Exchange	2 Shenton Way #19-00 SGX Centre 1 Singapore 068804	MEGH.SI

The listing fee for the financial year 2016-2017 has been paid to the above Stock Exchanges.

V. Stock code :-

ISIN allotted to the Company's Equity Shares of face value of ₹ 1/- each under the depository system is INE974H01013.

VI. Share Market Price data:-

The Monthly high and Low prices and volumes of Meghmani Organics Limited (MOL) share at National Stock Exchange of (India) Limited (NSE) and BSE Limited for the year ended on 31st March, 2016 are as under :-

National Stock Exchange of India Limited: - 31.03.2016

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	Total Turnover (₹ In Lacs)
Apr-15	14.75	20.10	14.75	16.10	86,64,969	1,492.65
May-15	16.00	20.00	14.00	17.15	63,99,908	1,095.80
Jun-15	17.20	18.40	14.85	16.95	48,77,365	805.72
Jul-15	17.05	23.95	17.05	22.45	2,50,75,087	5,394.87
Aug-15	22.50	26.20	17.35	19.00	2,46,37,254	5,675.42
Sep-15	19.00	19.75	17.30	19.15	57,70,483	1,068.99
Oct-15	19.35	27.40	19.05	24.35	3,87,87,066	9,790.04
Nov-15	24.50	25.90	20.75	22.95	1,41,92,882	3,329.90
Dec-15	23.15	26.70	21.05	25.10	2,50,07,552	6,178.24
Jan-16	25.00	27.60	18.75	20.60	2,21,04,988	5,201.97
Feb-16	20.80	24.40	18.25	19.10	1,49,75,303	3,214.24
Mar-16	19.25	23.60	19.05	22.70	1,11,09,588	2,418.75

BSE Limited: - 31.03.2016

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	Total Turnover (₹ In Lacs)
Apr-15	15.25	20.05	14.85	16.07	29,54,037	509.43
May-15	16.25	19.20	14.50	17.10	22,39,268	75,783.95
Jun-15	17.25	18.40	14.85	17.05	16,77,726	368.99
Jul-15	17.00	24.00	17.00	22.50	77,62,029	4,50,290.90
Aug-15	22.50	26.20	17.45	19.00	83,91,935	431.03
Sep-15	18.70	19.80	17.30	19.20	20,39,408	87,993.34
Oct-15	19.25	27.40	19.10	24.30	1,37,94,180	3,941.65
Nov-15	24.20	25.90	20.60	23.05	53,26,157	31,631.62
Dec-15	23.20	26.65	21.15	26.05	74,66,059	5,779.71
Jan-16	25.05	27.60	18.75	20.60	78,24,084	31,358.04
Feb-16	20.95	24.30	18.25	19.20	56,58,211	3,871.73
Mar-16	19.05	23.70	19.05	22.80	39,93,291	22,276.11

VII. 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.

VIII. Registrar and Share Transfer Agent :-

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-13, Pannalal Silk Mills Compound
LBS Road, Bhandup (West),
Mumbai 400 078. India.
Tel: +91 22 2596 0320
Fax: +91 22 2596 0329

IX. Share Transfer System :-

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

X. Distribution of Shareholding: 31.03.2016

Category	Shareholders		Shares of ₹ 1/- each	
	Number	Percent	Number	Percent
1-500	39,354	71.00	94,45,529	3.72
501-1000	7,679	13.86	67,72,462	2.66
1001-2000	3,723	6.72	60,77,173	2.39
2001-3000	1,388	2.50	36,80,403	1.45
3001- 4000	623	1.12	23,20,716	0.91
4001- 5000	760	1.37	36,89,908	1.45
5001-10000	911	1.64	70,73,257	2.78
10001- & ABOVE	989	1.79	21,52,54,763	84.64
TOTAL	55,427	100.00	25,43,14,211	100.00

Shareholding Pattern - 31.03.2016

Category	Total Shares	%
Clearing Member	24,71,214	0.97
Other Bodies Corporate	1,95,30,812	7.67
Financial Institutions	48,928	0.02
Foreign Institutional Investor	25,09,003	0.98
Singapore Depository Receipts	3,74,33,450	14.71
Hindu Undivided Family	44,88,166	1.76
Nationalised Banks	4,000	0.00
Non Nationalised Banks	82,420	0.03
Non Resident Indians	13,96,099	0.55
Non Resident (Non Repatriable)	3,01,685	0.12
Public	5,71,17,111	22.46
Promoters	9,50,78,907	37.38
Relatives of Director	3,36,45,388	13.23
Trusts	10,000	0.04
Foreign Portfolio Investor (Corporate)	1,97,028	0.08
TOTAL	25,43,14,211	100.00

Dematerialization of Shares and Liquidity Distribution: 31.03.2016

Share Capital	No. of shares	%
Listed Capital	25,43,14,211	100.00
Held in Dematerialized form :-		
National Securities Depository Limited	22,33,81,655	87.84
Central Depository Services (India) Limited	3,06,79,580	12.06
Held in Physical Form	2,52,976	0.10
	25,43,14,211	100.00

Twenty Largest Singapore Depository Shares ("SDS") Holders as on 13.06.2016 (As per Singapore rules)

Sr. No.	NAME OF SDS HOLDER	NO. OF SDS	%
1	ELECTRA PARTNERS MAURITIUS LIMITED	2,83,89,320	38.91
2	WATERWORTH PTE LTD	95,00,000	13.02
3	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	30,26,000	4.15
4	RAFFLES NOMINEES (PTE) LTD	24,49,400	3.36
5	KER BOON KEE	13,84,000	1.90
6	DBSN SERVICES PTE LTD	12,93,000	1.77
7	TEO CHIANG SONG	12,00,000	1.64
8	WU CHUNG SHOU	11,00,000	1.51
9	DB NOMINEES (S) PTE LTD	10,00,000	1.37
10	ANG LAY TENG OR TAN CHOON HUI	8,29,000	1.14

Sr. No.	NAME OF SDS HOLDER	NO. OF SDS	%
11	DBS NOMINEES PTE LTD	8,18,000	1.12
12	INDIA INTERNATIONAL INSURANCE PTE LTD - SIF	8,00,000	1.10
13	SEE BENG LIAN JANICE	8,00,000	1.10
14	BANK OF SINGAPORE NOMINEES PTE LTD	7,81,000	1.07
15	PHILLIP SECURITIES PTE LTD	7,45,000	1.02
16	LIM LENG CHYE	7,00,000	0.96
17	TAN HENG WAN	6,73,000	0.92
18	CHAN SIEW LIAN ANGELINE	6,49,000	0.89
19	VANITA VASHDEV DADLANI @ KRIPALANI VANITA GULAB	6,35,000	0.87
20	SOH DOLLY	4,41,000	0.60
TOTAL		5,72,12,720	78.42

DISTRIBUTION OF SINGAPORE DEPOSITORY SHARES ("SDS") HOLDERS BY SIZE OF SDS HOLDINGS AS AT 13th JUNE 2016

Size of SDS	SDS Shareholders		No. of SDS of ₹ 0.50/- each	
	Number	Percent	Number	Percent
1 - 99	3	0.62	15	-
100 - 1,000	36	7.42	32,900	0.05
1,001 - 10,000	177	36.50	12,73,000	1.74
10,001 - 1,000,000	261	53.81	2,33,12,665	31.95
1,000,001 AND ABOVE	8	1.65	4,83,41,720	66.26
Total	485	100.00	7,29,60,300	100.00

XI. Outstanding Singapore Depository Receipts :

15,31,65,300 Singapore Depository Shares were issued under Depository mechanism on 10th August, 2004 at a 28 Cent per SDS of ₹ 0.50 on Singapore Stock Exchange.

As on 31st March, 2016 the number of SDS outstanding are 7,48,66,900 which represents 3,74,33,450 Equity Shares. The Closing SDS price as on 31st March, 2016 was 0.205 Cent.

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

XII. 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

XIII. Investor Correspondence :-

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

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

Meghmani Organics Limited

Meghmani House, Shreenivas Society,

Vikasgruh Road, Paldi, Ahmedabad -380 007

helpdesk@meghmani.com

Brief Profile of the Directors:-

(1) Mr. Jayanti Patel :- (DIN 00027224)

Mr. Jayanti Meghji bhai Patel, 64 years, is the Executive Chairman of our Company. Mr. Jayanti Patel holds a Bachelors of Chemical Engineering degree from Maharaja Sayajirao University, Baroda. He currently oversees the International Marketing of our Company and is responsible for all major policy decisions. Mr. Jayanti Patel has more than 39 years experience in the Dyes and Pigments industry and more than 22 years experience in the Agrochemicals industry.

Mr. Jayanti Patel is interested in the following Companies and Partnership firms.

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

(2) Mr. Ashish Soparkar:- (DIN 00027480)

Mr Ashish Natwarlal Soparkar, 63 years, is the Managing Director of our 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 39 years experience in the Dyes and Pigments industry, and more than 22 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)	Meghmani Energy Limited	Director
5)	Ashish Chemicals	Partner
6)	Meghmani Pigments (erstwhile Alpanil Industries)	Partner

(3) Mr. Natwarlal Patel :- (DIN 00027540)

Mr. Natwarlal Meghji bhai Patel, 63 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 Agrochemicals divisions, as well as the International and Domestic marketing of our Agrochemical products. Mr. Natwarlal Patel, has more than 36 years experience in the Dyes and Pigments industry, and more than 21 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)	Meghmani Dyes & Intermediates LLP	Partner
4)	Meghmani Energy Limited	Director
5)	John Energy Limited	Director
6)	Gujarat State Export Corporation Limited	Director
7)	Meghmani Overseas FZE – Sharjah	Director
8)	Tapsheel Enterprises	Partner
9)	Navratan Specialty Chemicals LLP	Director
10)	Uniworth Enterprises LLP	Partner

(4) Mr. Ramesh Patel :- (DIN 00027637)

Mr. Ramesh Meghijbhai Patel, 60 years, is the Executive Director of the Company. Mr. Ramesh Patel holds a Bachelors of Arts degree from Saurashtra University. Mr. Ramesh Patel has 32 years experience in the Pigments Industry and 21 years of experience in the Agrochemicals Industry.

Mr. Ramesh Patel is currently in charge of overseeing purchases made by our Company (including Domestic purchases and Global imports) and is responsible for all liaisons between our Company and government authorities or other regulatory bodies. Mr. Ramesh Patel 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 & Intermediates LLP	Partner
3)	Meghmani Energy Limited	Director
4)	Meghmani Chemicals	Partner
5)	Uniworth Enterprises LLP	Director

(5) Mr. Anand Patel :- (DIN 00027836)

Mr. Anand Ishwarbhai Patel, 53 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 29 years experience in the Pigments Industry. Mr. Anand Patel currently oversees the manufacturing of Pigments at Vatva, Panoli and Dahej SEZ, as well as the International & Domestic marketing of Pigments. Mr. Anand Patel is interested in the following companies and partnership firms.

Sr. No.	Name of the firm/concern	Position Held
1)	Meghmani Energy Limited	Director
2)	Meghmani Europe BVBA	Director
3)	Meghmani Dyes & Intermediates LLP	Partner
4)	Patel Investment and Infrastructure Company	Partner
5)	Tapsheel Enterprises	Partner
6)	Matangi Industries LLP	Partner
7)	Meghmani Chemicals	Partner
8)	Uniworth Enterprises LLP	Partner

(6) Mr. Chinubhai Shah :- (DIN 00558310)

Mr. Chinubhai Shah, 79 Years, was appointed as a Director of our Company on April 13, 2000 and has been on our Board since then. He holds a Masters degree in Arts and a Masters degree in Law. He also has a Diploma in Labor Practice and Diploma in Taxation practice, both from Gujarat University. He is a Fellow Member of the Institute of Company Secretaries of India and Fellow Membership for life was also conferred on him by All India Management Association, New Delhi.

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

He has had more than 46 years experience in the areas of Management, Finance and Accounting. Mr. Chinubhai Shah headed Torrent Pharmaceuticals and Torrent Exports Limited as Executive Director from 1991 to 1998. From 1998 to 2000 he was the Managing Director of Ahmedabad Electricity Co. Limited (Presently Torrent Power Limited).

Mr. Chinubhai Shah is a director on the Board of the following other companies:-

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

(7) Mr. Balkrishna Thakkar :- (DIN 00430220)

Mr. Balkrishna Thakkar, 69 years, was appointed as a Director of our 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.

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

Mr. Jayaraman Vishwanathan, 59 years, was appointed as a Director of our Company on July 17, 2003. He has more than 28 years of experience in industry, banking, private equity and entrepreneurial related assignments, both in India as well as in other countries. He was the Director and the Head of Direct Investments in Jardine Fleming India Securities Limited

("JF Electra") (Now Electra Partners Asia Limited "Electra Asia") from December 1995 to July 1999 and has rejoined Electra Partners in February 7, 2005. He holds a Bachelors of Commerce (Honours) degree from the University of Delhi, India. He is also a qualified Chartered Accountant and also a Management Accountant from the Chartered Institute of Management Accountants, London, United Kingdom.

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

(9) MR. CHANDER KUMAR SABHARWAL:- (DIN 00368621)

Mr. Chander Kumar Sabharwal 65 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 – date), Agrochemicals.
- 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. He is Associated with many International Companies such as Bayer, BASF, Monsanto, IFFCO, etc.

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

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

Mr. K H Patel, 69 years is a Bachelor of Science and Law degree from Gujarat University and also holds diploma of Master of Labour Welfare (MLW).

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

He is also on the Board of Rainbow Papers Limited, Sundek India Limited and Jay Chemicals Industries Limited.

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

Ms. Urvashi Dhirubhai Shah, 59 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 11 years. Ms. Urvashi Shah is on the Board of Brady & Morris Engineering Co Ltd. (Bombay) as Non Executive Independent Director.

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COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS:

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2016.

Place: Ahmedabad
Date: 28th May, 2016

For Meghmani Organics Limited
Ashish Soparkar
CEO & Managing Director

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 2016**, as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

Place: - Ahmedabad
Date: 28th May, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MEGHMANI ORGANICS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **Meghmani Organics Limited**, which comprise the **Balance Sheet as at 31st March, 2016 the Statement of Profit and Loss, the Cash Flow Statement for the year then ended**, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (Act) with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31st March, 2016** and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

INDEPENDENT AUDITORS' REPORT

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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on **31st March, 2016** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2016** from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year ended **March 31, 2016**.

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

PLACE: AHMEDABAD
DATE : 28th May, 2016

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

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

We have audited the internal financial controls over financial reporting of **Meghmani Organics Limited** as of **March 31, 2016** in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that :

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS**

FRN 107647W

M.M.KHANDWALA

PARTNER

M.NO.: 32472

PLACE: AHMEDABAD

DATE : 28th May, 2016

ANNEXURE TO INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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

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

- i. (a) The Company has maintained records under SAP showing full particulars including quantitative details and situation of its fixed assets.
(b) Fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) The title deeds of immovable properties as disclosed in Note 11 on Fixed Assets to the Financial Statements, are held in the name of the Company, except for the freehold land of Agro I division which amounts to ₹ 5,58,39,820 whose title deeds are not held in Companies name.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loans, secured or unsecured, to its one subsidiary company listed in the register maintained under Section 189 of the Companies Act, 2013.
(a) In respect of aforesaid loans, the Company has not charged interest on loan given to subsidiary, other terms and conditions of loan given by the Company are prima facie not prejudicial to the interest of the Company.
(b) The said interest free loan given to its subsidiary of the Company is repayable on demand.
(c) Total amount overdue for more than Ninety days is ₹ 4,13,41,928.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with provision of Section 185 and 186 of the Companies Act, 2013 in respect of loans and investment made, guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public covered under the provision of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under to the extent notified.
- vi. The Central Government has prescribed maintenance of Cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended by sub Section (1) of Section 148 of the Companies Act, 2013. We have broadly reviewed the books of accounts maintained by the company under SAP environment. We are of the opinion that prima facie cost records have been maintained by the Company. We have not however made detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax, Duty of Customs, Duty of Excise, VAT, Cess and any other statutory dues, to the extent applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at **March 31, 2016** for a period of more than six months from the date they become payable;

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

Name of Statute	Nature of Dues	Figures (in ₹)	Forum where dispute is pending
Labour laws	Compensation Claim	1,87,65,930	Labour Court
Income Tax Act	Income Tax/Penalty for various Financial Year	5,72,81,720	Commissioner of Income Tax(Appeal)/ Income Tax Appellate Tribunal/High Court
Central Excise Tariff Act	Excise Duty/Penalty/ Interest	29,16,79,024	Commissioner of Central Excise / Director General of Central Excise /Audit team of Central Excise / Central Excise Service Tax Appellate Tribunal
Service Tax	Service Tax/Penalty/ Interest	4,64,51,114	Commissioner of Central Excise / Deputy Commissioner of Central Excise / Central Excise Services Tax Appellate Tribunal

- viii. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as at the balance sheet date.
- ix. The Company has not raised any money through initial public offer or further public offer. In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which those are raised.
- x. During the course of our examination of books and record of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanations given to us, we have neither come across any instance or material fraud by the Company or on the Company by its officer or employee noticed or reported during the year, nor have been informed of any such case by the Management.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with provision of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statement as required under Accounting Standard (AS) 18, related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or Fully or Partly Convertible Debenture during the year under review. Therefore, the provisions of clause (xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him. Therefore, the provisions of clause (xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause (xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

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

**PLACE: AHMEDABAD
DATE : 28th May, 2016**

BALANCE SHEET AS AT 31st MARCH 2016

PARTICULARS	Note No	(Figures in ₹)	
		31 st March 2016	31 st March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	25,43,14,211	25,43,14,211
(b) Reserves and Surplus	3	5,77,76,06,950	5,40,52,77,863
(2) Non Current Liabilities			
(a) Long Term Borrowings	4	1,03,75,00,000	1,33,50,00,000
(b) Deferred Tax Liabilities (Net)	5	29,59,38,912	27,46,42,333
(c) Long Term Provisions	6	2,72,52,000	2,13,77,308
(3) Current Liabilities			
(a) Short Term Borrowings	7	2,58,59,48,193	1,97,28,45,002
(b) Trade Payables	8		
Total Outstanding dues of Micro and Small Enterprises		8,50,46,154	5,47,58,570
Total Outstanding dues of creditors other than Micro and Small Enterprises		1,56,51,38,513	1,22,18,65,056
(c) Other Current Liabilities	9	52,78,26,658	77,99,19,278
(d) Short Term Provisions	10	1,54,18,468	22,64,96,216
TOTAL		12,17,19,90,059	11,54,64,95,837
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		3,70,98,01,843	3,85,58,50,575
(ii) Intangible Assets		12,03,74,563	2,30,58,524
(iii) Capital Work-in-Progress		15,32,69,185	4,86,96,103
(iv) Intangible Assets Under Development		7,18,21,065	10,72,06,621
(b) Non Current Investments	12	1,30,50,23,638	1,38,59,17,351
(c) Long Term Loans and Advances	13	4,80,77,119	6,60,73,760
(d) Other Non Current Assets	14	2,00,882	4,96,643
(2) Current Assets			
(a) Inventories	15	1,90,01,79,805	1,80,82,19,962
(b) Trade Receivables	16	3,80,51,28,220	3,02,60,39,482
(c) Cash and Cash Equivalents	17	9,63,80,775	11,20,73,236
(d) Short Term Loans and Advances	18	76,98,05,891	94,12,74,064
(e) Other Current Assets	19	19,19,27,073	17,15,89,516
Significant Accounting Policies	1		
Notes forming part of Accounts	1 to 33		
TOTAL		12,17,19,90,059	11,54,64,95,837

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTSM. M. KHANDWALA
PARTNER

M. NO.: 32472

Place : Ahmedabad

Date : 28th May, 2016D C Shah
Chief Financial OfficerK D Mehta
Company Secretary

FOR AND ON BEHALF OF THE BOARD

J.M.PATEL – Executive Chairman (DIN – 00027224)

A.N.SOPARKAR – Managing Director (DIN – 00027480)

N.M.PATEL – Managing Director (DIN – 00027540)

Place : Ahmedabad

Date : 28th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH 2016

PARTICULARS	Note No	(Figures in ₹)	
		31 st March 2016	31 st March 2015
Income			
Revenue from Operation		10,51,77,87,901	10,15,75,83,256
Less: Excise Duty		71,05,27,440	67,57,43,547
Net Revenue from Operation	20	9,80,72,60,461	9,48,18,39,709
Other Income	21	3,09,53,819	18,59,18,472
Total Income		9,83,82,14,280	9,66,77,58,181
Expenditure			
Raw Materials Consumption	22	5,33,50,47,882	5,05,15,14,926
Trading Purchases		43,45,35,855	53,27,12,197
(Increase)/Decrease in Stock	23	(12,94,19,387)	22,91,66,459
Employees Emoluments	24	58,53,69,728	54,41,82,305
Financial Expenses	25	40,84,13,202	47,65,80,466
Depreciation	11	36,18,67,417	35,02,90,880
Other Expenses	26	2,20,60,66,323	2,12,57,95,784
Total Expenditure		9,20,18,81,020	9,31,02,43,017
Profit Before Exceptional Items & Tax		63,63,33,260	35,75,15,164
Exceptional Items	27	8,11,43,713	3,50,81,903
Profit Before Tax		55,51,89,547	32,24,33,261
Current Tax (Net of MAT Credit)		12,90,00,000	3,65,00,000
MAT Credit Entitlement		–	(1,85,00,000)
Payment of Tax of earlier years		38,87,987	89,56,463
Deferred Tax	5	2,12,96,579	3,33,18,704
Profit for the year from continuing Operation		40,10,04,981	26,21,58,094
Basic Earning Per Share of face value of ₹ 1 each	28	1.58	1.03
Diluted Earning Per Share of face value of ₹ 1 each		1.58	1.03
Significant Accounting Policies	1		
Notes forming part of Accounts	1 to 33		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
Place : Ahmedabad
Date : 28th May, 2016

D C Shah
Chief Financial Officer

K D Mehta
Company Secretary

FOR AND ON BEHALF OF THE BOARD
J.M.PATEL – Executive Chairman (DIN – 00027224)
A.N.SOPARKAR – Managing Director (DIN – 00027480)
N.M.PATEL – Managing Director (DIN – 00027540)

Place : Ahmedabad
Date : 28th May, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
A. Cash Flow from Operating Activities		
Net Profit Before Tax	55,51,89,547	32,24,33,261
Adjustment for :		
Depreciation	36,18,67,417	35,02,90,880
Unrealised Foreign Exchange	(1,58,71,591)	(1,45,25,866)
Mark to Market Loss on Derivative	(13,64,94,219)	(4,08,63,831)
Liability no longer required	(2,34,378)	(1,65,95,707)
Interest and Finance Charges	40,84,13,202	47,65,80,466
Wealth Tax	–	4,43,259
Dividend Received	–	(14,56,33,052)
Interest Received	(2,67,02,247)	(2,33,75,063)
Bad Debts Written off	17,44,81,512	14,99,676
Loss on Sales of Investment	–	4,33,23,159
Investment Written off	8,11,43,713	1,12,00,000
(Profit) / Loss on Sale of Fixed Assets	11,53,057	(1,64,99,318)
Operating Profit before Working Capital changes	1,40,29,46,013	94,82,77,864
Adjustment for:		
Inventories	(9,19,59,843)	27,78,26,857
Trade Receivables	(95,35,70,250)	28,41,64,196
Short Term Loans and Advances	20,48,37,029	22,79,21,172
Other Current Assets	(2,86,60,118)	4,76,13,709
Long Term Loans and Advances	1,79,96,641	2,20,58,494
Trade Payables	37,37,95,419	(33,83,67,661)
Other Current Liabilities	2,94,89,851	(27,28,209)
Provisions	41,78,172	1,05,34,762
Sub Total	(44,38,93,099)	52,90,23,320
Cash Generated from Operation	95,90,52,914	1,47,73,01,184
Direct Taxes Paid	(16,82,60,728)	(5,98,41,437)
Net Cash from Operating Activities	79,07,92,186	1,41,74,59,747
B. Cash Flow from Investment Activities		
Purchase of Fixed Assets	(36,07,61,418)	(56,52,71,313)
Movement in Loan & Advances – Subsidiaries	–	3,72,20,460
Fixed Deposits made	(2,89,560)	(3,17,663)
Dividend Received	–	14,56,33,052
Interest Received	2,72,92,040	2,24,77,650
Investment in Others	(2,50,000)	–
Proceeds from Divestment of Subsidiaries	–	3,99,940
Sale of Fixed Assets	19,54,850	3,87,97,312
Net Cash Used in Investing Activities	(33,20,54,088)	(32,10,60,562)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
C. Cash Flow from Financing Activities		
Dividend & Interim Dividend Paid	(7,53,81,363)	(12,55,47,706)
Dividend Distribution Tax	(1,55,31,987)	(43,22,070)
Interest and Finance Charges Paid	(41,55,77,312)	(46,74,42,934)
Short Term Borrowings	(23,45,96,809)	23,30,07,824
Proceeds from Other Borrowing	1,96,99,00,000	1,00,00,00,000
Other Borrowing Repaid	(1,12,22,00,000)	(1,72,00,00,000)
Non Convertible Debentures	(50,00,00,000)	(50,00,00,000)
Proceeds from Bank Borrowing (Term Loan)	1,06,75,00,000	65,00,00,000
Bank Borrowing (Term Loan) – Repaid	(1,16,50,00,000)	(10,97,44,294)
Net Cash Used in Financing Activities	(49,08,87,471)	(1,04,40,49,180)
Net (Decrease)/ Increase in Cash and Cash Equivalent	(3,21,49,373)	5,23,50,005
Cash on Hand – Opening Balance	10,87,88,707	7,36,15,694
Cash on Hand – Closing Balance	7,66,39,334	12,59,65,699
Reconciliation of Cash and Cash Equivalent		
Total Cash & Bank Balance as per Balance Sheet	9,63,80,775	11,20,73,236
Less–Equivalent Fixed Deposit in Bank not considered as Cash and Cash Equivalent	38,69,850	32,84,529
Cash and Cash Equivalent	9,25,10,925	10,87,88,707
Cash and Cash Equivalent Comprises as under :		
Balance with Banks in Current Accounts Includes ₹ 22,48,800 (Previous Year ₹ 35,58,190) Pertains to Unpaid Dividend)	1,55,93,702	3,05,83,157
Fixed Deposit with Bank	7,50,00,000	7,62,23,438
Cash on Hand	19,17,223	19,82,112
Cash and Cash Equivalents	9,25,10,925	10,87,88,707
Net effect of Unrealised Exchange Difference	(1,58,71,591)	1,71,76,992
Cash & Cash Equivalent at the end of the year	7,66,39,334	12,59,65,699

Notes to the Cash Flow statement for the year ended on 31.03.2016

- (1) Figures in brackets indicate cash outgo.
- (2) The previous year figures have been regrouped/restated where ever necessary to conform to this year's classification.

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
Place : Ahmedabad
Date : 28th May, 2016

D C Shah
Chief Financial Officer

K D Mehta
Company Secretary

FOR AND ON BEHALF OF THE BOARD
J.M.PATEL–Executive Chairman (DIN – 00027224)
A.N.SOPARKAR – Managing Director (DIN – 00027480)
N.M.PATEL – Managing Director (DIN – 00027540)

Place : Ahmedabad
Date : 28th May, 2016

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS FOR PREPARATION OF ACCOUNTS

The Financial Statements have been prepared to comply with all material aspects in respect with the notified Accounting Standards by Companies Accounting Standard Rules, 2006, standards issued by Institute of Chartered Accountants of India and the relevant provision of the Companies Act, 2013.

Accounting policies have been consistently applied by the Company.

1.2 USE OF ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.3 REVENUE RECOGNITION

- 1) Revenue is recognised only when it can be reliably measured and it is reasonable to accept ultimate collection.
- 2) Sales

Sales are recognised on transfer of significant risks and rewards of ownership to the buyer. Domestic Sales are accounted on exclusive of Excise, net of Central Sales Tax, VAT, Sales return and Rate Difference, if any. Exports sales are accounted on the basis of dates of Bill of Lading. Sales do not include Inter Division transfer.
- 3) Export Benefits
 - (i) Incomes in respect of Duty Drawback in respect of exports made during the year are accounted on accrual basis.
 - (ii) Focus Market License, Focus Product License and Merchandise Exports from India Scheme (MEIS) income is recognised on accrual basis when considering the related expenses to the same profit or losses on transfer of licenses are accounted in year of the sales. Duty free imports of material under Advance License matched with the export made against the said licenses
- 4) Dividend income is recognised on the basis of dividend declared and/ or paid by the Companies.

1.4 FOREIGN CURRENCY TRANSACTIONS

- (i) Transactions in foreign currencies are recorded in Indian Rupees using the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, recorded monetary balances are reported in Indian Rupees at the rates of exchange prevailing at the balance sheet date. All realised and unrealised exchange adjustment gains and losses are dealt with in the profit and loss account.
- (ii) In order to hedge exposure to foreign exchange risks arising from Export or Import, foreign currency, bank borrowings and trade receivables, the Company enters into forward contracts. In case of forward exchange contracts, the cost of the contracts is amortised over the period of the contract. Any profit or loss arising on the cancellation or renewal of a forward exchange contract is recognised as income or expenses for the year.
- (iii) Exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the profit and loss account in the reporting period in which the exchange rates change.
- (iv) Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.5 FIXED ASSETS

- (i) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation, including borrowing cost as specified in point (i) till such assets are ready for its intended use, less specific grants received and Cenvat Credit availed, if any.
- (ii) Fixed assets in the course of work-in-progress for production or administrative purposes are carried at cost less any impairment loss. Work in Progress includes expenditure pending for capitalization.

Cost includes land and building improvement costs, related acquisition expenses and construction costs incurred during the period of construction. Depreciation of these assets, on the same basis as the other property assets, commences when the assets are ready for their intended use.
- (iii) The cost of self-constructed assets includes cost of materials plus any other directly attributable costs of bringing the assets to working condition for its intended use.
- (iv) Subsequent expenditure are added to the cost of existing asset only when such expenditure is expected to increase the future benefits form the existing asset beyond its standard of performance as on that date.
- (v) An item of fixed asset is eliminated from financial statements on disposal or discardment.
- (vi) Items of fixed assets that are retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are presented separately in the financial statements. Any expected loss is recognized immediately in the statement of profit and loss.
- (vii) The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in statement of profit and loss for the relevant financial year.

1.6 EXPENDITURE ON NEW PROJECTS AND SUBSTANTIAL EXPANSION

Expenditure directly relating to construction activity (net of income, if any) is capitalized. Indirect expenditure incurred during construction period capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (Including borrowing costs) incurred during the construction period, which is not related to the construction activity nor is incidental thereto is charged to Statement of Profit & Loss. Income earned during construction period deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion is capitalized. As regards indirect expenditure on expansion only that portion is capitalized which represents the marginal increase in such expenditure as a result of capital expansion. The same is treated as pre-operative expenditure pending allocation to fixed assets in progress and is shown "Capital Work-in-Progress". The same is transferred to fixed assets on progressive basis and is capitalized along with fixed assets on commencement of commercial activities.

1.7 INTANGIBLE ASSETS

Intangible assets are recognized at acquisition cost when the asset is identifiable, non-monetary in nature, without physical substance and it is probable that such expenditure is to result in future economic benefits to the entity.

1.8 IMPAIRMENT OF ASSETS

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset under development and intangible asset having amortization period of greater than ten years is tested for impairment annually and other intangible assets whenever there is an indication that asset may be impaired.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Recoverable amount is the higher of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

1.9 DEPRECIATION

Except for Freehold Land, Leasehold Land and Capital Work-in-Progress depreciation is charged on Straight Line Method (SLM) as per rate and in the manner prescribed under Schedule II of the Companies Act, 2013. Any addition or extension to an existing asset which is of a capital nature and which becomes an integral part of the existing asset is depreciated over the remaining useful life of that asset.

Leasehold Land is amortized over the available balance lease period.

Depreciation is not provided on Freehold Land and Capital Work-in-Progress.

When assets are disposed or retired, their cost and accumulated depreciation are removed from the financial statements.

1.10 INVESTMENTS

Long term investments are stated at cost less amount written off, where there is a diminution in its value of other than temporary nature. Current investments are stated at lower of cost and fair value determined on an individual basis. Gain or loss arising from sale or disposal of such investment is accounted at the time of actual sale or disposal in the Statement of Profit and Loss.

1.11 INVENTORIES

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

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

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

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

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

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

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.12 BORROWING COSTS

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

1. Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;
2. Borrowing costs are being incurred; and
3. Activities that are necessary to prepare the asset for its intended use are in progress.

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

1.13 PRIOR YEAR EXPENSES AND INCOME

Transactions pertaining to period prior to current accounting year are adjusted through prior year adjustments, if any.

1.14 EMPLOYEE BENEFITS

Employee benefits payable wholly within twelve months of the end of the reporting period are classified as short term employee benefits and are recognized as the employee renders service on an undiscounted basis. Contribution to Defined Contribution Schemes such as Provident Fund, etc. are charged to the Statement of Profit and Loss as incurred. The Company also provides for retirement / post-retirement benefits in the form of gratuity and leave encashment. Such benefits (Defined Benefit Plans) are provided for based on valuations, as at the balance sheet date, made by independent Actuaries. Termination benefits are recognized as an expense as and when incurred. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss.

1.15 EXCISE DUTY

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

1.16 CENVAT

CENVAT Credit of raw materials and other consumables is accounted at the time of purchase and the same is being adjusted to the cost of raw materials and other consumables.

1.17 ACCOUNTING FOR TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized, if there is virtual certainty that sufficient future taxable income will be available against which such assets can be realized. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed at each Balance Sheet date to reassess realization. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit & Loss and shown as MAT Credit Entitlement.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.18 PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when it is more likely than not that an obligation will result in an outflow of resources.

Provisions are not discounted to their present value and are determined based on management's estimation of the obligation required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.

Contingent Liabilities are disclosed for all possible obligations that are not remote and all present obligations of which outflow of economic resources is not estimable.

1.19 FINANCIAL DERIVATIVES HEDGING TRANSACTIONS

- A. The Company has voluntarily adopted the principles of Accounting Standard (AS) 30 ["Financial Instruments Recognition and Measurement"] for the accounting of such derivative contracts, not covered under Accounting Standards (AS) 11 ["The Effects of Changes in Foreign Exchange Rates"], in pursuance of the announcement of the Institute of Chartered Accountants of India (ICAI) dated March 29, 2008 on accounting of derivatives..
- B. The fair values of all such derivative financial instruments are recognized as assets or liabilities at the Balance Sheet date. Such derivative financial instruments are used as risk management tools only and not for speculative purposes.
- C. Accordingly, the resultant gains and losses on fair valuation/ settlement of the derivative contracts covered under Accounting Standard (AS) 30 ["Financial Instruments: Recognition and Measurement"] are recognized in the Statement of Profit and Loss or Balance Sheet as the case may be after applying the test of hedge effectiveness. Where the cash flow hedge is effective, the gains or losses are recognized in the "Hedge Reserve" which forms part of "Reserves and Surplus" in the Balance Sheet, while the same is recognized in the Statement of Profit and Loss where the hedge is ineffective. The amount recognized in the "Hedge Reserve" is transferred to the Statement of Profit and Loss in the period in which the underlying hedged item affects the Statement of Profit and Loss.
- D. For derivative financial instruments designated as Fair Value hedges, the fair value of both the derivative financial instrument and the hedged item are recognized as the Profit or Loss till the period the relationship is found to be effective. If the hedging relationship ceases to be effective or it becomes probable that the expected transaction will no longer occur, future gains or losses on the derivative financial instruments are recognized in Profit and Loss.
- E. If no hedging relationship is designated, the fair value of the derivative financial instruments is marked to market through Profit and Loss.

1.20 LEASES

All leases are classified into operating and finance lease at the inception of the lease. Leases that transfer substantially all risks and rewards from lessor to lessees are classified as finance lease and others being classified as operating lease.

There are no finance lease transactions entered into by the Company.

Rent Expense and Rent Income represent operating leases which are recognized as an expense in the Statement of Profit and Loss on a Straight Line basis over the lease terms

1.21 RESEARCH AND DEVELOPMENT

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

NOTES TO THE FINANCIAL STATEMENTS

2 SHARE CAPITAL

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
AUTHORISED		
37,00,00,000 (Previous Year 37,00,00,000) Equity Share of ₹1/- each	37,00,00,000	37,00,00,000
	37,00,00,000	37,00,00,000
ISSUED, SUBSCRIBED & PAID UP EQUITY SHARES		
25,43,14,211 (Previous Year 25,43,14,211)		
Equity Share of ₹1/- each fully paid up	25,43,14,211	25,43,14,211
TOTAL	25,43,14,211	25,43,14,211

Reconciliation of Number of Shares

PARTICULARS	No. of Shares		(Figures in ₹)	
	31 st March 2016	31 st March 2015	31 st March 2016	31 st March 2015
Equity Shares				
As at beginning of the year	25,43,14,211	25,43,14,211	25,43,14,211	25,43,14,211
Add :				
Issued during the year	–	–	–	–
Less :				
Shares Bought Back / Redemption etc.	–	–	–	–
As at the end of the year	25,43,14,211	25,43,14,211	25,43,14,211	25,43,14,211

Details of Shareholding

PARTICULARS	No. of Shares		(Figures in ₹)	
	31 st March 2016	31 st March 2015	31 st March 2016	31 st March 2015
holding more than 5% Shares				
DBS Nominees Pte. Ltd.	3,74,33,450	4,03,43,150	3,74,33,450	4,03,43,150
Mr. Jayanti Patel	1,85,60,390	1,85,60,390	1,85,60,390	1,85,60,390
Mr. Ashish Soparkar	2,59,28,128	2,46,17,948	2,59,28,128	2,46,17,948
Mr. Natwarlal Patel	2,59,10,477	2,59,10,477	2,59,10,477	2,59,10,477
Mr. Ramesh Patel	1,64,22,392	1,64,22,392	1,64,22,392	1,64,22,392
TOTAL	12,42,54,837	12,58,54,357	12,42,54,837	12,58,54,357

NOTES TO THE FINANCIAL STATEMENTS

The Company has only one class of Equity Shares having face value of ₹ 1/- per share. Each Equity shareholder has 1 voting right. All equity shareholders have equal dividend rights in proportion to their Capital.

The Company has paid Interim dividend of ₹ 0.30 Per Equity Share amounting to ₹ 7,62,94,263 on 25,43,14,211 Equity Shares of ₹ 1/- each (Previous Year Interim dividend of ₹ 0.40 per Equity Share was paid amounting to ₹ 10,17,25,684 on 25,43,14,211 Equity Shares of ₹ 1/- each). The Interim dividend is considered as Final Dividend.

Particulars of NRI Shareholders to whom dividend is remitted.

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
	Final	Final
Amount of Dividend Remitted	-	4,91,40,150
No. of Shareholders	-	1
No. of Shares held	-	4,91,40,150
Year / Period to which dividend relates	-	2013-14
	Interim	Interim
Amount of Dividend Remitted	1,12,30,035	1,66,09,460
No. of Shareholders	1	1
No. of Shares held	3,74,33,450	4,15,23,650
Year / Period to which Dividend relates	2015-16	2014-15

NOTES TO THE FINANCIAL STATEMENTS

3 RESERVES AND SURPLUS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
(1) Securities Premium Account		
As per last year accounts	1,56,50,48,295	1,56,50,48,295
(2) Capital Reserve		
As per last year accounts	31,22,017	31,22,017
(3) General Reserve		
As per last year accounts	74,42,18,075	61,22,70,348
Add : Transferred from Debenture Redemption Reserve	12,50,00,000	12,50,00,000
Less : Effect of Transitional provisions as per Schedule II of the Companies Act, 2013	–	(2,05,52,273)
Add : Transferred from Profit and Loss Account	2,75,00,000	2,75,00,000
	89,67,18,075	74,42,18,075
(4) Capital Redemption Reserve		
As per last year accounts	1,84,32,980	1,84,32,980
(5) Debenture Redemption Reserve		
As per last year accounts	11,16,51,150	19,49,81,063
Add : Addition during the year	1,33,48,850	4,16,70,087
Less : Transferred to General Reserve	(12,50,00,000)	(12,50,00,000)
	–	11,16,51,150
(6) Hedge Reserve		
As per last year accounts	(6,31,50,356)	(18,71,96,898)
Add : (Addition) / Deduction during the year	6,31,50,356	12,40,46,542
	–	(6,31,50,356)
(7) Surplus in Profit & Loss Account		
As per last year accounts	3,02,59,55,702	2,93,46,93,379
Add : Profit for the year	40,10,04,981	26,21,58,094
	3,42,69,60,683	3,19,68,51,473
Less : Appropriation		
Transfer to General Reserve	2,75,00,000	2,75,00,000
Debenture Redemption Reserve	1,33,48,850	4,16,70,087
Proposed Dividend / Interim Dividend Paid	7,62,94,263	10,17,25,684
Dividend Distribution Tax	1,55,31,987	–
(Previous Year ₹ 2,03,39,085 being set off against Dividend Distribution Tax paid on dividend by Subsidiary Company)		
	13,26,75,100	17,08,95,771
	3,29,42,85,583	3,02,59,55,702
TOTAL	5,77,76,06,950	5,40,52,77,863

NOTES TO THE FINANCIAL STATEMENTS

4 LONG TERM BORROWINGS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
SECURED		
Term Loan Facilities from Banks :		
In Indian Currency	1,03,75,00,000	1,33,50,00,000
(Refer Notes – 9 for Current Maturity of Term Loan & Debenture ₹ 26,50,00,000 (Previous Year ₹ 56,50,00,000))		
TOTAL	1,03,75,00,000	1,33,50,00,000

Details of Security and Repayment Terms :

- i Rupee Term Loan facility of ₹ 30,00,00,000 from HDFC Bank, Nr. Mithakhali Cross Road, Ahmedabad. The facility is Secured by First Pari Passu charge with ICICI Bank Limited on moveable and immoveable fixed assets held at Z-31 and Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch and repayable in 20 quarterly installments of ₹ 1,50,00,000 each commencing from 30th April, 2016 and interest @ base rate plus 1.75% per annum with monthly rests. At present interest rate is 11.75% with moratorium of 2 years.
- ii Rupee Term Loan facility of ₹ 45,00,00,000 from ICICI Bank Limited, JMC House, Ambawadi, Ahmedabad. The facility is Secured by First Pari Passu charge with HDFC Bank on moveable and immoveable fixed assets held at Z-31 and Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch and repayable in 24 quarterly installments of ₹ 1,87,50,000 each commencing from 30th June, 2016 and interest @ base rate plus 2.10% per annum with monthly rests. At present interest rate is 12.10% with moratorium of 2 years. **During the year, the Company has prepaid the loan on 29th December, 2015.**
- iii Rupee Term Loan facility of Rs. 65,00,00,000 from Yes Bank Limited 4th Floor, Nehru Centre, Discovery of India Bldg, Dr. A. B. Road, Worli, Mumbai- 400018. The facility is secured by exclusive charge on leasehold admeasuring 50,000 Square Meter bearing Plot No. CH-1+2/A GIDC Industrial Estate Dahej, Taluka Vagra, District Bharuch, with all the buildings and structures standing thereon and all plants, machineries, fixtures and fittings attached to the earth and or permanently fastened to earth pertaining to Company's unit at Plot No. CH-1+2/A GIDC and repayable in 20 equal quarterly installments of ₹ 3,25,00,000 starting after a moratorium period of 1 year from the date of disbursement i.e. from 02.10.2015 The current applicable interest rate is 11.75% p.a. **During the year, the Company has prepaid the loan on 07th December, 2015.**
- iv The Term Loan facility of ₹ 1,06,75,00,000 from State Bank of India, Corporate Accounts Group Branch, 58, Shrimali Society, Ahmedabad, is secured by Agreement of Hypothecation of Goods and Assets dated 30.11.2015. The facility is secured by first charge on all the Company's movable fixed assets at (a) Agro Division III plant at Plot No. CH-1+2/A, GIDC Dahej, Taluka Vagra, District-Bharuch 392130 and (b) Pigment Blue Division at Plot No. Z-31, Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch. The current effective rate is 10% p. a. on floating basis with monthly rests. The Term Loan will be repaid in 26 quarterly instalments starting from 31st December, 2015 and on 31st March 2022. The details are as under.
 1. Two quarterly instalments of ₹ 3,25,00,000 each starting from 31.12.2015
 2. Seventeen quarterly instalments of ₹ 5,12,50,000 each starting from 30.06.2016
 3. Seven quarterly instalments of ₹ 1,87,50,000 each starting from 30.09.2020

NOTES TO THE FINANCIAL STATEMENTS

5 DEFERRED TAX LIABILITIES (NET)

Major Components of Deferred Tax:

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Deferred Tax Liability:		
Difference in value of Fixed Asset due to Depreciation and Other Allowances	30,85,11,652	28,77,45,869
Deferred Tax Assets:		
Disallowance u/s 43B of Income Tax Act, 1961	1,25,72,740	1,31,03,536
TOTAL	29,59,38,912	27,46,42,333
Previous Year	27,46,42,333	25,22,00,694
Transfer to Retain Earning	–	1,08,77,065
Deferred Tax Expense / (Saving) charge to Profit & Loss	2,12,96,579	3,33,18,704

6 LONG TERM PROVISIONS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Provision for Employee benefits (Refer Note – 10)	2,72,52,000	2,13,77,308
TOTAL	2,72,52,000	2,13,77,308

7 SHORT TERM BORROWINGS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Secured Loans		
Working Capital Facilities from Banks :		
In Indian Currency	2,58,59,48,193	1,87,28,45,002
Unsecured Loans		
From Banks – In Indian Currency	–	10,00,00,000
TOTAL	2,58,59,48,193	1,97,28,45,002

i The interest rate on working capital facilities from State Bank of India, HDFC Bank Limited, Standard Chartered Bank and ICICI Bank Limited (Collectively known as Consortium Bankers) varies within the range of 10.90% to 13.00% (both inclusive) and are secured by :-

- (a) First Pari Passu charge created on 9th October, 2003 for ₹ 79.45 Crores was further extended on 28th May 2005 for ₹ 155.35 Crores, on 23rd January, 2007 for ₹ 218.65 Crores and on 28th August, 2009 for ₹ 343.08 Crores in favour of State Bank of India and its Consortium Bank by way of hypothecation of the entire stock of raw materials, work in process, finished goods, stores and spares and receivables. The present consortium is lead by State Bank of India, with ICICI Bank and HDFC Bank.
- (b) First Pari Passu charge on immovable fixed assets to State Bank of India and its consortium bank as collateral security for the working capital facilities of ₹ 343.08 Crores. The present consortium is lead by State Bank of India.

NOTES TO THE FINANCIAL STATEMENTS

- (c) The indenture of the mortgage created on immovable properties are located at :
- Plot No. 168,180,183 and 184 of GIDC Industrial Estate Vatva, Ahmedabad.
 - Block No. 402,403,404 and 452 at Village Chharodi, Taluka Sanand, District Ahmedabad.
 - Plot No. 21 & 21/1 of GIDC Industrial Estate Panoli, Taluka Ankleshwar, Bharuch.
 - Plot No.5001/B of GIDC Industrial Estate, Ankleshwar, Bharuch.

- ii During the year, unsecured outstanding short term loan of ₹ 10,00,00,000 of HDFC Bank Limited has been has paid by the Company on 11.05 2015.

8 TRADE PAYABLE

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Total outstanding due		
Micro and Small Enterprises	8,50,46,154	5,47,58,570
Others (Refer Notes below)	1,56,51,38,513	1,22,18,65,056
TOTAL	1,65,01,84,667	1,27,66,23,626

Notes : -

- i The Company has called for balance confirmation of Creditors on random basis. Out of which the Company has received response from some of the parties, which are Subject to reconciliation with Company's account. The other balances of Creditors are subject to confirmation.
- ii The Company has received certain intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) and accordingly the Company has provided for interest of ₹ 2,13,40,655 (Previous Year ₹ 1,34,55,997) being payable as required under the said act.

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year :		
Principal Amount	8,50,46,154	5,47,58,570
Interest Amount	2,13,40,655	1,34,55,997
the amount of interest paid by the buyer in terms of Section 18 of MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,	74,10,378	88,39,969
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	8,97,060	4,22,780
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	2,13,40,655	1,34,55,997

NOTES TO THE FINANCIAL STATEMENTS

9 OTHER CURRENT LIABILITIES

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Current Maturities of Long-Term Debt (Refer Note – i & ii)	26,50,00,000	56,50,00,000
Interest Accrued but not due on Borrowings	1,72,79,697	1,08,73,864
Employee Benefit Payable	5,30,36,877	4,56,89,178
Advance Received from Customer	2,36,43,583	2,58,61,743
Statutory Payments	10,01,61,369	7,53,88,289
Unpaid Dividend (Refer Note iii)	22,48,800	35,58,190
Interim Dividend & Provision of Tax on Dividend	22,22,290	–
Payable for Retention Money	17,71,168	21,83,936
Payable – Capital Goods	4,11,22,219	3,79,08,081
Interest as per MSMED, Act 2006 (Refer Note – 8(ii))	2,13,40,655	1,34,55,997
TOTAL	52,78,26,658	77,99,19,278

Notes : –

Details of Security and Repayment Terms :

- i Secured Non-Convertible Debentures of ₹ Nil (Previous Year ₹ 50,00,00,000) were secured by way of pari passu charge on Mortgage of immovable and movable properties situated at GIDC Vatva, GIDC Panoli, GIDC Ankleshwar and Village Chharodi, Taluka Sanand, District – Ahmedabad.
- ii Redemption detail of 10.40 % Non Convertible Debentures ₹ 50,00,00,000

Amount of Redemption	Date of Redemption
₹ 50,00,00,000	12-10-2015 (Since Redeemed)

- iii There is no amount outstanding in respect of Unpaid Dividend to be transferred to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013.

10 SHORT TERM PROVISIONS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Wealth Tax Payable	–	4,43,260
Current Tax Payable	49,21,468	68,31,115
Fair value of Financial Derivatives (Refer Note – i)	–	20,70,28,321
Provisions for Employee Benefits (Refer Note – 30)	1,04,97,000	1,21,93,520
TOTAL	1,54,18,468	22,64,96,216

Notes : –

- i Movement of Provision of Financial Derivatives as per AS – 29

PARTICULARS	31 st March 2016	31 st March 2015
Opening Balance	20,70,28,321	39,49,65,847
Addition during the year	–	–
Utilised during the year	(20,70,28,321)	(18,79,37,526)
Closing Balance (Refer Note – 10)	–	20,70,28,321

11 Fixed Assets As on 31st March 2016 (Figures in ₹)

Sr. No.	Particulars	Gross Block			Depreciation / Amortisation			Net Block			
		Opening	Addition	Deduction / Adjustment	Closing	Opening	Provision For the Year	Depreciation Transfer to Reserve	Deduction / Adjustment	Closing Balance 31.03.2016	Closing Balance 31.03.2015
Tangible Assets											
1	Freehold Land	4,44,54,832	1,13,84,988	-	5,58,39,820	-	-	-	-	5,58,39,820	4,44,54,832
2	Leasehold Land	29,34,62,830	-	-	29,34,62,830	1,80,05,322	31,19,284	-	-	27,23,38,244	27,54,57,508
3	Building	1,60,82,99,331	3,01,96,692	-	1,63,84,96,023	25,92,61,306	6,13,11,654	-	-	1,31,79,23,063	1,34,90,38,025
4	Plant & Machinery	4,19,64,79,755	13,02,04,701	3,24,06,539	4,29,42,77,917	2,08,53,90,843	26,58,03,365	3,07,53,410	-	1,97,38,37,119	2,11,10,88,912
5	Furniture & Fixtures	5,12,80,547	18,93,966	-	5,31,74,513	3,36,42,395	28,22,844	-	-	1,67,09,274	1,76,38,152
6	Vehicles	8,75,91,780	2,49,15,609	39,48,662	10,85,58,727	3,94,96,250	98,91,481	27,12,236	-	6,18,83,232	4,80,95,530
7	Computers	3,31,94,618	12,14,206	35,070	3,43,73,754	2,90,52,017	16,17,642	33,317	-	3,06,36,342	41,42,601
8	Other Equipments	2,60,19,338	42,63,638	43,31,967	2,59,51,209	2,00,84,323	24,48,575	41,15,368	-	1,84,17,530	75,33,679
	Total	6,34,07,83,031	20,40,74,000	4,07,22,238	6,50,41,34,793	2,48,49,32,456	34,70,14,825	3,76,14,331	-	2,79,43,32,950	3,85,58,50,575
Intangible Assets											
1	Software Licences	3,80,07,287	2,25,620	-	3,82,32,907	3,19,74,694	28,18,455	-	-	3,47,93,149	60,32,593
2	Product Licences	11,13,10,697	9,67,20,342	-	20,80,31,039	10,05,02,921	80,68,267	-	-	10,85,71,188	1,08,07,776
3	Usage Rights	1,27,60,412	1,52,22,669	-	2,79,83,081	65,42,257	39,65,870	-	-	1,05,08,127	62,18,155
	Total	16,20,78,396	11,21,68,631	-	27,42,47,027	13,90,19,872	1,48,52,592	-	-	15,38,72,464	2,30,58,524
Capital WIP											
1	Tangible Assets	4,86,96,103	11,87,85,397	1,42,12,315	15,32,69,185	-	-	-	-	15,32,69,185	4,86,96,103
2	Intangible Assets	10,72,06,621	1,29,89,459	4,83,75,015	7,18,21,065	-	-	-	-	7,18,21,065	10,72,06,621
	Total	15,59,02,724	13,17,74,856	6,25,87,330	22,50,90,250	-	-	-	-	22,50,90,250	15,59,02,724
	Grand Total	6,65,87,64,151	44,80,17,487	10,33,09,568	7,00,34,72,070	2,62,39,52,328	36,18,67,417	-	3,76,14,331	2,948,205,414	4,05,52,66,656
	Previous Year	6,19,93,43,785	63,89,67,260	17,95,46,894	6,65,87,64,151	2,27,77,92,740	35,02,90,880	3,14,29,338	3,55,60,630	2,623,952,328	3,92,15,51,045

i Borrowing cost Capitalised during the year ₹ 2,14,54,601 (Previous Year ₹ 42,64,554) to respective qualifying assets.

ii The management has technically reviewed the estimated useful life of plant and machinery related to power generating unit as 20 years is different from those prescribed under part C of schedule II to the Companies Act 2013.

Assets pertaining to Research and Developments included in Fixed Assets are as under. (Figures in ₹)

Sr. No.	Particulars	Gross Block			Depreciation / Amortisation			Net Block		
		Opening	Addition	Deduction / Adjustment	Closing	Opening	Provision For the Year	Closing	Closing Balance 31.03.2015	
Tangible Assets										
1	Building	11,44,279	-	-	1,14,4,279	1,94,879	16,495	2,11,374	9,32,905	9,49,400
2	Plant & Machinery	2,36,41,317	9,476	-	2,36,50,793	1,51,17,481	13,75,305	1,64,92,786	71,58,007	85,23,836
3	Furniture & Fixtures	26,44,103	5,000	-	26,49,103	1,07,2,947	3,32,212	14,05,159	12,43,944	15,71,156
4	Vehicles	3,37,968	-	-	3,37,968	3,21,069	-	3,21,069	16,899	16,899
5	Computers	2,58,250	1,05,098	-	3,63,348	2,42,569	23,700	2,66,269	97,079	15,681
6	Other Equipments	3,48,681	49,380	-	3,98,061	2,68,417	20,255	2,88,672	1,09,389	80,264
	Sub Total	2,83,74,598	1,68,954	-	2,85,43,552	1,72,17,362	17,67,967	1,89,85,329	95,56,223	1,11,57,236
Intangible Assets										
1	Product Licences	3,69,39,881	-	-	3,69,39,881	3,16,43,539	40,88,711	3,57,32,250	12,07,631	52,96,342
	Sub Total	3,69,39,881	-	-	3,69,39,881	3,16,43,539	40,88,711	3,57,32,250	12,07,631	52,96,342
	Total	6,53,14,479	1,68,954	-	6,54,83,433	4,88,60,901	58,56,678	5,47,17,579	1,07,65,854	1,64,53,578

NOTES TO THE FINANCIAL STATEMENTS

12 NON-CURRENT INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
(I) Trade Investments – Unquoted :		
(a) Investments in Equity Instruments – Unquoted		
(1) In Subsidiaries (Unquoted and fully paid)		
(i) 61,299 (Previous Year 61,299) Equity Shares of Meghmani Europe BVBA, Belgium of Euro 18.55 each	8,11,43,713	8,11,43,713
Less – Diminution in value of Investment	(8,11,43,713)	–
	–	8,11,43,713
(ii) 2,92,500 (Previous Year 2,92,500) Equity Shares of Meghmani Organics Inc., USA of USD 1 each	1,39,70,150	1,39,70,150
(iii) 4,04,46,820 (Previous Year: 4,04,46,820) Equity Shares of Meghmani Finechem Ltd. of ₹10/- each	1,21,24,24,600	1,21,24,24,600
(iv) 2,50,000 (Previous Year 2,50,000) Equity Shares of PT Meghmani Organics Indonesia of USD 1 each	1,23,30,000	1,23,30,000
(v) 1 (Previous Year 1) Equity Shares of Meghmani Overseas FZE of AED 35,000 each	4,56,138	4,56,138
(2) In Associate Enterprise (Unquoted and fully paid)		
(i) 8,67,400 (Previous Year 8,67,400) Equity Shares of Latasha Exports Limited of ₹100/- each	6,00,00,000	6,00,00,000
(3) In Others		
(i) 4 (Previous Year 4) Equity Shares of Alaukik Owners Association of ₹100 each – unquoted	400	400
(ii) 5,17,085 (Previous Year 4,91,585) Equity Shares of Bharuch Eco Aqua Infrastructure Ltd. of ₹10/- each	51,70,850	49,15,850
(iii) 14,000 (Previous Year 14,000) Equity Share of Bharuch Eco Enviro Infrastructure Ltd. of ₹10/- each	1,40,000	1,40,000
(iv) 500 (Previous Year 500) Equity Shares of Green Environment Services Co.Op.Soc. Ltd of ₹10/- each	5,000	5,000
(v) 30,000 (Previous Year 30,000) Equity Shares of Panoli Enviro Technology of ₹10/- each	3,00,000	3,00,000
(vi) 100 (Previous Year 100) Equity Shares of Sanand Eco Project Limited of ₹10/- each	1,000	1,000
(vii) 2,000 (Previous Year 2,000) Equity Shares of Suvikas Peoples Co. Op. Bank Limited of ₹ 50/- each	1,00,000	1,00,000
(viii) 10 (Previous Year 10) Equity Shares of Vellard View Premises Co. Op. Soc Ltd. of ₹ 50/- each	500	500
(b) Investments in Government or Trust Securities – National Savings Certificate – Unquoted and fully paid	23,000	28,000
Total (I)	1,30,49,21,638	1,38,58,15,351

NOTES TO THE FINANCIAL STATEMENTS

12 NON-CURRENT INVESTMENTS - (Continued)

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
(II) Other Investments		
(a) Other Non-Current Investments – Fully Paid		
(i) 2,000 (Previous Year 2,000) Equity Shares of Saket Project Ltd. of ₹100/- each – Quoted	20,000	20,000
(ii) 8,200 (Previous Year 8,200) Equity Shares of Lanzorate Finance Limited of ₹10/- each – Unquoted	82,000	82,000
Total (II)	1,02,000	1,02,000
TOTAL(I+II)	1,30,50,23,638	1,38,59,17,351

AGGREGATE VALUE OF QUOTED INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Non-Current: Equity Shares of Saket Project Ltd.		
Carrying Amount	20,000	20,000
Market Value	Not Available	Not Available

AGGREGATE VALUE OF UNQUOTED INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Non-Current	1,30,50,03,638	1,38,58,97,351
Aggregate Value of Diminution In Value of Investment	8,11,43,713	Nil

Notes –

- i The Advance of ₹ 6,00,00,000 given to Latasha Export Limited has now been treated as Investment. These investments are carried at cost to the Company and are accounted for in accordance with Accounting Standard (AS) 13 Accounting for Investment in the Financial Statement.
- ii The Company had made assessment of fair value of investment in its Wholly Owned Subsidiary Meghmani Europe BVBA and taken into account the past business performances and prevailing condition and as a matter of prudence has written off diminution in carrying value of investments of ₹ 8,11,43,713 to the Statement of Profit and Loss as an exceptional item.

13 LONG TERM LOANS AND ADVANCES

Unsecured and Considered Good

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Capital Advances	43,09,166	87,97,017
Security Deposits	3,96,24,962	5,31,45,726
Balance with Government Authorities	41,42,991	41,31,017
TOTAL	4,80,77,119	6,60,73,760

NOTES TO THE FINANCIAL STATEMENTS

14 OTHER NON CURRENT ASSETS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Deposits for Margin Money with Banks exceeding one year	2,00,882	4,96,643
TOTAL	2,00,882	4,96,643

15 INVENTORIES

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Raw Materials	42,13,48,241	48,01,56,770
Raw Materials in Transit	7,73,004	3,42,136
Work In Process	12,59,41,339	13,15,85,148
Finished Goods (Refer Note - (ii))	1,12,84,13,108	99,52,21,676
Finished Goods in Transit	11,92,30,263	10,67,47,815
Trading Goods	84,65,638	1,90,76,322
Stores & Spares	4,04,49,403	3,23,22,845
Others (Packing Material & Fuel)	5,55,58,809	4,27,67,250
TOTAL	1,90,01,79,805	1,80,82,19,962

Notes : –

- i For Method of Valuation of Inventories refer Note – 1.11
- ii Stock of Finished Goods Includes Excise Duty of ₹ 11,47,75,705 (Previous Year ₹ 8,36,57,637)

16 TRADE RECEIVABLES

(Unsecured and considered good)

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Exceeding Six Months (Refer Note – i)	22,48,51,817	34,05,64,027
Others (Refer Note – ii)	3,58,02,76,403	2,68,54,75,455
TOTAL	3,80,51,28,220	3,02,60,39,482

- i Trade Receivables exceeding six months Includes ₹ 1,42,77,348 (Previous Year: ₹ 2,81,25,729) due from Subsidiary Company and ₹ 10,19,177 (Previous Year : ₹ Nil) due from Firm or a Company in which some of the Directors are interested.
- ii Trade Receivables Others Includes ₹ 23,16,26,615 (Previous Year: ₹ 42,80,38,748) due from Subsidiary Company and ₹ 5,38,74,091 (Previous Year: ₹ 78,62,049) due from Firm or a Company in which some of the Directors are interested.
- iii The Company has called for balance confirmation of Trade Receivables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Trade Receivables are subject to confirmation.

NOTES TO THE FINANCIAL STATEMENTS

17 CASH AND CASH EQUIVALENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Cash on hand	19,17,223	19,82,112
Balance with Banks (Refer Note - i)	1,55,93,702	3,05,83,157
Fixed Deposit with Banks (Refer Note - ii)	7,88,69,850	7,95,07,967
TOTAL	9,63,80,775	11,20,73,236

Notes

- i The Current Account balance includes unpaid dividend of ₹ 22,48,800 (Previous Year ₹ 35,58,190) which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such accounts
- ii Fixed Deposit with banks is due within one year and held as margin money ₹ 38,69,850 (Previous Year ₹ 32,84,529) and Fixed Deposit ₹ 7,50,00,000 (Previous Year ₹ 7,62,23,438) as lien with Standard Chartered Bank.

18 SHORT TERM LOANS AND ADVANCES

Unsecured and Considered Good

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Unsecured Loan to Subsidiary Companies	4,13,41,928	3,89,98,875
Balance with Government Department	42,08,23,364	59,39,38,472
Advance Income Tax & TDS (net of Provision for Tax)	18,78,73,298	14,40,04,442
MAT Credit Entitlement	2,75,00,000	3,80,00,000
Prepaid Expenses	1,51,70,113	1,76,72,199
Advance Payment to Vendors (Refer Note - i)	7,05,76,206	10,36,08,248
Staff Advances	65,20,982	50,51,828
TOTAL	76,98,05,891	94,12,74,064

Notes

- i Advance Payment to Vendors includes ₹ Nil (Previous Year ₹ 1,20,13,528 due from a Subsidiary Company—Meghmani Energy Limited)
- ii Loans and Advances, in the nature of Loans to Subsidiary as per Clause 32 of Listing Agreement are as under:

PARTICULARS	(Figures in ₹)		Maximum Balance Outstanding 31 st March 2016	Maximum Balance Outstanding 31 st March 2015
	31 st March 2016	31 st March 2015		
Meghmani Europe BVBA, Belgium	—	—	—	6,83,61,813
PT Meghmani Organics Indonesia	4,13,41,928	3,89,98,875	4,26,99,088	3,90,17,530
TOTAL	4,13,41,928	3,89,98,875	4,26,99,088	10,73,79,343

NOTES TO THE FINANCIAL STATEMENTS

19 OTHER CURRENT ASSETS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Export Benefit Receivable	17,91,60,376	13,87,14,563
Insurance Claim Receivable	68,98,297	2,28,03,285
Interest Accrued	17,49,107	26,87,922
Derivative Assets	–	73,83,746
Other Current Assets	41,19,293	–
TOTAL	19,19,27,073	17,15,89,516

20 REVENUE FROM OPERATIONS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Sale of Products	9,61,90,94,672	9,21,87,90,728
Other Operating Revenue	18,81,65,789	26,30,48,981
TOTAL	9,80,72,60,461	9,48,18,39,709

Break up of Sale of Products

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Pigments	4,66,66,50,922	4,24,42,74,192
Agro Chemicals	4,47,65,44,655	4,37,97,12,094
Others	47,58,99,095	59,48,04,442
TOTAL	9,61,90,94,672	9,21,87,90,728

Earnings in Foreign Currencies

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Export of Goods (FOB)	6,95,65,50,116	6,98,03,07,586

21 OTHER INCOME

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
OTHER NON OPERATING INCOME		
Interest Income	2,67,02,247	2,33,75,063
Dividend from Long Term Investment	–	14,56,33,052
Miscellaneous Income	22,69,606	1,49,30,760
Rent Received	19,81,966	19,79,597
TOTAL	3,09,53,819	18,59,18,472

Dividend Income Includes ₹ Nil (Previous Year ₹ 14,56,08,552) received from Subsidiary Company.

NOTES TO THE FINANCIAL STATEMENTS

22 COST OF MATERIALS CONSUMED

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Pigments	2,58,84,77,231	2,49,09,95,747
Agro Chemicals	2,74,65,70,651	2,56,05,19,179
TOTAL	5,33,50,47,882	5,05,15,14,926

23 CHANGE IN INVENTORIES OF FINISHED GOODS, WIP & STOCK IN TRADE

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
(A) Opening Stock		
(i) Finished Goods	91,15,64,039	1,10,91,52,992
(ii) Trading Goods	1,90,76,322	1,90,04,913
(iii) Excise Duty on Finished Goods	8,36,57,637	9,83,74,176
(iv) Goods in Transit	10,67,47,815	10,82,92,008
(v) Work-in-Process	13,15,85,148	14,69,73,331
TOTAL (A)	1,25,26,30,961	1,48,17,97,420
(B) Closing Stock		
(i) Finished Goods	1,01,36,37,403	91,15,64,039
(ii) Trading Goods	84,65,638	1,90,76,322
(iii) Excise Duty on Finished Goods	11,47,75,705	8,36,57,637
(iv) Goods in Transit	11,92,30,263	10,67,47,815
(v) Work-in-Process	12,59,41,339	13,15,85,148
TOTAL (B)	1,38,20,50,348	1,25,26,30,961
TOTAL (A – B)	(12,94,19,387)	22,91,66,459

Value of Import on CIF basis

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Raw Materials	51,94,37,142	47,39,95,049
Trading Purchases	4,53,57,173	22,35,35,031
TOTAL	56,47,94,315	69,75,30,080

Value of imported and indigenous raw materials, stores, components and spare parts consumed.

PARTICULARS	(Figures in ₹)			
	31 st March 2016	31 st March 2016	31 st March 2015	31 st March 2015
	Imported	Indigenous	Imported	Indigenous
Raw Materials	40,18,12,518 7.53%	4,93,32,35,364 92.47%	39,97,25,511 7.91%	4,65,17,89,415 92.09%
Stores and Spares	–	10,30,37,109 100%	–	9,81,80,584 100%

NOTES TO THE FINANCIAL STATEMENTS

24 EMPLOYEES EMOLUMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Salary & Wages	35,10,36,997	32,17,09,180
Directors Remuneration	3,36,45,689	3,36,44,569
Statutory Contribution	1,57,16,642	1,35,33,047
Staff Welfare Expenses	3,09,94,657	4,21,08,416
Labour Contract Charges	15,39,75,743	13,31,87,093
TOTAL	58,53,69,728	54,41,82,305

25 FINANCIAL EXPENSES

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Interest	39,08,11,355	45,79,39,165
Other Financial Charges	1,76,01,847	1,86,41,301
TOTAL	40,84,13,202	47,65,80,466

NOTES TO THE FINANCIAL STATEMENTS

26 OTHER EXPENSES

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Consumption of Stores and Spare Parts	10,30,37,109	9,81,80,584
Power and Fuel	93,15,16,640	93,46,35,069
Repairs to Buildings	1,47,26,318	1,51,06,486
Repairs to Machinery	5,90,37,041	6,71,79,713
Pollution Control Expenses	10,95,83,497	10,79,61,615
Excise Duty Expenses (Refer Note – i)	2,84,50,434	(1,22,95,144)
Rent (Refer Note –ii)	67,89,152	81,32,882
Rates and Taxes	80,56,433	68,77,971
Insurance	3,27,82,014	3,07,79,985
Packing Material Consumption	23,39,24,898	22,46,01,749
(Profit) / Loss on Sale of Fixed Asset	11,53,057	29,41,938
(Gain)/Loss on Foreign Currency transactions and translations	(20,89,42,767)	(11,72,48,270)
Loss on Derivatives – Realised	8,37,42,693	14,42,72,147
Shipping / Air Lines Freight	19,85,98,599	21,82,86,574
Research & Development Expenses (Refer Note – iii)	1,38,80,427	1,09,69,523
Bad Debts	17,44,81,512	14,99,676
Expenditure towards Corporate Social Responsibility (Refer Note – iv)	84,99,998	–
Miscellaneous Expenses		
(i) Manufacturing Expenses	1,95,366	(3,70,103)
(ii) Administrative Expenses	14,91,07,596	11,88,30,040
(iii) Selling & Distribution Expenses	25,42,71,306	26,26,05,348
Payments to the Auditors :		
(a) as Auditors	22,50,000	21,00,001
(b) for taxation matters	3,25,000	2,35,000
(c) for company law matters	2,00,000	2,13,000
(d) for other services	4,00,000	3,00,000
TOTAL	2,20,60,66,323	2,12,57,95,784

Notes

- i Excise Duty expenses includes ₹ 3,11,18,068 being increase (Previous Year ₹ 1,47,16,539 decrease) pertains to variation in opening and closing stock of finished goods.
- ii The Company has operating lease from various premises which are renewable on a periodic basis and cancellable at its option. Rental expenses for operating leases charged to Statement of Profit and Loss for the year ₹ 67,89,152 (Previous Year: ₹ 81,32,882) pertains to not later than 1 year.

NOTES TO THE FINANCIAL STATEMENTS

iii Above expenses includes Research & Development related expenses as follows

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Salary & Wages	86,28,279	62,45,856
Raw Material Consumption	19,03,747	11,51,162
Consumables & Spares and Others	53,640	46,068
Electricity Expenses	12,17,351	13,80,942
Annual Maintenance Contract & Repairing	4,11,480	3,79,250
Advertisement – Recruitment	42,300	–
Computer Maintenance	9,800	13,231
Repairs to Other Asset	43,911	35,599
Stationery Expenses	49,200	32,074
Communication Exepenses	2,44,574	78,319
Travelling Exepense	4,99,803	4,77,422
Vehicle Exepenes	6,54,309	8,98,026
Conveyance Expense	77,410	20,298
Miscellaneous Expense	44,623	2,11,276
TOTAL	1,38,80,427	1,09,69,523

iv Corporate Social Responsibility Expenditure – Gross amount required to be spent is ₹ 27,26,475 and spent by the Company during the year is ₹ 84,99,998

v Expenditure in Foreign Currency are as under

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Foreign Traveling Expenses	53,04,065	48,02,380
Sales Commission	3,67,73,433	6,41,83,419
Other Expenses	7,15,81,537	9,59,96,419
TOTAL	11,36,59,035	16,49,82,218

27 EXCEPTIONAL ITEMS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
(Profit) / Loss on Sale of Fixed Assets (Land)	–	(1,94,41,256)
(Profit) / Loss on Sale of Investment	–	4,33,23,159
Investment Written Off	–	1,12,00,000
Diminution in Value of Investment in Subsidiary	8,11,43,713	–
TOTAL	8,11,43,713	3,50,81,903

Exceptional Item consists of Diminution of investment in Subsidiary Meghmani Europe BVBA (Refer Note – 12 (i)) Previous Year Exceptional Item consists of Profit on Sale of Land at GIDC Ankleshwar and Loss on Sale of Long term Investment in Subsidiary – Meghmani Energy Limited.

Investment written off includes investment in (i) Joint Venture – Triance Specility Chemicals Private Limited and (ii) Subsidiary – Meghmani Chemtech Limited.

NOTES TO THE FINANCIAL STATEMENTS

28 EARNING PER SHARE

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Net Profit after tax attributable to shareholders before Extra Ordinary Item	40,10,04,981	26,21,58,094
Weighted average number of Equity Shares at the end of year	25,43,14,211	25,43,14,211
Nominal value of share	1	1
Basic / Diluted Earning Per Share before Extra ordinary items	1.58	1.03
Basic / Diluted Earning Per Share after Extra ordinary items	1.58	1.03

29 EMPLOYEE BENEFITS – AS 15

As per revised Accounting Standard 15 (AS-15) "Employees Benefits", the Company has recognized in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2016

(A) Defined Benefit Plans

I. Components of Employer Expenses

PARTICULARS	(Figures in ₹)	
	Gratuity	
	31 st March 2016	31 st March 2015
Current Service Cost	58,50,000	34,30,827
Interest Cost	45,86,000	40,25,244
Expected Return on Plan Assets	(23,59,000)	(19,73,441)
Actuarial Gain / (Loss)	(7,17,000)	86,59,757
Total Expenses/(Gain) recognized in the Profit & Loss Account	73,60,000	1,41,42,387

II Net Asset/ (Liability) recognized in Balance Sheet

PARTICULARS	(Figures in ₹)	
	Gratuity	
	31 st March 2016	31 st March 2015
Present value of Funded Obligation	6,48,94,000	5,77,58,629
Fair Value of Plan Assets	(3,06,87,000)	(2,68,19,488)
Assets (Liability) recognized in the Balance Sheet	3,42,07,000	3,09,39,141

III Change in Defined Benefit Obligations (DBO)

PARTICULARS	(Figures in ₹)	
	Gratuity	
	31 st March 2016	31 st March 2015
Opening balance of Present Value of Obligation	5,77,59,000	4,35,16,153
Current Service Cost	58,50,000	34,30,827
Interest Cost	45,86,000	40,25,244
Actuarial Gain / (Loss)	(6,51,000)	88,92,076
Benefit Paid	(26,50,000)	(21,05,671)
Closing Balance of Present Value of Obligation	6,48,94,000	5,77,58,629

NOTES TO THE FINANCIAL STATEMENTS

IV Changes in the Fair value of Plan Assets

PARTICULARS	(Figures in ₹)	
	Gratuity	
	31 st March 2016	31 st March 2015
Opening Balance of Present Value of Plan Assets	2,68,19,000	2,26,83,226
Expected Return on Plan Assets	23,59,000	19,73,441
Actuarial Gain/(Loss)	66,000	2,32,319
Contribution by Employer	40,93,000	40,36,173
Benefit Paid	(26,50,000)	(21,05,671)
Fair Value of Plan Assets as at 31 st March	3,06,87,000	2,68,19,488

V Actuarial Assumptions

PARTICULARS	Gratuity	
	31 st March 2016	31 st March 2015
Discount Rate (per annum)	7.70%	9.25%
Expected Rate of Return on Assets Per Annum	7.94%	8.70%
Annual Increase in Salary Costs Per Annum	6.00%	6.00%
Attrition Rate	8.00%	2.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI Major Categories of plan assets as a percentage of total plan assets

PARTICULARS	Gratuity	
	31 st March 2016	31 st March 2015
Government of India Securities	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%
Equity Shares of listed Companies	0.00%	0.00%
Property	0.00%	0.00%
Insurance Company	100.00%	100.00%

VII Movement in net liability recognized in Balance Sheet

PARTICULARS	(Figures in ₹)	
	Gratuity	
	31 st March 2016	31 st March 2015
Net opening liability	3,09,39,141	2,08,32,927
P & L Charges	73,60,000	1,41,42,387
Contribution paid	(40,82,141)	(40,36,173)
Closing net liability	3,42,07,000	3,09,39,141

(B) Defined Contribution Plans

Amount recongnised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss ₹1,35,35,596 (Previous Year ₹ 1,13,01,970)

NOTES TO THE FINANCIAL STATEMENTS

30. SEGMENT REPORTING

For Management purpose, the Company is currently organised into two major operating divisions – Pigments and Agro Chemicals. These divisions are the basis on which the Company reports its primary segment information.

Principal activities are as follows:

Pigment Business

To Manufacture and Sales of Phthalocynine Green 7, Copper Phthalocynine Blue (CPC), Alpha Blue and Beta Blue.

Agrochemicals Business

To Manufacture and Sales of Technical, Intermediates and Formulations of Insecticides.

(a) Analysis By Business Segment

Segment Revenue and Expense:

Segment revenue and expense are the operating revenue and expense reported in the Company's Statement of profit and loss that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment Assets and Liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and property, plant and equipment, net of allowances and provisions. Capital Expenditure includes the total cost incurred to acquire property, plant and equipment directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of trade payables and accrued expenses.

Inter-segment transfers:

Segment revenue and expenses include transfers between business segments. Inter-segment sales are charged at prevailing market rates. These transfers are eliminated at the Company level.

Financial year ended on 31st March 2016:

(Figures in ₹)

	Pigments	Agro Chemicals	Others *	Elimination	Total
Revenue					
External Sales	4,66,66,50,922	4,47,65,44,655	47,58,99,095	–	9,61,90,94,672
Other Operating Revenue	6,90,81,419	10,40,02,846	1,50,81,524	–	18,81,65,789
Total Revenue	4,73,57,32,341	4,58,05,47,501	49,09,80,619	–	9,80,72,60,461
Results					
Segment Results	57,94,15,161	44,11,30,648	(25,01,594)	–	1,01,80,44,215
Un-allocable (Expenses)/Income					2,67,02,247
Profit from Operation					1,04,47,46,462
Finance Cost					(40,84,13,202)
Investments Income					–
Profit Before Exceptional, Extraordinary items					63,63,33,260
Exceptional Items					(8,11,43,713)
Extraordinary Items					–
Profit Before Tax					55,51,89,547
Income tax Expenses					(13,28,87,987)
Deferred Tax					(2,12,96,579)
Profit After Tax					40,10,04,981

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended on 31st March 2016:

(Figures in ₹)

Other information	Pigments	Agro Chemicals	Others	Unallocable	Total
Capital Addition	20,70,34,962	15,54,00,283	–	2,29,94,918	38,54,30,163
Depreciation	(18,84,75,025)	(17,27,28,100)	(6,64,292)	–	(36,18,67,417)
Non–Cash Items	(8,23,14,678)	(6,11,53,772)	(88,97,359)	–	(15,23,65,809)
Balance sheet	Pigments	Agro Chemicals	Others	Elimination	Total
Assets					
Segment Assets	5,67,18,83,248	6,10,00,05,194	18,47,28,319	–	11,95,66,16,761
Un–allocable Corporate Assets					21,53,73,298
Total Assets					12,17,19,90,059
Liabilities					
Segment Liabilities	2,59,33,87,660	3,07,56,12,065	16,79,86,503	–	5,83,69,86,228
Unallocable Liabilities					71,43,758
Deferred Tax Liabilities					29,59,38,912
Total Liabilities					6,14,00,68,898

*Others includes Trading Activity.

Financial year ended on 31st March 2015:

(Figures in ₹)

Revenue	Pigments	Agro Chemicals	Others *	Elimination	Total
External Sales	4,24,42,74,192	4,37,97,12,094	59,48,04,442	–	9,21,87,90,728
Other Operating Revenue	7,43,33,039	17,93,81,855	93,34,087	–	26,30,48,981
Total Revenue	4,31,86,07,231	4,55,90,93,949	60,41,38,529	–	9,48,18,39,709
Results					
Segment Results	25,52,77,924	40,05,69,931	92,39,660	–	66,50,87,515
Interest Income					
Un–allocable (Expenses)/Income					2,33,75,063
Profit from Operation					68,84,62,578
Finance Cost					(47,65,80,466)
Investments Income					14,56,33,052
Profit Before Exceptional, Extraordinary items					35,75,15,164
Exceptional Items					(3,50,81,903)
Extraordinary Items					–
Profit Before Tax					32,24,33,261
Income Tax Expenses					(2,69,56,463)
Deferred Tax					(3,33,18,704)
Profit After Tax					26,21,58,094

NOTES TO THE FINANCIAL STATEMENTS

Financial year ended on 31st March 2015:

(Figures in ₹)

Other information	Pigments	Agro Chemicals	Others	Unallocable	Total
Capital Addition	33,70,21,554	17,64,50,815	29,251	37,77,372	51,72,78,992
Depreciation	(17,28,79,552)	(17,66,31,584)	(7,79,744)	–	(35,02,90,880)
Non–Cash Items	(1,70,34,257)	(3,54,58,682)	(28,96,758)	–	(5,53,89,697)
Balance sheet	Pigments	Agro Chemicals	Others		Total
Assets					
Segment Assets	5,42,30,14,973	5,64,25,64,336	29,89,12,085	–	11,36,44,91,395
Un–allocable Corporate Assets					21,04,41,224
Total Assets					11,57,49,32,619
Liabilities					
Segment Liabilities	2,61,74,71,766	2,74,17,42,661	24,57,72,629	–	5,60,49,87,055
Unallocable Liabilities					3,57,11,157
Deferred Tax Liabilities					27,46,42,333
Total Liabilities					5,91,53,40,545

*Others includes Trading Activity.

(b) Analysis By Geographical Segment**Segment Revenue:**

Segment revenue is analysed based on the location of customers regardless of where the goods are produced. The following provides an analysis of the Company's sales by Geographical Markets:

PARTICULARS	(Figures in ₹)	
	2015-2016	2014-2015
Export Sales	7,06,09,13,740	7,10,77,74,070
Domestic Sales	2,55,81,80,932	2,11,10,16,658
Total	9,61,90,94,672	9,21,87,90,728

(c) Segment Assets and Capital expenditure :

Segment Assets and Capital expenditure are analysed based on the location of those assets. Capital expenditure includes the total cost incurred to purchase property, plant and equipment.

An analysis of the carrying amount of segment assets and capital expenditure by geographical locations is not presented, as the assets are all located in India.

NOTES TO THE FINANCIAL STATEMENTS

31 RELATED PARTIES DISCLOSURES :-

- Holding Company : Nil
- Subsidiaries of the Company : Meghmani Organics USA, Inc.(MOL-USA)
Meghmani Europe BVBA(MOL-EUROPE)
PT Meghmani Organics Indonesia(MOL-INDONESIA)
Meghmani Overseas FZE-Dubai
Meghmani Finechem Limited (MFL)
- Associates : Latasha Exports Limited
- Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence : Meghmani Pigments
Ashish Chemicals
Tapsheel Enterprise
Meghmani Infrastructures
Meghmani Dyes & Intermediates LLP
Meghmani Industries Limited
Meghmani Chemicals Limited
Vidhi Global Chemicals Limited
Panchratna Corporation
Meghmani LLP
Matangi Industries LLP
Diamond Engineering Co.
Delta Electricals
- Key Managerial Personnel : Mr. Jayanti Patel
Mr. Ashish Soparkar
Mr. Natwarlal Patel
Mr. Ramesh Patel
Mr. Anand Patel
- Relatives of Key Managerial Personnel (Employee) : Ms. Deval Soparkar
Mr. Karana Patel
Mr. Ankit Patel
Mr. Darshan Patel
Mr. Maulik Patel
Mr. Kaushal Soparkar
- Relative of Key Managerial Personnel : Ms.Taraben Patel

NOTE – 31 RELATED PARTIES DISCLOSURES

(Figures in ₹)

PARTICULARS	Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Purchase of Goods	40,45,58,611	26,58,38,417	45,06,38,301	47,77,36,005	-	-	-	-	85,51,96,912	74,35,74,422
Sale of Goods	56,35,09,032	64,98,04,080	36,54,14,508	37,00,84,632	-	-	-	-	92,89,23,540	1,01,98,86,712
Sale of Fixed assets	-	5,94,664	-	4,50,000	-	-	-	-	-	10,44,664
Sale of Services – Joint Venture*	-	6,75,000	-	-	-	-	-	-	-	6,75,000
Purchase of Service	-	13,87,386	-	37,840	-	-	1,94,400	198,000	1,94,400	16,23,226
Purchase of Assets	-	7,25,00,000	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	3,36,45,689	3,36,44,569	34,75,965	31,61,382	3,71,21,654	7,25,00,000
Loans Given	-	3,11,800	-	-	-	-	-	-	-	3,11,800
Loans Repaid	-	6,22,32,880	-	-	-	-	-	-	-	6,22,32,880
Sale of Investment	-	4,37,23,099	-	-	-	-	-	-	-	4,37,23,099
Interest Paid	-	-	-	-	-	25,61,644	-	-	-	25,61,644
Dividend Paid / (Received)	-	(14,56,08,552)	-	-	2,60,84,612	3,42,04,483	22,08,000	29,44,000	2,82,92,612	(10,84,60,069)
Total	96,80,67,643	95,14,58,774	81,60,52,809	84,83,08,477	5,97,30,301	7,04,10,696	58,78,365	63,03,382	1,84,97,29,118	1,87,64,81,329

(Figures in ₹)

Outstanding Balances with Related Parties

PARTICULARS	Subsidiary		Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Debtors	24,59,03,963	45,61,64,477	5,48,93,268	78,62,049	-	-	-	-	30,07,97,231	46,40,26,526
Creditors	16,06,59,769	4,43,68,915	8,39,59,383	4,00,78,968	-	-	-	-	24,46,19,152	8,44,47,883
Salary, PF & Gratuity Payable	-	-	-	-	13,54,000	13,70,500	1,82,466	1,61,780	15,36,466	15,32,280
Loans and Advances	4,13,41,928	3,89,98,875	-	-	-	-	-	-	4,13,41,928	3,89,98,875
Total	44,79,05,660	53,95,32,267	13,88,52,651	4,79,41,017	13,54,000	13,70,500	1,82,466	1,61,780	58,82,94,777	58,90,05,564

MATERIAL TRANSACTIONS WITH RELATED PARTIES

(Figures in ₹)

Name of Related Parties	Sale of Goods / Services		Sale of Assets		Purchase of Goods/Services		Purchase of Assets		Sales of Investment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Subsidiary / Joint Venture										
Meghmani Organics USA Inc.	56,27,94,747	47,14,74,274	-	-	-	-	-	-	-	-
Meghmani Europe BVBA	-	13,00,85,115	-	-	-	-	-	-	-	-
Meghmani Energy Limited	-	-	-	-	-	-	-	7,25,00,000	-	4,37,23,099
Meghmani Finechem Limited	-	-	-	5,94,664	38,14,35,239	25,90,74,942	-	-	-	-
Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence										
Meghmani Pigments	-	-	-	10,29,09,633	13,87,69,235	-	-	-	-	-
Meghmani Industries Limited	-	-	-	4,50,000	-	-	-	-	-	-
Vidhi Global Chemicals Limited	30,79,76,761	32,41,66,999	-	-	30,60,24,739	32,51,98,536	-	-	-	-
Key Managerial Personnel										
Jayanti Patel	-	-	-	-	-	-	-	-	-	-
Ashish Soparkar	-	-	-	-	-	-	-	-	-	-
Natwarlal Patel	-	-	-	-	-	-	-	-	-	-
Ramesh Patel	-	-	-	-	-	-	-	-	-	-
Anand Patel	-	-	-	-	-	-	-	-	-	-
Relatives of Key Managerial Personnel										
Taraben Patel	-	-	-	-	-	-	-	-	-	-
Deval Soparkar	-	-	-	-	-	-	-	-	-	-
Karan Patel	-	-	-	-	1,94,400	1,98,000	-	-	-	-
Ankit Patel	-	-	-	-	-	-	-	-	-	-
Darshan Patel	-	-	-	-	-	-	-	-	-	-
Total	87,07,71,508	92,57,26,388	-	10,44,664	79,05,64,011	72,32,40,713	-	7,25,00,000	-	4,37,29,099

MATERIAL TRANSACTIONS WITH RELATED PARTIES

(Figures in ₹)

Name of Related Parties	Interest Paid		Remuneration		Loan / Advance Given / (Repaid)		Loans Repaid		Dividend Paid / (Received)		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Subsidiary / Joint Venture												
Meghmani Organics USA, Inc.											56,27,94,747	47,14,74,274
Meghmani Europe BVBA							6,22,32,880					19,23,17,995
Meghmani Energy Limited						8,11,00,000						19,73,23,099
Meghmani Finechem Limited										(14,56,08,552)	38,14,35,239	11,40,61,054
PT Meghmani Organics Indonesia						3,11,800						3,11,800
Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence												
Meghmani Pigments										10,29,09,633	13,87,69,235	
Meghmani Industries Limited												4,50,000
Vidhi Global Chemicals Limited											61,40,01,500	64,93,65,535
Key Managerial Personnel												
Jayanti Patel		6,40,411	67,31,439	67,31,091					55,68,117	74,24,156	1,22,99,556	1,47,95,658
Ashish Soparkar		6,40,411	67,27,592	67,27,483					78,16,634	98,47,179	1,45,44,226	1,72,15,073
Natwalal Patel		6,40,411	67,27,592	67,27,483					77,73,143	1,03,64,191	1,45,00,735	1,77,32,085
Ramesh Patel		3,84,247	67,31,439	67,31,091					49,26,718	65,68,957	1,16,58,157	1,36,84,295
Anand Patel		2,56,164	67,27,626	67,27,421							67,27,626	69,83,585
Relatives of Key Managerial Personnel												
Taraben Patel									22,08,000	29,44,000	22,08,000	29,44,000
Deval Soparkar			12,69,378	13,11,343							12,69,378	13,11,343
Karan Patel			9,40,111	7,84,398							11,34,511	9,82,398
Ankit Patel			6,72,239	5,51,966							6,72,239	5,51,966
Darshan Patel			5,94,237	5,13,675							5,94,237	5,13,675
Total		25,61,644	3,71,21,653	3,68,05,951		8,14,11,800		6,22,32,880	2,82,92,612	(10,84,60,069)	1,72,67,49,784	1,84,07,87,070

NOTES TO THE FINANCIAL STATEMENTS

32 DISCLOSURES ON FINANCIAL DERIVATIVES (AS-30)

The Company uses derivative financial instruments such as Forwards, Swaps and Options to hedge its risks associated with foreign exchange fluctuations. The Company uses Interest Rate Swaps specifically to protect against Interest Rate Volatility on the floating rate External Commercial Borrowings (ECBs). It also uses Cross Currency Swaps to protect against foreign currency exchange rate as well as interest rate fluctuations on its foreign currency loans. Swaps and Forwards are also used to hedge the currency risk inherent in the settlement of the liabilities denominated in foreign exchange.

For derivative financial instruments and foreign currency monetary items designated as Cash Flow hedges, the effective portion of the fair value of the derivative financial instruments are recognized in Hedge Reserve and reclassified to Statement of Profit and Loss as per guidance in AS 30. Hedge reserves have been debited to the extent of ₹ 2,27,99,437 during the financial year 2015-16 (credited during financial year 2014-15 ₹ 18,01,86,501). During the financial year 2015-16 ₹ 8,59,49,793 has been recycled from the reserves and debited to the Statement of Profit and Loss (during financial year 2015-16 Reserves was debited to the extent of ₹ 5,61,39,959 and credited to Statement of Profit and Loss).

The ineffective portion of the change in fair value of such instruments is recognised in the Profit and Loss in the period in which they arise. The various cash flows with reference to the hedged items and the hedging instruments are expected to occur over the coming years and are expected to affect the Statement of Profit and Loss Account over the same period of time. If the hedging relationship ceases to be effective or it becomes probable that the expected transaction will no longer occur, hedge accounting is discontinued and the fair value changes arising from the derivative financial instruments are recognized in Statement of Profit and Loss.

In line with the Company's risk management policy, the various financial risks mainly relating to changes in the exchange rates and interest rates are hedged by using a combination of forward contracts, swaps and other derivative contracts, besides the natural Hedges.

(A) Particulars of the derivative contracts entered into for hedging purpose outstanding as on reporting date are as under :-

PARTICULARS	No. of Contracts	31 st March 2016		No. of Contracts	31 st March 2015	
		Exposure in INR	Mark to Market Value		Exposure in INR	Mark to Market Value
FOR HEDGING FOREIGN CURRENCY RISK						
1) Forward Contracts for receivables including firm commitments and highly probable forecasted transactions	-	-	-	53	77,90,63,000	73,83,746
2) Currency Swaps (ECB & NCD)	-	-	-	2	69,19,64,929	(20,07,29,231)
3) Interest Rate Swap	-	-	-	2	70,65,74,063	(62,99,090)
Total of Derivative Contracts entered into for Hedging Purpose	-	-	-	57	2,17,76,01,992	(19,96,44,575)

(B) Out of the above, Derivative Instruments entered into for hedging but not qualifying for hedge under AS 30 and are ineffective as under :-

PARTICULARS	No. of Contracts	31 st March 2016		No. of Contracts	31 st March 2015	
		Exposure in INR	Mark to Market Value		Exposure in INR	Mark to Market Value
Interest Rate Swaps	-	-	-	2	70,65,74,063	(62,99,090)

Foreign Currency Exposure that are not hedged by derivative instruments as on 31st March 2016 amounted to ₹ Nil (Previous Year ₹ 70,65,74,063)

NOTES TO THE FINANCIAL STATEMENTS

33 CONTINGENT LIABILITIES and COMMITMENTS

PARTICULARS	(Figures in ₹)	
	2015-2016	2014-2015
In respect of Bank Guarantees	13,30,60,173	12,56,61,282
In respect of Letters of Credit	15,58,30,508	32,65,19,275
In respect of Corporate Guarantees	53,39,49,981	1,05,35,71,375

Name of Statute	Nature of Dues	(Figures in ₹)		Forum where Dispute is pending
		31 st March 2016	31 st March 2015	
Income Tax Act.	Income Tax / Penalty for various Financial Year 2000-2001, 2002-2003 to 2008-2009	5,72,81,720	5,82,12,413	Commissioner of Income Tax (Appeal) / Income tax Appellate Tribunal / High Court
Central Excise Tariff Act.	Excise Duty/ Penalty/ Interest	29,16,79,024	3,87,26,873	Commissioner of Central Excise/ Director General of Central Excise /Audit team of Central Excise/ Central Excise Service tax Appellate Tribunal
Service Tax	Service Tax/ Penalty/ Interest	4,64,51,114	3,10,75,189	Commissioner of Central Excise/ Deputy Commissioner of Central Excise / Central Excise Services Tax Appellate Tribunal
Labour Laws	Compensation Claims	1,87,65,930	1,76,44,659	Labour Court
Value Added Tax	Input Tax Credit	2,29,13,312	2,29,13,312	The Joint Commercial Tax Commissioner Appeal 1

B The estimated amount of contracts remaining to be executed on capital accounts of ₹1,70,50,232 (Previous Year: ₹ 1,19,74,608) is not provided for.

SIGNATURE TO NOTES 1 TO 33

FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
Place : Ahmedabad
Date : 28th May, 2016

D C Shah
Chief Financial Officer

K D Mehta
Company Secretary

FOR AND ON BEHALF OF THE BOARD
J.M.PATEL-Executive Chairman (DIN - 00027224)
A.N.SOPARKAR - Managing Director (DIN - 00027480)
N.M.PATEL - Managing Director (DIN - 00027540)
Place : Ahmedabad
Date : 28th May, 2016

CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MEGHMANI ORGANICS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **MEGHMANI ORGANICS LIMITED** ("hereafter referred to as the Holding Company") and its Subsidiaries (collectively referred to as Group) and its jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information prepared based on the relevant records(hereafter referred to as " The Consolidated Financial Statement").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of record including Financial Information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules the Accounting and Auditing Standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by the Institute of Chartered Accountant of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances an audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) Financial Statement of one subsidiary which reflect total assets of ₹ 5,57,36,72,516 as at 31st March, 2016, total revenue ₹ 3,99,56,26,446 and net cash flow amounting to (₹ 11,36,912) for the year ended as at 31st March, 2016, have been audited by us.
- (b) We did not audit the financial statement of one subsidiary, whose financial statements reflects total asset of ₹ 30,92,37,167 as at 31st March, 2016, total revenue ₹ 63,42,42,525 and net cash flow amounting to (₹ 30,37,422) for the year ended as at 31st March, 2016, as considered in the Consolidated Financial Statements.

These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

- (c) We did not audit the financial statements of three subsidiaries, whose financial statement reflects total assets of ₹ 11,86,40,525 total revenue of ₹ 2,85,94,905 ,and net cash flow amounting to (₹ 2,30,23,945) for the year ended as at 31st March, 2016, as considered in the Consolidated Financial Statements. These financial statements are unaudited and have been furnished to us by the Management as approved by the respective Board of Directors of these companies and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group. Further, the Company has one associated enterprise and in absence of financial statements as on reporting date of associates, no adjustments has been made in Consolidated Financial Statement.

Our Opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory requirements below is modified in respect of the above matters with respect to our reliance on the reports of the other auditors and the financial statements / financial information certified by the Management.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the report of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

INDEPENDENT AUDITORS' REPORT

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India none of the directors of the Group companies is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There were no pending litigations which would impact the consolidated financial position of the Group.
 - ii. Provisions has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note - 33 to the Consolidated Financial Statements in respect of such items as it relates to the Group.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies incorporated in India during the year ended March 31, 2016.

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

**PLACE: AHMEDABAD
DATE : 28th May, 2016**

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2016

PARTICULARS	Note No	(Figures in ₹)	
		31 st March 2016	31 st March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	25,43,14,211	25,43,14,211
(b) Reserves and Surplus	3	6,16,61,18,381	5,26,09,79,400
Minority Interest		1,24,79,97,091	94,34,93,378
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	2,18,07,63,743	3,12,93,47,462
(b) Deferred Tax Liabilities (Net)	5	57,15,87,299	47,09,62,428
(c) Long Term Provisions	6	3,81,22,737	4,35,94,488
(3) Current Liabilities			
(a) Short Term Borrowings	7	2,67,71,93,514	1,97,28,45,002
(b) Trade Payables	8		
Total Outstanding dues of Micro and Small Enterprises		9,28,95,133	5,76,38,051
Total Outstanding dues of Creditors other than Micro and Small Enterprises		1,70,75,43,739	1,37,58,86,855
(c) Other Current Liabilities	9	1,42,45,24,648	1,67,39,96,453
(d) Short Term Provisions	10	1,99,76,515	23,30,96,251
TOTAL		16,38,10,37,011	15,41,61,53,979
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		7,23,26,34,503	7,78,75,84,286
(ii) Intangible Assets		12,10,06,214	2,62,88,247
(iii) Capital Work in Progress		84,81,36,599	12,15,62,489
(iv) Intangible Assets Under Development		7,18,21,065	10,72,06,621
(b) Non Current Investments	12	6,58,52,750	6,56,02,750
(c) Long Term Loans and Advances	13	10,70,78,570	13,37,93,141
(d) Other Non Current Assets	14	10,04,00,812	18,77,74,974
(2) Current Assets			
(a) Current Investments	15	–	17,34,11,799
(b) Inventories	16	2,44,69,86,249	2,15,78,17,698
(c) Trade Receivables	17	4,05,18,19,354	3,16,70,09,565
(d) Cash and Cash Equivalents	18	10,97,69,612	15,58,52,675
(e) Short Term Loans and Advances	19	1,02,81,58,851	1,15,66,41,154
(f) Other Current Assets	20	19,73,72,432	17,56,08,580
Significant Accounting Policies	1		
Notes forming part of accounts	1 to 35		
TOTAL		16,38,10,37,011	15,41,61,53,979

AS PER OUR ATTACHED REPORT OF EVEN DATE

**FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS**

**M. M. KHANDWALA
PARTNER**

M. NO.: 32472

Place : Ahmedabad

Date : 28th May, 2016

**D C Shah
Chief Financial Officer**

**K D Mehta
Company Secretary**

FOR AND ON BEHALF OF THE BOARD

J.M.PATEL—Executive Chairman (DIN – 00027224)

A.N.SOPARKAR – Managing Director (DIN – 00027480)

N.M.PATEL – Managing Director (DIN – 00027540)

Place : Ahmedabad

Date : 28th May, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st MARCH 2016

PARTICULARS	Note No	(Figures in ₹)	
		31 st March 2016	31 st March 2015
Income			
Revenue from Operation		14,76,77,96,380	14,06,86,70,469
Less: Excise Duty		1,20,84,29,900	1,12,65,97,141
Net Revenue from Operation	21	13,55,93,66,480	12,94,20,73,328
Other Income	22	3,90,48,282	6,41,32,429
Total Income		13,59,84,14,762	13,00,62,05,757
Expenditure			
Raw Materials Consumption	23	6,86,52,49,468	6,76,88,57,944
Trading Purchases		50,49,21,169	63,20,98,762
(Increase)/Decrease in Stock	24	(14,27,90,936)	23,92,90,076
Employees Emoluments	25	79,07,73,546	72,52,59,182
Financial Expenses	26	63,65,66,351	74,62,46,283
Depreciation	11	76,76,00,381	74,73,62,641
Other Expenses	27	2,67,24,94,842	2,54,53,75,724
Total Expenditure		12,09,48,14,821	12,40,44,90,612
Profit Before Exceptional Items & Tax		1,50,35,99,941	60,17,15,145
Exceptional Items	28	–	20,12,290
Profit Before Tax		1,50,35,99,941	59,97,02,855
Profit / (Loss) for the year from Discontinuing Operation		–	(43,86,942)
Profit for the year from Continuing Operation		1,50,35,99,941	60,40,89,797
Current Tax		32,51,87,650	12,65,00,000
MAT Credit Entitlement		(5,78,95,557)	(10,85,00,000)
Payment of tax of earlier years		54,15,101	89,56,463
Deferred Tax	5	10,06,24,870	11,29,36,870
Profit for the year from Continuing Operation after Tax		1,13,02,67,877	46,41,96,464
Profit / (Loss) for the year from Discontinuing Operation after Tax		–	(43,86,942)
Minority Interest		30,45,03,712	2,09,13,426
Profit available for Appropriation		82,57,64,165	43,88,96,096
Basic Earning Per Share of face value of ₹ 1 each	29	3.25	1.73
Diluted Earning Per Share of face value of ₹ 1 each		3.25	1.73
Significant Accounting Policies	1		
Notes forming part of Accounts	1 to 35		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR KHANDWALA & KHANDWALA
 CHARTERED ACCOUNTANTS
 M. M. KHANDWALA
 PARTNER
 M. NO.: 32472
 Place : Ahmedabad
 Date : 28th May, 2016

D C Shah
 Chief Financial Officer

 K D Mehta
 Company Secretary

FOR AND ON BEHALF OF THE BOARD
 J.M.PATEL—Executive Chairman (DIN – 00027224)
 A.N.SOPARKAR – Managing Director (DIN – 00027480)
 N.M.PATEL – Managing Director (DIN – 00027540)

Place : Ahmedabad
 Date : 28th May, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
A. Cash flow from Operating Activities		
Net Profit Before Tax	1,50,35,99,941	59,97,02,855
Adjustment for :		
Depreciation	76,76,00,381	74,73,62,641
Unrealised Foreign Exchange	(1,12,00,690)	(28,63,513)
Loss on Derivatives	(13,64,94,219)	(4,08,63,831)
Liability no longer Required	(2,34,378)	(1,65,95,707)
Expenses amortised during the year	-	60,46,547
Interest and Finance Charges	63,65,66,351	74,62,46,283
Wealth Tax	-	4,43,259
Dividend Received	-	(24,500)
Interest Received	(2,97,10,266)	(3,76,55,023)
Bad Debts Written off	17,44,81,512	14,99,676
Investment Written off	-	65,134
Loss on Derecognition of Subsidiary	-	(1,83,236)
(Profit) / Loss on Sale of Investment	(48,37,027)	1,23,36,561
(Profit) / Loss on Sale of Fixed Assets	13,98,314	38,05,601
Operating Profit before working capital changes	2,90,11,69,919	2,01,93,22,747
Adjustment for:		
Inventories	(28,91,68,551)	33,79,67,384
Trade Receivables	(1,05,92,91,301)	35,46,87,267
Short Term Loans and Advances	21,93,85,830	12,29,56,448
Other Current Assets	(6,01,82,689)	6,00,98,470
Other Non Current Assets	(6,98,265)	(6,83,936)
Long Term Loans and Advances	1,82,75,711	2,20,71,119
Trade Payables	46,33,27,661	(24,54,77,661)
Other Current Liabilities	14,16,70,711	10,72,684
Provisions	1,02,03,378	1,11,90,809
Sub Total	(55,64,77,515)	66,38,82,584
Cash Generated from operation	2,34,46,92,404	2,68,32,05,331
Direct Taxes Paid (Net)	(33,81,73,151)	(16,12,35,687)
Net Cash from operating activities	2,00,65,19,253	2,52,19,69,644
B. Cash flow from Investment Activities		
Purchase of Fixed Assets	(94,61,81,328)	(59,97,80,341)
Fixed Deposits made	(2,89,560)	(68,78,17,663)
Fixed Deposits withdrawn	-	68,75,00,000
Dividend Received	-	24,500
Interest Received	2,89,99,357	3,70,67,314
Purchase of Current Investments	-	(61,40,31,829)
Sale of Current Investments	17,82,48,827	44,98,55,116
Proceeds from Divestment of Subsidiaries	-	3,99,940
Investment in Others	(2,50,000)	-
Sale of Fixed Assets	1,16,34,000	14,06,52,171
Net Cash Used in Investing Activities	(72,78,38,704)	(58,61,30,792)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
C. Cash flow from Financing Activities		
Final & Interim Dividend paid	(7,53,81,363)	(23,46,75,150)
Dividend Distribution Tax	(1,55,31,987)	(4,76,14,453)
Interest and Finance Charges Paid	(64,69,76,329)	(78,65,88,546)
Short Term Borrowings	(14,33,51,488)	23,30,07,824
Proceeds from Other Bank Borrowing	1,96,99,00,000	1,00,00,00,000
Repayment of Other Bank Borrowing	(1,12,22,00,000)	(1,72,00,00,000)
Non Convertible Debentures	(50,00,00,000)	(50,00,00,000)
Proceeds from Term Loan - Banks	1,06,75,00,000	65,00,00,000
Repayment of Term Loan - Banks	(1,87,19,87,034)	(72,45,94,315)
Net Cash Used in Financing Activities	(1,33,80,28,201)	(2,13,04,64,640)
Net (Decrease)/ Increase in Cash and Cash Equivalent	(5,93,47,652)	(19,46,25,788)
Cash on Hand -Opening Balance	15,25,68,146	36,99,22,281
Cash on Hand -Closing Balance	9,32,20,494	17,52,96,493
Reconciliation of Cash and Cash Equivalent		
Total Cash & Bank Balance as per Balance Sheet	10,97,69,612	15,58,52,675
Less - Fixed Deposit in Bank not considered as Cash and Cash Equivalent	38,69,850	32,84,529
Cash and Cash Equivalent	10,58,99,762	15,25,68,146
Cash and Cash Equivalent Comprises as under :		
Balance with Banks in Current Accounts (Includes ₹ 22,48,800 (Previous Year ₹ 35,58,190) Pertains to Unpaid Dividend)	2,87,08,086	7,33,95,930
Fixed Deposit with Bank	7,50,00,000	7,62,23,438
Cash on Hand	21,91,676	29,48,778
Cash and Cash Equivalents	10,58,99,762	15,25,68,146
Net effect of change in Exchange rate on consolidation	(1,26,79,268)	2,27,28,347
Cash & Cash Equivalent at the end of the year	9,32,20,494	17,52,96,493

Notes to the cash flow statement for the year ended on 31.03.2016

- (1) Figures in brackets indicate cash outgo.
- (2) The previous year figures have been regrouped / restated where ever necessary to conform to this year's classification.

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR KHANDWALA & KHANDWALA
 CHARTERED ACCOUNTANTS
 M. M. KHANDWALA
 PARTNER
 M. NO.: 32472
 Place : Ahmedabad
 Date : 28th May, 2016

D C Shah
 Chief Financial Officer

 K D Mehta
 Company Secretary

FOR AND ON BEHALF OF THE BOARD
 J.M.PATEL – Executive Chairman (DIN – 00027224)
 A.N.SOPARKAR – Managing Director (DIN – 00027480)
 N.M.PATEL – Managing Director (DIN – 00027540)

 Place : Ahmedabad
 Date : 28th May, 2016

SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNTS

1. Principles of consolidation

The Consolidated Financial Statements relate to Meghmani Organics Limited ("The Company") and its Subsidiary Companies. The Consolidated Financial Statements have been prepared on the following basis :-

- a) The financial statements of the Company and its Subsidiary Companies are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- b) In case of Foreign Subsidiaries being non integral operations, revenue items are consolidated at the average of rate prevailing during the year. All assets and liabilities are converted at the rate prevailing at the end of the year. Any exchange rate difference arising on consolidation is recognised in the currency translation reserve.
- c) The difference between the costs of investment in Subsidiaries, over the net assets at the time of acquisition of shares in the Subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- d) Minority interest's share of the net profit of Consolidated Subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attribute to shareholders of the Company.
- e) Minority interest's share of the net assets of Consolidated Subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholder.
- f) As far as possible the Consolidated Financial Statements are prepared using accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- g) Investments other than in Subsidiaries and Associates have been accounted as per Accounting standard (AS) 13 "Accounting for Investments" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2. Other Significant Accounting Policies :-

These are set out under "Significant Accounting Policies "as given in the Standalone Financial statements of Meghmani Organics Limited."

- a. The Subsidiary Companies considered in the financial statements are :-

Name of the Subsidiaries	Country of domicile	Percentage of ownership interest
Meghmani Finechem Limited	India	57%
Meghmani Europe BVBA	Belgium	100%
Meghmani Organics USA Inc.	USA	100%
PT Meghmani Organics Indonesia	Indonesia	100%
Meghmani Overseas FZE	Dubai	100%

SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNTS

- b. The figures of previous year are regrouped and rearranged wherever necessary so as to make them comparable with the current year. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with Parent Company's Financial Statements.

c. FINANCIAL DERIVATIVES HEDGING TRANSACTIONS

The Parent Company has voluntarily adopted the principles of Accounting Standard (AS) 30 ("Financial Instruments Recognition and Measurement") for the accounting of such derivative contracts not covered under Accounting Standards (AS) 11 ("The Effects of Changes in Foreign Exchange Rates") in pursuance of the announcement of the Institute of Chartered Accounts of India (ICAI) dated March 29, 2008 on accounting of derivatives.

The Fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date. Such derivative financial instruments are used as risk management tools only and not for specific purposes.

Accordingly, the resultant gains and losses on fair valuation / settlement of the derivative contracts covered under Accounting Standard (AS) 30 ("Financial Instruments Recognition and Measurement") are recognised in the statement of Profit and Loss or Balance Sheet as the case may be after applying the best of hedge effectiveness. Where the cash flow is effective the gains or losses are recognised in the "Hedge Reserve" which forms part of "Reserves and Surplus" in the Balance Sheet. While the same is recognised in the Statement of Profit and Loss where the hedge is ineffective. The amount recognised in the "Hedge Reserve" is transferred to the Statement of Profit and Loss in the period in which the underlying hedged item affects the Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SHARE CAPITAL

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
AUTHORISED		
37,00,00,000 Equity Shares (Previous Year 37,00,00,000) each share of ₹ 1/-	37,00,00,000	37,00,00,000
	37,00,00,000	37,00,00,000
ISSUED, SUBSCRIBED & PAID UP EQUITY SHARES		
25,43,14,211, Equity Shares (Previous Year 25,43,14,211) each share of ₹1/- Fully Paid up	25,43,14,211	25,43,14,211
TOTAL	25,43,14,211	25,43,14,211

Reconciliation of Number of Shares

PARTICULARS	No. of Shares		(Figures in ₹)	
	31 st March 2016	31 st March 2015	31 st March 2016	31 st March 2015
Equity Shares				
As at beginning of the year	25,43,14,211	25,43,14,211	25,43,14,211	25,43,14,211
Add :				
Issued during the year	—	—	—	—
Less :				
Shares Bought Back/Redemption etc.	—	—	—	—
As at the end of the year	25,43,14,211	25,43,14,211	25,43,14,211	25,43,14,211

Details of Shareholding

PARTICULARS	No. of Shares		(Figures in ₹)	
	31 st March 2016	31 st March 2015	31 st March 2016	31 st March 2015
Holding more than 5% Shares				
DBS Nominees Pte. Ltd.	3,74,33,450	4,03,43,150	3,74,33,450	4,03,43,150
Mr. Jayanti Patel	1,85,60,390	1,85,60,390	1,85,60,390	1,85,60,390
Mr. Ashish Soparkar	2,59,28,128	2,46,17,948	2,59,28,128	2,46,17,948
Mr. Natwarlal Patel	2,59,10,477	2,59,10,477	2,59,10,477	2,59,10,477
Mr. Ramesh Patel	1,64,22,392	1,64,22,392	1,64,22,392	1,64,22,392
TOTAL	12,42,54,837	12,58,54,357	12,42,54,837	12,58,54,357

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Company has only one class of Equity Shares having face value of ₹ 1/- per share. Each Equity shareholder has 1 voting right. All equity shareholders have equal dividend rights in proportion to their Capital.

The Company has paid Interim dividend of ₹ 0.30 Per Equity Share amounting to ₹ 7,62,94,263 on 25,43,14,211 Equity Shares of ₹ 1/- each (Previous Year Interim dividend of ₹ 0.40 per Equity Share was paid amounting to ₹ 10,17,25,684 on 25,43,14,211 Equity Shares of ₹ 1/- each). The Interim dividend was considered as Final Dividend.

Particulars of NRI Shareholders to whom dividend is remitted.

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
	Final	Final
Amount of Dividend Remitted	–	4,91,40,150
No. of Shareholders	–	1
No. of Shares held	–	4,91,40,150
Year / Period to which dividend relates	2015-16	2013-14
	Interim	Interim
Amount of Dividend Remitted	1,12,30,035	1,66,09,460
No. of Shareholders	1	1
No. of Shares held	3,74,33,450	4,15,23,650
Year / Period to which dividend relates	2015-16	2014-15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 RESERVES AND SURPLUS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
(1) Securities Premium Account		
As per last year accounts	1,56,50,48,295	1,56,50,48,295
(2) Capital Reserve		
As per last year accounts	35,18,280	1,98,71,023
Less : Disposal of Subsidiary	–	(1,63,52,743)
	35,18,280	35,18,280
(3) General Reserve		
As per last year accounts	74,30,58,092	61,22,70,348
Add : Transferred from Debenture Redemption Reserve	12,50,00,000	12,50,00,000
Less : Effect of Transitional provisions as per Schedule II of the Companies Act 2013 (net of Deferred Tax ₹ 1,19,51,083)	–	(2,17,12,256)
Add : Transferred from Profit and Loss Account	2,75,00,000	2,75,00,000
	89,55,58,092	74,30,58,092
(4) Capital Redemption Reserve		
As per last year accounts	1,84,32,980	1,84,32,980
(5) Debenture Redemption Reserve		
As per last year accounts	11,16,51,150	19,49,81,063
Add : Transferred from Profit and Loss Account	1,33,48,850	4,16,70,087
Less : Transferred to General Reserve	(12,50,00,000)	(12,50,00,000)
	–	11,16,51,150
(6) Currency Translation Reserve		
As per last year accounts	7,48,65,076	4,25,94,520
Add : Addition during the year	(7,35,041)	3,22,70,556
	7,41,30,035	7,48,65,076
(7) Hedge Reserve		
As per last year accounts	(6,24,67,569)	(16,12,17,630)
Add : (Addition) / Deduction during the year	5,97,95,247	9,87,50,061
	(26,72,322)	(6,24,67,569)
(8) Surplus in Profit & Loss Account		
As per last year accounts	2,80,68,73,096	2,63,48,96,180
Add : Disposal of Subsidiary	–	5,63,96,418
Add : Receivables from Subsidiary written off in standalone and now accounted for Consolidation	11,21,40,860	–
Add : Profit for the year	82,57,64,165	43,88,96,096
	3,74,47,78,121	3,13,01,88,694
Less : Appropriation		
Transfer to General Reserve	2,75,00,000	2,75,00,000
Debenture Redemption Reserve	1,33,48,850	4,16,70,087
Interim Dividend Paid	7,62,94,263	21,08,53,128
Dividend Distribution Tax	1,55,31,987	4,32,92,383
	13,26,75,100	32,33,15,598
	3,61,21,03,021	2,80,68,73,096
TOTAL	6,16,61,18,381	5,26,09,79,400

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 LONG TERM BORROWINGS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
SECURED		
Term Loan Facilities from Banks and Financial Institutions:		
In Indian Currency	1,89,68,13,816	2,54,34,08,536
In Foreign Currency	28,39,49,927	58,59,38,926
(Refer Notes:- 9 for Current Maturity of Term Loan & Debenture ₹ 94,53,69,717 (Previous Year ₹ 1,33,36,70,848))		
TOTAL	2,18,07,63,743	3,12,93,47,462

Details of Security and Repayment Terms :

- i Rupee Term Loan facility of ₹ 30,00,00,000 from HDFC Bank, Nr. Mithakhali Cross Road, Ahmedabad. The facility is Secured by First Pari Passu charge with ICICI Bank Limited on moveable and immoveable fixed assets held at Z-31 and Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch and repayable in 20 quarterly installments of ₹ 1,50,00,000 each commencing from 30th April, 2016 and interest @ base rate plus 1.75% per annum with monthly rests. At present interest rate is 11.75% with moratorium of 2 years.
- ii Rupee Term loan facility of ₹ 45,00,00,000 from ICICI Bank Limited, JMC House, Ambawadi, Ahmedabad. The facility is Secured by First Pari Passu charge with HDFC Bank on moveable and immoveable fixed assets held at Z-31 and Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch and repayable in 24 Quarterly installments of ₹ 1,87,50,000 each commencing from 30th June, 2016 and interest @ base rate plus 2.10% per annum with monthly rests. At present interest rate is 12.10% with moratorium of 2 years. **During the year, the Company has prepaid the loan on 29th December, 2015.**
- iii Rupee Term Loan facility of ₹ 65,00,00,000 from Yes Bank Limited 4th Floor, Nehru Centre, Discovery of India Bldg, Dr. A. B. Road, Worli, Mumbai- 400018. The facility is secured by exclusive charge on leasehold admeasuring 50,000 Square Meter bearing Plot No. CH-1+2/A GIDC Industrial Estate Dahej, Taluka Vagra, District Bharuch, with all the buildings and structures standing thereon and all plants, machineries, fixtures and fittings attached to the earth and or permanently fastened to earth pertaining to Company's unit at Plot No. CH-1+2/A GIDC Dahej and repayable in 20 equal quarterly installments of ₹ 3,25,00,000 starting after a moratorium period of 1 year from the date of disbursement i.e. from 02.10.2015 The current applicable interest rate is 11.75% p.a. **During the year, the Company has prepaid the loan on 07th December, 2015.**
- iv The Term Loan facility of ₹ 1,06,75,00,000 from State Bank of India, Corporate Accounts Group Branch, 58, Shrimali Society, Ahmedabad, is secured by Agreement of Hypothecation of Goods and Assets dated 30.11.2015. The facility is secured by first charge on all the Company's movable fixed assets at (a) Agro Division III plant at Plot No. CH-1+2/A, GIDC Dahej, Taluka Vagra, District-Bharuch 392130 and (b) Pigment Blue Division at Plot No. Z-31, Z-32, Dahej SEZ Limited, Dahej, Taluka Vagra, District Bharuch. The current effective rate is 10% p. a. on floating basis with monthly rests. Ther Term Loan will be repaid in 26 quarterly instalments starting from 31st December, 2015 and on 31st March, 2022. The details are as under.
 1. Two quarterly instalments of ₹ 3,25,00,000 each starting from 31.12.2015
 2. Seventeen quarterly instalments of ₹ 5,12,50,000 each starting from 30.06.2016
 3. Seven quarterly instalments of ₹ 1,87,50,000 each starting from 30.09.2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- v The Group Company Meghmani Finechem Limited has availed term loan from ICICI Bank Limited, The Bank has refinanced term loan of ₹ 2,20,00,00,000. The entire facility of ₹ 2,20,00,00,000 has been secured by Deed of Hypothecation dated 30th January, 2012 the whole of movable properties of the Company, including its movable plant & machinery, machinery spares, tools and accessories other movables both present and future wherever situate including Raw Material, Stock in Process, Finished Goods, Book Debts, Bills situated any where.

The rate of interest of term loan from ICICI Bank Limited is @ Base Rate plus 1.92% (spread). The repayment of this loan started from March 2012.

This charge is jointly held with (1) First pari passu charge on movable fixed assets for (1) US \$ 2,00,00,000 to IFC Washington USA (2) US \$ 1,50,00,000 to Standard Chartered Bank, London and Second pari passu charge on all the Current Assets of the Company along with other lenders.

- vi The Group Company Meghmani Finechem Limited has availed a Foreign Currency Term Loan by way of External Commercial Borrowing (ECB) of US \$ 2,00,00,000 (₹ 86,45,48,645) from International Finance Corporation (IFC), Washington, USA. The Company has executed Unattested Memorandum of Hypothecation on 11th December, 2008 in favour of International Finance Corporation (IFC), Washington, USA represented by State Bank of India in its capacity as Security Trustee to secure Foreign Currency Term Loan of External Commercial Borrowing of US \$ 2,00,00,000 by way of creating First Pari Passu charge on movable fixed assets and Second Pari Passu Charge on all Current Assets of the Company along with other term lenders.

The rate of interest for Foreign Currency Term Loan by way of External Commercial Borrowing of US \$ 2,00,00,000 from International Finance Corporation (IFC) is 1.80% per annum above 6 month LIBOR. The repayment started from October 2011 in 14 half yearly equal installments.

- vii The Group Company Meghmani Finechem Limited has availed US \$ 1,50,00,000 (₹ 69,09,75,000) ECB from Standard Chartered Bank, United Kingdom by executing Memorandum of Hypothecation dated 16th February, 2012. The entire facility has been secured by (1) First pari passu charge on all present and future movable fixed assets of the Company including movable plant and machinery etc. and Second Pari Passu Charge on all Current Assets of the Company along with other term lenders.

The rate of interest for Foreign Currency Term Loan by way of External Commercial Borrowing of US \$ 1,50,00,000 from Standard Chartered Bank (SCB) is 2.80% per annum above 3 month LIBOR. The repayment started from May 2013 in 14 quarterly equal installments.

- viii The indenture of mortgage on immovable properties of the Company situated at Plot No. CH-1 and CH-2 has been created on 18th October, 2012 to secure term loan of ₹ 2,20,00,00,000 of ICICI Bank and ECB of US\$ 1,50,00,000 of Standard Chartered Bank, London. Alongwith this the indenture of mortgage created to secure term loan by way of ECB availed from IFC of US\$ 2,00,00,000 exists.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 DEFERRED TAX LIABILITIES (NET)

Major Components of Deferred Tax:

PARTICULARS	(Figures in ₹)	
	31 st March 2016	3 rd March 2015
Deferred Tax Liability:		
Difference in value of Fixed Asset due to Depreciation and Other Allowances	58,73,10,608	58,76,20,508
Deferred Tax Assets:		
Disallowance u/s 43B of Income Tax Act, 1961	1,57,23,309	1,54,57,998
Unabsorbed losses and Unabsorbed depreciation	–	10,12,00,082
TOTAL	57,15,87,299	47,09,62,428
Deferred Tax Expenses/(Saving) charged to Profit & Loss Account	10,06,24,870	11,29,36,870

1. As regards Deferred Tax as per Accounting Standard–22 (AS–22) on “Accounting for Taxes on Income”, there exist Deferred Tax Asset due to unabsorbed depreciation and losses. The Group Company Meghmani Finechem Limited has recognised deferred tax assets on unabsorbed losses and unabsorbed depreciation in view of sufficient taxable profits in subsequent years being sufficient evidence for substantiating the virtual certainty of recoverability of losses.

Variation between the Accounting Policies followed by various entities within group

2. Accounting for depreciation by other subsidiaries i.e Meghmani Europe BVBA, Meghmani Organics Inc., USA, PT Meghmani Organics Indonesia is in variation to the method adopted by holding company in the group. The impact of the above in the opinion of management is not significant.

6 LONG TERM PROVISIONS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Provision for Employee Benefits (Refer Note – 10)	2,97,48,000	2,20,16,942
Fair Value of Financial Derivatives (Refer Note - i)	83,74,737	2,15,77,546
TOTAL	3,81,22,737	4,35,94,488

Note : –

- i Aggregate movement of Provision – Short Term / Long Term of Financial Derivatives as per AS – 29

PARTICULARS	31 st March 2016	31 st March 2015
Opening Balance	23,47,87,649	41,85,20,124
Addition during the year	–	–
Used during the year	22,64,12,912	18,37,32,475
Closing Balance (Refer Note – 10)	83,74,737	23,47,87,649

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 SHORT TERM BORROWINGS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Secured Loans		
Working Capital Facilities from Banks :		
In Indian Currency	2,67,71,93,514	1,87,28,45,002
Unsecured Loans		
From Banks – In Indian Currency	–	10,00,00,000
TOTAL	2,67,71,93,514	1,97,28,45,002

Details of Security and Repayment Terms :

- i The interest rate on Working Capital facilities from State Bank of India, HDFC Bank Limited, Standard Chartered Bank and ICICI Bank Limited (Collectively known as Consortium Bankers) varies within the range of 10.90% to 13.00% (both inclusive) and are secured by :-
 - (a) First Pari Passu charge created on 9th October, 2003 for ₹ 79.45 Crores was further extended on 28th May 2005 for ₹ 155.35 Crores, on 23rd January, 2007 for ₹ 218.65 Crores and on 28th August, 2009 for ₹ 343.08 Crores in favour of State Bank of India and its Consortium Bank by way of hypothecation of the entire stock of raw materials, work in process, finished goods, stores and spares and receivables. The present consortium is lead by State Bank of India, and others are ICICI Bank and HDFC Bank.
 - (b) First Pari Passu charge on immovable fixed assets to State Bank of India and its consortium bank as collateral security for the working capital facilities of ₹ 343.08 Crores. The present consortium is lead by State Bank of India.
 - (c) The indenture of the mortgage created on immovable properties are located at :
 - (i) Plot No. 168,180,183 and 184 of GIDC Industrial Estate Vatva, Ahmedabad.
 - (ii) Block No. 402,403,404 and 452 at Village Chharodi, Taluka Sanand, District Ahmedabad .
 - (iii) Plot No. 21 & 21/1 of GIDC Industrial Estate, Panoli, Taluka Ankleshwar, Bharuch.
 - (iv) Plot No.5001/B of GIDC Industrial Estate, Ankleshwar, Bharuch.
- ii During the year, unsecured outstanding short term loan of ₹ 10,00,00,000 of HDFC Bank Limited has been paid by the Company on 11.05 2015.
- iii The Group Company Meghmani Finechem Limited has availed Working capital facility of ₹ 20 Crores from ICICI Bank Ltd and ₹ 24 Crores from Standard Chartered Bank aggregating ₹ 44 Crores. The entire facility of ₹ 44 Crores has been secured by First charge on all the company's current assets ranking pari-passu basis on both present and future current assets of the Company.

The Rate of interest stipulated by ICICI bank is sum of I-base and "spread" per annum, subject to minimum rate of I-Base +1.50% p.a. plus applicable interest taxes or other Statutory levy, if any, on the principal amount remains outstanding each day. As on date I-Base is 9% and spread 1.5% for working capital facility. The rate of interest stipulated by Standard Chartered Bank is Base Rate + Margin.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 TRADE PAYABLE

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Total outstanding due		
Micro and Small Enterprises	9,28,95,133	5,76,38,051
Others (Refer Notes below)	1,70,75,43,739	1,37,58,86,855
TOTAL	1,80,04,38,872	1,43,35,24,906

Notes : –

- i The Company has called for balance confirmation of Creditors on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Creditors are subject to confirmation.
- ii The Company has received certain intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) and accordingly the Company has provided for interest of ₹ 2,21,72,201 (Previous Year ₹ 1,38,28,271) being payable as required under the said act.

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year; Principal Amount Interest Amount	9,28,95,133 2,21,72,201	5,76,38,051 1,38,28,271
the amount of interest paid by the buyer in terms of Section 18 of MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,	78,95,947	90,34,504
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	13,87,878	6,69,553
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	2,21,72,201	1,38,28,271

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 OTHER CURRENT LIABILITIES

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Current maturities of Long Term Debt (Refer Note - 4) (Refer Note - i)	94,53,69,717	1,33,36,70,848
Interest Accrued but not due on Borrowings	2,96,91,215	2,86,11,800
Employee Benefit Payable	6,86,03,548	5,88,74,105
Advance Received from Customer	7,29,56,160	5,59,27,360
Statutory Payments	12,43,39,976	10,08,94,425
Unpaid Dividend (Refer Note - (ii))	22,48,800	35,58,190
Interim Dividend & Provision of tax on dividend	22,22,290	–
Payable for retention money	17,71,168	27,41,392
Payable for Capital Goods	15,51,49,573	7,58,90,062
Interest as per MSMEDA, 2006 (Refer Note - 8 (ii))	2,21,72,201	1,38,28,271
TOTAL	1,42,45,24,648	1,67,39,96,453

Notes : –

Details of Security and Repayment Terms :

- i Secured Non-Convertible Debentures of ₹ Nil (Previous Year ₹ 50,00,00,000) are secured by way of pari passu charge on Mortgage of immovable and movable properties situated at GIDC Vatva, GIDC Panoli, GIDC Ankleshwar and Village Chharodi, Taluka Sanand, District – Ahmedabad.

Redemption detail of 10.40 % Non Convertible Debentures ₹ 50,00,00,000

Amount of Redemption	Date of Redemption
₹ 50,00,00,000	12-10-2015 (Since Redeemed)

- ii There is no amount outstanding in respect of Unpaid Dividend to be transferred to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013.

10 SHORT TERM PROVISIONS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Wealth Tax Payable	–	4,73,260
Current Tax Payable	88,15,515	68,31,115
Fair value of Financial derivatives (Refer Note – 6 (i))	–	21,32,10,103
Provisions for Employee Benefits (Refer Note – 31)	1,11,61,000	1,25,81,773
TOTAL	1,99,76,515	23,30,96,251

(Figures in ₹)

11 Fixed Assets As on 31st March 2016

Sr. No.	Particulars	Gross Block			Depreciation / Amortisation			Net Block			
		Opening	Addition	Deduction / Adjustment	Closing	Opening	Provision For the Year	Depreciation Transfer to Reserve	Deduction / Adjustment	Closing Balance 31.03.2016	Closing Balance 31.03.2015
1	Tangible Assets										
1	Freehold Land	4,58,99,417	1,13,84,988	14,44,585	5,58,39,820	-	-	-	-	5,58,39,820	4,58,99,417
2	Leasehold Land	40,43,94,222	-	-	40,43,94,222	-	-	-	-	37,14,12,441	37,58,38,527
3	Building	2,67,04,74,387	3,09,14,349	1,04,45,188	2,69,09,43,548	40,89,30,039	10,49,97,405	25,90,623	51,13,36,821	2,17,96,06,727	2,26,15,44,348
4	Plant & Machinery	9,35,04,82,676	9,98,57,688	3,24,06,539	9,45,03,31,642	4,33,50,22,224	62,11,74,506	3,07,53,410	4,92,54,43,320	4,52,48,88,322	5,01,54,60,452
5	Furniture & Fixtures	5,94,11,552	23,16,463	6,17,80,607	6,17,80,607	3,75,39,131	38,67,368	-	4,14,56,790	2,03,23,827	2,18,72,421
6	Vehicles	9,96,36,396	2,49,15,609	71,95,903	11,74,87,941	4,46,12,074	1,09,21,489	53,34,220	5,02,55,705	6,72,32,236	5,50,24,322
7	Computers	3,71,29,191	17,66,127	8,71,555	3,80,44,807	3,24,40,652	19,35,749	8,69,802	3,35,27,483	45,17,324	46,88,539
8	Other Equipments	3,22,20,002	46,49,781	43,31,967	3,24,44,309	2,49,63,742	27,75,770	41,15,368	2,36,30,503	88,13,806	72,56,260
	Total	12,69,96,47,843	17,57,04,995	5,66,95,737	12,85,12,66,896	4,91,20,63,557	75,00,98,373	4,36,63,423	5,61,86,32,393	7,23,26,34,503	7,78,75,84,286
	Intangible Assets										
1	Software Licences	3,80,07,287	2,25,620	-	3,82,32,907	-	-	-	-	3,47,93,149	60,32,593
2	Product Licences	11,52,32,191	9,67,20,342	-	21,21,37,315	10,33,34,758	85,81,551	-	11,20,49,747	10,00,87,568	1,18,97,433
3	ETP Usage Rights	18,19,29,936	1,52,22,669	-	19,71,52,605	17,35,71,715	61,02,002	-	17,96,73,717	1,74,78,888	83,58,221
	Total	33,51,69,414	11,21,68,631	-	44,75,22,827	30,88,81,167	1,75,02,008	-	32,85,16,613	12,10,06,214	2,62,88,247
	Capital WIP										
1	Tangible Assets	12,15,62,489	74,07,86,425	1,42,12,315	84,81,36,599	-	-	-	-	84,81,36,599	12,15,62,489
2	Intangible Assets	10,72,06,621	1,29,89,459	4,83,75,015	7,18,21,065	-	-	-	-	7,18,21,065	10,72,06,621
	Total	22,87,69,110	75,37,75,884	6,25,87,330	91,99,57,664	-	-	-	-	91,99,57,664	22,87,69,110
	Grand Total	13,26,35,86,367	1,04,16,49,510	11,92,83,067	14,21,87,47,387	5,22,09,44,724	76,76,00,381	4,36,63,423	5,94,51,49,006	8,27,35,98,381	8,04,26,41,643
	Previous Year	12,75,02,49,426	1,98,56,31,385	1,57,82,01,047	13,26,35,86,367	4,59,66,52,059	74,73,62,641	15,60,90,149	5,22,09,44,724	8,04,26,41,643	8,15,35,97,367

i Capital WIP - Tangible Assets Includes Expenses during construction period ₹ 5,61,57,837 (Previous Year ₹ 1,49,09,447)

ii Borrowing cost Capitalised during the year ₹ 5,81,94,981 (Previous Year ₹ 1,54,57,320) to respective qualifying assets.

iii The management has technically reviewed the estimated useful life of plant and machinery related to power generating unit as 20 years is different from those prescribed under part C of schedule II to the Companies Act 2013.

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

(Figures in ₹)

Sr. No.	Particulars	Gross Block			Depreciation / Amortisation			Net Block		
		Opening	Addition	Deduction / Adjustment	Opening	Provision For the Year	Closing	Closing Balance 31.03.2016	Closing Balance 31.03.2015	
1	Tangible Assets									
1	Building	11,44,279	-	-	11,44,279	16,495	2,11,374	9,32,905	9,49,400	9,49,400
2	Plant & Machinery	2,36,41,317	9,476	-	2,36,50,793	13,75,305	1,64,92,786	71,58,007	85,23,836	85,23,836
3	Furniture & Fixtures	26,44,103	5,000	-	26,49,103	3,32,212	14,05,159	12,43,944	15,71,156	15,71,156
4	Vehicles	3,37,968	-	-	3,37,968	-	3,21,069	16,889	16,889	16,889
5	Computers	2,58,250	1,05,098	-	3,63,348	23,700	2,66,269	97,079	15,681	15,681
6	Other Equipments	3,48,681	49,380	-	3,98,061	20,255	2,88,672	1,09,389	80,264	80,264
	Sub Total	2,83,74,598	1,69,954	-	2,85,43,552	17,87,967	1,89,85,329	95,58,223	1,11,57,236	1,11,57,236
	Intangible Assets									
1	Product Licences	3,69,39,881	-	-	3,69,39,881	40,88,711	3,57,32,250	12,07,631	52,96,342	52,96,342
	Sub Total	3,69,39,881	-	-	3,69,39,881	40,88,711	3,57,32,250	12,07,631	52,96,342	52,96,342
	Total	6,53,14,479	1,69,954	-	6,54,83,433	58,56,678	5,47,17,579	1,07,65,854	1,64,53,578	1,64,53,578

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 NON-CURRENT INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
(I) Trade Investments – Unquoted :		
(1) In Associate Enterprise (Unquoted and fully paid)		
(i) 8,67,400 (Previous Year 8,67,400) Equity Shares of Latasha Exports Limited of ₹ 100/- each	6,00,00,000	6,00,00,000
(2) In Other Investments		
(i) 4 (Previous Year 4) Equity Shares of Alaukik Owners Association of ₹ 100/- each – unquoted	400	400
(ii) 5,17,085 (Previous Year 4,91,585) Equity Shares of Bharuch Eco Aqua Infrastructure Ltd. of ₹ 10/- each	51,70,850	49,15,850
(iii) 14,000 (Previous Year 14,000) Equity Share of Bharuch Eco Enviro Infrastructure Ltd. of ₹ 10/- each	1,40,000	1,40,000
(iv) 500 (Previous Year 500) Equity Shares of Green Environment Services Co.Op.Soc. Ltd of ₹ 10/- each	5,000	5,000
(v) 30,000 (Previous Year 30,000) Equity Shares of Panoli Enviro Technology of ₹10/- each	3,00,000	3,00,000
(vi) 100 (Previous Year 100) Equity Shares of Sanand Eco Project Limited of ₹ 10/- each	1,000	1,000
(vii) 2,000 (Previous Year 2,000) Equity Shares of Suvikas Peoples Co. Op. Bank Limited of ₹ 50/- each	100,000	1,00,000
(viii) 10 (Previous Year 10) Equity Shares of Vellard View Premises Co. Op. Soc Ltd. of ₹ 50/- each	500	500
(b) Investments in Government or Trust Securities – National Savings Certificate		
– Unquoted and Fully Paid	33,000	38,000
Total (I)	6,57,50,750	6,55,00,750
(3) Other Non-Current Investments – Fully Paid		
(i) 2,000 (Previous Year 2,000) Equity Shares of Saket Project Ltd. of ₹ 100/- each – Quoted	20,000	20,000
(ii) 8,200 (Previous Year 8,200) Equity Shares of Lanzorate Finance Limited of ₹ 10/- each – Unquoted	82,000	82,000
Total (II)	1,02,000	1,02,000
TOTAL(I+II)	6,58,52,750	6,56,02,750

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 NON-CURRENT INVESTMENTS

AGGREGATE VALUE OF QUOTED INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Non-Current: Equity Shares of Saket Project Ltd.		
Carrying Amount	20,000	20,000
Market Value	Not Available	Not Available

AGGREGATE VALUE OF UNQUOTED INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Non-Current	6,58,32,750	6,55,82,750
Current	–	–
Aggregate Value of Provision for Diminution In Value	Nil	Nil

Note : –

- i In the absence of Financial Statement as on reporting date of Associates – Latasha Exports Limited, no adjustments has been made in Consolidated Financial Statement. These investments are carried at cost to the Company. In the financial statement even though company holds 28.91% of shareholding still other condition indicating significant influence by the Company on the Latasha Exports Limited as contained in Para 5 of AS 23 are not satisfied. Hence Investment are accounted for in accordance with Accounting Standard (AS) 13 Accounting for Investment in the Consolidated Financial Statement.

13 LONG TERM LOANS AND ADVANCES

Unsecured and Considered Good

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Capital Advances	4,70,17,152	6,15,56,336
Security Deposits	5,43,05,954	6,81,05,788
Balance with Government Authorities	57,55,464	41,31,017
TOTAL	10,70,78,570	13,37,93,141

14 OTHER NON CURRENT ASSETS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Unamortised Upfront Charges on borrowings	1,81,15,308	3,82,94,785
Derivative Assets	5,93,52,122	12,69,49,310
Deposits for Margin Money with Banks exceeding one year (Refer Note - i)	2,29,33,382	2,25,30,879
TOTAL	10,04,00,812	18,77,74,974

- i Term Deposit held as margin money that are restricted for use for more than 12 months from the Balance sheet date have been classified as Other Non – Current Assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 CURRENT INVESTMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Other Investments		
Investments in Mutual Funds (Quoted & Fully Paid)		
UTI Short Term Income Fund	–	1,62,10,818
Reliance Regular Savings Fund – Debt Option	–	1,00,00,000
Tata Short Term Bond Fund Plan A	–	6,44,35,738
DSP Black Rock Income Opportunities Fund	–	1,00,00,000
Tata Dynamic Bond Fund Plan A	–	7,27,65,243
TOTAL	–	17,34,11,799

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Aggregate Value of Quoted Investment		
Current:		
Carrying Amount	–	17,34,11,799
Market Value	–	17,59,99,766

16 INVENTORIES

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Raw Materials	64,47,82,551	54,15,67,339
Raw Materials in Transit	7,73,004	3,42,136
Work In Process	12,59,41,339	13,15,85,148
Finished Goods (Refer Note - (i))	1,15,29,86,644	1,02,67,86,628
Finished Goods in Transit	11,92,30,263	10,67,47,815
Trading Goods	18,97,19,202	17,99,66,921
Stores & Spares	15,54,54,725	12,59,76,004
Others (Packing Material & Fuel)	5,80,98,521	4,48,45,707
TOTAL	2,44,69,86,249	2,15,78,17,698

Note : –

- i Stock of Finished Goods includes Excise Duty of ₹ 12,02,16,677 (Previous Year ₹ 8,92,14,345)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 TRADE RECEIVABLES

(Unsecured and considered good)

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Exceeding Six Months (Refer Note – (i))	21,39,91,579	31,43,10,995
Others (Refer Note – (ii))	3,83,78,27,775	2,85,26,98,570
TOTAL	4,05,18,19,354	3,16,70,09,565

- i Trade Receivables exceeding six months Includes ₹ 10,19,177 (Previous Year: ₹ Nil) due from firm or a Company in which some of the Directors are interested.
- ii Trade Receivables Others Includes ₹ 11,52,24,532 (Previous Year: ₹ 4,17,50,794) due from firm or a Company in which some of the Directors are interested.
- iii The Company has called for balance confirmation of Trade Receivables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Trade Receivables are subject to confirmation.

18 CASH AND CASH EQUIVALENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Balance with Banks (Refer Note - (i))	2,87,08,086	7,33,95,930
Cash on hand	21,91,676	29,48,778
Fixed Deposit with Banks (Refer Note - (ii))	7,88,69,850	7,95,07,967
TOTAL	10,97,69,612	15,58,52,675

Notes : –

- i The Current Account balance includes unpaid dividend of ₹ 22,48,800 (Previous Year ₹ 35,58,190) which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such accounts.
- ii Fixed Deposit with banks is due within one year and held as margin money ₹ 38,69,850 (Previous Year ₹ 32,84,529) and Fixed Deposit ₹ 7,50,00,000 (Previous Year ₹ 7,62,23,438) as lien with Standard Chartered Bank.

19 SHORT TERM LOANS AND ADVANCES

Unsecured and Considered Good

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Balance with Government Department	48,21,92,471	62,90,78,925
Advance Income Tax & TDS (Net of Provision for Tax)	17,06,52,016	14,85,05,899
MAT Credit Entitlement	26,06,95,557	21,70,00,000
Prepaid Expenses	1,89,14,295	2,27,58,395
Advance Payment to Vendors	8,88,63,117	13,26,22,006
Staff Advances	68,41,395	66,75,929
TOTAL	1,02,81,58,851	1,15,66,41,154

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 OTHER CURRENT ASSETS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Export Benefit Receivables	17,93,25,825	13,87,54,420
Insurance Claim Receivable	68,98,297	2,28,03,285
Interest Accrued	70,29,017	66,67,129
Derivative Assets	–	73,83,746
Other Current Assets	41,19,293	–
TOTAL	19,73,72,432	17,56,08,580

21 REVENUE FROM OPERATIONS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Sale of Products	13,37,01,68,361	12,67,82,77,582
Other Operating Revenue	18,91,98,119	26,37,95,746
TOTAL	13,55,93,66,480	12,94,20,73,328

Break up of Sale of Products

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Pigments	4,10,89,38,094	3,65,68,00,148
Agro Chemicals	4,47,65,44,655	4,35,41,91,451
Basic Chemical	3,67,16,76,104	3,30,79,40,805
Others	1,11,30,09,508	1,35,93,45,178
TOTAL	13,37,01,68,361	12,67,82,77,582

22 OTHER INCOME

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
OTHER NON OPERATING INCOME		
Interest Income	2,97,10,266	3,76,55,023
Dividend Income From Others	–	24,500
Miscellaneous Income	25,19,023	1,52,38,222
Rent Received	19,81,966	19,79,597
Profit on Sale of Investment	48,37,027	92,35,087
TOTAL	3,90,48,282	6,41,32,429

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 COST OF MATERIALS CONSUMED

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Pigments	2,58,84,77,231	2,49,09,95,747
Agro Chemicals	2,74,65,70,651	2,56,05,19,179
Basic Chemical	1,53,02,01,586	1,71,73,43,018
TOTAL	6,86,52,49,468	6,76,88,57,944

24 CHANGE IN INVENTORIES OF FINISHED GOODS, WIP & STOCK IN TRADE

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
(A) Opening Stock		
(i) Finished Goods	93,75,72,283	1,12,87,82,628
(ii) Trading Goods	17,99,66,921	19,79,23,423
(iii) Excise Duty on Finished Goods	8,92,14,345	10,24,05,198
(iv) Goods in Transit	10,67,47,815	10,82,92,008
(v) Work in Process	13,15,85,148	14,69,73,331
TOTAL (A)	1,44,50,86,512	1,68,43,76,588
(B) Closing Stock		
(i) Finished Goods	1,03,27,69,967	93,75,72,283
(ii) Trading Goods	18,97,19,202	17,99,66,921
(iii) Excise Duty on Finished Goods	12,02,16,677	8,92,14,345
(iv) Goods in Transit	11,92,30,263	10,67,47,815
(v) Work in Process	12,59,41,339	13,15,85,148
TOTAL (B)	1,58,78,77,448	1,44,50,86,512
TOTAL (A – B)	(14,27,90,936)	23,92,90,076

25 EMPLOYEES EMOLUMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Salary & Wages	48,37,55,188	43,08,42,597
Directors Remuneration	3,36,45,689	3,36,44,569
Statutory Contribution	2,06,27,566	1,92,72,783
Staff Welfare Expenses	4,06,81,512	5,24,29,120
Labour Contract Charges	21,20,63,591	18,90,70,113
TOTAL	79,07,73,546	72,52,59,182

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 FINANCIAL EXPENSES

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Interest	58,29,36,356	72,05,32,749
Interest on loss on foreign currency translation	2,99,91,474	–
Other Financial Charges	2,36,38,521	2,57,13,534
TOTAL	63,65,66,351	74,62,46,283

27 OTHER EXPENSES

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Consumption of Stores and Spare Parts	16,19,05,988	17,05,21,373
Power and Fuel	1,07,67,73,603	1,01,49,63,099
Repairs to Buildings	2,12,65,491	2,00,93,310
Repairs to Machinery	7,40,52,348	9,31,71,460
Pollution Control Expenses	10,98,36,210	10,82,82,015
Excise Duty Expenses (Refer Note – (i))	3,27,98,683	(1,07,43,225)
Rent (Refer Note – (ii))	69,27,528	82,72,426
Rates and Taxes	1,04,38,258	82,23,247
Insurance	4,38,35,258	4,30,20,986
Packing Material Consumption	26,04,51,404	24,85,42,670
Loss on Sale of Fixed Asset	13,98,314	2,32,46,857
(Gain)/Loss on Foreign Currency Transactions and Translation	(21,70,75,587)	(13,28,70,352)
Loss on Derivatives	8,37,42,693	14,42,72,147
Shipping / Air Lines Freight	20,53,10,764	22,18,18,260
Research & Development Expenses (Refer Note – (iii))	1,38,80,427	1,09,69,523
Bad Debts	17,44,81,512	14,99,676
Corporate Social Responsibility (Refer Note – (iv))	1,16,25,293	–
Miscellaneous Expenses		
(i) Manufacturing Expenses	8,27,42,627	6,59,18,004
(ii) Administration Expenses	19,51,69,181	16,12,88,933
(iii) Selling & Distribution Expenses	31,77,06,141	34,08,12,331
Payments to the Auditor :		
(a) as Auditor	38,28,706	33,20,001
(b) for Taxation Matters	5,50,000	2,35,000
(c) for Company Law matters	2,50,000	2,13,000
(d) for Other Services	6,00,000	3,00,000
(e) for Reimbursement of Expenses	–	4,983
TOTAL	2,67,24,94,842	2,54,53,75,724

Notes

- i Excise duty Expenses Includes ₹ 3,10,02,332 being increase (Previous Year ₹ 1,31,90,853 decrease) Pertains to variation in opening and closing stock of finished goods.
- ii The Company has operating lease from various premises which are renewable on a periodic basis and cancellable at its option. Rental expenses for operating leases charged to Statement of Profit and Loss for the year ₹ 69,27,528 (Previous Year: ₹ 82,72,426) pretains to not later than 1 year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 OTHER EXPENSES (Contd...)

iii Above expenses includes Research & Development related expenses as follows

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Salary & Wages	86,28,279	62,45,856
Raw Material Consumption	19,03,747	11,51,162
Consumables & Spares and Others	53,640	46,068
Electricity Expenses	12,17,351	13,80,942
Annual Maintenance Contract & Repairing	4,11,480	3,79,250
Advertisement – Recruitment	42,300	–
Computer Maintenance	9,800	13,231
Repairs to Other Asset	43,911	35,599
Stationery Expenses	49,200	32,074
Communication Exepenses	2,44,574	78,319
Travelling Exepenses	4,99,803	4,77,422
Vehicle Expenese	6,54,309	8,98,026
Conveyance Expenses	77,410	20,298
Miscellaneous Expenses	44,623	2,11,276
TOTAL	1,38,80,427	1,09,69,523

iv Corporate Social Responsibility Expenditure – Gross amount required to be spent ₹ 1,20,40,793 and spent by the Company during the year is ₹ 1,16,25,293

28 EXCEPTIONAL ITEMS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Profit on Sale of Fixed Assets	–	(1,94,41,256)
(Profit) / Loss on Sale of Investment	–	2,15,71,648
Investment Written Off	–	65,134
Loss on Derecognition of Subsidiary	–	(1,83,236)
TOTAL	–	20,12,290

Exceptional Item current year ₹ Nil (Previous year – Exceptional Item consists of Profit on Sale of Land at GIDC Ankleshwar and Loss on Sale of Long term Investment in Subsidiary – Meghmani Energy Limited.

Investment written off includes investment in (i) Joint Venture – Triance Speciality Chemicals Private Limited and (ii) Subsidiary – Meghmani Chemtech Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 EARNING PER SHARE

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Net Profit After Tax Attributable to shareholders before Extra Ordinary Item	82,57,64,165	43,88,96,096
Net Profit After Tax Attributable to shareholders after Extra Ordinary Item	82,57,64,165	43,88,96,096
Weighted Average number of equity shares at the end of year	25,43,14,211	25,43,14,211
Nominal value of share	1	1
Basic / Diluted Earning Per Share before Extra Ordinary Items	3.25	1.73
Basic / Diluted Earning Per Share after Extra Ordinary Items	3.25	1.73

30 AS – 15

(a) Retirement Benefits

As per revised Accounting Standard 15 (AS-15) "Employees Benefits", the Company has recognized in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March, 2016

(A) Defined Benefit Plans

I. Components of Employer Expenses

PARTICULARS	(Figures in ₹)	
	Gratuity	
	31 st March 2016	31 st March 2015
Current Service Cost	72,13,000	41,81,144
Interest Cost	49,87,000	38,69,298
Expected Return on Plan Assets	(27,25,000)	(19,73,441)
Actuarial (Gain)/Loss	(3,08,000)	1,03,45,560
Total Expenses/(Gain) recognized in the Profit & Loss Account	91,67,000	1,64,22,561

II Net Asset/ (Liability) recognized in Balance Sheet

PARTICULARS	(Figures in ₹)	
	Gratuity	
	31 st March 2016	31 st March 2015
Present value of Funded Obligation	7,17,00,000	5,57,55,072
Present value of Unfunded Obligation	19,97,000	2,76,617
Fair Value of Plan Assets	(3,54,96,000)	(2,45,39,314)
Assets/(Liability) recognized in the Balance Sheet	3,62,04,000	3,12,15,758

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

III Change in Defined Benefit Obligations (DBO)

PARTICULARS	(Figures in ₹)	
	Gratuity	
	31 st March 2016	31 st March 2015
Opening balance of Present Value of Obligation	6,28,00,000	4,65,26,647
Current Service Cost	72,13,000	41,81,144
Interest Cost	49,87,000	43,05,521
Actuarial (Gain)/Loss	(3,03,000)	1,05,66,455
Benefit Paid	(29,97,000)	(27,80,364)
Closing Balance of Present Value of Obligation	7,17,00,000	6,27,99,403

IV Changes in the Fair value of Plan Assets

PARTICULARS	(Figures in ₹)	
	Gratuity	
	31 st March 2016	31 st March 2015
Opening Balance of Present Value of Plan Assets	3,15,83,000	2,76,06,961
Expected Return on Plan Assets	27,25,000	24,09,664
Actuarial Gain/(Loss)	5,000	2,20,895
Contribution by Employer	41,80,000	40,36,173
Benefit Paid	(29,97,000)	(26,90,048)
Fair Value of Plan Assets as at 31 st March	3,54,96,000	3,15,83,645

V Actuarial Assumptions

PARTICULARS	Gratuity	
	31 st March 2016	31 st March 2015
Discount Rate (Per Annum)	7.70%	9.25%
Expected Rate of Return on Assets Per Annum	7.94%	8.70%
Annual Increase in Salary Costs Per Annum	6.00%	6.00%
Attrition Rate	8.00%	2.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI Major Categories of plan assets as a percentage of total plan assets

PARTICULARS	Gratuity	
	31 st March 2016	31 st March 2015
Government of India Securities	0.00%	0.00%
High quality Corporate Bonds	0.00%	0.00%
Equity Shares of listed Companies	0.00%	0.00%
Property	0.00%	0.00%
Insurance Company	100.00%	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII Movement in net liability recognized in Balance Sheet

PARTICULARS	(Figures in ₹)	
	Gratuity	
	31 st March 2016	31 st March 2015
Net opening liability	3,12,15,757	1,89,19,686
Charge to Profit & Loss Account	91,67,000	1,63,32,244
Contribution paid	(41,78,757)	(40,36,173)
Closing net liability	3,62,04,000	3,12,15,757

(B) Defined Contribution Plans

Amount recognised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss ₹1,84,46,518 (Previous Year ₹ 1,70,41,706)

31 SEGMENT REPORTING

For Management purpose, the Group is currently organised into three major operating divisions Pigments, Agro Chemicals and Basic Chemicals. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Pigments division

To Manufacture and Distribute Phthalocynine Green 7, Copper Phthalocynine Blue (CPC), Alpha Blue and Beta Blue.

Agrochemicals division

To Manufacture and Distribute Technical, Intermediates and Formulations of Insecticides.

Basic Chemical

Basic Chemicals undergo processing in many stages before being converted into downstream Chemicals which are used by the Agriculture sector, industry and also directly by the consumers. The Caustic Chlorine to be manufactured fall under the category of Basic Chemicals.

(a) Analysis By Business Segment

Segment revenue and expense:

Segment revenue and expense are the operating revenue and expense reported in the Group's Profit and Loss Statement that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and property, plant and equipment, net of allowances and provisions. Capital expenditure includes the total cost incurred to acquire property, plant and equipment directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of trade payables and accrued expenses.

Inter-segment transfers:

Segment revenue and expenses include transfers between business segments. Inter-segment sales are charged at prevailing market rates. These transfers are eliminated at the Group level.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended on March 31, 2016 :

(Figures in ₹)

	Pigments	Agro Chemicals	Basic Chemicals	Others *	Elimination	Total
Revenue						
External Sales	4,10,89,38,094	4,47,65,44,655	3,67,16,76,104	1,11,30,09,508	–	13,37,01,68,361
Other Operating Revenue	6,90,81,419	10,40,02,846	10,32,330	1,50,81,524	–	18,91,98,119
Inter-segment Sales	55,77,12,828	–	31,50,72,966	2,54,77,600	(89,82,63,394)	–
Total Revenue	4,73,57,32,341	4,58,05,47,501	3,98,77,81,400	1,15,35,68,632	(89,82,63,394)	13,55,93,66,480
Results						
Segment Results	57,94,15,161	44,11,30,648	1,08,76,78,730	(93,36,819)	1,15,68,306	2,11,04,56,026
Un-allocable (Expenses)/ Income						2,97,10,266
Profit from Operation						2,14,01,66,292
Finance Cost						(63,65,66,351)
Investments Income						–
Profit Before Exceptional, Extraordinary items						1,50,35,99,941
Exceptional Items						–
Extraordinary Items						–
Profit Before Tax						1,50,35,99,941
Income tax Expenses						(27,27,07,194)
Deferred Tax (Expenses)/Income						(10,06,24,870)
Profit After Tax						1,13,02,67,877
Other information	Pigments	Agro Chemicals	Basic Chemicals	Others	Elimination	Total
Capital Addition	20,70,34,962	15,54,00,283	59,36,32,023	–	–	95,60,67,268
Depreciation	(18,84,75,025)	(17,27,28,100)	(44,05,10,464)	(14,95,432)	3,56,08,640	(76,76,00,381)
Non-Cash Items	(8,23,14,678)	(6,11,53,772)	(1,06,89,225)	(82,09,697)	23,43,053	(16,00,24,319)
Balance sheet	Pigments	Agro Chemicals	Basic Chemicals	Others	Elimination	Total
Assets						
Segment Assets	5,67,18,83,248	6,10,00,05,194	5,35,76,98,241	61,26,06,011	(1,79,25,03,256)	15,94,96,89,438
Un-Allocable Corporate Assets						43,13,47,573
Deferred Tax Assets						–
Total assets						16,38,10,37,011
Liabilities						
Segment Liabilities	2,59,33,87,660	3,07,56,12,065	2,41,22,32,262	61,51,35,633	68,16,11,695	9,37,79,79,315
Unallocable Liabilities						1,10,37,805
Deferred Tax Liabilities						57,15,87,299
Total Liabilities						9,96,06,04,419

*Others includes Trading Activity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended on March 31, 2015 :

(Figures in ₹)

	Pigments	Agro Chemicals	Basic Chemicals	Others *	Elimination	Total
Revenue						
External Sales	3,65,68,00,148	4,35,41,91,451	3,30,79,40,805	1,35,93,45,178	–	12,67,82,77,582
Other Operating Revenue	7,43,33,039	17,93,81,855	7,46,765	93,34,087	–	26,37,95,746
Inter-segment Sales	58,74,74,044	2,55,20,642	20,99,03,966	3,68,09,393	(85,97,08,045)	–
Total Revenue	4,31,86,07,231	4,55,90,93,948	3,51,85,91,536	1,40,54,88,658	(85,97,08,045)	12,94,20,73,328
Results						
Segment Results	25,52,77,924	40,05,69,931	67,85,22,580	(8,28,31,755)	5,87,43,225	1,31,02,81,905
Un-allocable (Expenses)/Income						3,76,55,023
Profit from Operation						1,34,79,36,928
Finance Cost						(74,62,46,283)
Investments Income						24,500
Profit Before Exceptional, Extraordinary items						60,17,15,145
Exceptional Items						(20,12,290)
Extraordinary Items						–
Profit Before Tax						59,97,02,855
Income tax Expenses						(2,69,56,463)
Deferred Tax (Expenses)/Income						(11,29,36,870)
Profit After Tax						45,98,09,522
Other information	Pigments	Agro Chemicals	Basic Chemicals	Others	Elimination	Total
Capital Addition	33,70,21,554	17,64,50,815	22,15,39,595	29,251	–	73,50,41,215
Depreciation	(17,28,79,552)	(17,66,31,584)	(42,30,25,185)	(77,29,693)	3,29,03,373	(74,73,62,641)
Non-Cash Items	(1,70,34,257)	(37,55,824)	(1,20,14,628)	35,36,668	99,71,516	(1,92,96,525)
Balance sheet	Pigments	Agro Chemicals	Basic Chemicals	Others	Elimination	Total
Assets						
Segment Assets	5,42,30,14,973	5,64,25,64,336	5,15,64,24,316	80,09,42,065	(1,97,22,97,611)	15,05,06,48,080
Un-Allocable Corporate Assets						39,37,00,670
Deferred Tax Assets						–
Total Assets						15,44,43,48,750
Liabilities						
Segment Liabilities	2,61,74,71,766	2,74,17,42,661	2,93,53,04,717	75,66,93,959	37,13,80,463	9,42,25,93,565
Unallocable Liabilities						3,54,99,146
Deferred Tax Liabilities						47,09,62,428
Total Liabilities						9,92,90,55,139

*Others includes Trading Activity

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

B Analysis By Geographical Segment

(i) Segment Revenue

Segment revenue is analysed based on the location of customers regardless of where the goods are produced. The following provides an analysis of the Group Sales by geographical Markets

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Export	7,23,86,04,832	7,28,60,52,625
Domestic	6,13,15,63,529	5,39,22,24,957
TOTAL	13,37,01,68,361	12,67,82,77,582

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	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Outside India	3,09,30,03,884	2,84,68,31,081
Within India	13,28,80,33,127	12,59,75,17,669
TOTAL	16,38,10,37,011	15,44,43,48,750

(iii) Segment Liability

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Outside India	1,44,96,45,773	2,23,23,87,848
Within India	7,26,29,61,555	6,75,31,73,913
TOTAL	8,71,26,07,328	8,98,55,61,761

(iv) Segment Capital Expenditure

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
Outside India	—	—
Within India	28,78,73,626	1,84,84,15,025
TOTAL	28,78,73,626	1,84,84,15,025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 RELATED PARTIES DISCLOSURES :-

- Holding Company : Nil
- Associates : Latasha Exports Limited
- Enterprises in which Key Managerial Personnel [KMP] & their relatives have significant influence :
 - Meghmani Pigments
 - Ashish Chemicals
 - Tapsheel Enterprise
 - Meghmani Infrastructures
 - Meghmani Dyes & Intermediates LLP
 - Meghmani Industries Limited
 - Meghmani Chemicals Limited
 - Vidhi Global Chemicals Limited
 - Panchratna Corporation
 - Meghmani LLP
 - Matangi Industries LLP
 - Diamond Engineering Co.
 - Delta Electricals
- Key Managerial Personnel :
 - Mr. Jayanti Patel
 - Mr. Ashish Soparkar
 - Mr. Natwarlal Patel
 - Mr. Ramesh Patel
 - Mr. Anand Patel
- Relatives of Key Managerial Personnel (Employee) :
 - Ms. Deval Soparkar
 - Mr. Maulik Patel
 - Mr. Kaushal Soparkar
 - Mr. Karna Patel
 - Mr. Ankit Patel
 - Mr. Darshan Patel
- Relative of Key Managerial Personnel : Ms. Taraben Patel

NOTE – RELATED PARTIES DISCLOSURES :-

(Figures in ₹)

PARTICULARS	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Purchase of Goods	45,04,23,101	47,77,36,004	-	-	-	-	45,04,23,101	47,77,36,004
Sale of Goods	61,45,67,811	58,08,20,068	-	-	-	-	61,45,67,811	58,08,20,068
Sale of Fixed assets	-	4,50,000	-	-	-	-	-	4,50,000
Purchase of Service	2,15,200	37,840	-	-	1,94,400	1,98,000	4,09,600	2,35,840
Remuneration	-	-	3,36,45,689	3,36,44,569	54,91,346	47,41,751	3,91,37,035	3,83,86,320
Interest Paid	-	-	-	25,61,644	-	-	-	25,61,644
Dividend	-	-	2,60,84,612	3,42,04,483	22,08,000	29,44,000	2,82,92,612	3,71,48,483
Total	1,06,52,06,112	1,05,90,43,912	5,97,30,301	7,04,10,696	78,93,746	78,83,751	1,13,28,30,159	1,13,73,38,359

(Figures in ₹)

PARTICULARS	Enterprises in which Directors & Key Managerial Personnel [KMP] have significant influence		KMP		Relatives of Key Managerial Personnel		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Debtors	11,62,43,709	4,17,50,794	-	-	-	-	11,62,43,709	4,17,50,794
Creditors	8,39,59,383	4,00,78,968	-	-	-	-	8,39,59,383	4,00,78,968
Advance for Capital Expenditure	-	3,00,00,000	-	-	-	-	-	3,00,00,000
Salary, PF & Gratuity Payable	-	-	13,54,000	13,70,500	5,08,557	4,44,521	18,62,557	18,15,021
Total	20,02,03,092	11,18,29,762	13,54,000	13,70,500	5,08,557	4,44,521	20,20,65,649	11,36,44,783

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DISCLOSURE IN RESPECT OF MATERIAL TRANSACTIONS WITH RELATED PARTY DURING THE YEAR:

Party Name	Relationship	Nature of Transaction	Total (₹)
Vidhi Global Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Sale of Goods	30,79,76,761
Meghmani LLP	Enterprises in which Directors & KMP have significant influence	Sale of Goods	16,21,40,312
Meghmani Pigment	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	10,29,09,633
Vidhi Global Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Goods	30,60,24,739
Meghmani Chemicals Limited	Enterprises in which Directors & KMP have significant influence	Purchase of Service	2,15,200
Mr. Karana Patel	Relatives of Key Managerial Personnel	Purchase of Service	1,94,400
Ms. Taraben Patel	Relatives of Key Managerial Personnel	Dividend	22,08,000
Mr. Jayanti Patel	Key Managerial Personnel	Dividend	55,68,117
Mr. Ashish Soparkar	Key Managerial Personnel	Dividend	78,16,634
Mr. Natwarlal Patel	Key Managerial Personnel	Dividend	77,73,143
Mr. Ramesh Patel	Key Managerial Personnel	Dividend	49,26,718
Mr. Jayanti Patel	Key Managerial Personnel	Managerial Remuneration	67,31,439
Mr. Ashish Soparkar	Key Managerial Personnel	Managerial Remuneration	67,27,592
Mr. Natwarlal Patel	Key Managerial Personnel	Managerial Remuneration	67,27,592
Mr. Ramesh Patel	Key Managerial Personnel	Managerial Remuneration	67,31,439
Mr. Anand Patel	Key Managerial Personnel	Managerial Remuneration	67,27,626
Ms. Deval Soparkar	Relatives of Key Managerial Personnel	Salary	12,69,378
Mr. Karana Patel	Relatives of Key Managerial Personnel	Salary	9,40,111
Mr. Ankit Patel	Relatives of Key Managerial Personnel	Salary	6,72,239
Mr. Darshan Patel	Relatives of Key Managerial Personnel	Salary	5,94,237
Mr. Maulik Patel	Relatives of Key Managerial Personnel	Salary	10,66,260
Mr. Kaushal Soparkar	Relatives of Key Managerial Personnel	Salary	9,49,121

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 DISCLOSURES ON FINANCIAL DERIVATIVES (AS-30)

The Company uses derivative financial instruments such as Forwards, Swaps and Options to hedge its risks associated with foreign exchange fluctuations. The Company uses Interest Rate Swaps specifically to protect against Interest Rate Volatility on the floating rate External Commercial Borrowings (ECBs). It also uses Cross Currency Swaps to protect against foreign currency exchange rate as well as interest rate fluctuations on its foreign currency loans. Swaps and Forwards are also used to hedge the currency risk inherent in the settlement of the Liabilities denominated in foreign exchange.

For derivative financial instruments and foreign currency monetary items designated as Cash Flow hedges, the effective portion of the fair value of the derivative financial instruments are recognized in Hedge Reserve and reclassified to Profit and Loss as per guidance in AS 30. Hedge reserves have been debited to the extent of ₹ 7,71,93,817 during the financial year 2015-16 (credited to the extent of ₹ 12,43,53,858 during the financial year 2014-15). During the year 2015-16 ₹ 13,69,89,044 has been recycled from the reserves and credited to the Statement of Profit and Loss Account (during financial year 2014-15 ₹ 2,56,03,797 has been recycled and credited to the Statement of Profit and Loss Account).

The ineffective portion of the change in fair value of such instruments is recognised in the Statement of Profit and Loss Account in the period in which they arise. The various cash flows with reference to the hedged items and the hedging instruments are expected to occur over the coming years and are expected to affect the Statement of Profit and Loss Account over the same period of time. If the hedging relationship ceases to be effective or it becomes probable that the expected transaction will no longer occur, hedge accounting is discontinued and the fair value changes arising from the derivative financial instruments are recognized in Profit and Loss.

In line with the Company's risk management policy, the various financial risks mainly relating to changes in the exchange rates and interest rates are hedged by using a combination of forward contracts, swaps and other derivative contracts, besides the natural Hedges.

(A) Particulars of the derivative contracts entered into for hedging purpose outstanding as on reporting date are as under:

PARTICULARS	No. of Contracts	31 st March 2016		No. of Contracts	31 st March 2015	
		Exposure in INR	Mark to Market Value		Exposure in INR	Mark to Market Value
For Hedging Foreign Currency Risk						
1) Forward Contracts for receivables including firm commitments and highly probable forecasted transactions	-	-	-	53	77,90,63,000	73,83,746
2) Forward Contracts for payables including firm commitments and highly probable forecasted transactions	-	-	-	1	5,21,25,000	(61,81,782)
3) Currency Swaps (ECB & NCD) (MOL & MFL)	2	20,96,02,487	5,93,52,122	4	1,18,30,63,203	(7,37,79,921)
4) Interest Rate Swap	-	-	-	2	70,65,74,063	(62,99,090)
Hedge for Currency Risk – Total	2	20,96,02,487	5,93,52,122	60	2,72,08,25,266	(7,88,77,047)
Interest Rate Risk (MFL)	3	40,56,22,570	(1,47,13,613)	3	53,56,87,496	(2,54,02,838)
Total of Derivative Contracts entered into for Hedging Purpose	5	61,52,25,057	4,46,38,509	63	3,25,65,12,762	(10,42,79,885)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(B) Out of the above, Derivative Instruments entered into for hedging but not qualifying for hedge under AS 30 and are ineffective as under :-

PARTICULARS	No. of Contracts	31 st March 2016		No. of Contracts	31 st March 2015	
		Exposure in INR	Mark to Market Value		Exposure in INR	Mark to Market Value
1) Interest Rate Swaps	-	-	-	2	70,65,74,063	(62,99,090)
Total of Derivative Instrument ineffective under AS 30	-	-	-	2	70,65,74,063	(62,99,090)

Note - 34 For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

(Figures in ₹)

Name of the Entities	2015-2016				2014-2015			
	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)		Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)	
	As a % of consolidated net assets	Amount in ₹	As a % of consolidated Profit	Amount in ₹	As a % of consolidated net assets	Amount in ₹	As a % of consolidated Profit	Amount in ₹
Parent								
Meghmani Organics Limited	78.66%	6,03,19,21,161	35.48%	40,10,04,981	87.63%	5,65,95,92,074	57.01%	26,21,58,094
Subsidiary								
Indian :								
Meghmani Finechem Limited	37.99%	2,91,31,58,475	62.89%	71,07,92,979	34.10%	2,20,23,65,496	75.43%	34,68,45,901
Meghmani Energy Limited *	-	-	-	-	-	-	(10.68%)	(4,91,01,513)
Meghmani Chemtech Limited *	-	-	-	-	-	-	(1.49%)	(68,71,358)
Foreign :								
Meghmani Organics USA INC	0.67%	5,14,20,373	0.65%	73,83,760	0.70%	4,49,81,663	1.98%	90,94,456
PT Meghmani Organics Indonesia	(0.55%)	(4,20,38,132)	(0.15%)	(17,18,709)	(0.60%)	(3,85,49,431)	(1.67%)	(76,78,268)
Meghmani Europe BVBA, Belgium	(0.50%)	(3,81,60,493)	(1.00%)	(1,12,80,527)	(0.40%)	(2,60,55,897)	(8.52%)	(3,91,71,805)
Meghmani Overseas FZE Dubai	0.07%	56,12,767	(0.26%)	(29,83,478)	0.13%	81,35,228	0.18%	8,30,749
Joint Venture	-	-	-	-	-	-	-	-
Triance Speciality Chemicals Private Limited *	-	-	-	-	-	-	(0.08%)	(3,78,507)
Sub Total	-	8,92,19,14,151	-	1,10,31,99,006	-	7,85,04,69,133	-	51,57,27,749
Intercompany Elimination & Consolidation Adjustments	(16.35%)	(1,25,34,84,468)	2.39%	2,70,68,871	(21.55%)	(1,39,18,99,629)	(12.16%)	(5,59,18,227)
Grand Total	100.00%	7,66,84,29,683	100.00%	1,13,02,67,877	100.00%	6,45,85,69,504	100.00%	45,98,09,522
Minority interest in subsidiaries	-	1,24,79,97,091	-	30,45,03,712	-	94,34,93,378	-	2,09,13,426

* Ceased to be Subsidiary / joint Venture as on 31.03.2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 CONTINGENT LIABILITIES & COMMITMENTS

PARTICULARS	(Figures in ₹)	
	31 st March 2016	31 st March 2015
In respect of Bank Guarantee	17,63,36,880	14,96,25,519
In respect of Letter of Credit	22,77,40,596	37,86,44,275
In respect of Corporate Guarantee	53,39,49,981	1,05,35,71,375

Name of Statute	Nature of Dues	(Figures in ₹)		Forum where Dispute is pending
		31 st March 2016	31 st March 2015	
Income Tax Act.	Income Tax / Penalty for Various Financial Year 2000–2001, 2002–2003 to 2008–2009	5,72,81,720	5,82,12,413	Commissioner of Income Tax (Appeal) / Income tax Appellate Tribunal / High Court
Central Excise Tariff Act.	Excise Duty/ Penalty/ Interest	29,16,79,024	3,87,26,873	Commissioner of Central Excise/ Director General of Central Excise /Audit team of Central Excise / Central Excise Service tax Appellate Tribunal
Service Tax	Service Tax/ Penalty/ Interest	5,92,68,728	3,56,06,754	Commissioner of Central Excise/ Deputy Commissioner of Central Excise / Central Excise Services Tax Appellate Tribunal
Labour Laws	Compensation Claims	1,87,65,930	1,76,44,659	Labour Court
Value Added Tax	Input Tax Credit	2,29,13,312	2,29,13,312	The Joint Commercial Tax Commissioner Appeal 1

B The estimated amount of contracts remaining to be executed on capital accounts of ₹ 1,70,50,232 (Previous Year ₹ 23,48,39,002) is not provided for.

SIGNATURE TO NOTES 1 TO 35

**FOR KHANDWALA & KHANDWALA
CHARTERED ACCOUNTANTS
M. M. KHANDWALA
PARTNER
M. NO.: 32472
Place : Ahmedabad
Date : 28th May, 2016**

**D C Shah
Chief Financial Officer

K D Mehta
Company Secretary**

**FOR AND ON BEHALF OF THE BOARD
J.M.PATEL—Executive Chairman (DIN – 00027224)
A.N.SOPARKAR – Managing Director (DIN – 00027480)
N.M.PATEL – Managing Director (DIN – 00027540)

Place : Ahmedabad
Date : 28th May, 2016**

**Statement of Salient features of Financial Statement of Subsidiaries/Associates /Joint Ventures
as per Section 129(3) of the Companies Act, 2013**

Part-"A" : Subsidiaries

₹ in Lacs

Sr. No.	Name of the Subsidiary	Reporting Period	Reporting currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Tax	Provision for Tax	Profit After Tax	Proposed Dividend	% of shareholding
1	Meghmani Finechem Ltd	31.03.16	INR	7,076.00	22,055.58	55,736.73	26,605.14	-	39,877.81	8,923.01	1,815.08	7,107.93	-	57%
2	Meghmani Europe BVBA	31.03.16	EURO	811.44	(1,193.04)	739.80	1,121.41	-	60.99	(112.81)	-	(112.81)	-	100%
3	Meghmani USA INC	31.03.16	USD	139.70	374.50	3,092.37	2,578.17	-	6,342.43	93.71	19.88	73.84	-	100%
4	PT Meghmani Indonesia	31.03.16	IDR	123.30	(543.68)	176.73	597.11	-	-	(17.19)	-	(17.19)	-	100%
5	Meghmani Overseas FZE	31.03.16	AED	4.56	51.57	269.87	213.74	-	222.46	(29.83)	-	(29.83)	-	100%

**RECONCILIATION STATEMENT OF BALANCE SHEET BETWEEN INDIAN
GAAP AND IFRS AS AT 31st MARCH 2016**

PARTICULARS	Indian GAAP	Adjustments	IFRS
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	25,43,14,211	-	25,43,14,211
(b) Reserves and Surplus	6,16,61,18,381	(4,84,42,088)	6,11,76,76,293
Minority Interest	1,24,79,97,091	3,14,63,564	1,27,94,60,655
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	2,18,07,63,743	-	2,18,07,63,743
(b) Deferred Tax Liabilities (Net)	57,15,87,299	(27,95,88,828)	29,19,98,471
(c) Long-Term Provisions	3,83,98,484	9,62,060	3,93,60,544
(3) Current Liabilities			
(a) Short-Term Borrowings	2,67,71,93,514	-	2,67,71,93,514
(b) Trade Payables	1,80,04,38,872	-	1,80,04,38,872
(c) Other Current Liabilities	1,42,45,24,648	-	1,42,45,24,648
(d) Short-Term Provisions	1,97,00,768	1,77,54,001	3,74,54,769
TOTAL	16,38,10,37,011	(27,78,51,291)	16,10,31,85,720
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	7,23,26,34,503	81,75,530	7,24,08,10,033
(ii) Intangible Assets	12,10,06,214	(44,84,832)	11,65,21,382
(iii) Capital Work-In-Progress	84,81,36,599	4,70,17,152	89,51,53,751
(iv) Intangible Assets under development	7,18,21,065	-	7,18,21,065
(b) Investment Properties	-	-	-
Interlocation Balances			
(c) Non-Current Investments	6,58,52,750	(6,00,00,000)	58,52,750
(d) Deferred Tax Assets (net)	-	-	-
(e) Long-Term Loans and Advances	10,70,78,570	14,83,34,990	25,54,13,560
(f) Other Non-Current Assets	10,04,00,812	62,82,807	10,66,83,619
(2) Current Assets			
(a) Current Investments	-	-	-
(b) Inventories	2,44,69,86,249	-	2,44,69,86,249
(c) Trade Receivables	40,51,819,354	-	4,05,18,19,354
(d) Cash and Cash Equivalents	10,97,69,612	(7,88,69,850)	3,08,99,762
(e) Short-Term Loans and Advances	1,02,81,58,851	(43,04,53,608)	59,77,05,243
(f) Other Current Assets	19,73,72,432	8,61,46,520	28,35,18,952
TOTAL	16,38,10,37,011	(27,78,51,291)	16,10,31,85,720

**RECONCILIATION STATEMENT OF BALANCE SHEET BETWEEN INDIAN
GAAP AND IFRS AS AT 31st MARCH 2016**

PARTICULARS	Indian GAAP	Adjustments	IFRS
Income			
Net Revenue from Operation	13,55,93,66,480	1,10,80,42,814	14,66,74,09,294
Other Income	3,90,48,282	21,70,75,587	25,61,23,869
Total Income	13,59,84,14,762	1,32,51,18,401	14,92,35,33,163
Expenditure			
Raw Materials Consumption	6,86,52,49,468	-	6,86,52,49,468
Trading Purchases	50,49,21,169	-	50,49,21,169
(Increase)/Decrease in Stock	(14,27,90,936)	-	(14,27,90,936)
Employee Benefits	79,07,73,546	-	79,07,73,546
Financial Expenses	63,65,66,351	1,74,42,230	65,40,08,581
Depreciation	76,76,00,381	9,10,305	76,85,10,686
Other Expenses	2,67,24,94,842	1,32,51,18,401	3,99,76,13,243
Total Expenditure	12,09,48,14,821	1,34,34,70,936	13,43,82,85,757
Profit Before Extraordinary Items & Tax	1,50,35,99,941	(1,83,52,535)	1,48,52,47,406
Profit Before Tax	1,50,35,99,941	(1,83,52,535)	1,48,52,47,406
Provision of Current Tax	31,09,87,650	-	31,09,87,650
MAT Credit Entitlement	(4,36,95,557)	-	-
Payment of tax of earlier years	54,15,101	-	-
Deferred Tax	10,06,24,870	(90,09,409)	9,16,15,461
Profit for the year	1,13,02,67,877	(93,43,126)	1,08,26,44,295
Minority Interest	30,45,03,712	36,03,829	30,81,07,541
Profit available for Appropriation	82,57,64,165	(1,29,46,955)	77,45,36,754

MEGHMANI ORGANICS LIMITED

CIN No. L24110GJ1995PLC024052

Regd. Office: Plot No. 184, (Phase II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad -382445

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS hereby given that **Twenty Second Annual General Meeting** of the Company will be held on **Tuesday, 26th July, 2016 at 10.00 a.m.** at H T Parekh Convention Center, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad - 380 015 to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider, and adopt
 - (i) the Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2016 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, 2016 together with report of Auditors thereon
2. To confirm Interim dividend of ₹ 0.30 per Equity Share of ₹ 1/- each declared on 11th March, 2016 and paid on 23rd March, 2016 for the Financial Year 2015-2016, as final dividend.
3. To appoint a director in place of Mr. Jayanti Patel (DIN 00027224), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Ashish Soparkar (DIN 00027480), who retires by rotation and being eligible offers himself for re-appointment.
5. To consider and if thought fit to pass the following resolution with or without modification, if any, as an **Ordinary Resolution:-**

Appointment of Auditors and Joint Auditors and fix their remuneration:-

“RESOLVED THAT pursuant to the provisions of Sections 139 to 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Khandwala & Khandwala, Chartered Accountants (Registration No. FRN 107647W) be and is hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company.

“RESOLVED FURTHER THAT KPMG Chartered Accountants be and is hereby appointed as Joint auditors of the Company under the International Financial Reporting Standards (IFRS) (For Singapore Stock Exchange Listing Requirements) to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:-

6. To Consider and if thought fit to pass the following resolution with or without modification as an **Ordinary Resolution:-**

APPOINTMENT OF COST AUDITORS OF THE COMPANY FOR FY 2016-17

“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 2016-2017 at a remuneration of ₹ 2,50,000 (Rupees Two Lakhs Fifty Thousand only) per annum (apart from reimbursement of pocket expenses incurred for the purpose of Audit).”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof), be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

MEGHMANI ORGANICS LIMITED

CIN No. L24110GJ1995PLC024052

Regd. Office: Plot No. 184, (Phase II), G.I.D.C. Industrial Estate, Vatva, Ahmedabad -382445

NOTICE OF ANNUAL GENERAL MEETING

7. To consider and if thought fit to pass the following resolution, with or without modifications, as an **Ordinary Resolution**:

AUTHORITY FOR RELATED PARTY TRANSACTIONS

“**RESOLVED THAT** pursuant to Section 188(1) of the Companies Act, 2013, the consent sanction, permission or approval of the members of the Company be and is hereby accorded to the Board of Directors to enter into the transactions with Related Parties for Sales of Pigment and Agrochemical products manufactured by the Company from time to time and purchase of Caustic Chlorine & Other Chemical products from related parties on order to order basis as per the details given in table placed herein below for a period of three (3) years commencing from 01 April, 2016:-

Sr. No.	Name of Related Parties	Nature of Interest / Relationship	Nature of Transaction	Amount (₹ in Crores Per Annum)
1.	Meghmani Organics USA Inc.	Wholly Owned Subsidiary	Sale of Pigments	75
2.	Meghmani Overseas FZE	Wholly Owned Subsidiary	Sale of Pigments/ Agrochemicals	10
3.	P T Meghmani Indonesia	Wholly Owned Subsidiary	Sale of Pigments/ Agrochemicals	5
4.	Meghmani Finechem Limited	Subsidiary Company	Purchase of Caustic/ Chlorine	60
5.	Tapsheel Enterprise	Directors / Relatives hold more than 2%	Sale of Pigments	5
6.	Vidhi Global Chemicals Limited	Directors / Relatives hold more than 2%	Sale of Pigments	75
7.	Meghmani LLP	Directors / Relatives hold more than 2%	Sale of Pigments	5
8.	Meghmani LLP SEZ	Directors / Relatives hold more than 2%	Sale of Pigments	5
9.	Meghmani Chemicals Limited	Directors / Relatives hold more than 2%	Purchase and Sale of Pigments	2
10.	Meghmani Industries Limited	Directors / Relatives hold more than 2%	Purchase and Sale of Agrochemicals	5
11.	Meghmani Dyes & Intermediates LLP	Directors / Relatives hold more than 2%	Purchase and Sale of Pigments	5
12.	Meghmani Pigment	Directors / Relatives hold more than 2%.	Purchase and Sale of Pigments	20
13.	Ashish Chemicals	Directors / Relatives hold more than 2%	Purchase and Sale of Pigments	10
14.	Matangi Industries	Directors / Relatives hold more than 2%	Purchase and Sale of Pigments/ Chemicals	5

“RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorized to take such steps as may be necessary, in relation to the above and to settle all matters arising out of and incidental thereto, and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution”.

8. To consider and if thought fit to pass the following resolution, with or without modifications, as a **Special Resolution:**
AUTHORISE DIRECTORS TO CONVERT FINANCIAL ASSISTANCE INTO FULLY PAID UP EQUITY SHARES OF THE COMPANY

“RESOLVED THAT pursuant to Section 62 (3) and other applicable provisions of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company in respect of availing of the Financial Assistance inter alia upto an amount and in a manner as approved by the Shareholders of the Company under Section 180 (1)(c) of the Companies Act, 2013 on terms and conditions contained in the respective financing documents as may be approved by the Board from time to time which terms and conditions may inter alia provide for an enabling option to the Lenders at their absolute discretion, on one or more occasion during the currency of such Financial Assistance, to convert the whole or any part of such outstanding Financial Assistance into fully paid up Equity Shares of the Company, as per the relevant guidelines of the Securities Exchange Board of India or such other method as may be prescribed and in the manner specified in a notice in writing (which shall be in accordance with the applicable law) to be given by the relevant lenders (or their agents or trustees) to the Company (Notice of Conversion) and consequently the right to sell such shares so converted to any third party through Stock Exchange or otherwise.”

“RESOLVED FURTHER THAT upon receipt of Notice of Conversion, the Board be and is hereby authorized to do all such acts, deeds and things including allotment and issue of requisite number of fully paid up Equity Shares in the Company to such lenders as it deems fit.

“RESOLVED FURTHER THAT the fully paid up equity shares so allotted and issued to the Lenders pursuant to their exercising the right of conversion, shall carry the right to receive the proportionate dividends and other distributions declared or to be declared for the period commencing from the date of conversion and the fully paid up equity shares allotted to the Lenders as above shall rank pari passu in all respects with other equity shares of the Company, provided further that the Company shall increase, if required, the Authorized Capital of the Company to satisfy the conversion-rights availed by the Lenders.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to accept such modifications and to accept such terms and conditions as may be imposed or required by the Lenders arising from or incidental to the aforesaid terms providing for such option.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable or as may be required to create, offer, issue and allot the aforesaid shares, to dematerialize the shares of the Company and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection with or incidental thereto as the Board in its absolute discretion may deem fit, without it being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby also authorized to delegate all or any of the powers herein conferred by this resolution on it, to any Committee of Directors or any person(s), as it may in its absolute discretion deem fit in order to give effect to this Resolution.”

Registered Office:
184, PHASE II,
GIDC INDUSTRIAL ESTATE,
VATVA, AHMEDABAD 382 445
Date : 28th May, 2016

By Order of the Board
K D MEHTA
COMPANY SECRETARY
FCS - 2051

* * *

NOTES:

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 **19th July, 2016 to 26th July, 2016** (both days inclusive) for the purpose of Annual General Meeting.
6. 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.
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company. 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.
8. 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.
9. **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.**
10. 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.
11. Electronic copy of the Annual Report for 2015- 16 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 2015-16 is being sent in the permitted mode.
12. Electronic copy of the Notice of the 22nd 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 22nd 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.

NOTES:

13. Members may also note that the Notice of 22nd Annual General Meeting and the Annual Report for 2015-16 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.
14. 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**
15. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
16. Members are requested to provide their client ID and DP ID numbers at the meeting for easy identification.
17. **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.**
18. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company or Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company.
19. 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.
20. As per Section 139(1) of the Companies Act, 2013, a transition period of three years from the commencement of the Companies Act, 2013 is provided to appoint a new Auditor when the existing auditors' firm has completed two terms of five consecutive years with the Company. Accordingly, M/s. Khandwala & Khandwala, Chartered Accountants (Registration No. FRN 107647W) is proposed to be re-appointed for one year as statutory auditor of the company for the financial year 2016-17.
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 22nd 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):

* * *

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102
OF THE COMPANIES ACT, 2013****ITEM NO. 6 - 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, 2016, to 31st March, 2017 on a remuneration of ₹ 2,50,000 (Rupees Two lacs 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 6 of the Notice.

None of the Directors, Key Managerial Personnel and/or their relatives is concerned or interested in the Resolution.

ITEM NO. 7- RELATED PARTY TRANSACTIONS

Pursuant to the first proviso of Section 188 (1) of the Companies Act, 2013, as paid up capital of the Company is more than ₹ 1 Crore, no contract or arrangement can be entered in to with a related party for any item specified in sub section (1) except with the prior approval of the General Meeting by an Ordinary Resolution. The approval is sought for the arrangement for Sales of Pigment and Agrochemical products manufactured by the Company from time to time and purchase of Caustic Chlorine & Other Chemical products from related parties on order to order basis as per the details given in resolution for a period of three (3) years commencing from 01 April, 2016

Your Directors recommend the resolution for your approval.

None of the Directors except Mr. Jayanti Patel, Mr. Ashish Soparkar, Mr. Natwarlal Patel, Mr. Ramesh Patel and Mr. Anand Patel of the Company are considered to be concerned or interested in the proposed resolution.

ITEM NO. 8- AUTHORISE DIRECTORS TO CONVERT FINANCIAL ASSISTANCE INTO FULLY PAID UP EQUITY SHARES OF THE COMPANY

The Company is authorized to avail financial assistance up to an amount approved by the shareholder of the Company at the Annual General Meeting held on 28th July, 2014 from Banks and Financial Institutions (Lenders).

As per the terms and conditions of the facilities granted / to be granted, the Lenders will have the right to convert the Debt into Equity, at a time felt appropriate by the Lenders, at a mutually acceptable formula. To authorize the Board to enable the conversion of Debt in to Equity at the time of Strategic Debt Restructuring, an enabling Special Resolution is required to be passed by the shareholders.

Accordingly, this Special Resolution is proposed for approval of Members.

The Board of Directors recommend passing of the Special Resolution at Item Number 8 of the Notice.

None of the Directors, Key Managerial Personnel and/or their relatives is concerned or interested in the Resolution

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STATEMENT AS PER LISTING AGREEMENT WITH REGARDING TO THE DIRECTORS PROPOSED FOR APPOINTMENT – REAPPOINTMENT:-

(1) Mr. Jayanti Patel :- DIN 00027224

Mr. Jayanti Meghji bhai Patel, 64 years, is the Executive Chairman of our Company. Mr. Jayanti Patel holds a Bachelors of Chemical Engineering degree from Maharaja Sayajirao University, Baroda. He currently oversees the international marketing of our Company and is responsible for all major policy decisions. Mr. Jayanti Patel has more than 39 years experience in the Dyes and Pigments industry and more than 21 years experience in the Agrochemicals industry.

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

Name of the firm/concern	Position Held
1) Meghmani Chemicals Limited	Director
2) Meghmani Organics USA Inc.	Director
3) Meghmani Energy Limited	Director
4) PT. Meghmani Organics Indonesia	Director
5) Ashish Chemicals	Partner
6) Meghmani Pigments (erstwhile Alpanil Industries)	Partner

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

Mr. Jayanti Patel is considered to be interested in the resolution.

(2) Mr. Ashish Soparkar:- DIN 00027480

Mr Ashish Natwarlal Soparkar, 63 years, is the Managing Director of our 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 Soparkar, has more than 39 years experience in the Dyes and Pigments industry and more than 21 years experience in the Agrochemicals industry. Mr. Ashish Soparkar is interested in the following companies and partnership firms.

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) Meghmani Energy Limited	Director
5) Ashish Chemicals	Partner
6) Meghmani Pigments (erstwhile Alpanil Industries)	Partner

Mr. Ashish Soparkar is considered to be interested in the resolution.

Registered Office:
184, PHASE II,
GIDC INDUSTRIAL ESTATE,
VATVA, AHMEDABAD 382 445
Date: 28th May, 2016

**BY ORDER OF THE BOARD
FOR, MEGHMANI ORGANICS LIMITED
K. D. MEHTA
COMPANY SECRETARY
FCS - 2051**

Actual Images of Meghmani Finechem Plant



MEGHMANI ORGANICS LIMITED

World Headquarters : 'Meghmani House'

Shree Nivas Society, Paldi, Ahmedabad - 380007, Gujarat (INDIA)

Tel : +91 79 26640668 / 9, Fax : +91 79 26640670

E-mail : helpdesk@meghmani.com website : www.meghmani.com

C/N : L24110GJ1995PLC024052